

GENERAL FUND REVENUE ACCOUNT OUTTURN 2022/23

A summary of the overall outturn for the General Fund Revenue Account is shown in the table below:

Portfolio	Final Budget £M	Outturn £M	Outturn Variance £M
Children & Learning	59.96	75.54	15.57 A
Communities & Customer Engagement	6.22	7.07	0.86 A
Economic Development	2.72	2.77	0.06 A
Finance & Change	39.93	40.88	0.95 A
Health, Adults & Leisure	85.72	91.59	5.86 A
Housing & the Green Environment	7.90	8.02	0.12 A
Leader	13.15	12.98	0.17 F
Safer City	1.47	1.30	0.18 F
Transport & District Regeneration	0.97	(1.58)	2.54 F
Total Portfolios	218.04	238.58	20.54 A
Levies & Contributions	0.09	0.09	0.00 A
Capital Asset Management	11.33	7.37	3.96 F
Net Housing Benefit Payments	0.00	0.52	0.52 A
Other Expenditure & Income	(36.17)	(39.36)	3.19 F
Net Revenue Expenditure	193.29	207.19	13.90 A
Council Tax	(111.24)	(111.24)	0.00
Business Rates	(32.78)	(32.78)	0.00
Non-Specific Government Grants	(49.27)	(51.79)	2.52 F
Total Financing	(193.29)	(195.81)	2.52 F
Deficit before transfer from reserves	0.00	11.38	11.38 A
Transfer from Reserves – Year End Deficit		(11.38)	11.38 F
(Surplus)/Deficit	0.00	0.00	0.00

Numbers are rounded

The variance trend for the year is summarised below:

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Net Revenue Expenditure*	15.26 A	9.61 A	10.36 A	13.90 A
Financing	0.02 F	0.02 F	0.02 F	2.52 F
Deficit before transfer from reserves	15.24 A	9.59 A	10.34 A	11.38 A

Numbers are rounded

*Including agreed in-year savings from Q2

EXPLANATIONS BY PORTFOLIO

1. CHILDREN & LEARNING PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£15.58M** at year-end, which represents a percentage variance against budget of 26.0%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	59.96	75.54	15.58 A	26.0

The portfolio outturn variance has moved adversely by **£4.56M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	9.19 A	9.43 A	11.02 A	15.58 A

A summary of the Portfolio outturn variance by Service Area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Children & Families First	2.24	2.24	0.01 F
DSG Central School Services Block	(0.06)	(0.06)	0.00
Divisional Management & Legal	2.55	2.65	0.10 A
Education - Home to school transport and property management	6.02	11.06	5.04 A
Education - Services for schools and High Needs	4.35	6.24	1.89 A
Pathways Through Care	28.88	35.29	6.42 A
ICU – Children’s Services	0.44	0.42	0.02 F
Young Peoples Service	3.18	3.46	0.28 A
Quality Assurance Business Unit	2.40	2.60	0.21 A

Safeguarding	9.41	11.10	1.69 A
Other	0.54	0.53	0.01 F
Total	59.96	75.54	15.58 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Education - Home to school transport and property mgt	5.04 A	<p>The Home to School Transport service experienced cost pressures of £4.13M driven by the increased numbers of pupils with an Education, Health and Care Plan (EHCP) who are eligible for home to school transport and by an increase in the unit costs for transport. There were also cost pressures for increased numbers of school escorts as well as increased transport costs. To mitigate the pressures the service is exploring a range of initiatives including re-procurement and the offer of independent travel training. The initial estimate is that these cost pressures will continue into 2023/24 with an adverse forecast of £4.43M. The Council has engaged with the industry to attract new suppliers in an attempt to provide a more competitive market. There are further actions planned such as route optimisation and a review of travel arrangements.</p> <p>There is a pressure in the property costs relating to the delayed academisation date for one of the schools of £0.47M, feasibility and project costs exceeded budget by £0.21M relating to the special education needs (SEN) school expansion programme and pressures relating to utility charges and maintenance costs totalling £0.10M.</p> <p>There is a pressure in the Education Psychologists team of £0.13M driven by the increase in EHCPs, coupled with short term staff absence leading to additional staff costs as well as prior year savings not being achieved. These pressures are continuing into 2023/24 and to mitigate the impact the service is presenting cost control measures which will reduce spend and increase income in other teams.</p> <p>The adverse movement of £3.58M from Quarter 3 is due to:</p> <ol style="list-style-type: none"> 1. increased costs totalling £2.58M in the Home to School Transport service due to a sharp increase in route costs following a retendering exercise and additional routes being required. 2. Income received to the council was £0.48M lower than expected.

