GFRA KEY VARIANCES AND MANAGEMENT ACTIONS

The Council General Fund Services are currently forecasting and overspend of £1.301m.

General Fund High Level Revenue Summary	P9 Position				Movement since P6	
	2023/24 Full Year Budget	Forecast Outturn	Variance	% variance	Forecast Outturn P6	Movement since P6
Service	**£m’s**	**£m’s**	**£m’s**	**%**	**£m’s**	**£m’s**
Adult Social Care	102.087	102.378	0.291	0.3%	1.940	(1.649)
Public Health	12.517	12.517	0.000	0.0%	0.000	0.000
Children's Services	57.564	60.648	3.084	5.4%	1.842	1.242
Customer and Community	7.001	6.627	(0.374)	-5.3%	(0.012)	(0.362)
Planning and Placemaking	2.327	1.734	(0.593)	-25.5%	(0.067)	(0.526)
Environment & Property	74.170	73.535	(0.635)	-0.9%	(0.391)	(0.244)
Resources - Retained MKC	6.215	6.059	(0.156)	-2.5%	(0.281)	0.125
Resources - Shared Services	(0.186)	(0.186)	0.000	0.0%	0.000	0.000
Law & Governance	2.663	2.717	0.054	2.0%	0.243	(0.189)
Corporate Codes & Debt Financing	10.322	9.742	(0.580)	-5.6%	(1.124)	0.544
Assets Management	(26.030)	(26.030)	0.000	0.0%	0.000	0.000
General Fund Requirement	**248.650**	**249.741**	**1.091**		**2.150**	**(1.059)**
New Homes Bonus	(4.542)	(4.542)	0.000	0.0%	0.000	0.000
NNDR	(72.599)	(72.599)	0.000	0.0%	0.000	0.000
RSG	(6.731)	(6.731)	0.000	0.0%	0.000	0.000
Public Health	(12.527)	(12.527)	0.000	0.0%	0.000	0.000
Other Government Grants	(1.874)	(1.874)	0.000	0.0%	0.005	(0.005)
Council Tax	(150.377)	(150.377)	0.000	0.0%	0.000	0.000
Total Financing	**(248.650)**	**(248.650)**	**0.000**		**0.005**	**(0.005)**
Net Surplus / Deficit	**0.000**	**1.091**	**1.091**		**2.155**	**(1.064)**

GFRA KEY VARIANCES AND MANAGEMENT ACTIONS

Service Area	Adult Services	Responsible Officer	Victoria Collins	Variance £m	£0.291m

Key variations:

- **Assessment, Review and Hospital Discharge** is forecast to overspend by **£1.170m.**
  - Older people support at home placements are forecast to overspend by £1.085m, this is based on 588 packages; which is an increase of 12.64% from April 23 (522), and since the budget was set (437).
  - Direct payments are forecast to overspend by £0.249m, this is based on 85 packages (budget 72), an increase of 18%. The current average placement cost is £0.026m (budget £0.023m).
- **Autism Service** is forecast to overspend by **£0.385m,** this is due to an increase in the number of packages, based on 67 packages being provided, compared to 47 in April 2023, an increase of 43%.
- **Commissioning and Contracts** is forecast to underspend by **(£2.808m).** Care home placements are forecast to underspend overall by (£2.008m), due to £1.153m higher than budgeted client contributions (this includes deferred payments received in year). Additionally, income from the Market Sustainability Improvement Fund (£0.682m) is being used to support the negotiated fee rates which are higher than our standard rate on all new spot packages. Domestic Abuse services are forecast to underspend by (£0.240m) due to receiving grant funding for part of the core Domestic Abuse contract. Additionally, the Manor House Contract is forecast to underspend by (£0.096m) as the number of clients (including those in the community) has reduced from 24 in April 23 to 22 December 23.
- **Homelessness** is forecast to overspend by **£1.513m** due to temporary accommodation demand. The current cost of repairs (including repairs after properties become void) is forecasted to be £0.486m overspent; the remaining overspend is due to higher homelessness applications and lower than anticipated households moving out of temporary accommodation. Hotel use is currently at 24 households which is a net increase of nine since November 2023. The main reasons for the increase in spend is a result of demand and the lack of move on accommodation.
- **Reablement, Occupational Therapy and Internal Homecare** is forecast to underspend by **(£0.715m)** predominantly due to care worker vacancies within internal homecare (13FTE, of which 6FTE are in the process of onboarding) and reablement (5.5FTE, all are in process of onboarding), agency staff are being used in the interim; however one-off grant funding is also being utilised.

