

## GFRA KEY VARIANCES AND MANAGEMENT ACTIONS

General Fund High Level Revenue Summary	Outturn Position			Movement since P9	
	2022/23 Full Year Budget	Actual	Variance	Forecast Outturn P9	Movement in month
Service	£m's	£m's	£m's	£m's	£m's
Adult Social Care	89.209	89.991	0.782	2.639	(1.857)
Public Health	12.122	12.122	0.000	0.000	0.000
Children's Services	56.533	58.776	2.243	2.137	0.106
Customer and Community	7.821	7.129	(0.692)	(0.405)	(0.287)
Planning and Placemaking	4.170	4.606	0.436	0.107	0.329
Environment & Property	72.114	71.341	(0.773)	(0.238)	(0.535)
Resources - Retained MKC	6.107	5.876	(0.231)	0.238	(0.469)
Resources - Shared Services	(0.469)	(0.469)	0.000	0.000	0.000
Law & Governance	4.162	5.357	1.195	1.053	0.142
Corporate Codes & Debt Financing	(4.110)	(7.565)	(3.455)	(4.370)	0.915
Assets Management	(27.992)	(27.992)	0.000	0.000	0.000
<b>General Fund Requirement</b>	<b>219.667</b>	<b>219.172</b>	<b>(0.495)</b>	<b>1.161</b>	<b>(1.656)</b>
New Homes Bonus	(5.997)	(5.997)	0.000	0.000	0.000
NNDR	(55.098)	(55.098)	0.000	0.000	0.000
RSG	(5.801)	(5.801)	0.000	0.000	0.000
Public Health	(12.126)	(12.126)	0.000	0.000	0.000
Other Government Grants	(3.566)	(3.597)	(0.031)	0.000	(0.031)
Council Tax	(137.079)	(137.079)	0.000	0.000	0.000
<b>Total Financing</b>	<b>(219.667)</b>	<b>(219.698)</b>	<b>(0.031)</b>	<b>0.000</b>	<b>(0.031)</b>
<b>Net Surplus / Deficit</b>	<b>0.000</b>	<b>(0.526)</b>	<b>(0.526)</b>	<b>1.161</b>	<b>(1.687)</b>
Transfer to Political Priority Reserve	<b>0.000</b>	<b>0.526</b>	0.526	0.000	0.526
<b>Net Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.161</b>	<b>(1.161)</b>

## Introduction

The Council General Fund Services is reporting a draft outturn underspend of £0.526m, which will be offset by a contribution to the Political Priorities reserve.

## GFRA KEY VARIANCES AND MANAGEMENT ACTIONS

Table 2 - GF High Level Variations

Service Area	Adult Services	Responsible Officer	Victoria Collins	Variance £m	£0.782m
<p><b>Key variations:</b></p> <ul style="list-style-type: none"> <li>• <b>Assessment, Review and Hospital Discharge</b> overspent by <b>£0.490m</b>, due to a 14% increase in the average cost of a support at home care package for older people (from £0.015m in April 22 to £0.017m in March 23).</li> <li>• <b>Autism Service</b> overspent by <b>£0.342m</b>. The number of packages has increased by 39% since April (an additional 15 packages). In addition, there is a £0.097m cost to another Local Authority following the resolution of an ordinary residence issue.</li> <li>• <b>Commissioning and Contracts</b> underspent by <b>(£0.253m)</b>. Care home placements overspent by £0.203m, although (£0.450m) income was received from the hospital discharge fund. There has been a 9% increase in the average weekly cost of placements for people over 65 (from an average £727 in April 22 to £790 in March 23). Additionally, the Manor House contract for learning disability residential placements was underspent by (£0.235m) due to a reduction of 4 service users. There was also a (£0.192m) underspend in mental health commissioned services due to a lower number of complex packages being commissioned, this will be re-modelled and addressed in 23/24.</li> <li>• <b>Community Alarms and Sheltered Housing</b> underspent by <b>(£0.154m)</b> due to vacancies within the team, all vacancies are being recruited to.</li> <li>• <b>Day Services, Short Breaks and Shared Lives</b> underspent by <b>(£0.485m)</b>. This is due to 27 staffing vacancies across Days Services, Short Breaks and Shared Lives (£0.532m) which are being recruited to; and additional Continuing Health Care (CHC) funding of (£0.255m). This is offset by an overspend of £0.174m on Shared Lives packages, reflecting the numbers using the service being 20% higher than in April 22 and an overspend of £0.118m on rent and lease charges on the short break properties.</li> <li>• <b>Homelessness</b> overspent by <b>£2.624m</b>. This is due to the delay in delivery of the invest to save project introduced in 20/21 which aimed to reduce the overall costs to Temporary Accommodation by increasing prevention, move-on's and Assured Shorthold</li> </ul>					