		<ol style="list-style-type: none"> 3. Costs related to the school academisation were £0.44M higher than planned for the year. 4. £0.08M due to increased feasibility costs, utility charges and staff costs.
Education - Services for schools, High Needs	1.89 A	<p>The Jigsaw service experienced pressures relating to</p> <ol style="list-style-type: none"> 1. high-cost placements of £1.34M, £1.2M relates to the on-going costs of care continuing from 2021/22 and £0.14M for a new high cost placement following a family's move into the city. The 2023/24 budget for placements was adjusted in February 2023 to reflect the on-going costs of £1.2M. However, the costs of new placements are expected to create a pressure of £0.3M in 2023/24. 2. Increased costs in direct payments due to a rise in the number of children requiring packages of care of £0.10M, partly offset by a contribution from the Integrated Care Board (ICB) towards direct payments of £0.06M. This is not expected to have a continuing impact on the 2023/24 budget. 3. Delays in recruiting to new posts in the Jigsaw service has meant that it was necessary to extend agency staff to cover the posts and manage the backlog in assessments, leading to a pressure of £0.09M. This is not expected to have an impact on the 2023/24 budget. 4. Savings and income targets across Education teams were not met leading to a pressure of £0.38M. These pressures are continuing into 2023/24 and to mitigate the impact the service is presenting cost control measures which will reduce spend and increase income across the Education service. 5. There were also further small variances totalling £0.04M relating to contract costs and premises related costs. <p>The adverse movement of £0.47M from Quarter 3 is due to:</p> <ul style="list-style-type: none"> • an increase in care packages (£0.14M), • increased staff costs (£0.12M), offset by higher contributions from the ICB (£0.04M). • The pressures from not meeting the savings and income targets being £0.2M higher than forecast at Quarter 3 • Premises and contract costs being £0.05M higher than forecast.
Pathways Through Care	6.42 A	<p>There have been a number of demand pressures within the Children Looked After Teams' placement spend. These adverse variances against budget are detailed below:</p> <ul style="list-style-type: none"> • Residential placements - £2.55M • Independent Foster Carers (IFA) - £0.90M

		<ul style="list-style-type: none"> • SCC Foster Carers - £0.96M • Special Guardianship - £0.39M • Children in Care Teams - £1.47M <p>In addition, to manage this increase in demand during the year, the Fostering, Adoption and Contact Teams have had additional staffing costs in year of £0.14M.</p> <p>The adverse movement of £0.44M from Quarter 3 relates to several placement cost increases in residential cases.</p> <p>It is important to note that the numbers of children looked after and costs across the service have decreased since April 2023 and this trend is expected to continue through 2023/24. The expected reduction in placement spend will be monitored closely in the new year.</p> <p>In March 2023 the weekly total care costs were £42k less per week than at the same point 12 months previously, a 10% reduction. If the trajectory continues it will have a significant impact on the projected spend for 2023/24.</p>
Young Peoples Service	0.28 A	<p>There is an adverse variance of £0.28M relating to staffing and agency cover.</p> <p>Within the missing, exploited and trafficked team, there are 2 additional staff on fixed term contracts backfilling for 2 members of staff that are on social worker apprenticeships and as a result carry a much-reduced caseload.</p> <p>This approach supports future permanent social workers in the service. The missing, exploited, trafficked (MET) team have 3 staff on apprenticeships which will yield 3 more social workers in the next 18 months.</p> <p>The demand on the Young People's service has been greater than anticipated, with 175 young people currently receiving a service. Due to the complexity and volume, the service has needed additional agency staff to manage demand. This has been exacerbated by 2 newly qualified social workers having to move from the service to a different team due to the work being too complex and high risk for them. In 2023/24 the service is expected to be fully staffed, reducing reliance on agency staff.</p>
Quality Assurance Business Unit	0.21 A	<p>There is an adverse variance of £0.21M related to agency staff required in the service. This primarily relates to the need for Independent Reviewing Officers (high numbers of children in care combined with government guidance about Independent Reviewing Officer caseloads) and also Child Protection Chairs, in particular to ensure that there is sufficient capacity to chair Risk of Harm Outside the Home (ROTH) conferences.</p> <p>Agency staff within Quality Assurance have substantially reduced for 2023/24 with only one remaining.</p>