- **Supported Housing for Older People** is forecasting to overspend by **£0.404m**. This is due to relief and overtime costs at the extra care schemes, an overview of the staffing requirements for the schemes is being undertaken. Additionally, refurbishment work of £0.030m is taking place at one of the properties.
- **Provider Services** is forecasting to underspend by **(£0.799m)**, in the main this is due to vacancies across Internal Day Care Learning Disability Team (£0.615m) and Learning Disability Business support (£0.039m).
- **Mental Health** is forecast to overspend by **£0.722m**, this is due to an increase in the number of packages, increasing from 208 packages in April 2023 to 243 packages in December 2023 (17%) (budgeted amount 195 packages)
- **Physical Disabilities** is forecast to overspend by **£0.332m**, of which £0.251m related to Direct Payments, this is mainly due to an increase in the number of packages, increasing from 526 packages in April 2023 to 567 packages in December 2023 (8% increase) (budgeted amount 412 packages).

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.
- Older People Demand – support at home costs have continued to increase this financial year (12.6% since April), demand remains volatile. Work is being undertaken to understand what is driving the increase and how we can manage demand.

Action plan for overspending areas

- A project group has been created for temporary accommodation demand, with the aim to increase the number of move-on's, as well as increasing the number of preventions which will ultimately bring down expenditure. There are currently 52 households under offer and there were 11 preventions in December 2023.

Service Area	**Public Health**	**Responsible Officer**	**Vicky Head**	**Variance £m**	**£0.000m**
Key variations:					

- The Public Health grant for 2023/24 is £12.522m (including £0.005m Botox and Fillers Grant), an increase of 3.26% from 2022/23.
- Public Health is forecasting a contribution of £0.618m from the Public Health reserve after using £0.708m one-off projects agreed as part of the budget, including Homelessness support on running the Old Bus Station, Young People focusing on Youth Counselling, Youth Justice Knife Crime, Mental Health, supporting vulnerable gamblers and additional spend on Health Improvement on Regeneration Estates. This has reduced the value of the reserve from £2.839m to £2.220m. Over the next two years, £0.818m has been committed from the reserve on pre-approved projects, including £0.436m on Homelessness support on running the Old Bus Station and £0.250m on Health Improvement on Regeneration Estates.
- There has continued to be an underspend in Smoking Cessation services of (£0.121m) due to demand for the service not returning to pre covid levels; additionally, there is an underspend of (£0.041m) on substance misuse service due to payment by outcomes being less than anticipated. This is offset by a £0.064m overspend on 0-19 children's services due to increase of pay award to providers. The demand trend is being reviewed and monitored regularly.

Service Area	**Children's Services**	**Responsible Officer**	**Mac Heath**	**Variance £m**	**£3.084m**

Key variations:

- **Home to School Transport** is forecast to overspend by **£0.239m**. The number of children receiving HTST has increased from 1,453 in 2022/23 to 1,605 in December 23 (10.46% increase), compared to a budgeted increase of 7% based on EHCP projections. We have also seen a bigger increase on the family led transport and mileage packages than originally budgeted for (27% increase compared to an anticipated 18%).