Tenancies. Additionally, the cost of repairs (including repairs after properties become void) was £0.997m. During 22/23, the average rate per night increased by 35% from £56 to £75 due to inflationary pressures, resulting in overall spend for the year on hotels being £0.634m. However, hotel use has decreased substantially by 90% from 80 households in April 22 to 8 in April 23.

- **Learning Disability** underspent by **(£1.407m)**. This is due to 4 fully funded CHC packages (£0.304m), and 10 transition packages starting later than expected (£0.658m), as well as the recovery of unutilised Direct Payments during the COVID period from service users (£0.465m). In addition, Day Care underspent by (£0.243m), reflecting the numbers using the service being 12% (25 packages) lower than budget, and several service users not reaching anticipated levels of care need. The underspend is offset by an additional 15 External Support at Home packages, resulting in a £0.245m overspend.
- **Mental Health** overspent by **£0.475m**, due to an overall increase in packages of 24% since April 22. Supported Living overspent by £0.379m due to an additional 24 placements; and Nursing home placements overspent by £0.164m due to an additional 2 placements, compared to budget.
- **Reablement, OT and Home Care** underspent by **(£0.723m)**. This is due to staffing vacancies across homecare (£0.539m) and Home 1<sup>st</sup> Team (£0.169m). Whilst this service area is experiencing difficulties in recruiting to the vacant posts, a recruitment plan is in place, which has included a recruitment campaign and ongoing recruitment adverts.

**Key demand budgets concerns and actions**

- Temporary Accommodation – The impact of the current economic climate and high inflation could result in an increase in households presenting at homeless.
- There has been a 10% increase in older people care home placements from 207 placement in 21/22 to 228 in 22/23. The unit cost has also increased due to lack of capacity in the market.
- We received £2.152m Hospital Discharge funding which was spent on assisting with the facilitation of hospital discharge over winter.

Service Area	Public Health	Responsible Officer	Vicky Head	Variance £m	£0.000m
<p><b>Key variations:</b></p> <ul style="list-style-type: none"> <li>• The Public Health grant for 22/23 is £12.126m, an increase of 3.34% from 21/22.</li> </ul>					

- Public Health contribution of £0.402m to the Public Health reserve after using £0.265m for one-off projects agreed as part of the budget, including Post-Covid Active MK, health outcomes on regeneration estates and Health Inequalities Improvement project. This increases the value of the reserve from £2.437m to £2.839m. Over the next 2 years, £0.943m has been committed from the reserve.
- There has continued to be an underspend in Sexual Health Services of (£0.192m) due to the re-prioritisation of GP appointments during and following Covid, additionally there is low spend for Out of Area costs. There also continues to be an underspend in Smoking Cessation (£0.131m) and NHS Check Programme (£0.091m) due to low take up of these services and re-prioritisation of primary care activity.

#### Key demand budgets concerns and actions

- Risk of additional costs materialising from the Agenda for Change due to NHS staff pay increase, discussions are ongoing with our legal team and commissioned providers, there is a potential risk of £0.289m for 23/24 and this will increase year-on-year in line with pay inflation.