Safeguarding	1.69 A	<p>There is an adverse variance of £1.69M relating to agency staff, additional allowances and overtime in the service.</p> <p>This adverse variance relates to vacancies, the high number of inexperienced permanent staff within the service and the need to hold agency staff while gradually building up their caseloads.</p> <p>The service now has 90% permanent staffing which is a significant improvement, but there is a need to maintain a level of experience via agency workers to ensure that children receive the service they need.</p> <p>Of the 17 newly qualified social workers (NQSW) across the service most were not registered until August or September. This meant that they could not hold social work cases.</p> <p>There were delays in the arrival of some of the international social workers. Caseloads for international social workers were kept at a lower level for a period of time while they settle into the country and familiarise themselves with UK legislation and practices. As the number of cases they can deal with increases and NQSWs increase, less additional agency have been required.</p> <p>The demand in the Emergency Duty Team from case numbers and complexity has meant additional allowances and overtime being paid to emergency duty team staff. These overtime payments are closely overseen by the senior managers in the service. In 2023/24 there will be a review of the EDT service to ensure it has the right capability and capacity.</p>
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2. COMMUNITIES & CUSTOMER ENGAGEMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.86M** at year-end, which represents a percentage variance against budget of 13.8%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	6.22	7.07	0.86 A	13.8%

The portfolio outturn variance has moved adversely by **£0.26M** from the position reported at quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.60 A	0.71 A	0.60 A	0.86 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Bereavement Services	0.01	0.84	0.83 A
Registration Services	(0.14)	(0.19)	0.05 F
Customer Services	2.15	2.15	0.00
Directorate Management - Place	(0.10)	0.24	0.34 A
Grants to Voluntary Organisations	0.87	0.83	0.02 F
Libraries	2.02	2.03	0.01 A
Stronger Communities	1.42	1.16	0.25 F
Total	6.22	7.07	0.86 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Bereavement Services	0.83 A	<p>The adverse variance relates to:</p> <ul style="list-style-type: none"> • energy cost (gas and electricity) increases for the crematorium of £0.13M mainly due to price increases • coroners costs of £0.55M, • agency and fly tipping costs of £0.04M • Loss of income of £0.14M. This has been partially offset by a reduction in non essential spend of £0.03M. <p>Coroner's costs are recharged by Hampshire County Council, of which £0.15M is in relation to Q4 of 2021/22 and £0.40M for 2022/23. Coroner's costs are high due to a backlog of cases, and is being addressed by Hampshire County Council at additional cost. A pressure has already been built into the budget for 2023/24, based on the Q3 position, and the MTFS update reflects potential further pressures.</p>
Directorate Management - Place	0.34 A	A directorate wide saving target was held centrally rather than applied to relevant services. The saving was met from underspends in the wider directorate.
Stronger Communities	0.25 F	The favourable variance of £0.25M is made up of vacancy savings across the Stronger Communities team of £0.09M, and savings of £0.16M on the Year of the Child budget. The year of the child underspend was not carried forward to assist in addressing the financial position for 2022/23. This has been included in the MTFS update.

3. ECONOMIC DEVELOPMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.06M** at year-end, which represents a percentage variance against budget of 2.2%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	2.72	2.77	0.06 A	2.2

The portfolio outturn variance has moved favourably by **£1.13M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.80 A	1.38 A	1.19 A	0.06 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Facilities Management	2.15	2.74	0.58 A
Central Repairs & Maintenance	2.59	2.42	0.17 F
Energy Team	(0.11)	0.01	0.12 A
Planning	0.63	1.03	0.39 A
Economic Development	0.27	0.23	0.05 F
Property Services	3.41	2.40	1.01 F
Social Fund & Property	0.28	0.27	0.01 F
Property Portfolio Management	(6.52)	(6.32)	0.20 A
Total	2.72	2.77	0.06 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Facilities Management	0.58 A	<p>This variance is a combination of significant additional costs of £0.50M for geo-thermal usage and £0.28M for additional electricity costs. This is offset by:</p> <ul style="list-style-type: none"> • savings within other facilities management budgets of £0.11M for other building related costs; • £0.04M savings within the staffing budget • £0.05M additional income for the cleaning contract.
Planning	0.39 A	<p>There is an adverse position on Development Management of £0.66M from reduced planning income due to the impact of the wider economic conditions reducing the number of planning application. This is partially offset by a favourable variance in Strategic Planning of £0.27M from work associated with the Local Plan slipping into later years.</p>
Property Services	1.01 F	<p>There is a favourable variance of £0.38M against the Mayflower Park project budget which was paused following the Levelling up bid submission and subsequent result. There is also £0.63M of favourable variances against staffing and income from;</p> <ul style="list-style-type: none"> • holding vacancies; • delaying recruitment; • appointments being reduced; • increase in staffing recharge income from external organisations; • and, an increase in staff processing recharges as part of an in-year saving proposal.
Property Portfolio Management	0.20 A	<p>There is an adverse variance of £0.20M on the property portfolio. This is due to £0.16M of additional operating costs of One Guildhall Square, especially on utilities and business rates following a revaluation of the rateable value and the space SCC is liable for increasing due to previous tenants moving out.</p> <p>There is an additional adverse variance of £0.04M from the Investment Property Portfolio due to pressure on income from profit sharing arrangements. They are calculated a year in arrears and the retail sector is still generally recovering from a slowdown over recent years.</p>