- **Children's Social Work Staffing** is forecast to overspend by **£0.488m** across the Family Support (FST) and Children with Disabilities (CWD) teams. The overspend is partially offset by a forecast underspend in the Child and Family Practice (CFP) Teams of **(£0.168m)**. There continues to be a high level of permanent vacancies across the nine FST teams and agency staff use has been high to ensure statutory social work duties are being met and cases are allocated. Recruiting and retaining permanent staff continues to be a problem and the high level of agency use is putting a pressure on the budget. There are 34 agency workers built into the forecast across the FST's (six of which have ended) and six in the CWD team (two of which have ended).
- **Multi Agency Safeguarding Hub (MASH) staffing team** is forecast to overspend by **£0.162m**. There are currently no permanent vacancies in the team however there have been several absences this year due to maternity leave as well as sickness. Agency workers or other secondment posts are covering these absences to ensure statutory duties are still met which has driven up staffing costs. In addition, due to delays in meeting statutory deadlines for assessments and allocations it was decided in September 23 that the team could recruit an additional four agency workers above establishment to manage this demand. This equates to £0.070m until year end.
- **Children with Disabilities** is forecast to overspend by **£0.386m**. Whilst demand has remained close to what the budget was based on, there has been an increase to the current average placement cost of 30% (budget £0.006m compared to actual £0.008m). Packages of support are higher than previous years due to the cohort we have currently with packages of support starting at a higher number of hours than previous years and more children needing 2:1 support.
- **Children's Placements** is forecast to overspend by **£2.231m.** The minimum allowance paid to in house carers is set by the DFE (Department for Education) annually, from April 2023 the rates were uplifted by 12.5% (budgeted 4.5%), this above inflation increase was announced after the budget was set resulting in an in-year pressure of £0.383m. The number of residential placements continues to remain high as shown in the table below, along with the increasing costs of the placements. In addition, the current cohort are older, more complex children who are requiring specialist residential placements. Lack of placement availability nationally to meet the needs of our current cohort has meant it has been increasingly difficult to source residential placements, meaning expensive unregulated placements have been needed and this has driven up average costs, which is also shown below. The total spend on these unregulated placements is forecast at £0.552m.

	No of Residential & Secure Placements	Average Cost (per night)
21/22	18	£755
22/23	26	£792
2023/24 base budget	28	£751
Dec 23	28	£1,204

% Increase 21/22 to Dec 23	58%	59%
% Increase 22/23 to Dec 23	9%	52%
% Increase 23/24 base budget to Dec 23	0%	60%

- **Support Living Block** is forecast to underspend by **(£0.429m)**. This is the budget for block beds under the Supported Living Contract for 16+. Additional funding was put in the base budget in 23/24 for the new contracts that were planned to start in October 23. However, the current provision is being extended for a further six months meaning this pressure is not needed, in-year.

Key demand budgets concerns and actions

- **Children's Placements** – the number of Looked After Children (LAC) has started to increase in recent months. In 2022/23 we had an average of 357 LAC (down from 369 in 2021/22) and in December 2023 we had 397, whilst we are also seeing a greater complexity of need presenting itself in our LAC resulting in increasing placement costs. This coupled with the national pressures on the number of unaccompanied asylum-seeking children (UASC) entering the country will mean our LAC population will increase further.
- **Unaccompanied Asylum-Seeking Children (UASC) and Leaving Care -** The numbers of UASC have increased. We had an average of 29 in 22/23 (up from 25 in 21/22) and in December 23 there are 40 UASC. We are part of the National Transfer Scheme (NTS) meaning we are on a rota for picking up additional UASC from other Local Authorities. We will continue to be directed to accept more UASC from this scheme up until we reach our threshold which is currently 69. The UASC cohort tend to arrive in their teens and therefore only remain a LAC for a short time. This is keeping trend with our general LAC population who are older and ageing out quicker, nevertheless MKCC is still required to provide a statutory duty to support Care Leavers until 25, meaning demand in this area is increasing.
- **The Strengthening Families** budget is a risk in the MTFP. We receive government funding to run the programme which is a combination of an initial upfront payment as well as quarterly amounts which are claimed for based on the number of successful families we work with. The funding is used primarily to support staffing in Children's Social Care and within the base budget. We have had a contingency in the budgets each year to mitigate the financial risk the funding changes. On 1 April 23 this contingency was £0.244m, however we are forecast to fully spend our allocation this year as well as the contingency. This is because of increased commitments in the service this year as well as the fact we are expecting not to reach our maximum payment by results funding target.

Action plan for overspending areas

- Step down plans for high costing residential placements are reviewed monthly by the Head of Service for Corporate Parenting and placement changes are chased up to avoid delays where a child can move on.

- A Placement Task and Finish Project group was set up whereby a strategic and operational group met weekly to discuss alternative options to increase placement capacity and efficiency. The project group has now finished, and the findings have been presented. An action plan will be drawn up and led by the Head of Service for Corporate Parenting and the Head of Commissioning to address the recommendations from the group.

