

Appendix A

2024/25 Quarter 1 Revenue Monitoring



1. Executive Summary

Service Area	Adult Services	Education and Children's Services	Growth, Environment, Transport & Health	Resources & Chief Executive Services	Corporate Budgets	Total
	£m	£m	£m	£m	£m	£m
2024/25 Net Budget	469.242	256.135	196.042	138.289	52.046	1,111.754
Initial forecast projection	484.406	267.768	199.662	136.211	52.061	1,140.108
Underlying Q1 Forecast Position	15.164	11.633	3.620	-2.078	0.015	28.354
Mitigations	-1.500	-3.550	-3.150	-1.814	0.000	-10.014
Recovery Plan	-8.750	-2.000				-10.750
Quarter 1 Net Forecast Variance	4.914	6.083	0.470	-3.892	0.015	7.590
Quarter 1 Net Forecast Variance %	1.05%	2.37%	0.24%	-2.81%	0.03%	0.68%

- 1.01 The initial forecast indicated that there will be an overspend of £28.4m in 2024/25. The forecast outturn position is based on activity and expenditure and income levels up to the end of June 2024, with assumptions made as to the levels expected by the end of the financial year. In light of a significant underlying budget pressures, a forensic review of budgets has taken place in order to demonstrate the actions that can and will be taken to achieve a balanced budget position by the end of the financial year. This has resulted in £10m of mitigations being identified.
- 1.02 Given the challenge of balancing the current year's budget each Directorate has reviewed its current position and produced a recovery plan of areas where spend profiles could be influenced prior to the year end. These are explored further in the directorate overviews section of this appendix and total £10.750m.
- 1.03 Services have completed initial recovery plans to support reaching the forecast overspend of £7.6m in 2024/25. However, these will undergo further development during Quarter 2 to achieve a balanced budget position.
- 1.04 This report provides details of those areas where forecast pressures exist, most notably adult and children's social care, with a combined overspend of £11m. This forecast position is in the most part due to challenges faced in the delivery of savings, increases in the complexity and costs of packages and in some areas increased demand. In adult social care there are pressures across the in-house provision of residential and day services, mainly due to staffing costs and income targets not being achieved.



- 1.05 All services are under review and need to reduce costs and increase income levels to achieve a balanced budget position. Services have produced recovery plans to reach a forecast overspend of £7.6m, with further development of plans taking place during Quarter 2 to work towards a balanced budget position being achieved by the end of the financial year. The focus will remain on continuing to tightly control and drive down costs wherever possible including the identification of offsetting cost reductions.
- 1.06 A key element of the 2024/25 budget, is the agreed savings programme totalling £59m, with c80% forecast to be delivered as part of the Quarter 1 position. This is a critical element of delivering a balanced budget position, with a very clear position across the council being that in areas where savings are delayed or not able to be delivered in their original form, mitigations must be found to neutralise the impact on the in-year budget position.
- 1.07 The pay award for 2024/25 has not been agreed at this stage in the financial year, but the forecast cost is currently at the level of the offer (weighted average of 3.94%) that was made and has been rejected. As was detailed in the 2024/25 budget report, the higher than budgeted pay award has been offset from a contribution from the Transitional Reserve (£4.5m). An additional 1% increase for the pay award equates to £4.5m.
- 1.08 Within the forecast overspend position, there are some underlying pressures that are not evident, as mitigations are in place, but in future financial years could lead to financial pressures. The main areas that fall into this category are as follows:
- Treasury Management – In 2023/24 a £9m saving was agreed from the treasury management budget. The economic climate meaning this was not possible to achieve in 2023/24 and £15m was drawn down from the Treasury Management Reserve. There is some improvement in the predicted outturn position in 2024/25 but a £12m overspend is likely. It is expected that further support will be required from the reserves set up from previous surpluses, with a nil impact on outturn. However, this could be a budget pressure in 2025/26.
 - There is ongoing dialogue with the Integrated Care Board in relation to a £10m contribution to the Better Care Fund to support relevant expenditure plans within Adult Social Care.
- 1.09 The budget statement is scheduled for 30 October 2024, which will be the first announcement of this nature since the change in Government. In recent years, additional funding has been provided for social care and has helped the in-year position. At this stage in the forecast no additional funding has been included.



