



Appendix A

2023/24 Quarter 1 Revenue Monitoring



1. Adult Services and Health and Wellbeing Directorate

Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Disability (Adults)	5.441	6.043	0.602	11.07%
Residential & Day Care Services for Older People	0.701	3.819	3.119	445.15%
Total Adult Care and Provider Services	6.142	9.863	3.721	60.59%
Mental Health	37.687	38.421	0.734	1.95%
Learning Disabilities, Autism	171.538	172.212	0.674	0.39%
Social Care Services (Adults)	224.070	222.597	-1.473	-0.66%
Learning Disabilities, Autism & Mental Health	0.000	0.000	0.000	0.00%
Total Adult Community Social Care	433.296	433.230	-0.066	-0.02%
Safeguarding & Quality Improvement Services	4.845	4.700	-0.145	-2.99%
Policy Info & Commission Age Well	0.000	0.000	0.000	0.00%
Policy Info & Commission Live Well	5.211	5.164	-0.047	-0.91%
Total Safeguarding and Quality Improvement	10.056	9.864	-0.192	-1.91%
Total Adult Services	449.493	452.956	3.463	0.77%
Public Health & Wellbeing	-69.157	-69.157	0.000	0.00%
Health Equity Welfare & Partnerships	60.343	60.343	0.000	0.00%
Health, Safety & Resilience	1.997	1.653	-0.343	-17.20%
Trading Standards & Scientific Services	3.814	4.330	0.517	13.54%
Total Public Health	-3.003	-2.830	0.173	5.76%
Total Adult Services and Health and Wellbeing	446.490	450.126	3.636	0.81%

The total net approved budget for Adult Services and Health and Wellbeing in 2023/24 is £446.490m. The forecast outturn position at Quarter 1 is a net cost of £450.126m, resulting in an overspend of £3.636m, which is equivalent to 0.81% of the budget.

Adult Services – Forecast overspend £3.463m

The service continues to experience recruitment and retention difficulties and sickness absences across services increases the reliance on agency workers. Staffing shortages within in-house residential services for example require "day 1" cover, which in the main is provided through agencies, where costs are higher. However, as a service the aim is to contain any required agency spend within the staffing budget envelope.



Overall, demand levels remain relatively consistent, with the notable exception of home care where demand levels continue to rise. The focus of the service over the course of 2023/24 is to implement a strength-based practice model, bring in a new procurement system to reduce the cost for homecare, introducing a new financial scheme of delegation to ensure tighter financial controls and identifying where support offered by the voluntary, community and faith sector can replace more costly, specialist social care support.

Savings progress

In 2023/24 Adult Services have savings of c£37m to deliver, which are a combination of delayed savings and proposals that were agreed by Full Council in February 2023. The savings have been identified and will be delivered against a background of challenge for the service of growing needs of an ageing and increasingly disabled (physical and emotional) adult population as identified by the Director of Public Health in his annual report and the precarious nature of the care market.

In order to deliver the savings programme, the Directorate has developed a new governance structure which includes the Adult Finance Board, to ensure the service monitors progress and mitigates, where possible, any risk linked to the delivery of savings.

One of the identified savings proposals is about how the service reduces demand. Benchmarking data shows that when compared to other similar authorities, whilst Lancashire is not approached by proportionately more people, of those who do come forward, the county council continues to over-prescribe long-term social care packages of support. Local Authorities that perform better typically have a stronger preventative offer and make greater use of community provision funded within the voluntary community and faith sector as an alternative to formal packages of care.

From an adult social care perspective, they generally also deliver a strength-based social care practice model which is something that has been piloted in Lancashire and due to be implemented county wide in 2023/24.

Pressures linked to the care market

Issues impacting on the budget which are increasingly difficult to control/manage include the Fair Cost of Care, an exercise all authorities were required to complete in readiness for social care reform in 2023. Many of the reforms are now delayed until in 2025/26 however the Fair Cost of Care exercise has been used to inform the provider fee increases for 2023/24. Authorities will be required to publish the results of their Fair Cost of Care exercises, and this is highly likely to illustrate that most councils are not always able to fund to a level acceptable to the care market, thereby impeding market sustainability. We have assumed that the funding provided from government will cover the extra cost pressures associated with increasing the prices paid to our providers associated with the social care reforms.