Service Area	Customer and Community	Responsible Officer	Sarah Gonsalves	Variance £m	(£0.374m)

Key variations:

- Regulatory unit staffing vacancies have resulted in a net underspend forecast of (£0.175m). Unbudgeted Home Office income of (£0.050m) has been received into Registrations relating to citizenship ceremonies.
- An underspend of (£0.095m) in sustainability is mainly due to the net recovery of utility costs within the Sustainability team being lower than budget, due to gas and electricity costs now being correctly allocated to the services.
- An unbudgeted seconded worker within the Performance Service has resulted in a pressure of £0.025m. This is offset against a saving in staff costs of (£0.036m). An unbudgeted grant of (£0.020m) has been received from the Department of Health & Social Care.
- A pressure of £0.019m has been forecast in Customer Experience & Digital Channel. This is as a result of reducing the forecasted income when assessed against prior year trends.
- There is a pressure in the Information Governance team of £0.052m relating to staffing costs; this is off-set by vacancies amounting to (£0.056m) in the Corporate Partnership team. A reduction in grant payments expected to be made has resulted in a further saving of (£0.010m) in Corporate Partnership.

- A vacancy in Customer Feedback is now to be filled later than expected, resulting in a saving of (£0.023m). Along with this a staffing recharge to HRA has resulted in a cost reduction of (£0.070m) within the Customer Service Team
- A pressure of £0.082m has been forecasted in Leisure due to unachievable income targets. This pressure has however been offset by an increase in forecasted incomes from phone masts & golf club membership totalling (£0.060m), along with an increase in other leisure income of (£0.017m). The correct reassignment of prior year savings to the leisure team has resulted in a positive salary variance of (£0.036m). Further savings are expected on consultancy costs within leisure of (£0.050m) & facilities costs of (£0.008m). This has however been offset by various unbudgeted legal, repair & survey costs totalling £0.065m, along with an increase to the leisure contracts of £0.034m.
- Staff Training & Development in Performance & Portfolio is expected to be under spent by (£0.013m).
- The facilities management staff costs are forecast to be £0.039m above budget due to a lower than budgeted level of staff turnover.

Key demand budgets concerns and actions

- None

New Pressures / Other key concerns

-

Action plan for overspending areas

- A review of all contracts within Leisure and Community is to be undertaken to ensure they remain sustainable and affordable.
- Staffing establishments are being re-assessed across the directorate.

Service Area	**Planning and Placemaking**	**Responsible Officer**	**Paul Thomas**	**Variance £m**	**(£0.593m)**

Key Variations:

- A slowdown in the market has resulted in a forecast pressure of £0.225m in land charges income. This is partially offset against prior year DLUHC grant income of (£0.159m) for land registry and other new burdens funding. Recharge costs from the Environment and Property service area will be factored into the land charges budget.
- Unbudgeted recharge costs from the Urban Design Team will be factored into Development Management; these amount to £0.050m. Additional technical & feasibility consultancy costs of £0.013m have also been identified in Development Management.
- Urban Design has forecast a reduction in income of £0.091m as in-house work on the New City Plan is being prioritised over fee-earning work with other Local Authorities. A recharge from legal of £0.040m has further increased the pressure. However, it has been offset by (£0.443m) in additional income expected to be received from the BDUK gain share & (£0.041m) in transfer of revenue costs to capital relating to the BESS project. Unbudgeted government grant income of (£0.040m) is also forecasted in relation to the Haversham & Emberton Neighbourhood plans.
- Development Plans & Delivery income has been forecasted to increase by (£0.052m) to recognise actual income received to date and forecast future income in line with this.
- An underspend of (£0.236m) is forecasted across Planning as a result of current staff vacancies.
- Unbudgeted income of (£0.025m) is forecast to be received from MKDP due to a contribution for the placement of Planning Academy graduates within the organisation.
- A saving of (£0.054m) has been identified for NGDP Grad Scheme as the position has not been recruited to.

Key demand budgets concerns and actions

- Land charge income will continue to be closely monitored in the context of the wider economy, and forecasted with consideration of previous trends.