2. 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)	8.538	11.329	2.790	32.68%
Urgent Care, Acute and Prisons (Countywide)	5.285	5.567	0.283	5.35%
Residential and Day Care Services for Older People	-2.019	4.324	6.343	-314.16%
Total Adult Care And Provider Services	11.804	21.220	9.416	79.77%
Mental Health	38.621	39.507	0.886	2.29%
Learning Disabilities, Autism	180.022	186.965	6.943	3.86%
Social Care Services (Adults)	224.035	221.866	-2.169	-0.97%
Total Adult Community Social Care	442.678	448.338	5.660	1.28%
Social Care Services (Adults)	5.263	5.180	-0.083	-1.58%
Total Strategic And Integrated Commissioning	5.263	5.180	-0.083	-1.58%
Safeguarding Adults Service & DOLS	7.467	7.757	0.290	3.88%
Total Quality, Contracts And Safeguarding Adults	7.467	7.757	0.290	3.88%
Quality and Improvement	1.509	1.416	-0.093	-6.15%
Business Development	0.520	0.494	-0.026	-4.97%
Total Quality Improvement And Principal Social Worker	2.029	1.910	-0.119	-5.85%
Total Adults (Pre Adjustments)	469.242	484.406	15.164	3.23%
Adjustments:				
Recovery Plan		-8.750	-8.750	
Mitigations		-1.500	-1.500	
Total Adults	469.242	474.156	4.914	1.05%

Executive Director of Adult Services and Health and Wellbeing – Commentary

- 2.01 Adult Services has been applying a number of measures to ensure there is robust and effective budget management. This includes oversight via the Directorate Finance Board, identifying accountable Directors and Heads of Services for savings proposals, and exploring all opportunities with the NHS for cost sharing.
- 2.02 The trend and risk in managing the Adult Services budget continues to be around balancing overspends in care packages and underspends in staffing. The latter, poses the service with challenges in terms of recruitment and



retention, quality and consistency and for residents longer waiting times for support, which is an ongoing priority to address.

- 2.03 A strong recovery plan has been developed to address some of the underlying issues ranging from occupancy in in-house provider services to reducing agency staffing costs and sickness. Focus is also on delivery of the savings agreed in the budget.
- 2.04 Negotiations continue with NHS partners deliver care more efficiently as well as around Better Care Fund monies.
- 2.05 Details of the significant variances across Adult Services are shown below:

Adult Care and Provider Services – Forecast overspend £9.4m

- 2.06 The in-house services are both facing pressures across their staffing budgets. These have been relatively long standing and are being reviewed in light of the current service offer. The Residential and Day Care Services for Older People has particular pressures relating to agency staff, and whilst this is still forecast to cost £4m, the service has reduced the number of agency staff they are employing.
- 2.07 In addition, income levels are presenting pressures, as since the pandemic, occupancy levels in our residential homes have not reached the levels that were seen prior to early 2020. As part of the recovery plan for the service, a target occupancy level of 95% has been set.

Adult Community Social Care – Forecast overspend £5.7m

- 2.08 The Mental Health Service is forecast to overspend by £0.9m. This is predominantly due to cost pressures on nursing and residential care expenditure. The service is reviewing the cases and costs at the moment, as there are challenges in terms of data quality. These pressures are offset by forecast underspends across the staffing budget due to vacancies and also the community-based services budget, due to delays in commissioning.
- 2.09 Learning Disabilities and Autism is forecast to overspend by £7m. The overspend mainly relates to pressures across homecare and supported living budgets. The service is experiencing more expensive weekly costs, particularly across homecare. This service area has significant savings applied to the budget that in some areas are proving challenging, with mitigations found as part of the recovery plan.
- 2.10 The Social Care (Adults) budget, which focuses on older people and those with a physical disability is forecast to underspend by £2m. The service continues to see falling numbers across residential and nursing care; however this is largely offset by increases across homecare.



Adult Social Care – Adjustments

- 2.11 Adult Services have produced a recovery plan that will improve the position by £8.75m by the end of the financial year. The plan covers areas such as reducing staffing costs (sickness and agency) and improving occupancy levels across our in-house services, reviewing activity levels and contracts across all service areas. It is forecast that they will improve the position by £8.75m by the end of the financial year.
- 2.12 The forecast position has also been adjusted to reflect the use of reserve balances.