The council continues to experience challenge in securing care in some parts of the county due to rurality for example, and some types of care i.e. nursing home provision for older people requiring support for their mental health. We are trialling, with the NHS, the use of some of our in-house provider care home beds for this purpose and whilst numbers are still quite modest the outcomes for the individuals

are better and cost savings have been identified. This is enabling people to return from high cost out of area placements and long stay institutional settings which is beneficial to the person and reduces cost. Our Director of Health and Care for Lancashire intends to progress this through the Integrated Care Board.

Budget pressures continue to be experienced primarily in the cost of home care for all adults including older people and those with mental health or learning disability. The county council is also being approached to meet the increasing costs from providers arising due to increases in fuel and energy costs and are under considerable pressure from the market to provide additional financial support. In some instances, due to staffing problems and cost pressures, homecare providers are declining business resulting in a reliance on non-framework higher cost provision.

Older People services

The council continues to experience challenge in securing care in some parts of the county due to rurality for example, and some types of care i.e., nursing home provision for elderly mentally ill. The county council are trialling, with the NHS, the use of some of our in-house provider care home beds for elderly mentally ill people and whilst numbers are still quite modest the outcomes for the individuals are better and cost savings have been identified. This is enabling people to return from high cost out of area placements and long stay institutional settings which is beneficial to the person and reduces cost. Our Director of Health and Care for Lancashire intends to progress this through the Integrated Care Board.

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Income generation

The overall position for the Directorate includes an over-recovery of income in some areas, particularly performing well in relation to direct payment clawback. Work continues with the NHS to achieve better value for money by working together and where appropriate to pool budgets. As part of service delivery, joint funding from the NHS, service user income and direct payment clawback are part of day-to-day operational activity, with levels of income increasing partially due to additional demand levels and also due to improved business processes and collaborative working. This will continue to be monitored and reported in future reports and forms part of next year's savings proposals as there is more work to do.

The forecast position includes the application of various elements of grant income, some of which was not budgeted for, and therefore provides additional support to the Adult Services budget where eligible expenditure has been incurred.



Public Health & Wellbeing – overspend £0.173m

The total budget for Public Health & Wellbeing Services in 2023/24 is a net income budget of (£3.003m) as it includes the ring-fenced Public Health Grant of £74.572m. The service is reporting a forecast overspend of £0.173m at the end of Quarter 1.

As the Public Health Grant is ring-fenced any underspend occurring in year is transferred to the Public Health Grant Reserve re-invested into the service. The total contribution into the reserve from underspending budgets is £1.469m offset by contributions from the reserve of £7.706m resulting in a net reduction in the reserve of £6.237m.

Public Health and Wellbeing – Forecast to breakeven

The Public Health and Wellbeing budget is underspent as the Contained Outbreak Management Fund (COMF) monies have been used to meet employee costs as appropriate. This service block shows a breakeven position as all unspent Public Health Grant will be transferred into the reserve.

Health Equity, Welfare & Partnership – Forecast to breakeven

Although a breakeven position is reported for the service, it is important to note that this includes a contribution to the Public Health Grant Reserve for service budgets that have underspent. After a contribution from the Contain Outbreak Management Fund of £0.400m for staffing costs and underspending on commissioned services, the year-end net contribution into the reserve is £0.870m.

Health, Safety & Resilience – underspend £0.343m

The net underspend position is as a result of some income targets overachieving.

Trading Standards & Scientific Services –overspend £0.517m

Trading Standards & Scientific Services forecast to overspend due to budget pressures on closed landfill sites, environmental testing, one-off and recurring costs of ICT system replacement and upgrade.



