



Forecast Variance by Executive Director



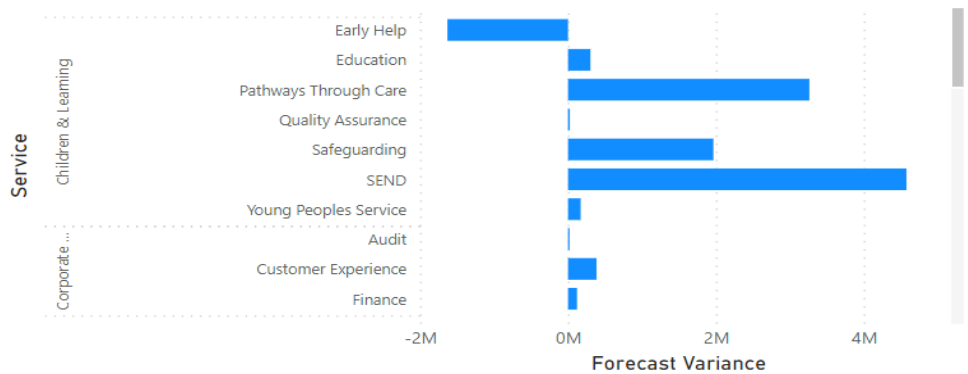
HRA POSITION - £0.59M Favourable. £0.59M Favourable forecast on depreciation charge is proposed to be added to the overall working balance. Pressures of £2.42M across the HRA relating to rent void loss £0.5M, £0.8M Disrepair claims, waste disposal cost, management restructure and termination costs and £1m interest rate cost are being offset by a reduction in planned direct revenue financing contribution.

General Fund Key Messages

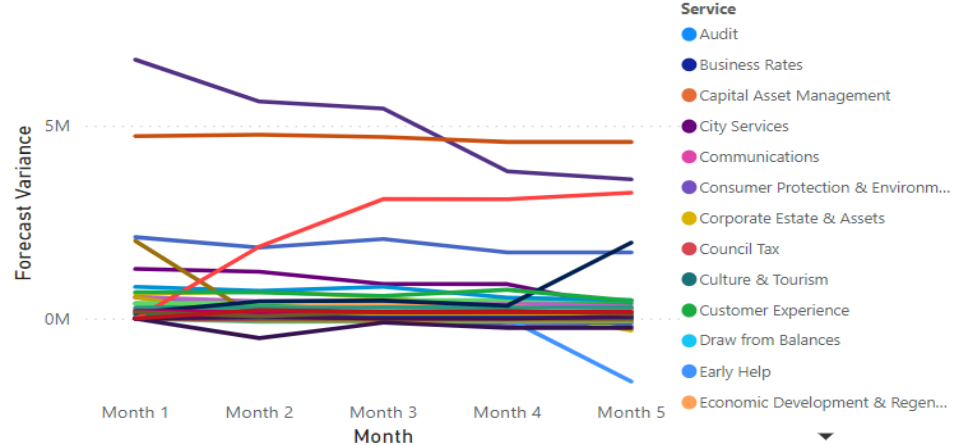
- > **Current Position £16M overspent, a favourable movement of £1.9M from the variance reported to EMB at month 4 (£17.9M overspent).**
- > **Children & learning £8.7M overspent**, an adverse movement of £0.06M: £4.4M is because of Home to school transport pressures, £0.5M non achievement of current savings, £3.0M children placement costs, £0.4M additional employee costs due to the anticipated pay offer and £0.1M year of the child costs. There is a further pressure of historic saving targets of £0.2M in Education.
- > **Corporate Services £2.5M overspent**, a favourable movement of £0.08M: £1.4M is due to non-achievement of savings, loss of income of £0.10M, salary cost pressures of £0.2M and £1.7M IT adverse forecast due to £1.3M service costs which cannot be recharged and income loss, a shortfall in salary budget of £0.6M, non-achievement of savings £0.2M, reduced by £0.5M in cost control measures. The adverse position is reduced by cost control measures within the pension account of £0.2M, Corporate Finance bad debt provision reduction of £0.2M, risk management savings of £0.10M and £0.5M salary reductions.
- > **Wellbeing and Housing £4.3M overspent**, a favourable movement of £0.3M: £5.5M is due to increased number and cost of client packages, £0.4M of non-achievement of savings and £0.3M increased homelessness costs, offset by employee savings including agency of £0.1M. The adverse position is further offset by new government funding of £1.7M for care costs.
- > **Place £0.6M overspent**, a favourable movement of £1.7M: £0.08M is due to the anticipated pay award and other increased employee costs, £0.2M Mayflower Park funding, £0.3M historic agency saving target which cannot be achieved, £0.3M relating to Culture Quarter master planning, virtual retail for the Art Gallery and Southampton branding. There is a pressure of £0.15M due to non-achievement of the solar bins saving and other minor savings and £0.2M pressure relating to the cost of reactive repairs, increased Coroner costs of £0.1M and £0.2M City Development growth proposal. This is offset by a rates reduction in cultural services of £0.2M and Transportation cost control measures of £0.3M and reduction in the anticipated cost of energy of £0.3M and increased income of £0.01M