3. 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 and Adolescent Services	12.099	11.779	-0.321	-2.65%
Family Safeguarding	14.762	15.532	0.770	5.21%
CSC: Looked After Children/Leaving Care	132.185	141.335	9.151	6.92%
Fostering, Adoption Lancashire Blackpool and Residential Services	44.217	42.967	-1.250	-2.83%
Family Safeguarding Project	0.002	0.000	-0.002	-96.22%
Total Children's Social Care	203.266	211.614	8.348	4.11%
Inclusion	11.166	12.507	1.341	12.01%
Children and Family Wellbeing Service	12.181	10.055	-2.126	-17.45%
Cultural Services	12.402	13.099	0.696	5.61%
Education Improvement	3.276	6.676	3.399	103.76%
Total Education & Skills	39.026	42.336	3.311	8.48%
Safeguarding, Inspection and Audit	16.609	16.583	-0.026	-0.16%
Education and Children's Services Central Costs	-4.454	-4.454	0.000	0.00%
Total Education and Children's Services	12.155	12.129	-0.026	-0.21%
Policy Info and Commission Start Well	1.689	1.689	0.000	0.00%
Total Policy Commissioning and Children's Health	1.689	1.689	0.000	0.00%
Total Education and Children's Services	256.135	267.768	11.633	4.54%
Adjustments:				
Recovery Plan		-2.000	-2.000	
Mitigations		-3.550	-3.550	
Total Education and Children's Services	256.135	262.218	6.083	2.37%

Executive Director of Education and Children's Services – Commentary

3.01 The Directorate's Leadership Team continues to focus on strengthening financial management and ensuring the robust decision making is in place before committing to significant spend. For example, 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. Strengthened oversight and challenge has also been applied to payments for support and assistance to families, helping to ensure that universal service offers have been fully considered before incurring additional spend.

- 3.02 Moving forward, we will continue to focus on addressing the challenges around sufficiency of homes, both fostering and residential, for children in our care, and in our focus on sustaining reductions of new entrants in to care through approaches such as Family Safeguarding and strengthening our multi-agency support for children and young people at risk of/being exploited. These, together with offset from underspends across the Directorate and bringing forward future savings options, will help to reduce financial pressures within the Education and Children's Services budget.
- 3.03 Details of the significant variances across Education and Children's Services are shown below:

Children's Social Care – Forecast overspend £8.348m

- 3.04 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) is forecast to overspend by c£4.700m.
- 3.05 Overall the number of children looked after continues to fall following the implementation of Lancashire Family Safeguarding in February 2021, with 142 (8%) less in Jun-24 (1,711) than at the same time last year (1,853). Whilst numbers of new entrants age 0-12 required to deliver family safeguarding savings have been on or below target on average in 2023/24 and 2024/25, there is some delayed delivery of family safeguarding savings (c£1.500m) resulting from the impact of higher new entrants into care during 2022/23.
- 3.06 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.
- 3.07 Forecast overspends of c£2.500m relate to increases in the cost of placements for children with disabilities with the number of children placed with Independent Fostering Associations (IFA's) decreasing whilst the number in agency residential homes increased.
- 3.08 Further overspends of £0.700m are forecast which represents under delivery of placement related savings.
- 3.09 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. In house residential services have significantly increased occupancy rates, to 96%, and the programme to increase the number of in-house homes continues, with the first home and Adolescent Support Unit completed and progressing through Ofsted registration and further homes expected to be completed with a view to becoming operational during 2024.