Service Area	Children's Services	Responsible Officer	Mac Heath	Variance £m	£2.243m
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#### Key variations:

- **Children's Social Work Staffing** overspent by **£0.159m**. There are significant staffing pressures within the Family Support Teams which has resulted in needing agency staff to cover vacancies, maternity and sickness. There is a shortage of agency social workers nationally so to deal with the unallocated cases within the service, an external agency was commissioned for a six-month fixed term contract which came to an end in December. The cost of this contract was £0.428m which was funded from external one-off grant income. Following the end of this contract a further 3 agency workers have now started to work on the remaining unallocated cases. They are expected to remain in place until the Family Support restructure is in place (launching June 23).
- The **No Recourse to Public Funds** budget overspent by **£0.073m**. There has been a high number of families presenting with no recourse to public funds, particularly at the beginning of the financial year. These families are entitled to housing and personal allowance support whilst their application to the Home Office for leave to remain is processed. In June 22 there were 23 open cases, by March 23 this reduced down to ten families.

- **Children with Disabilities Packages** overspent by **£0.363m**. The cost of care packages for children with disabilities is increasing as families are needing more support hours as recovery from the pandemic continues. The current average care package has increased by 26% from £4,468 in March 22 to £5,609 in March 23. In addition, the number of support packages has increased by 2% from 211 to 216 over the past 12 months.
- **Corporate Parenting Service** overspent by **£1.187m**. Demand for placements nationally is high and there is not enough capacity in the market to meet this demand. There have been significant placement requests for children with complex needs and the market is not set up to meet this level of complexity and as a result we are struggling to place some young people in foster care. The average number of residential placements in 21/22 was 16, however we have seen a spike in the numbers of placements this financial year reaching a peak of 30 in September 22 and the average number of residential placements across 22/23 has been 24. Also putting additional pressure on placement capacity is the number of young people over 18 but unable to move on to independent accommodation because of housing supply. There are currently 11 young people in our block bed accommodation (Look Ahead Care) that were ready to move on but can't because they didn't have housing. This has filled up the space in our block contract meaning other placements for our under 18's are being sourced from the external market at a higher cost. The current average cost of Supported Living placements outside of our block contract is £835 per week per young person.
- **Special Educational Needs and Disabilities** services underspent by **(£0.290m)** mainly due to a lower number of short break vouchers being required by children and families (£0.134m) and vacant posts that are currently out to advert (£0.130m).
- **Home to School Transport** overspent by **£1.170m** mainly due to an increase in demand for home to school travel. There has been an increase of 10% (144 children) receiving transport over the last year from 1,399 to 1,543. The number of commissioned contracts has reduced by 9% (19 contracts) over the last year from 207 to 188. The weekly cost of contracted transport has increased by 9% (£0.014m per week) over the last year, from £0.156m to £0.170m. Education Health and Care Plan (EHCP) numbers continue to increase, and this impacts on the number of children requiring transport. There has been an increase of 15% in the number of children with EHCP over the last year from 2,425 to 2,793. Work continues to rationalise existing routes; however, this is against pressure from some providers requesting an increase in rates given the current cost of fuel. Furthermore, there has been a substantial increase in the number of Exceptions and Appeals, the panel has received is higher than previous years trends.

#### **Key demand budgets concerns and actions**

- Children's Placements - whilst the overall number of LAC remained stable, 363 in April (including 28 UASC) and 364 at the end of March (including 32 UASC), pressure on the placements budget remains high. There are several other placements such as special guardianship and adoptions which continue to increase whilst this is positive for permanency for children, there is a financial cost to supporting these placements. There is also a national issue with supply of places, particularly in high-cost placements such as

secure and mother and baby, where we are seeing an increase in complexity since the pandemic, particularly around mental health. The lack of supply of specialist placements is driving up unit costs putting increasing pressure on the budget. Finally, we are seeing more UASC come in this financial year, of the 28 that we had in April only 3 of these remain in our current cohort. This means that we have seen 29 new arrivals over the year. This is putting pressure on placement capacity and increasing the number of Care Leavers who require financial support. Applications with the Home Office for status are often sporadic and delayed meaning the Council has a duty to continue supporting former UASC past their 18<sup>th</sup> birthday until they are able to gain status to claim their own financial support.