2. Education and Children's Services Directorate

Service Area	Net Budget £m	Net Forecast Outturn £m	Net Forecast Variance £m	Net Forecast Variance %
Front Door, Assessment & Adolescent Services	12.324	12.262	-0.062	-0.50%
Family Safeguarding	13.294	15.361	2.066	15.54%
CSC: Looked After Children/Leaving Care	127.791	129.572	1.782	1.39%
Fostering, Adoption Lancashire Blackpool & Residential	39.629	40.938	1.309	3.30%
Family Safeguarding Project	0.023	0.020	-0.003	-13.14%
Total Children's Social Care	193.061	198.153	5.092	2.64%
Inclusion	8.411	8.881	0.471	5.60%
Children and Family Wellbeing Service	19.365	17.541	-1.825	-9.42%
Cultural Services	11.779	12.141	0.363	3.08%
Education Improvement 0-11 to 11+-25 (Combined)	4.760	6.178	1.417	29.77%
Total Education & Skills	44.315	44.741	0.426	0.96%
Safeguarding, Inspection & Audit	16.008	15.947	-0.061	-0.38%
Education & Children's Services Central Costs	-4.889	-4.889	0.000	-0.01%
Total Education and Children's Services	11.119	11.058	-0.061	-0.55%
Policy Info & Commission Start Well	2.054	1.624	-0.430	-20.94%
Total Policy Commissioning and Children's Health	2.054	1.624	-0.430	-20.94%
Total Education and Children's Services	250.549	255.576	5.027	2.01%

The total net approved budget for Education and Children's Services (ECS) in 2023/24 is £250.549m. As at the end of June 2023, the service is forecast to overspend by £5.027m.

The forecast includes contribution from the transitional reserve of c£1.200m to offset pressures resulting from a higher than budgeted pay award offer. In addition, the position assumes the achievement of additional savings of c£550,000 to offset and mitigate against the overspending position. This includes further reducing spend on section 17 payments by c£250,000 and use of c£300,000 of resettlement grants to support existing structures within services which align to activity set out within grant funding criteria.

Children's Social Care – Forecast overspend £5.092m

The largest areas of spend within the Children's Social Care Service are for residential and fostering placements for children in our care and social work teams, with activity cutting across a number of service areas.



Residential and fostering placements (including in-house residential provision) are forecast to overspend by c£1.700m.

Overall there has been a decrease in the number of children looked after over the last 2 to 3 years and on average the number of children entering care has fallen since September 2020 from 2,133 to 1,853 in June 2023, a reduction of 280 (c13%).

The fall in numbers of children looked after over this period is largely due to the impact of the implementation of Lancashire Family Safeguarding in February 2021, to some extent the pandemic with a reduction in both referrals and new assessments during the pandemic and more recently the work being undertaken to improve the county council's response to teenagers at risk of being received into care. Whilst there was some early delivery of Lancashire Family Safeguarding savings in 2021/22 the number of new entrants aged 0-12 was above the level required to deliver budgeted recurring savings during the early part of 2022/23, and although new entrants reduced during the latter half of that year into 2023/24, under delivery of savings of c£1.800m is anticipated in 2023/24.

Whilst the total number of children looked after has fallen the cost of agency residential placements has increased significantly since September 2021. This is in largely due to the extremely complex needs that children being received into care are presenting with, alongside a national care crisis resulting in an increase in the average costs of these placements.

The service is undertaking a range of activity to address placement sufficiency and to ensure more children can be cared for within families wherever possible. Where this is not possible, more children will be placed in local authority owned children's homes. For example, innovative approaches are being explored that would enable the county council to recruit and support more foster carers who could provide homes for children aged 13 and over, who can present some challenges to traditional foster carers. This, along with other mechanisms, could increase in-house fostering sufficiency and reduce dependency on the agency fostering market and residential settings. Where residential homes are required, the local authority plans to increase its own capacity by at least 10 beds in 2023/24.

All high cost and same day placements are subject to an approval process that brings Heads of Service together with the Director of Children's Social Care to discuss alternative options for these children. At times this results in children remaining at home or children being matched to in-house foster carers or children's homes who may have otherwise been discounted. Where a high-cost placement is required, supplier costs are scrutinised and challenged using a nationally recognised care costing tool. Alongside this it is anticipated that two of the new council run children's homes will meet some of this demand for children with disabilities.

Forecast overspends on social work and other teams including staff related costs of c£3.300m are in large part due to the use of agency and managed service staff to fill vacant posts.



The budget for the Children's Social Care Service also covers other allowances, payments and assistance to families which are forecast to overspend by c£2.800m the most significant of which are detailed below.