- 3.10 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. These actions have slowed down growth in agency residential placements during 2023/24 and into 2024/25.
- 3.11 Overspends of £0.600m are forecast on social work and other teams including staff related costs. Whilst some staff pressures continue, use of agency and managed service staff has decreased significantly since 2023/24 with use of managed teams ceasing completely.
- 3.12 The budget for the Children's Social Care Service also covers other allowances, payments and assistance to families.
- 3.13 Family support (home care) for children with disabilities (CwD) is forecast to overspend by c£1.600m, with pressures from 2023/24 continuing into 2024/25 albeit at a reduced level. This is an area of spend that saw significant increases during 2022/23, although spend does appear to have stabilised over 2023/24 and into 2024/25. Home carer packages are now subject to the same scrutiny as high costs placement and the budget includes some joint health funding savings of £0.900m.
- 3.14 Payments relating to assistance to families (Section 17) and other support for children looked after, is forecast to overspend by £0.400m, with some pressures in 2023/24 continuing into 2024/25 albeit at a reduced level. A new Section 17 procedure has been launched which highlights a range of universal services that should be utilised instead of Section 17 funds. A large proportion of the spend relates to providing housing for families where housing have discharged their duties and for independent assessments within proceedings. Task and finish groups have been set up to report on how these costs could be reduced.

3.15 Forecast variances from budget for other allowances and payments are detailed below and represent a combined overspend of c£1.600m.

- Direct Payments for children with disabilities are forecast to overspend by c£1.000m, which is broadly in line with 2023/24.
- Forecast overspends of £0.300m on Special Guardianship Orders (SGO's) are largely due to higher uplifts than budgeted for.
- Staying Put is forecast to overspend by £0.600m, with net expenditure increasing by £0.400m (50%) compared to 2023/24.
- Offsetting underspends of c£300,000 relate to Child Arrangement Orders (CAO's), Leaving Care and Adoption Allowances.

3.16 The above is offset by underspends of £0.400m across a number of smaller service areas, most of which relates to Adolescent Support Unit/Outreach Service.

Education and Skills – Overspend £3.311m

3.17 There are spending pressures within the Inclusion Service and Education Improvement on staffing costs and income generation. This is partly offset by the underspending on staffing across the Children Family and Wellbeing Service (CFW).

3.18 Forecast overspends of £0.500m across the remainder of the service largely relate to staffing and use of agency workers to fill vacancies whilst the service work towards recruiting to posts as part of the SEND Transformation Programme.

Cultural Services – Overspend £0.696m

3.20 Lancashire Outdoor Education is forecast to overspend by £0.300m largely due to staffing and the use of agency staff (£0.270m) and non-staff costs (£0.180m), albeit these are offset by over recovery of income £0.160m.

3.21 Forecast underspends of £0.300m on the Library Service relate to staffing, mitigated by some underspends on non-staff costs and over recovery of income from fees and charges.

3.22 Forecast overspends across a number of service areas amount to £0.100m, most of which relates to the under recover of income within the School Library Service.

Education and Children's Services – Adjustments

3.23 Education and Children's Services have produced a recovery plan that covers areas such as reducing placement costs and using reserves to support budget pressures. It is forecast that they will improve the position by £2m by the end of the financial year.



3.24 The forecast position has also been adjusted to reflect the application the reserve balances, management actions and application of Public Health Grant where services meet the grant conditions.



4. Growth, Environment, Transport and Health

Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Highways Operations and Design	16.881	19.749	2.869	16.99%
Highways Network Management	5.648	4.628	-1.020	-18.06%
Public and Integrated Transport	78.770	78.785	0.015	0.02%
Total Highways And Transport	101.299	103.163	1.864	1.84%
Business Growth	0.553	0.969	0.416	75.20%
Strategic Development	1.450	1.015	-0.435	-29.99%
LEP Coordination	0.075	0.075	0.000	-0.48%
Estates	0.742	0.742	0.000	0.00%
ED Skills	0.022	0.022	0.000	0.86%
Total Growth & Regeneration	2.842	2.823	-0.019	-0.67%
Waste Management	82.272	84.100	1.828	2.22%
Environment & Climate	2.465	2.462	-0.003	-0.12%
Planning & Transport	1.009	0.971	-0.037	-3.70%
Total Environment And Planning	85.745	87.533	1.788	2.09%
Public Health and Wellbeing	-64.030	-64.030	0.000	0.00%
Health Improvement	58.299	58.299	0.000	0.00%
Health Equity Welfare and Partnerships	4.994	4.970	-0.025	-0.49%
Health, Safety and Resilience	2.390	2.295	-0.095	-3.97%
Trading Standards and Scientific Services	4.503	4.610	0.107	2.38%
Total Public Health	6.156	6.144	-0.012	-0.20%
Total Growth, Environment, Transport & Health	196.042	199.662	3.621	1.85%
Adjustments:				
Mitigations		-3.150	-3.150	
Total Growth, Environment, Transport and Health	196.042	196.512	0.470	0.24%