New Pressures / Other key concerns

- Development management income is also being assessed regularly alongside land charges income, applying housing market intelligence and previous trends.
- An increase in statutory planning fees was implemented by DHLUC in December 2023; however, the effects of this increase are not expected to be recognised in the market until 24-25.

Action plan for overspending area

- The overspend in land charges has been addressed as part of the 24/25 budget pressures.

Service Area	Environment & Property	Responsible Officer	Stuart Proffitt	Variance £m	(£0.635m)

- **Parking Income and Costs –** Income is forecast to be **(£2.119M)** above budget at £11M which is mainly due to pay and display and employee permits and reflects the 2022/23 outturn and the revised MTFP. In line with the increase in income, parking contract costs are showing a pressure of **£0.177M** due to costs such as non-cash fees, texts and penalty charge notices being variable and so increasing in line with income. In addition, Business Rates assessments at 3 off-street carparks (Elder Gate MSCP, The Theatre MSCP and Vicarage Road) has resulted in an in-year saving of **(£0.276M)**
- **Waste Tonnage and Waste Disposal Costs** – Costs at the MK Waste Recovery Park (MKWRP) are impacted by the residual waste tonnage levels. The 2023/24 budget included a £0.4M saving which reflected the reduction in tonnages seen in 2022/23 but this reduction is greater in 2023/24 partly due an increase in recycling therefore directing more material to the Waste Transfer Station (WTS). The forecast for this year is based on 66,000 tonnes rather than the budgeted 80,000 tonnes and so is showing an underspend of **(£0.950M)**. This will continue to be monitored and any long-term changes have already been reflected in the MTFP. An accrual of (**£0.280M)** was included in the 2020/21 accounts for Business Rates at the MKWRP but confirmation has been received that this account has now been settled and so the accrual is dropped, resulting in an in-year saving.
- Linked to the reduced tonnage at the MKWRP (noted above), the WTS is showing a pressure of **£0.807M.** As well as an increased volume of recycling which yields additional cost, there is currently some uncertainty around how the commercial mechanism for the calculation of recycling commodities collected is profiled with the contractor. However, the reduced contamination levels have mitigated additional increases in cost. There have been wider market fluctuations which has reduced the commodity values which as MKCC receive 80% of the blended basket

value of recycling as a rebate has impact on cost. Work is on-going with the contractor to confirm this position and the expectation is that the year-end overspend will be lower.

- The MKWRP contract costs have been increased by **£0.450M** reflecting the part year impact of the Deed of Variation in relation to the disposal costs of Compost Like Output (CLO), Incinerator Bottom Ash (IBA) and Air Pollution Control Residues (APCR) which was approved by Cabinet on 7 November 2023.
- There is an unbudgeted cost of disposing of items of upholstered domestic seating waste of **£0.300M** following new guidance from the Environment Agency that waste containing persistent organic pollutants (POPs) must go to incineration rather than landfill.
- The disposal of food and garden waste is showing a pressure of **£0.171M**. This is due to an increase in tonnages of food and garden waste collected and above forecasted levels. There is also a management fee that has been recognised as a result of the ongoing negotiations with Biffa on the new food and garden waste disposal contract. Work will continue to mitigate this cost as the year progresses but at this stage, it is not expected to be an on-going pressure.
- The cost of insuring the waste facilities has increased significantly over the last two years in line with the hardening of the insurance market due to the increase in interest rates, rising costs of meeting claims due to inflation and insurance markets disengaging from waste infrastructure due to high risk. An external insurance cost report concluded that part of the increase was an exceptional cost and that this cost differential should be met by MKCC. This has resulted in a pressure of **£0.131M**.
- A financial review of the Thalia MKWRP contract commercial model was supported by external consultants, which results in a pressure of **£0.100M**.
- **New Environmental and Waste Service (EWS) Contract** - The decision to award a five-year contract to Suez Recycling and Recovery UK Ltd (Suez) to collect waste, keep the streets clean and maintain council owned green spaces and play areas from 4 September 2023, at the very end of the 23/24 budget process has resulted in a number of variances, mainly due to updated assumptions.
- Staff costs are showing a pressure of **£0.220M** for the 7 months on the new contract as the pay award for April 2023 was assumed to be 5% when the budget was set but the final pay award was actually 8% and the TUPE true up which has recently been completed.
- The landscape contract costs are dependent on Geographical Information System (GIS) data which is constantly being reviewed and updated. Work to date has resulted in additional contract costs of **£0.090M** following a review of the parish areas and an additional forecast pressure of **£0.160M** has been included as an estimate of other costs to be incurred once the GIS data review has been completed.