- All
- Children & Learning
- Corporate Services
- Place
- Strategy & Performance
- Wellbeing & Housing
- Central Expenditure Items
- General Funding

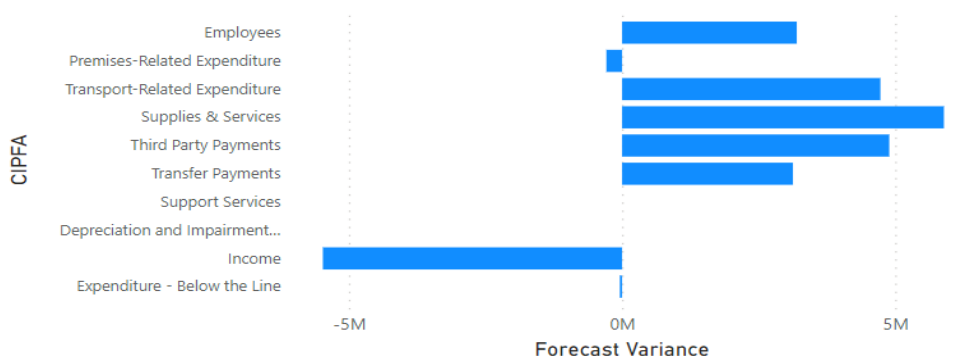
Variance to Budget -



Variance Trends -



Variance by Subjective Analysis -

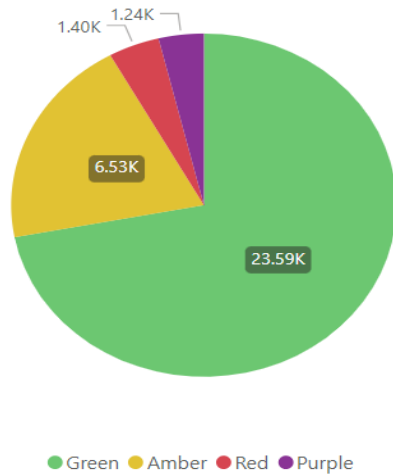




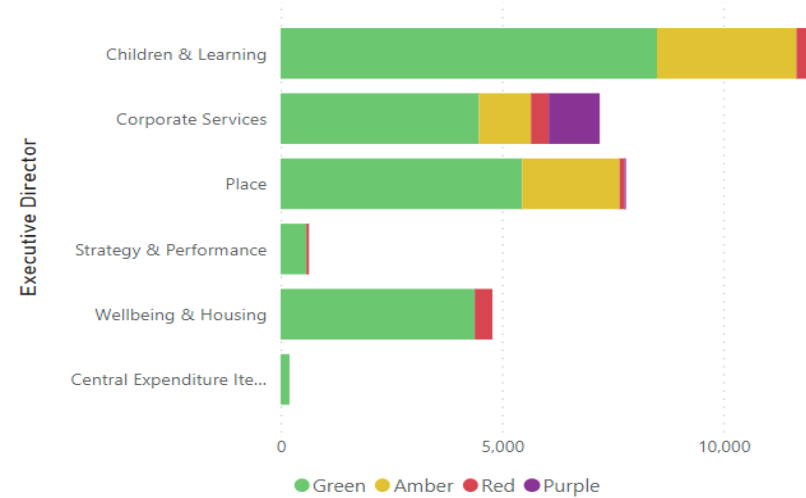
Savings not achieved



Savings Targets 2023/24 RAG Rated £0



Savings Targets per Directorate £'000s



Key Issues

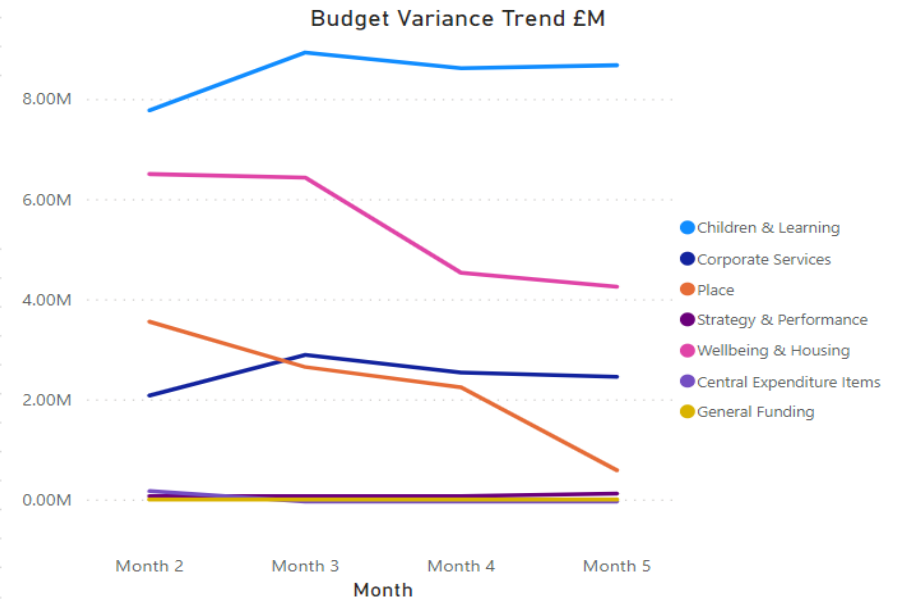
The current rate of non-achievement of savings is 8% or £2.6M forecast not to be achieved (Red & Purple).



General Fund Position



BUDGET MONITORING MONTH 5 (August)				
CURRENT POSITION	Forecast Annual Variance at Period 5	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
Directorate	£M	£M		
Children & Learning	8.67 A	0.06 A	Red	↓
Corporate Services	2.45 A	0.08 F	Red	↑
Place	0.58 A	1.66 F	Red	↑
Strategy & Performance	0.12 A	0.05 A	Red	↓
Wellbeing & Housing	4.25 A	0.28 F	Red	↑
Total Directorates	16.07 A	1.91 F	Red	↑
Centrally Held Budgets	0.04 F	0.00 A	Green	↓
General Funding	0.00	0.00	Green	-
Net Deficit/Surplus	16.03 A	1.91 F	Red	↑



The overall movement since month 4 is £1.9M favourable. The main area of movement is Place (favourable £1.7M)



Variations to Budget per Directorate



Summary of variances to budget

Directorate	Energy	Fuel	Non Achievement of savings	Client Packages and Placement costs	Coroner costs	Additional employee and agency costs	Income loss	Property Investment	Service Review of ICU	Rates Reduction	Legal costs	Home to school transport	Concessional Fares	Non essential spend saving	Transfer from reserves	Other	Total
	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M	£M
Children & Learning	0.00	0.00	0.49	3.00	0.00	0.44	0.00	0.00	0.00		0.00	4.37				0.39	8.68
Corporate Services	0.00	0.00	1.55	0.00	0.00	0.45	1.45	0.00	0.00		0.00	0.00				-1.00	2.45
Place	-0.25	0.00	0.15	0.00	0.10	0.08	-0.09	0.00	0.00	-0.23	0.00	0.00	0.00			0.82	0.58