- Since the pandemic, an increase in the demand and complexity of the mental health of young people has placed a demand on health colleagues on their mental health units, which can impact placement stability and the need for more social care intervention.
- Children’s Social Care Staff – there continues to be several vacancies across front line social work posts, and it is anticipated that the recruitment campaign will continue to attract new employees, however there is a risk that that agency staff cover will continue to be required at times to cover the vacancies and absences given a general national shortage of social workers.
- Home to School Travel – the number of Education and Health Care Plans (EHCP) in MK (and nationally) is increasing and this is impacting the transport budget, as children are being allocated to the school that can best meet their educational needs, which is often outside of catchment. The service continues to ensure that value for money and efficiency is being achieved through ongoing re-procurement as appropriate and through the introduction of route planning.

**Action plan for overspending areas**

- The Children’s Services Programme Board met regularly during the year to review progress on delivery the Children’s Services Service Plan and addressing the pressures across the service. This Board disbanded in March 2023.

<b>Service Area</b>	<b>Customer and Community</b>	<b>Responsible Officer</b>	<b>Sarah Gonsalves</b>	<b>Variance £m</b>	<b>(£0.692m)</b>
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**Key variations:**

- The Policy and Performance service underspent by (£0.199m), this is largely due to vacant posts and uncommitted budgets (£0.142m) and higher than budgeted income from the Casino (£0.056m).
- Customer Services underspent by (£0.132m) as a result of vacancies in the team.
- Grants received towards Home Office Citizenship Ceremonies totalling (£0.091m) have been received.
- Vacancies in the Regulatory Unit have resulted in an underspend of (£0.122m).
- A pressure from Coroners and Inquests is due to backdated invoices for services (toxicology, post-mortem and other hospital bills) from Nottinghamshire & Cambridgeshire hospitals in prior years, not previously invoiced or accrued, totalling £0.140m. This is off-set by higher than budgeted income in Environmental Health and Registrations totalling (£0.144m).
- There is a pressure within Leisure for swimming support of £0.040m due to higher than anticipated costs; this is off-set by the percentage share in income from the Abbeyhill golf course (membership income) of (£0.065m).

Service Area	Planning and Placemaking	Responsible Officer	Paul Thomas	Variance £m	£0.436m
<b>Key Variations:</b> <ul style="list-style-type: none"> <li>• Due to the decrease in construction and property sales, planning application income was less than planned by £0.531m and land charges income reduced by £0.127m. These were partly offset by an increase in planning obligation income of (£0.079m). For 2023/24 a pressure of £0.600m has been built into the budget to reflect the reduction in anticipated income over the forthcoming year.</li> <li>• An underspend of (£0.050m) was realised due to a vacant graduate scheme post in the National Graduate Development Programme.</li> <li>• Additional income was received from electricity at MK Coachway for the Go Ultra City Scheme (£0.040m).</li> <li>• There was fees &amp; charges income of (£0.035m) for an East West Rail case model that was unbudgeted.</li> </ul> <b>Key demand budgets concerns and actions</b> <ul style="list-style-type: none"> <li>• Changes to the structure of fees for Land Charges will take effect in 23/24.</li> </ul>					