- Forecast overspends of c£700,000 on Special Guardianship Orders (SGO's) is largely due to higher uplifts than budgeted for.
- Regular payments are forecast to overspend by c£500,000 which is broadly in line with the position in 2022/23.
- Other payments largely relating to assistance to families (section 17), family support and other support for children looked after and children with disabilities, are forecast to overspend by c£2.800m which is an increase in spend of c£200,000 compared to 2022/23. This is an area of spend which saw a significant increases during 2022/23 particularly in the latter half of the year. The forecast assumes the achievement of an additional c£250,000 savings as outlined earlier in this report.
- Child Arrangement Orders (CAO's) are forecast to underspend by c£600,000 which is broadly in line with the position in 2022/23.
- Leaving Care allowances are forecast to underspend by c£500,000 which is also broadly in line with the position in 2022/23.

The above is offset by underspends of c£200,000 across a number of smaller budget areas.

Education and Skills – Forecast underspend £0.426m

Inclusion – Forecast overspend £0.471m

Almost all the forecast overspend relates to the Specialist Teaching Service which is forecast to under recover income by c£530,000 offset by some underspends of c£100,000 mostly on staffing. There have been difficulties in recruiting teaching staff to the service in previous years as the posts require specialist qualifications, however some appointments have recently been made, with all specialist teacher roles now filled. The staff are making a difference in the role they play in supporting schools and providing the right interventions and information for children. Staffing levels have a direct impact on income.

Children Family and Wellbeing Service (CFW) – Forecast underspend £1.825m

Forecast underspends of c£870,000 relate to staffing due to vacancies across the service, c£785,000m to additional Supporting Families Programme funding and c£170,000 to operational costs. Underspends across the Children and Family Wellbeing Service are being used to offset pressures across the Education and Children's Services budget.

Cultural Services – Forecast overspend £0.363m

Forecast overspends of c£120,000 relate to staffing, c£60,000 to non-staff costs and c£180,000 to under recovery of income across the service. Work is ongoing regarding the achievement of income targets in particular for both Lancashire Outdoor Education and Lancashire Music Service.



Education Improvement – Forecast overspend £1.417m

Forecast overspends of c£2.380m relate to under recovery of income across the service. This is due to some schools opting out of the advisory service offer and ongoing pressures on some income generating services including Governor Services and the Professional Development Service, with pressures on school budgets affecting buy-back of services.

The above overspends are partly offset by forecast underspends on non-staff costs of c£880,000 and c£85,000 on staffing.

The review of the service continues to be undertaken in light of the reduction of the number of schools currently buying into the service and competition from other organisations. The service is looking at what savings can be made through a restructure. This will align the service to the current market and school needs rather than previous needs. The service is also looking at expanding into other markets such as traded Attendance Support and marketing advisor support to schools beyond Lancashire.

Policy Commissioning and Children's Health – Forecast underspend £0.430m

Policy, Information and Commissioning Start Well – Forecast underspend £0.430m

Forecast underspends relate to staffing the delivery of additional savings relating to the use of c£300,000 of resettlement grants within services which align to activity set out within grant funding criteria.



3. Growth, Environment and Transport Directorate

Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Waste Management	77.654	76.506	-1.148	-1.48%
Highways	17.678	14.925	-2.753	-15.57%
Public & Integrated Transport	64.559	70.812	6.254	9.69%
Customer Access	3.692	3.613	-0.079	-2.15%
Total Highways and Transport	163.583	165.856	2.273	1.39%
Business Growth	0.428	0.909	0.481	112.43%
Strategic Development	3.391	2.734	-0.657	-19.38%
LEP Coordination	0.071	0.195	0.124	174.61%
Estates	0.664	0.657	-0.007	-0.98%
ED Skills	0.051	0.050	-0.001	-2.56%
Total Growth & Regeneration	4.605	4.545	-0.060	-1.30%
Planning and Environment	3.110	3.078	-0.032	-1.01%
Total Environment & Planning	3.110	3.078	-0.032	-1.01%
Total Growth Environment Transport	171.297	173.479	2.182	1.27%

Highways & Transport – Forecast Overspend £2.273m

The total net approved budget for Highways and Transport in 2023/24 is £163.583m and the forecast outturn position is an overspend of £2.273m.

Waste Management – Forecast Underspend £1.148m

Forecast underspends of c£1.600m relate to expected additional income for recycled materials however prices are volatile and driven by market conditions and will be kept under review throughout the year.