Strategy & Performance	0.00	0.00	0.06	0.00	0.00	0.04	0.00	0.00	0.00		0.00	0.00	0.00	0.02			0.12
Wellbeing & Housing	0.00	0.00	0.40	5.45	0.00	-0.08	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	-1.52	4.25
Total Directorates	-0.25	0.00	2.65	8.45	0.10	0.93	1.36	0.00	0.00	-0.23	0.00	4.37	0.00	0.02	0.00	-1.31	16.09

The main adverse variances are non achievement of savings £2.6M, client packages and placements £8.5M, Employee and agency cost £1M, loss of income £1.4M, Home to School transport £4.4M. These are the key areas where work should be targeted to reduce the adverse position.



Children & Learning BUDGET MONITORING MONTH 5 (August)							
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓
	£M	£M	£M	£M	£M		
Children & Learning	64.18	72.86	8.67 A	8.62 A	0.06 A	Red	↓
Service Area							
Divisional Management	2.05	2.05	0.00	0.00	0.00	Green	-
Legal (Children's)	0.60	0.60	0.00	0.00	0.00	Green	-
Quality Assurance Business Unit	2.40	2.43	0.02 A	0.02 A	0.00		-
Safeguarding	9.70	9.91	0.21 A	0.21 A	0.00	Red	-
Children Looked After	29.43	32.15	2.72 A	2.44 A	0.28 A	Red	↓
Pathways	0.71	1.26	0.54 A	0.65 A	0.11 F	Red	↑
ICU - Children's Services	0.37	0.37	0.00	0.00	0.00	Green	-
Children & Families First	2.59	2.66	0.07 A	0.07 A	0.00		-
Young Peoples Service	2.77	2.85	0.08 A	0.08 A	0.00	Red	-
Youth Offending	0.63	0.64	0.01 A	0.01 A	0.00		-
	51.26	54.91	3.65 A	3.48 A	0.17 A	Red	↓
Stronger Communities	0.02	0.16	0.14 A	0.14 A	0.00	Red	-
Education - Home to school transport and property mgt	7.09	11.80	4.71 A	4.80 A	0.09 F	Red	↑
Education - Services for schools, High Needs	5.83	6.00	0.17 A	0.19 A	0.02 F	Red	↑
	12.91	17.79	4.88 A	4.99 A	0.11 F	Red	↑
DSG Central School Services Block	3.45	3.45	0.00	0.00	0.00	Green	-
DSG Early Years Block	13.83	13.83	0.00	0.00	0.00	Green	-
DSG High Needs Block	21.76	21.76	0.00	0.00	0.00	Green	-
DSG Schools Block	(39.04)	(39.04)	0.00	0.00	0.00	Green	-
	(0.01)	(0.01)	0.00	0.00	0.00	Green	-
Total Childrens & Learning	64.18	72.86	8.67 A	8.62 A	0.06 A	Red	↓