4. FINANCE & CHANGE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.95M** at year-end, which represents a percentage variance against budget of 2.4%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	39.93	40.88	0.95 A	2.4

The portfolio outturn variance has moved favourably by **£0.12M** from the position reported at quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	1.19 A	2.24 A	1.07 A	0.95 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Accounts Payable	0.33	0.41	0.08 A
Accounts Receivable	2.11	2.02	0.09 F
Business Development	0.00	0.33	0.33 A
Business Support	2.13	2.34	0.20 A
Centrally Apportionable Overheads	(7.67)	(7.64)	0.02 A
City Services - Management & Compliance	0.32	0.30	0.02 F
City Services - Waste Operations	16.08	14.33	1.75 F
Commercialisation	(0.39)	0.10	0.49 A
Corporate Finance	3.08	3.05	0.03 F
Corporate Management	(0.04)	(0.11)	0.07 F

Data & Intelligence	0.36	0.34	0.02 F
Highways Contracts	6.93	6.93	0.00
Internal Audit	0.35	0.27	0.08 F
IT Services	8.25	10.06	1.81 A
Local Taxation & Benefits Services	1.67	2.08	0.41 A
Pension & Redundancy Costs	2.28	1.86	0.42 F
Projects, Policy & Performance	1.55	1.50	0.05 F
Risk Management	1.54	1.46	0.08 F
Supplier Management Services	1.05	1.24	0.19 A
Total	39.93	40.88	0.95 A

The SIGNIFICANT variations for the Portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Business Development	0.33 A	<p>This cost centre is holding the revenue maintenance arrears of £0.33M associated with the Care Director system which were agreed as part of contract negotiations in March 2023.</p> <p>There has been an adverse movement of £0.35M between the Q3 forecast and the outturn position due to the restructure of the portfolios taking place in Q4 and changes in the responsibilities of managers between portfolios in the same period.</p>
Business Support	0.20 A	<p>The overall adverse variance of £0.20M is due to a £0.10M adverse variance in the staffing budget as the service were unable to meet their vacancy management target of £0.08M and incurred temporary staffing costs of £0.02M.</p> <p>There is an adverse variance of £0.06M in the savings targets budget, and additional adverse variances of £0.04M in the supplies and services and transport budgets.</p>
City Services – Waste Operations	1.75 F	<p>There is a favourable variance in waste operations of £1.75M.</p> <p>This is made up of favourable variances on:</p>

		<p>- Vehicles of £0.39M following a change in how the recharge rate for older vehicles is calculated.</p> <p>- Income of £0.59M from an increase in market rates for dry mixed recyclables and glass, along with an increase in garden waste income and other recharges</p> <p>- Waste disposal costs of £0.09M</p> <p>- Trade waste of £0.19M following a review of costs in year to ensure only those related to the provision of the service are charged to the service</p> <p>- Staffing of £0.29M from vacant positions over the year following the restructure</p> <p>- Waste transformation project costs of £0.42M based on the decision to pause the programme until the legislative requirements from the new Environment Act are announced.</p> <p>This is offset by:</p> <p>- Adverse position of £0.10M on energy costs from increased prices</p> <p>- There are also pressures on fuel charges of £0.12M from price rises in the year.</p> <p>The forecast moved favourably by £0.94M from quarter 3. This was due to:</p> <ul style="list-style-type: none"> • An increase in income of £0.43M following an increase in market rates for dry mixed recyclables and glass • an increase in garden waste income and other recharges. • Waste Transformation project costs of £0.42M based on the decision to pause the programme until the legislative requirements from the new Environment Act are announced. • Other net movements across the service of £0.09M primarily due to staffing levels built into the forecast at Quarter 3 not being met due to challenges filling positions in the current job market.
Commercialisation	0.49 A	<p>The commercialisation savings target of £0.56M for this service area has not been achieved. The unfavourable variance is in part offset by a saving of £0.07M from the commercialisation manager post being vacant. This target is currently included in 2023/24 budget and is unlikely to be met unless the fees and charges policy is agreed.</p>
IT Services	1.81 A	<p>The adverse variance of £1.81M consists of four main issues:</p> <ul style="list-style-type: none"> • A staffing variance of £0.16M adverse • An unachieved savings target of £0.70M