- 2023/24 is a combination of both the Serco (previous) and Suez (current) contracts and when the budget was set, assumptions on costs were made which resulted in a one-off budget pressure of £0.630M being included. However, the Serco contract extension costs are now forecast to be **£0.150M** more than budget due to increased inflation. There has also been a one-off cost of **£0.130M** to deliver sacks at properties where wheeled bins were not a viable option in the new contract. Also, to ensure the effectiveness of cleansing activities, additional traffic management costs of **£0.090M** have been incurred.
- Where any of the variances regarding the EWS are longer term, they have been reflected in the MTFP.
- **Highways and Transport Costs and Income** - Electricity costs are lower from October 2023 than budgeted due to a lower actual inflation rate which results in a forecast saving on street lighting electricity costs of **(£0.165M)** and other highways lighting of **(£0.058M)** compared to budget.
- Bus stop advertising **–** site rental and revenue share income is forecast to be **(£0.227M)** above budget which is due to advertising income being higher than assumed in the budget and reflects the 2022/23 outturn and the revised MTFP.
- Highways Staffing – at the beginning of 2023/24, the highways teams were restructured. Whilst the team already had a significant number of vacancies, these could not be advertised until the restructure was approved. This has led to a delay in filling vacant posts that are not expected to be in place until next year now. The in-year saving is **(£0.490M).**
- Highways Permit income is **(£0.272M)** above budget due to several significant infrastructure projects underway in the city by utility companies where permits are required to carry out works on the highway.
- Concessionary Fares – Following DfT guidance English National Concessionary Travel Scheme (ENCTS) reimbursement has been phased back from a guaranteed percentage of pre-covid to actual trips with effect from 1 December. The number of trips however are tracking ahead of budget which results in an in-year pressure of **£0.233M.**
- **Property Operating Costs** – there is a one-off pressure being reported of **£0.275M** for Business Rates due to the delayed completion of the sale of Saxon Court (now forecast for 2024/25) although a reduction is being sought as the property is currently unoccupiable. There is also **£0.345M** for costs (mainly Business Rates) at vacant properties, costs being incurred before the sale completes or development of the site commences. In addition, there are costs in relation to repair works at Civic along with a pressure in the income expected to be generated in the building which totals **£0.209M**

Key demand budgets concerns and actions

- Currently the demand and prices for recycled materials is a risk along with the finalisation of a new commercial contract model with the WTS operator. Whilst there is a pressure in the period 9 forecast, there are some still some uncertainties.
- The increase in interest rates has resulted in a fall in the number of house sales, this will result in new housing developments being deferred, which would mean that the Highways Adoptions budget income will be at risk. This will be closely monitored between the finance and highways teams but does not appear to be a significant risk as at this reporting stage.
- Both these risks are being monitored closely each month.

New Pressures / Other key concerns

Possible pressures:

- Continued low UK economic growth coupled with inflation and higher interest costs could have a significant impact on rental income from the commercial property portfolio (bad debts and voids).
- Having completed a reinforced autoclaved aerated concrete (RAAC) initial investigation programme of the schools, which identified no problems with the maintained schools, the investigation programme will now be extended to the corporate and commercial property portfolios. In addition, the scope of the schools initial investigation work has recently been expanded by the Department for Education which means that the school surveys already completed will need to be expanded. The cost of all of these surveys is still being determined but will result in a revenue pressure, of which £0.5M has been included. Any remedial works are expected to be funded from the Health and Safety capital budget.

Possible opportunities for reduced costs or increased income:

- The MKWRP forecast waste tonnage is currently showing a demand saving. This is being monitored closely each month; a further slowdown in UK economic activity and the continued impact of the new waste collection contract utilising wheeled bins could further reduce waste tonnage over the rest of the year.
- Alternative funding is being sought for the one-off costs in property in relation to vacant properties. This may not be a significant amount but should reduce the forecast for period 10.