Executive Director of Growth, Environment, Transport and Health – Commentary

- 4.01 Whilst the Directorate remain focused on robust financial management and a number of challenges reported previously have been successfully mitigated, pressures have materialised including some factors outside of the control of budget holders.
- 4.02 Financial pressures of note include waste management; delays in anticipated Government policy with regard to transport capital; and the costs of addressing risks caused by unsafe trees on council/highway land.
- 4.03 As reported in previous quarters, having previously achieved high levels of income, we continue to see significantly reduced commercial income for recycled waste 'recyclate' due to ongoing volatile market conditions. Q1 does include early signs of a potential recovery compared to prices in 2023/24, in tandem with changing global factors and reduced inflationary pressures, however this is limited and a prudent forecast is adopted. In addition, Lancashire's overall recycling rate (under)performance is resulting in more residual waste which translates to a budget pressure. Work is underway to prepare medium to longer term options to increase recycling rates across Lancashire as part of a strategic approach to collection, transfer and disposal of waste.
- 4.04 Budget proposals were in development in 2023/24 relating to elevated levels of capital funding associated with the Government's new Local Transport Fund. As this has been delayed and Department for Transport funding remains subject to the autumn Spending Review, revenue implications are factored in to the Q1 forecast.
- 4.05 Details of the significant variances across Growth, Environment, Transport and Health are shown below:

Highways & Transport – Forecast Overspend £1.864m

Highways Operations and Design – Forecast Overspend £2.869m

- 4.06 The most significant overspend of £2.500m relates to additional tree work. This is following the completion of tree survey work and has now confirmed the volume of directly unsafe trees (including those subject to ash dieback) that need to be addressed. Further work is underway to revisit programme and the resource requirements in year.
- 4.07 Further overspends of £0.500m relate to the design teams who are carrying several vacancies, but as there is an expectation, they will deliver capital works and recover overheads, this results in a pressure on the revenue budget. These vacancies are expected to be recruited to during 2024/25 which could improve this overspend and help reduce our reliance on using consultants to deliver capital works.



- 4.08 Partly offsetting this are underspends of £0.300m relating to public realm agreements with district and parish councils.

Highways Network Management – Forecast Underspend £1.020m

- 4.09 The forecast variance predominantly relates to street lighting energy prices which are amended each October for the following 12 months. The budget assumes that the price will increase by RPI in October 2024 however recent market information gives a range of price reductions between 22% and 26% which will result in reduced costs over the second half of 2024/25.

Public and Integrated Transport – Forecast Overspend £0.015m

- 4.10 Overall, there is no significant variance to budget however there are some offsetting variances across the service with the most significant detailed below.
- 4.11 Overspends of £0.500m relate to school transport predominantly for children with special educational needs and disabilities. We are early in the financial year and there is significant uncertainty as to how much will be spent during 2024/25 the most significant of which will be increases in passenger numbers from the new academic year in September. The forecast overspend relates to a delay in procuring additional vehicles in our own fleet to deliver efficiencies and to reduce our reliance on the taxi market.
- 4.12 Income pressures of £0.200m are forecast at bus stations mainly due to departure charges not increasing in 2024/25 (and in previous years). Focus remains on increasing bus patronage following the pandemic which is supported by additional grant from the Department for Transport.
- 4.13 Offsetting these are forecast underspends on concessionary travel.

Growth & Regeneration – Forecast Underspend £0.019m

Business Growth – Forecast Overspend £0.416m

- 4.14 The forecast largely relates to delayed delivery of savings targeting additional income from the Lancashire County Developments Limited Business Parks and securing increased contributions from unitary and district council partners.

Strategic Development – Forecast Underspend £0.435m

- 4.15 The forecast is a combination of staffing and operational budget underspends in the major projects team to offset the forecast overspend within Business Growth.