		<ul style="list-style-type: none"> • An income variance of £1.51M adverse, this is due to income from capital and schools being unachievable • Supplies and Services and Premises favourable variance of £0.56M. <p>There has been an adverse movement of £1.08M between the Q3 forecast and the outturn position. The full details of the budget pressures in this area were identified in Q4 and are detailed in the paragraph above.</p> <p>Of the total unfavourable income variance of 1.51M, there is an unfavourable capital charge variance of £1.18M against a budgeted income target of £1.75M (£0.57M income achieved). There is also a shortfall of £0.33M against the school income budget target of £0.73M (£0.4M income achieved). The budgets for IT Services will be reviewed during 2023/24.</p>
Local Taxation & Benefits	0.41 A	<p>There is an adverse variance of £0.41M in this budget mainly resulting from a variance of £0.44M against budget for the income from charges for council tax court costs. This variance is partly mitigated by the receipt of a government grant of £0.19M for council tax services. In addition, there is a shortfall in the achievement of the efficiency savings targets for this area of £0.16M.</p>
Pension & Redundancy Costs	0.42 F	<p>There has been a £0.35M underspend in the charge from Hampshire County Council (HCC) against the Compensatory Added Years budget. There is also an additional saving of £0.04M from HCC for the prepayment of Local Government Pension Scheme (LGPS) contributions and a favourable variance of £0.03M compared to our redundancy budget provision for 2022/23.</p> <p>There has been a favourable movement of £0.42M between the Q3 forecast and the outturn position. The full details of the adverse movement are explained in the paragraph above.</p>
Supplier Management Services	0.19 A	<p>There has been a favourable movement of £0.29M on this cost centre between the Q3 forecast and the outturn position. The forecast adverse variance in Q3 included a shortfall of £0.48M in the achievement of the target efficiency saving of £0.95M. In Q4 this was mitigated through the inclusion of additional grant income of £0.28M that reduced the unfavourable outturn position to £0.19A.</p>

5. HEALTH, ADULTS & LEISURE PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£5.86M** at year-end, which represents a percentage variance against budget of 6.8%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	85.72	91.59	5.86 A	6.8

The portfolio outturn variance has moved adversely by **£1.32M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	2.39 A	3.37 A	4.54 A	5.86 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Adults - Adult Services Management	2.27	1.69	0.58 F
Adults - Long Term	39.86	43.27	3.42 A
Adults - Provider Services	4.44	4.61	0.17 A
Adults - Reablement & Hospital Discharge	7.83	8.21	0.38 A
Adults - Safeguarding Adult Mental Health & Out Of Hours	11.59	13.69	2.10 A
ICU - Provider Relationships	13.65	13.70	0.05 A
ICU - System Redesign	2.01	2.03	0.03 A
Leisure Contracts and Strategy	1.82	1.98	0.16 A
Public Health - Management & Overheads	2.26	2.40	0.14 A
Total	85.72	91.59	5.86 A

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Adults - Adult Services Management	0.58 F	<p>The favourable variance is due to £0.44M relating to ongoing restructuring and recruitment of staff to the Adult Social Care staffing pressures approved at February 2022 budget setting. This has resulted in vacant posts during the financial year and thus a favourable variance in this area. There is also a £0.11M favourable variance related to a review of learning and development spend mainly taking into account cost control criteria updates and £0.03M of smaller favourable variances.</p>
Adults - Long Term	3.42 A	<p>The adverse variance is due to:</p> <ul style="list-style-type: none"> - A £3.86M impact of the increased cost of care and in particular the costs relating to the revised discharge to assess process where clients are discharged from hospital in line with the updated Covid response process. This often leads to increased average costs compared to pre Covid levels due to the early discharge plus potential lack of reablement support to ensure that clients do not require enhanced packages of care. This includes a £0.52M adverse variance due to additional payment of spot rate beds, above the contract total. - There is an adverse variance of £0.24M due to reduced income relating to direct payments. - There is an adverse variance of £0.16M due to non-achievement of savings around double handed care. - There is an adverse variance of £2.01M due to an increase cost of Learning Disability client demand and a small number of high cost clients. - There is a £0.12M adverse variance due to the cost of staffing pressures for agency staff and overtime in the Social Wellbeing and Learning Disability teams. - There is a £0.40M adverse variance due to an increase in the bad debt provision requirement. - The above has been offset by the use of £1.91M from reserves which was set aside to meet in year Adult Social Care pressures, £0.90M ASC Discharge Funding released from Central Government to partially fund the impact of Discharge to Assess cost and £0.56M usage of Fair Cost of Care funding. <p>There has been a £1.65M adverse movement since Quarter 3 due to:</p> <ul style="list-style-type: none"> - A £1.50M impact of the increased cost of care. - An adverse variance of £0.08M due to reduced income relating to direct payments. - A £0.10M adverse movement due to an increase in the bad debt provision. - Smaller favourable variances of £0.03M.