Children & learning £8.7M overspent, an adverse movement of £0.06M: £4.4M is because of Home to school transport pressures, £0.5M non achievement of current savings, £3.0M children placement costs, £0.4M additional employee costs due to the anticipated pay offer and £0.1M year of the child costs. There is a further pressure of historic saving targets of £0.2M in Education.



Corporate Services



CURRENT POSITION	Corporate Services BUDGET MONITORING MONTH 5 (August)						
	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M		
Corporate Services	38.94	41.39	2.45 A	2.53 A	0.08 F	Red	↑
Service Area							
Accounts Payable	0.27	0.53	0.26 A	0.26 A	0.00 F	Red	↑
Accounts Receivable	2.16	2.34	0.18 A	0.18 A	0.00 F	Red	↑
Business Development Management	0.00	0.00	0.00	0.00	0.00	Green	-
Business Support	1.82	1.99	0.17 A	0.17 A	0.00	Red	-
Centrally Apportionable Overheads	(7.67)	(7.67)	0.00	0.00	0.00	Green	-
Commercialisation	(0.29)	0.02	0.31 A	0.31 A	0.00	Red	-
Corporate Finance	2.91	3.06	0.15 A	0.15 A	0.00	Red	-
Corporate Management	0.24	0.29	0.05 A	0.05 A	0.00	Red	-
Customer Services	2.17	2.18	0.01 A	0.01 A	0.00 F	Red	↑
Democratic Representation & Management	2.64	2.59	0.05 F	0.03 A	0.08 F	Green	↑
Facilities Management	0.73	0.78	0.05 A	0.05 A	0.00	Red	-
Highways Contracts	7.92	7.89	0.03 F	0.03 F	0.00	Green	-
HR Services	3.21	3.13	0.08 F	0.08 F	0.00 A	Green	↓
Internal Audit	0.34	0.34	0.00 A	0.00 A	0.00 A	Green	↓
IT Services	9.35	11.06	1.71 A	1.71 A	0.00	Red	-
Land Charges	(0.17)	(0.17)	0.00	0.00	0.00	Green	-
Legal Services & Customer Relations	1.95	1.90	0.05 F	0.05 F	0.00 A	Green	↓
Leisure Contracts	2.54	2.47	0.08 F	0.08 F	0.00	Green	-
Local Taxation & Benefits Services	2.10	2.30	0.20 A	0.20 A	0.00 F	Red	↑
Net Housing Benefit Payments	0.30	0.30	0.00	0.00	0.00	Green	-
Pension & Redundancy Costs	2.56	2.33	0.23 F	0.23 F	0.00 F	Green	↑
Registration of Electors and Elections Costs	0.57	0.58	0.00 A	0.00 A	0.00 F	Green	↑
Risk Management	1.68	1.69	0.01 A	0.01 A	0.00 F	Green	↑
Supplier Management Services	1.61	1.47	0.14 F	0.14 F	0.00	Green	-
Total Corporate Services	38.94	41.39	2.45 A	2.53 A	0.08 F	Red	↑

Corporate Services £2.5M overspent, a favourable movement of £0.08M: £1.4M is due to non-achievement of savings, loss of income of £0.10M, salary cost pressures of £0.2M and £1.7M IT adverse forecast due to £1.3M service costs which cannot be recharged and income loss, a shortfall in salary budget of £0.6M, non-achievement of savings £0.2M, reduced by £0.5M in cost control measures. The adverse position is reduced by cost control measures within the pension account of £0.2M, Corporate Finance bad debt provision reduction of £0.2M, risk management savings of £0.10M and £0.5M salary reductions.