Service Area	Environment & Property	Responsible Officer	Stuart Proffitt	Variance £m	(£0.773m)
<p><b>Key Variations:</b></p> <ul style="list-style-type: none"> <li>Rising inflation resulted in additional pressures within Environment &amp; Property of £1.419m which included an increase of £0.643m for electricity costs in relation to street lighting of £0.531m and buildings of £0.112m from October based on the revised energy contract prices; £0.072m inflation for gas costs relating to buildings, £0.300m increased contractual inflation across waste and other environment contracts, and £0.404m for highways maintenance inflation.</li> </ul> <p>The other significant pressures and savings are summarised below.</p> <p>Several of the variances are on-going and therefore reflected in the 23/24 budget.</p> <ul style="list-style-type: none"> <li>Income from car parking was (£1.945m) above budget which is mainly due to pay and display (P&amp;D) and employee permits. On street parking income totalled £9.976m; 74% of the pre-pandemic levels. A further £0.319m relates to contributions to enforcement costs from MKDP.</li> <li>The Residual Waste Treatment Facility (RWTF) was (£1.257m) underspent due to a reduction in the tonnage of waste; there has been a continuing decline in tonnage throughout 22/23.</li> <li>Concessionary fares were (£0.280m) underspent. The budget was based on 80% pre covid occupancy and, following DFT guidance, concessionary payments are being made at 80% of pre covid levels rather than actual patronage under the English National Concessionary Travel Scheme (ENCTS). Although the budget was reduced in 21/22 to this 80% level, there was some uncertainty whether patronage levels would increase above this level, so some contingency was built into the 22/23 budget.</li> <li>The Waste Transfer Station (WTS) was £0.384m overspent. However, the service has absorbed a pressure of £0.700m from a loss of rental income because of a variation to the contract in relation to site rental. The rental pressure was included in the MTFP in 23/24. This income pressure is being partly offset in the new contract arrangements by MKCC receiving an 80% rebate on the glass and dry mixed recycling income.</li> </ul> <p>Other in year variances are as follows:</p> <ul style="list-style-type: none"> <li>Highways Adoptions income – section 38 and section 278 for the assessment and inspection of new street and improvement works were (£0.247m) above budget due to development activity being net of costs greater than assumed in the budget.</li> </ul>					



- Winter maintenance costs were (£0.244m) below budget due to the mild winter which meant that fewer gritting runs were required. However, traffic signal maintenance costs are £0.200m more than the last 2 years due to an increase in the failure rate due to the age of the equipment and an increase in the costs of replacement temporary traffic signals.
- Bus stop advertising site rental and revenue share income was (£0.232m) above budget due to advertising spend being higher than assumed in the budget. A three-year contract extension is now close to being finalised and there was some nervousness about advertising income due to a possible recession and increased competition. However, if this increase is long term, it can be reflected in the next budget setting process.
- Two of the waste contracts were underspent; Food and Garden Waste Disposal was (£0.215m) below budget due to lower tonnages due to a dry summer and Street Cleansing was (£0.200m) below budget due to the availability of one-off funding.
- There was also a net underspend on the Landscape contract of (£0.205m) due to the nature of the works undertaken. However, additional work was carried out on the Golden Grid Roads project to include the V8 pavement improvement work which resulted in an overspend of £0.222m.
- Temporary Traffic Regulation Order income was (£0.145m) above budget mainly due to the level of new and upgrade utility infrastructure activity.
- Emberton Country Park ended with a pressure of £0.135m compared to the budget; this was due to an increase in Park Warden staff costs, additional cleaning costs with the introduction of a new contract and also lower visitor income.
- Environmental crime income from the fixed penalty notice revenue share, mainly in relation to littering and fly tipping was (£0.142m) above budget. However, the longevity of this income stream and the costs to administer it are still to be fully determined. Again, if this proves to be on going, it can be reflected in future budgets.
- A one-off Communication Plan transfer to reserves results in a pressure of £0.450m. The communication plan is required to support the new wheeled bin roll out programme in order to maximise both the efficiency of the new waste collection contract implementation and highlight to residents the most effective ways to dispose of household waste which could have long term benefits for MKCC's costs and recycling income. In addition, the cost to commission the integrated environment and waste contract has been more complex and lengthier than originally anticipated and, as a consequence, the one-off costs associated are £0.251m more than budget.
- The delay in the completion of the sale of Saxon Court has resulted in a pressure of £0.282m for the continuing NNDR liability after allowing for three-month empty property relief. In addition, there have been heating, boiler and repairs costs to corporate properties (including CMK Library) which have resulted in a pressure of £0.173m. Furthermore, there are staffing costs of £0.137m relating to urgent school inspections and the resulting remediation work requested by the Department for Education.