		<p>For 2023/24 these adverse movements represent a risk to the ongoing financial position. To mitigate this, Adult Social Care are carrying out a review of the service, looking at current working practices and aiming to arrive at an updated target operating model. Material strategic related changes may take time however, so this area remains a financial risk.</p>
Adults - Reablement & Hospital Discharge	0.38 A	<p>There is a £0.38M adverse variance due to ongoing agency staffing pressures in the Hospital Discharge and Connect teams with the areas having a £0.35M and £0.16M adverse variance respectively. This is partially offset by a £0.13M favourable variance in the Community Independence Service and Urgent Response Services due to vacancies arising and not being backfilled via agency.</p> <p>There has been a £0.35M favourable movement since Quarter 3 due to a £0.07M reduction in the staffing adverse variance in the Hospital Discharge team, a £0.20M reduction in spend on the Connect team, part funded from the Disabled Facilities Grant from hoarder project funds, and £0.08M smaller adverse variances.</p> <p>For 2023/24 there has been additional budget pressures added for the risk of additional agency/temporary staff continuing to be required for Hospital Discharge and Connect. However, a revised process for Hospital Discharge and Connect is currently being looked at, which may reverse the need for these additional staffing pressures.</p>
Adults - Safeguarding Adult Mental Health & Out Of Hours	2.10 A	<p>There is a £2.10M adverse variance due to a £1.88M adverse variance for residential, nursing and direct payments. There is also a £0.03M favourable variance in the Adult Mental Health team due to staffing vacancies, a £0.36M increase in the cost of substance misuse clients, partially offset by a £0.11M favourable variance due to a reduction in the anticipated cost of agency staff for Deprivation of Living Safeguards (DOLS) and Best Interest Assessor (BIA) assessments due to difficulty in recruiting staff.</p> <p>There has been a £0.64M adverse movement since Quarter 3 due to:</p> <ul style="list-style-type: none"> • £0.47M reallocation of spend relating to discharge to assess clients from Long Term care following an analysis of their care primary support reason. • £0.08M further increase in client care costs. • £0.06M favourable movement in costs for the Adult Mental Health team, • £0.19M adverse movement in the cost of substance misuse clients

		<ul style="list-style-type: none">• £0.04M favourable movement in the cost of agency staff for Deprivation Of Living Safeguards (DOLS) and Best Interest Assessor (BIA) assessments.• For 2023/24, the current operating model is being assessed for future development/change which it is expected will lead to favourable cost and operational outcomes.
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6. HOUSING & THE GREEN ENVIRONMENT PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a deficit of **£0.12M** at year-end, which represents a percentage variance against budget of 1.51%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	7.90	8.02	0.12 A	1.51%

The portfolio outturn variance has moved favourably by **£0.14M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.03 A	0.18 A	0.26 A	0.12 A

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Air Quality Monitoring	0.22	0.22	0.00
City Services- Commercial	0.46	0.65	0.19 A
City Services – District Areas	4.10	4.70	0.60 A
City Services – Trees & Ecology	0.87	0.87	0.00
City Services – Trading Areas	(1.46)	(0.74)	0.71 A
Flood Risk Management	0.23	0.13	0.10 F
Housing Needs	3.12	2.05	1.07 F
Private Sector Housing	0.36	0.14	0.21 F
Total	7.90	8.02	0.12 A

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
City Services - District Areas	0.60 A	<p>The adverse variance of £0.60M relates to:</p> <ul style="list-style-type: none"> • Pressures on staffing of £0.10M due to absences and vacancies leading to temporary cover being required, • Operational cost pressures of £0.20M including the requirement to pay Veolia to keep the Marchwood site open on Sunday to receive collected waste and contract costs associated with the locking/unlocking of monuments. • Increased fuel charges of £0.15M as a result of increased market prices. • £0.21M on external hire vehicles used during the year whilst new vehicles were waiting delivery and an unachievable saving of £0.10M associated with the introduction of solar bins. The collection vehicle required to optimise compaction rates and reduce collection rounds is still to be received following a delay in delivery after issues with the chassis were identified. <p>This is offset by a favourable variance of £0.16M on recharges to capital and the Housing Revenue Account (HRA) for work undertaken in year.</p> <p>To address these issues in 2023/24 fuel charges were included as a pressure in the budget approved in February 2023. New vehicles for the team are in the process of being received with a batch due in summer 2023. Operational processes for Sunday working are being reviewed to enable Sunday collected waste to be stored temporarily to eliminate the requirement to transfer immediately to Marchwood.</p>
City Services – Trading Areas	0.71 A	<p>Overall there is an adverse variance of £0.71M on the City Services Trading Areas. This is due to an adverse position on the Fleet service of £0.86M following a change in how older vehicles are recharged from the start of the financial year. Vehicles purchased through borrowing as part of the capital programme include a financing charge in the fleet recharge to services to recover the initial capital outlay. Previously the charge to services has remained consistent throughout a vehicle's lifespan. Under the revised charging method once the initial capital outlay has been recovered the financing charge will be removed. The adverse position on the Fleet Trading Area will be offset by favourable variances in the user services and HRA.</p>