Partly offsetting this are forecast overspends of c£700,000 on the cost of waste disposal. As highlighted in the 2022/23 outturn report, processes at Thornton Waste Recovery Park that reduce the amount of waste that needs to be sent for disposal suffered unplanned down time during 2022/23. As a result, more waste needed disposal than had been budgeted for. The issues which caused the unplanned downtime are expected to be resolved in Summer 2023, consequently there has also been more waste requiring disposal than budgeted for in 2023/24.

Highways – Forecast Underspend £2.753m

A detailed review undertaken at Quarter 1 across the large demand led income budgets, including parking and bus lane enforcement, developer support and work undertaken by utility companies shows an overall forecast underspend of c£1.800m. Using a combination of early data for 2023/24 and the outturn from 2022/23, the



review shows a significant forecast under-recovery of income on parking and bus lane enforcement. However, this is more than offset by forecast over recovery of income from both utility companies and housing developers. Options to increase pay and display charging in high volume areas continue to be explored as a previously agreed saving is still to be delivered. An income shortfall within bus lane enforcement is due to less people being fined for using bus lanes illegally. Bus lane restrictions have now been in place for some time and consequently public awareness has increased. As stated above these income streams are demand led and will be kept under review throughout the year.

Further underspends of c£400,000 relate to public realm agreement payments to District and Parish Councils for work they undertake on the county council's behalf. This budget was increased in 2022/23 with some of that increase allocated whilst some remains unallocated.

The remainder of the forecast relates to staffing with underspends within school crossing patrols and using transitional reserves to cover the additional pay costs resulting from the pay award offer.

Public and Integrated Transport (PIT) – Forecast Overspend £6.254m

The most significant budget pressure within this service of c£6.000m relates to the costs of home to school transport, mainly relating to children with special educational needs. In 2022/23 an overspend of c£5.000m was reported largely due to significant increases in passenger numbers and journey distances in line with best practice as outlined in statutory guidance in relation to how long a child should be transported (45 minutes for primary and 75 minutes for secondary school children), in the 2022/23 academic year. The timing of these increases means that the impact has not been reflected in the budget for 2023/24. Despite being a significant overspend compared to budget there is still a degree of uncertainty around the forecast depending on the changes in passenger numbers in the 2023/24 academic year from September 2023. Work is being undertaken to identify how cost pressures can be mitigated going forward.

Bus stations are expected to overspend by c£400,000 due to departure charges not increasing in 2023/24 (and in previous years). Focus remains on increasing bus patronage following the pandemic which is supported by additional grant from the Department for Transport, and as such it is not appropriate to increase charges to bus operators at this time.

Fleet services are forecast to overspend by c£400,000 predominantly due to reductions in the amount of external work being undertaken.

Concessionary travel is forecast to underspend by c£500,000. In the past 2 to 3 years the county council has reimbursed operators based on pre-pandemic passenger numbers. Government advice has been subject to change in this area, but the latest guidance suggests either continuing to pay at pre-pandemic levels or tapering down support, but that if support is reduced the resulting saving is used to fund additional bus services. Payments are expected to continue throughout 2023/24 at 90% of pre-pandemic levels (or actuals if they are greater than 90%) and c£1.500m is forecast to be transferred to reserves to fund spend on bus services.



Historically, prior to the pandemic, the service underspent by approximately £1.500m and whilst a saving of £1.000m has been taken in 2023/24 an underspend is still expected.

Growth and Regeneration – Forecast Underspend of £0.060m

The total net approved budget for Growth and Regeneration in 2023/24 is £4.605m and the forecast outturn position is an underspend of £0.060m.

Business Growth – Forecast Overspend £0.481m

The forecast overspend relates to non-delivery of savings targeting additional income from the Lancashire County Developments Limited Business Parks and securing increased contributions from unitary and district council partners. Savings of £700,000 are included in the budget for 2023/24 and the position shows that efforts are being made to mitigate the non-delivery of savings, with action taken across Growth and Regeneration to reduce expenditure which is expected the result in no significant overspend from budget.

Strategic Development – Forecast Underspend £0.657m

The forecast underspend mainly relates to a combination of staffing and operational spend on the major project team which will offset the budget pressure forecast for Business Growth and LEP Coordination.

LEP Coordination – Forecast Overspend £0.124m

The forecast overspend is due to the contribution to the LEP being based on population rather than an equal split between Blackpool, Blackburn and Lancashire County Council resulting in the County Council's contribution increasing compared to budget.