CURRENT POSITION	Place BUDGET MONITORING MONTH 5 (August)						
	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓
	£M	£M	£M	£M	£M		
Place	28.69	29.27	0.58 A	2.24 A	1.66 F	Red	↑
Service Area							
Air Quality Monitoring	0.22	0.22	0.00	0.00	0.00	Green	↑
Central Repairs & Maintenance	2.09	2.29	0.20 A	0.20 A	0.00	Red	-
City Development	0.31	0.48	0.18 A	0.25 A	0.08 F	Red	↑
City Services - Commercial Services	0.19	0.24	0.05 A	0.02 A	0.03 A	Green	↓
City Services - District Operating Areas	4.21	4.53	0.32 A	0.23 A	0.09 A	Red	↓
City Services - Trees & Ecology	0.88	0.97	0.09 A	0.09 A	0.00	Red	-
City Services - Waste Operations	16.80	16.08	0.72 F	0.04 A	0.76 F	Green	↑
City Services - Management & Compliance	0.50	0.53	0.03 A	0.03 A	0.00	Green	-
City Services - Fleet & Landscapes Trading	(1.72)	(1.24)	0.48 A	0.48 A	0.00	Red	-
CPRES - Bereavement Services	0.05	0.13	0.08 A	0.08 A	0.00	Red	↓
CPRES - Environmental Health & Trading Standards	1.59	1.52	0.07 F	0.08 F	0.00	Green	↓
CPRES - Licensing	(0.09)	(0.08)	0.01 A	0.01 A	0.00	Green	↓
CPRES - Parking & Itschen Bridge	(8.14)	(8.57)	0.43 F	0.37 F	0.06 F	Green	↑
CPRES - Port Health	(0.61)	(0.41)	0.19 A	0.14 A	0.05 A	Red	↓
CPRES - Private Sector Housing	0.34	0.35	0.00	0.00	0.00 F	Green	↑
CPRES - Registration Services	(0.20)	(0.19)	0.01 A	0.01 A	0.00	Green	↓
Cultural Services	2.17	1.99	0.18 F	0.16 F	0.01 F	Green	↑
Libraries	1.83	1.90	0.08 A	0.08 A	0.00 A	Red	↓
Economic Development	0.07	0.16	0.08 A	0.14 A	0.05 F	Red	↑
Emergency Planning	0.13	0.10	0.02 F	0.01 F	0.01 F	Green	↑
Energy Team	0.05	0.05	0.00	0.00	0.00	Green	-
Flood Risk Management	0.21	0.15	0.06 F	0.06 F	0.00	Green	↓
Health & Safety	0.27	0.30	0.03 A	0.03 A	0.00	Green	↑
Place Management	(0.10)	0.19	0.28 A	0.28 A	0.00	Red	-
Planning	0.35	0.94	0.59 A	0.80 A	0.21 F	Red	↑
Property Portfolio Management	(6.92)	(6.96)	0.04 F	0.04 F	0.00	Green	-
Property Services	8.89	8.42	0.47 F	0.10 A	0.57 F	Green	↑
Skills	0.07	0.07	0.00	0.00	0.00	Green	-
Skills, Regeneration & Partnership	0.44	0.43	0.02 F	0.02 F	0.00	Green	-
Transportation	4.82	4.68	0.14 F	0.06 F	0.08 F	Green	↑
Total Place	28.69	29.27	0.58 A	2.24 A	1.66 F	Red	↑

Place £0.6M overspent, a favourable movement of £1.7M: £0.08M is due to the anticipated pay award and other increased employee costs, £0.2M Mayflower Park funding, £0.3M historic agency saving target which cannot be achieved, £0.3M relating to Culture Quarter master planning, virtual retail for the Art Gallery and Southampton branding. There is a pressure of £0.15M due to non-achievement of the solar bins saving and other minor savings and £0.2M pressure relating to the cost of reactive repairs, increased Coroner costs of £0.1M and £0.2M City Development growth proposal. This is offset by a rates reduction in cultural services of £0.2M and Transportation cost control measures of £0.3M and reduction in the anticipated cost of energy of £0.3M and increased income of £0.01M



Strategy & Performance BUDGET MONITORING MONTH 5 (August)							
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M		
Strategy & Performance	3.72	3.84	0.12 A	0.07 A	0.05 A	Red	↓
Service Area							
Business Development Management Team	0.20	0.20	0.00	0.00	0.00	Green	-
Corporate Communications	0.93	1.00	0.07 A	0.07 A	0.00	Green	-
Data & Intelligence	0.18	0.19	0.01 A	0.01 A	0.00	Green	-
Projects, Policy & Performance	1.59	1.69	0.10 A	0.05 A	0.05 A	Red	↓
Strategic Management of the Council	0.81	0.76	0.05 F	0.05 F	0.00	Green	-
Total Strategy & Performance	3.72	3.84	0.12 A	0.07 A	0.05 A		↓