		<p>Within City Services – Trading Areas the adverse position in Fleet is offset by a favourable variance in Landscapes of £0.14M based on the performance in year. The service has a budget of £0.24M to cover costs that cannot be recharged to capital so the function still operated at a loss of around £0.10M but it was able to keep the non-rechargeable elements to a minimum by utilising contractors on capital projects where possible.</p>
Housing Needs	1.07 F	<p>The variance of £1.07M relates mainly to the funding for the Homes for Ukraine scheme, offsetting the council wide costs supporting this programme.</p> <p>There has been a favourable movement since Quarter 3 of £0.27M relating to the balance of funding of £0.15M for the Afghan bridging hotel, a reduction in forecast homelessness costs of £0.1M, and other minor variances.</p>
Private Sector Housing	0.21 F	<p>The favourable variance of £0.21M relates to vacancy management of £0.04M, procurement issues with the planned Housing Condition survey resulting in a favourable variance of £0.12M, unringfenced grant funding awarded in December 2022 of £0.04M and other minor variances of £0.02M. Although agreement has been given to spend the grant funding, spend was not complete by March. There was no significant movement from Quarter 3. The Housing Condition Survey budget has not been carried forward and this will be addressed in the MTFs update.</p>

7. LEADER PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a surplus of **£0.17M** at year-end, which represents a percentage variance against budget of 1.29%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	13.15	12.98	0.17 F	1.29%

The portfolio outturn variance has moved favourably by **£0.73M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.69 A	0.26 A	0.56 A	0.17 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
City of Culture	0.51	0.46	0.05 F
Corporate Communications	0.97	0.92	0.04 F
Cultural Services	2.50	2.45	0.05 F
Democratic Representation & Management	2.59	2.70	0.11 A
HR Services	3.53	3.58	0.05 A
Land Charges	(0.17)	(0.12)	0.05 A
Legal Services & Customer Relations	1.95	1.91	0.04 F
Registration of Electors and Elections Costs	0.49	0.59	0.11 A
Strategic Management of the Council	0.79	0.48	0.31 F
Total	13.15	12.98	0.17 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Strategic Management of the Council	0.31 F	The post of Deputy Chief Executive was held vacant as part of the senior management organisational review. The saving resulting from the vacancy was £0.16M and there were savings of £0.04M in the corporate memberships and subscriptions budget. In addition, there was a favourable variance of £0.11M in the Leader's contingency budget.

8. SAFER CITY PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a surplus of **£0.18M** at year-end, which represents a percentage variance against budget of 12%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	1.47	1.30	0.18 F	12%

The portfolio outturn variance has moved favourably by **£0.12M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.04 A	0.07 A	0.06 F	0.18 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Community Safety	0.33	0.25	0.08 F
Environmental Health	1.69	1.42	0.27 F
Licensing	(0.10)	(0.02)	0.08 A
Port Health & Trading Standards	(0.56)	(0.41)	0.16 A
Emergency Planning	0.12	0.04	0.07 F
Total	1.47	1.30	0.18 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Environmental Health	0.27 F	<p>The favourable variance of £0.27M relates primarily to vacancy and overtime savings of £0.22M, unspent carry forward of £0.04M in respect of food safety inspections, and reductions in non essential spend forecast of £0.02M. The reduction in spend was partially offset by the one-off purchase of noise monitoring equipment, costing £0.02M, essential to reducing the workload of the team in future with regards to noise complaints.</p>

9. TRANSPORT & DISTRICT REGENERATION PORTFOLIO

KEY REVENUE ISSUES – OUTTURN 2022/23

The portfolio has a surplus of **£2.54M** at year-end, which represents a percentage variance against budget of 263%.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Portfolio Outturn	0.97	(1.58)	2.54 F	263.0

The portfolio outturn variance has moved favourably by **£0.72M** from the position reported at Quarter 3. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Portfolio Variance	0.33 A	1.40 F	1.82 F	2.54 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Parking & Itchen Bridge	(6.34)	(6.63)	0.29 F
Transportation	7.31	5.06	2.25 F
Total	0.97	(1.58)	2.54 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Parking & Itchen Bridge	0.29 F	<p>The overall favourable movement of £0.29M relates to stronger than anticipated car parking income in the final quarter of 2022/23, following the reinstatement of evening charges in Autumn 2022, and minor cost reductions across the service.</p> <p>The favourable variance movement of £0.36M since Quarter 3 is due to the reinstatement of evening car parking charges in November 2022.</p>
Transportation	2.25 F	<p>The favourable variance of £2.25M relates to underspend of:</p> <ul style="list-style-type: none"> • £0.44M for salaries and recharge income as a result of a number of unfilled posts in the new structure in the Transport Policy team which were not being recruited to due to the freeze on recruitment plus an ongoing high number of vacancies in the School Crossing Patrol team. • £0.27M not required from the additional budget for Comms Officers linked to the Transforming Cities Fund project. • £0.10M of additional income from the revenue share from the scooters contract. • £1.21M under spend from the concessionary fares budget due to continued decline in patronage as a result of slow COVID recovery. • £0.07M of uncommitted non-ring-fenced grant applied against existing spend rather than new spend. • £0.40M for a backdated inflation payment from the bus stop advertising contract. • £0.06M S106 contribution towards the bus subsidies. • £0.05M of underspends due to the essential spend mandate. <p>This is offset by:</p> <ul style="list-style-type: none"> • £0.08M overspend in relation to the sustainable distribution centre contract. • £0.09M cost for £1 evening bus fare subsidy. • £0.12M cost for the 5 for £5 subsidy. • £0.06M pressure for agency staff in the TCU team to cover additional work related to the increase in demand in home to school transport.