- Costs to the value of £0.148m have been incurred on the disposal of land and property. The general intention is to offset the costs against the capital receipt but there is a limit of 4% of costs to the value of the receipt. There have been several land sales where professional fees to sell the land/property have exceeded the 4% threshold and therefore need to be reflected as a revenue expense.
- Rental of 2 sections of the Whitehouse Health Centre was delayed for 12 months due to the fit-out work for Milton Keynes University Hospital and the Oxford University Hospital that had to take place before occupation. This resulted in a pressure of £0.250m.
- Parking contract costs were £0.208m above budget due to the increase in parking volumes; costs such as non-cash fees, texts and penalty charge notices are variable so increase as the income increases and £0.091m of historic invoices which SABA are now actively pursuing for payment. However, there were reduced NNDR costs at various car parks of (£0.107m) following rebates and revaluations.
- An NNDR review also identified that costs have been incurred at a site in Wolverton incorrectly and a 5-year rebate was received, resulting in an underspend of (£0.141m).

#### **Key demand budgets concerns and actions**

- The RWTF waste volumes for 22/23 showed a demand saving. This is being monitored closely each month; a further slowdown in economic activity could further reduce waste tonnage in 23/24; a saving was included in the MTFP.
- The new contract arrangements at the WTS came into effect in April 2022, and includes an 80% rebate on the glass and dry mixed recycling income. This market is highly volatile and as such, makes budgeting assumptions difficult. However, the net cost profile for 22/23 has been useful in determining the budget for 23/24 which, based on current projections, looks sufficient.

#### **New Pressures / Other key concerns**

Possible pressures:

- A UK recession in 23/24 along with higher energy and interest costs could have a significant impact on parking income, rental income from the commercial property portfolio, highways adoptions income (linked to housing developments) and bus stop advertising income as well as streetlighting energy costs.

#### **Action Plan for overspending areas**

- Street Lighting - A delegated decision for a further LED street lighting lantern replacement programme and a central management system to remotely control the lighting has been approved for inclusion within the capital programme. Significant reductions in electricity usage are budgeted to be realised in 23/24 and 24/25.

Service Area	Finance and Resources	Responsible Officer	Steve Richardson	Variance £m	(£0.231m)
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**Key Variations:**

- IT Centralised Software and Systems – An overspend due to inflationary increases in software licenses is off-set by a prepayment adjustment at the year-end resulting in a pressure of £0.014m. This is netted off by (£0.146m) vacancies and income from schools in excess of budget (£0.143m). An overspend in Print of £0.085m has occurred due to costs not recoverable from other departments within the council, and a reduction in estimated internal income of £0.065m is recognised as less input than anticipated was required.
- Pressure on housing benefit subsidy recovery is £0.346m. The ongoing pressure in the main is due to the lack of opportunity to recover costs via Ongoing Benefit Recovery due to the Universal Credit migration and an increase in specified exempt accommodation costs. There is an underspend of (£0.219m) on the Overpayments Debtor due to a reduction in the bad debt provision required as the number of overpayments reduce as cases migrate to Universal Credit.
- The internal audit function has savings of (£0.138m) due to vacancies in the department.
- Professional Finance has an underspend of (£0.060m) mainly due to staff vacancies of (£0.023m) and an underspend on professional services of (£0.049m). External audit has an overspend of £0.051m due to a higher than accrued cost for previous years, and an increase in the anticipated costs for the 22-23 audit due to the PSAA (Public Sector Audit Appointments) procurement.
- A saving has been recognised within HR due to lower training needs than profiled as various areas are carrying out their training locally, saving (£0.024m). £0.079m pressure on unachievable income targets related to ceased services is off-set from various items resulting in an underspend of (£0.122m) including a lower pressure on inflation on utilities in the PDC than anticipated, savings on professional fees and consultancy against budget and staff vacancy savings. The budgets have been adjusted for 2023/24 as part of the budget process where appropriate.