Service Area	Finance and Resources	Responsible Officer	Steve Richardson	Variance £m	(£0.156m)

Key Variations:

- Revenue & Benefits - A one-off pressure of £0.034m is expected for offsite processing centres and unexpected AIX server upgrades.
- Internal Audit - A saving of (£0.096m) has been recognised in staff costs due to on-going vacancies. An income reduction of £0.010m has been forecasted due to a reorganisation of shared service requirements, along with previously unbudgeted audited fees of £0.020m.
- IT – There are currently no capital projects with staff costs to transfer to, resulting in a pressure of £0.148m. This is offset however, with a saving of (£0.165m) in staffing and an increase in schools income of (£0.096m) above budget. A further review of the print room has resulted in a reduction in anticipated internal income of £0.060m and an increase in print room costs of £0.130m.
- HR - Overspends of £0.022m due to an increase in Occupational Health resources and £0.047m as a result of an increase in employee DBS checks over the budgeted amount across the council, are offset by a saving of (£0.147m) in staffing due to vacancies not yet filled.
- Finance - Currently some vacancies within Professional Finance are resulting in an overall saving of (£0.105m). An underspend in on-going pensions of (£0.045m) has been forecasted, based on 22-23 actuals due to current year projections not yet being available.

Key demand budgets concerns and actions-

- Main concerns relate to Council Tax Collection with the impact of the Cost of Living and additional support required for Council Taxpayers and increasing workloads.

New Pressures / Other key concerns

- Mobile phone and print costs will be reviewed to ensure only necessary costs are incurred.
- The Revenues and Benefits service are likely to see a further reduction in the bad-debt provision following year-end calculations.

Action Plan for overspending areas

- As the transition to Universal Credit continues and HB caseloads for working age claimants continue to fall, the service will continue to review its structure and resources levels. We are still waiting for decision on Household Support funding, which is currently due to end on 31 March 2024. We are anticipating that changes will be achieved through vacancies and reduced offsite processing.

Service Area	**Law and Governance**	**Responsible Officer**	**Sharon Bridglalsingh**	**Variance £m**	**£0.054m**

Key Variations:

- The legal service has a net staff pressure of £0.141m due to the continued use of agency staff to back-fill vacant posts. This is after additional funding from HRA of (£0.148m) to cover agency costs, a drawdown from reserves for work on major projects of (£0.025m) and (£0.067m) for the legal academy trainees.
- Legal has also recognised a pressure of £0.008m for annual subscriptions, however this is offset by an expected reduction in external legal spend of (£0.056m) as a result of a reduced requirement. Legal income is forecasted to be lower than budgeted by £0.128m due to recognising trends in previous actuals received.
- Following a more in-depth analysis of costs within children's social care legal, additional costs have been forecasted - namely £0.069m external legal fees & £0.031m testing.
- (£0.010m) sponsorship of a civic reception is now expected to be received from a locally based company.
- A review of Q1 councillor's expenses & allowances has resulted in a (£0.015m) decrease in the forecast - one allowance hasn’t been used thus far – will be monitored and forecast updated accordingly.

Key demand budgets concerns and actions-

- Legal income is currently forecasted below budget; further work is being carried out to assess future income levels and ensure all input to capital projects is recognised.

New Pressures / Other key concerns

- Election costs are expected to rise in future years; this is being reflected in the MTFP.

Action Plan for overspending areas

- Legal is continuing with a robust recruitment campaign in order to further reduce the usage of agency staff. Vacancies within the department, coupled with an increase in workload on the back of covid, increased a reliance on agency staff and a reduction in

establishment costs, can be seen in the below, right-hand graph. Continued recruitment into vacant posts will see a reduction in more expensive agency resources.

Service Area	**Corporate Items**	**Responsible Officer**	**Steve Richardson**	**Variance £m**	**(£0.580m)**

Key Variations:

- **Tariff Risk Reserve contribution –** Since 2013 the Council has made a fixed annual contribution to this risk reserve of £0.580m. With the increases to interest rates, the reserve will instead be increased by interest each year and therefore the fixed contribution will no longer be required.