Wellbeing & Housing



Wellbeing & Housing BUDGET MONITORING MONTH 5 (August)							
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M		
Wellbeing & Housing	95.19	99.43	4.25 A	4.53 A	0.28 F	Red	↑
Service Area							
Adults - Adult Services Management	1.16	1.22	0.06 A	0.06 A	0.00		-
Adults - Long Term	45.14	48.39	3.25 A	3.42 A	0.17 F	Red	↑
Adults - Provider Services	4.46	4.60	0.14 A	0.18 A	0.05 F	Red	↑
Adults - Reablement & Hospital Discharge	8.80	8.65	0.15 F	0.11 F	0.04 F	Green	↑
Adults - Safeguarding AMH & OOH	14.02	14.33	0.31 A	0.27 A	0.05 A	Red	↓
Community Safety, Alcohol Related Crime, CCTV	0.30	0.27	0.02 F	0.00	0.02 F	Green	↑
Domestic Violence	0.56	0.58	0.02 A	0.00	0.02 A		↓
Grants to Voluntary Organisations	0.54	0.54	0.00	0.00	0.00	Green	-
Housing Needs	2.66	2.92	0.26 A	0.26 A	0.00	Red	-
ICU - Provider Relationships	14.98	15.35	0.37 A	0.44 A	0.07 F	Red	↑
ICU - System Redesign	1.63	1.73	0.10 A	0.10 A	0.00	Red	-
Leisure Strategy	0.10	0.10	0.00	0.00	0.00	Green	-
Public Health - Health Improvement	1.70	1.70	0.00	0.00	0.00	Green	-
Public Health - Health Protection and Surveillance	9.80	9.80	0.00	0.00	0.00	Green	-
Public Health - Management & Overheads	(15.28)	(15.28)	0.00	0.00	0.00	Green	-
Public Health - Non-ringfenced	0.19	0.19	0.00	0.00	0.00	Green	-
Public Health - Population Healthcare	3.77	3.77	0.00	0.00	0.00	Green	-
Social Fund & Property	0.18	0.18	0.00	0.00	0.00	Green	-
Stronger Communities	0.52	0.43	0.09 F	0.09 F	0.00	Green	-
Travellers Sites	(0.04)	(0.04)	0.00	0.00	0.00	Green	-
Total Wellbeing & Housing	95.19	99.43	4.25 A	4.53 A	0.28 F	Red	↑
Breakdown by overall area:							
Adult Social Care	73.58	77.18	3.61 A	3.82 A	0.21 F	Red	↑
ICU	16.61	17.08	0.47 A	0.54 A	0.07 F	Red	↑
Public Health	0.19	0.19	0.00	0.00	0.00	Green	-
Housing	2.66	2.92	0.26 A	0.26 A	0.00	Red	-
Leisure	0.10	0.10	0.00	0.00	0.00	Green	-
Stronger Communities	2.05	1.96	0.09 F	0.09 F	0.00 A	Green	↓

Wellbeing and Housing £4.3M overspent, a favourable movement of £0.3M: £5.5M is due to increased number and cost of client packages, £0.4M of non-achievement of savings and £0.3M increased homelessness costs, offset by employee savings including agency of £0.1M. The adverse position is further offset by new government funding of £1.7M for care costs.



<u>Directorate</u>	Budget	Forecast	Variance
	£M	£M	£M
Children & Learning	12.04	12.04	0.00
Corporate Services	2.58	2.58	0.00
Place	85.77	86.07	0.30 A
Strategy & Performance	1.78	1.78	0.00
Wellbeing & Housing	5.35	5.12	0.22 F
Total General Fund	107.52	107.60	0.08 A
HRA	55.05	52.22	2.82 F
Net Council Expenditure	162.57	159.82	2.75 F
Financed By:			
Council Resources - Borrowing (GF)	26.13	26.20	0.07 A
Council Resources - Borrowing (HRA)	20.86	20.48	0.38 F
Council Resources - Capital Receipts	6.50	3.73	2.77 F
Contributions	13.31	13.32	0.01 A
Grants	66.59	66.59	0.00
Council Resources - DRF	3.30	2.90	0.40 F
MRA	25.89	26.62	0.72 A
Total Financing	162.57	159.82	2.75 F

<u>Forecast Variance Analysis</u>	GF	HRA	Total
	£M	£M	£M
Deficit Budget	0.30	1.00	1.00
Surplus Budget	(0.22)	(1.06)	(1.28)
Slippage of Works	0.00	(2.77)	(2.77)
Slippage for Retention Payments	0.00	0.00	0.00
Rephasing of Works	0.00	0.00	0.00
Funding No Longer Available	0.00	0.00	0.00
	0.08	(2.82)	(3.05)