**Action Plan for overspending areas**

- IT Centralised Software and Systems – The department has placed a limit on document sizes to be printed to ensure the most efficient resource is used. It is hoped that this will result in a 10% reduction in print costs across the organisation.

## Revenues and Benefits

- The Revenues & Benefits budget is being reviewed to ensure a more efficient use of resources and to streamline the cost centres.

<b>Service Area</b>	<b>Law and Governance</b>	<b>Responsible Officer</b>	<b>Sharon Bridglalsingh</b>	<b>Variance £m</b>	<b>£1.195m</b>
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### Key Variations:

- A £0.967m pressure on agency staff, consultants and external fees to cover staffing vacancies and increase the size of the team to deal with the pressures on the legal service has been realised, this is partially off-set by an underspend in staff costs of (£0.439m) due to the aforementioned vacancies. Costs from HM Courts and Tribunals Service were £0.035m higher than anticipated for those directly attributable to legal and not recoverable from other departments within the council, along with an unanticipated decrease in income from court awards of £0.031m.
- A £0.508m pressure on specialist testing and external legal fees for barristers and advocates attending courts within the children's social care legal service has been realised as a result of the increase in court required testing for guardian suitability and the increased time for completion of cases given the current backlogs, along with HM Courts and Tribunals Service court costs of £0.043m higher than budgeted.
- Member's Allowances has an underspend of (£0.052m) mainly due to members either not claiming or be eligible to claim allowances. (Some of the members are occupying 2 roles but can only claim once).
- A £0.118m pressure on postage and carriage, due to higher associated materials costs, and an increase in the number of postal voters; this is partially offset by printing recharge cost and payroll savings against budget for the running of elections (£0.084m).
- Pension strain costs resulting from a restructure in Mayor and Member Support in 2021-22 have now been recognised which is off-set by an unused agency fee budget resulting in a net pressure of £0.026m.
- A £0.022m pressure for VAT repaid to HMRC as a result of review carried out into the 2019/20 Elections claims to ensure VAT compliance has been recognised.

### Key demand budgets concerns and actions-

- The £1.2m budget for Legal Advice within Children's Social Care has been transferred to the Legal department so that the work can be managed in house and benefit from the associated economies of scale. Non-controllable items are included in here and pressures are being assessed. Additional funding of £0.462m has been built approved as part of the 23/24 budget.

- A recruitment programme has been undertaken to fill the vacancies within the team and reduce the reliance on costly agency staff.

**New Pressures / Other key concerns**

- A review was carried out into the 2019/20 Elections claims to ensure that VAT incurred was not recovered, as national elections are funded VAT-inclusive by Central Government. As result of the review £0.021m VAT was repaid to HMRC and an associated pressure was identified for Elections. Periodic reviews will be carried out in the future to ensure on-going compliance.

**Action Plan for overspending areas**

- The Head of Legal Services is reviewing the staffing establishment, with the aim of recruiting to vacancies and reducing agency staff costs and reliance.

<b>Service Area</b>	<b>Debt Financing &amp; Corporate Items</b>	<b>Responsible Officer</b>	<b>Steve Richardson</b>	<b>Variance £m</b>	<b>(£3.455m)</b>
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**Key Variations:**

- Use of £3.030m contingency to cover pressures within the service areas budgets.