Environment & Planning – Forecast Overspend £1.788m

Waste Management – Forecast Overspend £1.828m

- 4.16 The most significant variance of £1.700m relates to lower than budgeted income for recycled materials. As always, these markets are volatile and will be monitored closely throughout the year.
- 4.17 Further overspends of £0.400m relates to waste disposal costs and the fact the forecast tonnages are c11,000 tonnes higher than budget. The extra tonnes would result in an overspend more than £1.000m, but the forecast is less than this due to actions being taken by the service in relation to how the process the waste.
- 4.18 Other smaller underspends across the service of c£0.300m include reductions in the cost of processing green waste and staffing underspends.

Public Health – Forecast Underspend £0.012m

- 4.19 The total Public Health Grant received in 2024/25 is £76.074m and funds services within the Public Health Services and other areas across the county council where there is eligible expenditure.
- 4.20 The service areas that are predominantly public health grant funded (Public Health and Wellbeing, Health Improvement and Health Equity Welfare and Partnerships) have collectively reported an underspend of £0.025m.

Growth, Environment, Transport and Health – Adjustments

- 4.21 The Directorate position has been adjusted to bring forward future management actions. This will improve the forecast position by £0.250m.
- 4.22 The forecast position has also been adjusted to reflect the use of reserve balances and the application of Public Health Grant where services meet the grant conditions.



5. Resources Directorate and Chief Executive Services

Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Resources	4.072	4.078	0.005	0.13%
Total Resources	4.072	4.078	0.005	0.013%
Lancashire Pension Fund	0.008	0.007	-0.001	-13.41%
Exchequer Services	5.841	6.554	0.713	12.20%
Financial Management (Development and Schools)	-0.013	0.207	0.220	-1648.72%
Financial Management (Operational)	2.321	2.037	-0.285	-12.26%
Corporate Finance	7.582	7.516	-0.067	-0.88%
Payroll Services	1.709	1.590	-0.119	-6.96%
Procurement	3.384	3.720	0.335	9.91%
Asset Management	2.814	2.676	-0.139	-4.94%
Facilities Management	27.416	26.910	-0.506	-1.84%
Total Finance and Commerce	51.063	51.215	0.152	0.30%
Service Assurance	27.706	27.050	-0.655	-2.36%
Digital Business Engagement	2.798	2.654	-0.144	-5.15%
Design and Implement	4.714	4.861	0.146	3.11%
Operate	4.508	4.444	-0.065	-1.44%
Architecture	1.440	1.332	-0.108	-7.52%
Total Digital Service	41.167	40.341	-0.826	-2.01%
Coroner's Service	3.106	3.110	0.003	0.11%
Democratic Services	3.669	3.576	-0.093	-2.53%
Governance Services	1.451	1.435	-0.016	-1.10%
Legal Services	13.048	12.873	-0.174	-1.34%
Registration Service	-0.004	-0.113	-0.109	-2419.61%
Internal Audit	1.182	1.111	-0.071	-6.03%
Total Law & Governance	22.451	21.991	-0.460	-2.05%
People Strategy	0.576	0.392	-0.185	-32.03%
People Services	3.475	3.480	0.005	0.13%
Talent & Performance	3.763	3.715	-0.048	-1.29%
Total People Services	7.814	7.586	-0.228	-2.92%
Change Service	2.959	2.601	-0.358	-12.08%
Business Intelligence	1.606	1.634	0.027	1.69%
Customer Access	3.711	3.492	-0.219	-5.91%
Communications	1.917	1.722	-0.195	-10.18%
Corporate Strategy and Policy	0.229	0.236	0.007	3.07%
Total Strategy and Transformation	10.422	9.685	-0.738	-7.08%
Total Resources	136.991	134.896	-2.095	-1.53%



Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Chief Executive	1.299	1.316	0.017	1.33%
Total Chief Executive Services	1.299	1.316	0.017	1.33%
Total Resources and Chief Executive Services	138.289	136.212	-2.078	-1.50%
Adjustments:				
Mitigations		-1.814	-1.814	
Total Resources and Chief Executive Services	138.289	134.397	-3.891	-2.81%

Executive Director of Resources – Commentary

5.01 The Resources directorate shows an underspend of £3.9m. Adjustments to spending plans in recognition of the spending challenges facing the council in the current year, accelerating savings identified for 2025/26 and vacancies have contributed to this position.

5.02 Some of the key areas of focus for the Directorate in the current year include:

- Implement People Strategy
- Recruitment & Retention
- New Digital Strategy in October 2024
- New Council Plan in December 2024
- Medium Term Financial Plan
- Improved Performance Management
- Change Programme linked to service improvement.