General Fund is reporting a £0.08M forecast adverse variance. Major variances include:

- Vehicle Purchase £0.30M overspend
- 1,000 Parking Spaces £0.22M underspend

HRA is reporting £2.82M Favourable variance. Major variances include:

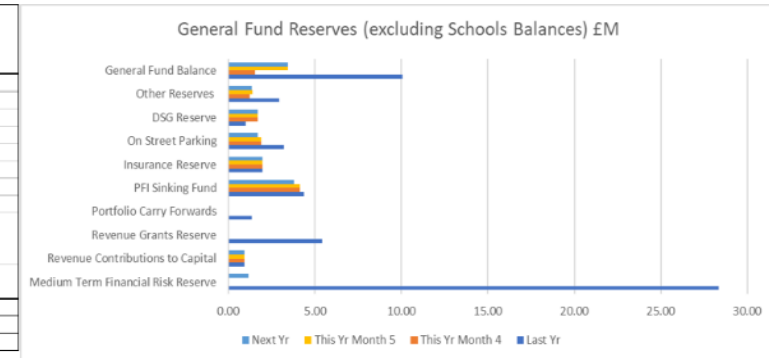
- Townhill Park Regeneration £2.76M slippage
- Container Homes £400K surplus
- 1,000+ Parking Spaces (HRA Element) £662K surplus
- Major Works – reactive £700K deficit
- Holyrood Estate Heating Upgrade £281K deficit



General Fund Earmarked Reserves (excluding Schools Balances)



	Balance As At 31/03/2023	Month 4 Forecast Balance As At 31/03/2024	Changes this month	Month 5 Forecast Balance As At 31/03/2024	Month 5 Forecast Balance As At 31/03/2025	Comments
	£M	£M	£M	£M	£M	
Medium Term Financial Risk Reserve	28.35	0.00	0.00	0.00	1.15	
Revenue Contributions to Capital	0.93	0.93	0.00	0.93	0.93	
Revenue Grants Reserve	5.43	0.00	0.00	0.00	0.00	
Portfolio Carry Forwards	1.34	0.00	0.00	0.00	0.00	
PFI Sinking Fund	4.38	4.16	0.00	4.16	3.78	
Insurance Reserve	2.00	2.00	0.00	2.00	2.00	
On Street Parking	3.21	1.89	0.00	1.89	1.70	
DSG Reserve	0.99	1.69	0.00	1.69	1.69	Note £11.1M cumulative deficit to 31/03/2022 is held in the DSG Adjustment Account in accordance with regulations.
Other Reserves	2.96	1.23	0.18	1.41	1.37	Forecast £0.18M drawdown of Building Competition Account Reserve removed.
Total Earmarked Reserves	49.99	11.90	0.18	12.08	12.62	
General Fund Balance	10.07	1.55	1.91	3.46	3.46	£1.9M reduction in forecast in-year overspend
Total GF Reserves (excl. Schools)	59.66	13.44	2.09	15.53	16.08	



The balance on the Medium Term Financial Risk (MTR) Reserve is forecast to be used up in 2023/24 in meeting the in-year overspend. £6.6M of the General Fund Balance would also be required to cover the forecast £16.0M deficit as at month 5, however this would reduce the General Fund Balance to £3.5M, compared with a minimum of £11M recommended by CIPFA (5% of net revenue expenditure).



	Council Tax	Business Rates	Total
	£M	£M	£M
Distribution of previous years' estimated surplus/(contribution towards estimated deficit)	(0.31)	3.45	3.14
Net income and expenditure for 2023/24	0.38	2.58	2.95
(Surplus)/Deficit for the year	0.07	6.02	6.09
(Surplus)/Deficit brought forward from 2023/24	0.90	(13.20)	(12.30)
Overall (Surplus)/Deficit Carried Forward	0.97	(7.18)	(6.21)
SCC Share of (Surplus)/Deficit	0.81	(3.52)	(2.70)
Add: Variance in SCC Government grant income for business rates reliefs for 2023/24		0.14	0.14
SCC Net Share of (Surplus)/Deficit including Government Grant adjustments to be taken into account in budget setting	0.81	(3.38)	(2.56)

➤ For the Collection Fund as a whole there is a forecast surplus of £6.2M to be carried forward into 2024/25, mostly from an improvement in the 2022/23 outturn position due to a reduction in the amount set aside for business rates appeals.

➤ SCC's share of the surplus is £2.7M, of which £4.3M relates to the improvement in the 2022/23 outturn position and £1.6M to an in-year deficit. This will need to be taken into account in setting the 2024/25 budget and is not available to use in 2023/24.