		<p>The position has moved by £0.28M favourably in the last quarter of the year due to vacancies in the Transport team of £0.13M and Communication Officer savings of £0.05M, underspends due to the essential spend criteria of £0.05M and lower bus patronage £0.10M. The favourable movement was reduced by less income from the scooters contract of £0.02M, because of the change in the contract terms and concessionary fares costs of £0.03M Q3 due to a correction to the number of payments in the period.</p>
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10. NON-PORTFOLIO BUDGETS

KEY REVENUE ISSUES – OUTTURN 2022/23

Non-Portfolio Net Expenditure budgets had a surplus of **£6.63M** at year-end and Financing budgets had a surplus of **£2.52M**.

	Final Budget	Outturn	Outturn Variance	% of Budget
	£M	£M	£M	%
Non-Portfolio Net Expenditure	(24.75)	(31.39)	6.63 F	26.8%
Financing	(193.29)	(195.81)	2.52 F	1.3%

Non-Portfolio Net Expenditure budgets have moved favourably by **£4.33M** from the position reported at quarter 3 and Financing budgets have moved favourably by **£2.49M**. The variance trend for the year is shown below.

	Variance Q1	Variance Q2	Variance Q3	Outturn Variance
	£M	£M	£M	£M
Non-Portfolio Net Expenditure	0.00	2.60 F	2.30 F	6.63 F
Financing	0.02 F	0.02 F	0.02 F	2.52 F

A summary of the portfolio outturn variance by service area is shown in the table below:

Service Area	Final Budget	Outturn	Outturn Variance
	£M	£M	£M
Levies & Contributions	0.09	0.09	0.00
Capital Asset Management	11.33	7.37	3.96 F
Net Housing Benefits Payments	0.00	0.52	0.52 A
Other Expenditure & Income	(36.17)	(39.96)	3.19 F
Non-Portfolio Net Expenditure	(24.75)	(31.39)	6.63 F
Council Tax	(111.24)	(111.24)	0.00
Business Rates	(32.78)	(32.78)	0.00
Non-Specific Government Grants & Other Funding	(49.27)	(51.79)	2.52 F
Financing	(193.29)	(195.81)	2.52 F

The SIGNIFICANT variations for the portfolio are:

Service Area	Outturn Variance	Explanation:
	£M	
Capital Asset Management	3.96 F	There has been a reduction in capital financing costs following a review of the capital programme expenditure and its financing. The outturn position includes £1.00M of savings from a further review of capital, use of Community Infrastructure Levy (CIL) to finance capital expenditure and Liability Benchmark adjustment previously reported separately as agreed in-year savings at quarter 3.
Net Housing Benefit Payments	0.52 A	There has been an increase in general homelessness expenditure that doesn't attract housing benefit subsidy. The budget was increased by £0.3M for 2023/24 and future years as part of the MTFS agreed in February 2023 to recognise these additional expenditure pressures. Expenditure pressures are forecast to increase above £0.3M in 2023/24 and Homelessness Prevention Grant will be used to help mitigate this pressure where possible.
Other Expenditure & Income	3.19 F	The favourable outturn variance includes £4.14M of savings being held centrally previously reported separately as agreed in-year savings at quarter 3. Further favourable variances are from £0.29M unused contingency, £0.15M reduction in the general bad debts provision and £0.10M additional income allocated corporately. These favourable variances are offset by transfers to reserves for £1.32M of additional S31 Business Rates Grant in line with the MTFS agreed in February 2023 and £0.16M of other non-specific grants transferred to reserves for use in 2023/24.
Non-Specific Government Grants & Other Funding	2.52 F	The favourable variance is from the £1.33M additional S31 Business Rates Grant noted above, £0.46M Business Rates Levy Surplus, £0.46M new burdens funding mostly one-off for administering various Government schemes and £0.27M of other unbudgeted non-specific grants received.