5.03 Within the directorate we are reviewing all budgets and income sources during the coming months to help address the financial challenges facing the Council.

5.04 Details of the significant variances across Resources and Chief Executive Services are shown below:

Finance and Commerce – Forecast overspend £0.152m

Exchequer – Forecast overspend £0.713m

5.05 The overspend relates to an under achievement of income and an overspend in employee expenditure.



Payroll Services - Forecast underspend £0.119m

5.06 The underspend predominantly relates to a forecasted underspend on staff costs due to vacancies.

Financial Management (Development and Schools) – Forecast overspend £0.220m

5.07 This variance has a pressure on staffing due to the use of agency staff and in addition is forecasting a shortfall in comparison to its income from trading with schools.

Financial Management (Operational) – Forecast underspend £0.285m

5.08 The service is forecasting a variance due to staff vacancies across the team, with recruitment currently taking place.

Procurement – Forecast overspend £0.335m

5.09 The forecast overspend relates to staffing overspends as a result of the use of agency staff, and also operational cost overspends.

Asset Management – underspend £0.139m

5.10 Underspends of £0.5m are forecast due to vacant posts across the service. This is offset by income pressures across the property group team.

Facilities Management – underspend £0.506m

5.11 The forecast predominantly £0.421m underspend which relates primarily to premises and is utility underspends as prices for gas/electric prices dropping in October which wasn't budgeted, less R&M overspends. School Catering showing - £84k Variance Under

Digital Services – Forecast underspend £0.826m

5.12 Forecast underspends of £0.750m relate to staff costs and vacant posts offset by £0.430m 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 £0.750m due to fewer requests for chargeable one-off change projects as opposed to business-as-usual work.

5.13 Forecast underspends of £0.680m are largely to due delays in planned upgrades and re-procurements.

5.14 The mail, print and scan service is forecast to underspend by £0.370m (excluding staffing), a continuation of underspends in 2023/24.



5.15 Forecast underspends of £0.210m relate to various other expenditure and income across Digital Services.

Law and Governance – Forecast underspend £0.460m

Legal Services – Forecast underspend £0.174m

5.16 At this early stage of the year, the legal fees are currently projected to align with the budget. It's too soon to evaluate the final position accurately.

5.17 There is a projected underspend primarily due to an underspend across staffing budgets.

Registration Service – Forecast underspend £0.109m

5.18 There is an underspend on non-staffing costs. The service over recovers on income but this is offset by an overspend on staffing, a budget realignment is planned for in year to reflect this.

People Services – Forecast underspend £0.228m

People Strategy – Forecast underspend £0.185m

5.19 The underspend predominantly relates to an over achievement of income.

Strategy and Transformation – Forecast underspend £0.738m

5.20 The underspends across the various services predominantly relates to staff vacancies, offset in some cases by agency costs covering those posts whilst recruitment takes place.

Resources and Chief Executive Services – Adjustments

5.21 The Directorate position is adjusted for mitigations that cover areas such as reductions of operational costs in school catering, additional grant funding, reducing external fees and reducing the contribution made to the insurance provision. This will improve the forecast position by £1.814m.



6 Corporate Budgets

Service Area	Net Budget	Net Forecast Outturn	Net Forecast Variance	Net Forecast Variance
	£m	£m	£m	%
Pensions and Apprenticeship Levy	6.320	6.335	0.014	0.23%
Treasury Management	46.337	46.337	0.000	0.00%
Funding and Grants	-0.611	-0.611	0.000	0.00%
Total Corporate Budgets	52.046	52.061	0.014	0.03%

6.01 Whilst no variance is shown against corporate budgets at Quarter 1, there is an underlying risk within the Treasury Management budget. In 2023/24 a £9m saving was agreed from the treasury management budget and this is also included in the base budget for 2024/25. The economic climate meaning this was not possible to achieve in 2023/24 and £15m was drawn down from the Treasury Management Reserve. There is some improvement in the predicted outturn position in 2024/25 but the overspend is predicted to be £12m. It is expected that further support will be required from the reserve set up from previous surpluses with a nil impact on outturn. However, this could be a budget pressure in 2025/26.