Environment and Planning – Forecast Underspend £0.032m

The total net approved budget for Environment and Planning in 2023/24 is £3.110m and the forecast outturn position is an underspend of £0.032m.

Planning and Environment – Forecast Underspend £0.032m

Overall, no significant variance from budget is forecast at Quarter 1, however, there are offsetting under and overspends across the service with underspends forecast on staffing due to several vacant posts offset by reduced capital recharger income as a number of these vacancies would deliver capital projects.

Several vacant posts will be recruited to soon to help with project delivery following the County Council's recent success in securing large capital grants for active travel and public transport schemes. New ways of managing the operational overspends on countryside and public rights of way are therefore under consideration.

4. Resources Directorate and Chief Executive Services

Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Corporate Budget (Pensions & Apprentice Levy)	6.541	6.551	0.010	0.15%
Corporate Budget (Treasury Management)	40.674	40.674	0.000	0.00%
Resources	3.611	0.603	-3.008	-83.30%
Total Resources	50.825	47.828	-2.998	-5.90%
Lancashire Pension Fund	-0.002	-0.003	-0.001	-37.01%
Exchequer Services	4.872	4.711	-0.162	-3.32%
Financial Management (Dev and Schools)	0.023	0.216	0.193	839.96%
Financial Management (Operational)	1.749	1.869	0.120	6.85%
Corporate Finance	8.519	7.455	-1.064	-12.49%
Payroll Services	1.127	1.103	-0.023	-2.07%
Procurement	2.560	2.546	-0.014	-0.55%
Internal Audit	1.098	1.032	-0.066	-6.02%
Total Finance Services	19.945	18.928	-1.017	-5.10%
Service Assurance	22.871	23.573	0.702	3.07%
Digital Business Engagement	2.458	2.359	-0.099	-4.04%
Design & Implement	5.477	5.732	0.254	4.64%
Operate	3.897	4.219	0.322	8.26%
Architecture	1.104	0.958	-0.146	-13.19%
Data	0.000	0.000	0.000	#DIV/0!
Total Digital Service	35.807	36.840	1.033	2.88%
Corporate Strategy and Policy	0.220	0.058	-0.162	-73.68%
Facilities Management	30.377	31.656	1.279	4.21%
Asset Management	9.016	8.694	-0.323	-3.58%
Business Intelligence	1.567	1.602	0.035	2.23%
Total Strategy and Performance	41.180	42.010	0.830	2.01%
Coroner's Service	2.509	2.899	0.389	15.52%
Legal and Governance Services	17.205	17.350	0.145	0.84%
Registration Service	0.013	-0.049	-0.061	-484.44%
Total Law & Governance	19.727	20.200	0.473	2.40%
Programme Office	1.380	1.383	0.003	0.20%
Organisational Development	0.711	0.646	-0.065	-9.18%
Total Organisational Development & Change	2.091	2.028	-0.062	-2.99%
Human Resources	2.760	2.665	-0.095	-3.45%
Skills Learning & Development	3.305	3.227	-0.079	-2.38%
Total People Services	6.065	5.892	-0.174	-2.86%
Communications	1.503	1.377	-0.126	-8.41%
Total Communications	1.503	1.377	-0.126	-8.41%
Total Resources	177.144	175.102	-2.042	-1.15%



Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Chief Executive	2.104	1.101	-1.003	-47.67%
Corporate Budgets (Funding and Grants)	-8.538	-8.709	-0.171	-2.00%
Total Chief Executive Services	-6.434	-7.608	-1.174	-18.25%
Total Resources & Chief Executive Services	170.710	167.494	-3.216	-1.88%

Resources – Forecast underspend £2.998m

The underspend relates to operational budgets with no expenditure expected.

Financial Services – Forecast underspend £1.017m

Exchequer Services – Forecast underspend of £0.162m

The forecast underspend predominantly relates to staffing as a result of vacancies that the service is experiencing. This is offset in part by overspends on ICT expenditure.

Financial Management (Development and Schools) – Forecast Overspend £0.193m

The forecast overspend relates to staff cost pressures and the under – recovery of income. This pressure is partially offset by underspends across operational budgets.

Financial Management (Operational) – Forecast Overspend £0.120m

The forecast overspend is due to staff cost pressures.