➤ In addition, there is a forecast reduction of £0.1M in government grant income for business rates reliefs in 2023/24.



Housing Revenue Account



HOUSING REVENUE ACCOUNT BUDGET MONITORING MONTH 5 (August)							
CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M	£M	£M
Expenditure							
Responsive & Repairs	15.10	15.09	0.01 F	0.01 F	0.00	Green	-
Cyclical Maintenance	6.44	6.51	0.07 A	0.07 A	0.00	Green	-
Rents Payable	0.20	0.30	0.10 A	0.10 A	0.00	Red	-
Debt Management	0.09	0.09	0.00	0.00	0.00	Green	-
Supervision & Management	26.16	26.97	0.81 A	0.81 A	0.00	Red	-
Interest & Principal Repayments	5.71	6.71	1.00 A	1.00 A	0.00	Red	-
Depreciation	22.07	21.50	0.57 F	0.57 F	0.00	Green	-
Direct Revenue Financing of Capital	4.00	1.58	2.42 F	2.42 F	0.00	Green	-
Gross Expenditure	79.77	78.75	1.03 F	1.03 F	0.00	Green	-
Income							
Dwelling Rents	(75.14)	(74.64)	0.50 A	0.50 A	0.00	Red	-
Other Rents	(1.24)	(1.24)	0.00	0.00	0.00	Green	-
Service Charge Income	(2.34)	(2.34)	0.00	0.00	0.00	Green	-
Leaseholder Service Charges	(1.05)	(1.05)	0.00	0.00	0.00	Green	-
Interest Received	0.00	(0.06)	0.06 F	0.06 F	0.00	Green	-
Total Income	(79.77)	(79.33)	0.44 A	0.44 A	0.00	Red	-
Balances							
Working Balance B/Fwd	(2.00)	(2.00)					
(Surplus)/deficit for year	0.00	(0.59)	0.59 F	0.59 F	0.00	Green	-
Working Balance C/Fwd	(2.00)	(2.59)					

HRA POSITION - £0.59M Favourable. £0.59M Favourable forecast on depreciation charge is proposed to be added to the overall working balance. Pressures of £2.42M across the HRA relating to rent void loss £0.5M, £0.8M Disrepair claims, waste disposal cost, management restructure and termination costs and £1m interest rate cost are being offset by a reduction in planned direct revenue financing contribution.

Landlord Heating Account

	YTD	Forecast
	£M	£M
Balance B/fwd	3.58	3.58
Costs incurred Jan-Mar 23	2.02	2.02
Less accruals 22/23	-2.81	-2.81
Rent collected ytd	-3.00	-7.47
Leaseholder contribution		-0.80
Costs incurred YTD	1.71	9.08
Balance C/fwd	1.50	3.61

As a result of significantly increased energy costs, and no subsequent adjustment to charges applied during 2022/23, the landlord controlled heating account ended in a deficit position as at 31st March 2023. The revised charges for 2023/24 are sufficient to cover costs in 2023/24 only, but will not contribute to deficit recovery unless a significant reduction in cost occurs. Cabinet agreed to the principle of a phased deficit recovery plan in July 2023.



Dedicated Schools Grant

CURRENT POSITION	Current Budget 2023/24	Forecast 2023/24	Forecast Annual Variance at Period 5	Variance P4	Variance Movement Compared to P4	Significant Forecast Variance Indicator	Improving ↑ / Deteriorating ↓ Movement
	£M	£M	£M	£M	£M		
Schools	0.00	0.00	0.00	0.00	0.00	Green	-
High Needs	0.00	(0.70)	0.70 F	0.70 F	0.00	Green	-
Early Years	0.00	0.00	0.00	0.00	0.00	Green	-
Central Services	0.00	0.00	0.00	0.00	0.00	Green	-
In Year Balance	0.00	(0.70)	0.70 F	0.70 F	0.00	Green	-
Balance B/Fwd held in DSG adjustment reserve	0.00	11.09	11.09 A				
Balance B/Fwd held in DSG usable reserve		(0.99)	0.99 F				
Net DSG deficit B/Fwd		10.10	10.10 A				
Total non General Fund Services	0.00	9.40	9.40 A			Red	

School Balances Table	Forecast 2023/24		
	Deficit	Surplus	Balance
Primary	3.04	(2.36)	0.68
Nos.	11	20	31
%	35%	65%	100%
Secondary	0.00	(3.62)	(3.62)
Nos.	0	6	6
%	0%	100%	100%
Special	0.71	(0.08)	0.62
Nos.	2	3	5
%	40%	60%	100%
Total	3.75	(6.06)	(2.31)
Nos.	13	29	42
%	31%	69%	100%