Corporate Finance – Forecast underspend £1.064m

The underspend largely relates to early delivery of a saving relating to contributions to the insurance provision.

Digital Services – Forecast overspend £1.033m

The total net approved budget for Digital Services in 2023/24 is £35.807m. As at the end of June 2023, the service is forecast to overspend by £1.033m. The most significant forecast variances are explained below.

- Forecast underspends of c£900,000 relate to staff costs and vacant posts offset by c£800,000 to cover the cost of contractors and commissioning work from external providers/consultants. The service continues to experience difficulties in recruiting staff. Underspends are further offset by forecast under recovery of income of c£200,000 due to fewer requests for chargeable one-off change projects as opposed to business-as-usual work.
- Forecast overspends of c£800,000 relate to renewals (payments to third party suppliers for maintenance, support and licences). Of this overspends of £1.300m for Oracle licences are partly offset by non-recurring underspends on managed security operations of c£500,000. Additional funding of £756,000



was included in the budget from 2023/24 for managed security operations, however, the contract is expected to commence later in the year.

- Education Services is forecast to overspend by c£400,000 following a fall in the number of schools buying back services, in particular broadband, and the cessation of provision of some other products/services in 2022/23.
- Forecast underspends of c£200,000 relate to various other expenditure and income across Digital Services.

Strategy and Performance – Forecast overspend £0.830m

The total net approved budget for Strategy and Performance in 2023/24 is £41.180m. As at the end of June 2023, the service is forecast to overspend by £0.830m.

Corporate Strategy & Policy – Forecast underspend £0.162m

The forecast is non-recurring and relates to staffing as the newly created posts are only expected to be filled towards the end of the financial year.

Facilities Management – Forecast overspend £1.279m

The forecast predominantly relates to school catering, as highlighted in the 2022/23 outturn report, the service has faced unprecedented inflationary increases in their 2 main cost areas namely salary and food costs. To try to mitigate the financial position the service has increased the selling price of meals in conjunction with school meal funding since April as part of their annual price review and are continuing to look at menu options and product changes to make cost savings and will continue to do so throughout the year. Despite this the size of the inflationary increases means there is still a significant budget pressure remaining.

Asset Management – Forecast Underspend £0.323m

Underspends of c£400,000 relate to staffing as there are vacant posts across the service. Work is ongoing to recruit to these posts and the variance will depend on how quickly they are filled.

Partly offsetting this is an overspend of c£100,000 on the property group team that have transferred into Asset Management from Design and Construction. This team are income generating, predominantly delivering capital projects and schools and their income is generated based on fees earned from the projects delivered each year and as such can vary significantly. There is still some uncertainty as to exactly what projects will be delivered in 2023/24 and this will be kept under review throughout the year.

Law and Governance – Forecast overspend £0.473m

The total net approved budget for Law and Governance is £19.727m. As at the end of June 2023, the service is forecast to overspend by £0.473m.



Coroners – Forecast overspend £0.389m

The rise in number of referrals has continued in 2023/24 and the pressure is compounded by the rise in costs in toxicology, funeral directors, and charges from the trust for storage. In addition, to these rises the service has had to enter into a new contract agreement from July 2023 to deliver CT scanning post-mortems.

The forecast overspend includes the anticipated pay award for National Joint Council (NJC) staff and the Joint Negotiating Committee for Coroners, of 3.5%.

Legal and Governance Services – Forecast overspend £0.145m

The forecast overspend at Quarter 1 is mainly due to income pressures across various areas within the service, slightly offset by some staffing underspends.

Organisational Development and Change – Forecast underspend £0.062m

The total net approved budget for Organisational Development and Change in 2023/24 is £2.091m. As at the end of June 23, the service is forecast to underspend by £62,000.

People Services – Forecast underspend £0.174m

The total approved net budget for People Services in 2023/24 is £6.065m. As at the end of June 2023, the service is forecast to underspend by £174,000 largely due to overachievement of income and small staffing underspends.

Communications Service – Forecast underspend £0.126m

The forecast underspend for the Communications Service relates to staffing costs, partially offset by overspends on ICT related costs.

Chief Executive Services – Forecast underspend £1.174m

The total net approved budget for Chief Executive Services in 2023/24 is -£6.434m and the forecast outturn position is an underspend of £1.174m.

The variance reported largely relates to underspends across operational budgets.

