

GENERAL REVENUE FUND FORECAST OUTTURN POSITION FOR 2024/25 AS AT JUNE 2024 (MONTH 3)

Directorate	Working Budget Month 3	Forecast Outturn Month 3	Forecast Variance Month 3
	£M	£M	£M
Children & Learning	61.66	60.63	(1.03) F
Community Wellbeing	97.66	93.64	(4.03) F
Enabling Services	26.13	26.04	(0.08) F
Growth & Prosperity	38.46	37.68	(0.79) F
Resident Services	25.33	26.02	0.68 A
Strategy & Performance	4.55	4.42	(0.12) F
Total Directorates	253.79	248.42	(5.37) F
Levies & Contributions	0.10	0.10	0.00
Capital Asset Management	12.86	12.86	0.00
Contribution to General Fund Balance	1.93	1.93	0.00
Other Expenditure & Income	9.92	9.92	0.00
Net Council Expenditure before EFS	278.60	273.23	(5.37) F
Council Tax	(120.44)	(120.44)	0.00
Business Rates	(54.45)	(54.45)	0.00
Non-Specific Government Grants	(64.43)	(64.48)	(0.05) F
Total Centrally Held Funding	(239.32)	(239.37)	(0.05) F
Net Over/(Underspend) before EFS	39.28	33.86	(5.42) F
Exceptional Financial Support (EFS)	(39.28)	(39.28)	
Net Over/(Underspend)	0.00	0.00	

Numbers are rounded. 'F' indicates as favourable variance, 'A' is an adverse variance

EXPLANATIONS BY DIRECTORATE

1. CHILDREN & LEARNING DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT JUNE 2024

The directorate is forecast to have an underspend of **£1.03M**, which represents a percentage variance against budget of **1.7%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(1.03) F	1.7%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Month 3 £M
Care Leavers	0.01 A
Children & Families First	0.05 A
Children Looked After	(1.06) F
Safeguarding	(0.06) F
Education & Learning	0.03 A
Total	(1.03) F

The significant variances for the directorate are:

Service Area	Forecast Variance Month 3 £M	Explanation
Children Looked After	(1.06) F	Children Looked After - as at the end of June 2024 there is a £1.06M favourable variance due to:

		<p>Residential placements - £0.50M Independent Foster Carers - £0.56M</p> <p>The forecasts are based on current client projections and expected funding from the ICB and Education for appropriate clients. This also takes into account the potential for an element of new cases over the coming months once additional data is captured, plus a provision for a transfer of clients into the new residential home later in the financial year where external and internal costs cover the same period of time as part of the migration. There is also an element in the forecast which relates to areas where the budgets and forecasts have captured the risk of non achievement of savings based on the 2023/24 outturn position.</p>
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2. COMMUNITY WELLBEING DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT JUNE 2024

The directorate is currently forecast to have an underspend of **£4.03M**, which represents a percentage variance against budget of **4.1%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(4.03) F	4.1%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Month 3 £M
ICU – Provider Relationships	(0.17) F
ASC – Living & Ageing Well – Cost of Care	(1.00) F
ASC – Quality, Assurance & Professional Development	(2.41) F
Grants to Voluntary Organisations	(0.04) F
ASC – Whole Life Pathways – LD Cost of Care	(0.10) F
ASC – Whole Life Pathways – Other Cost of Care	(0.30) F
Total	(4.03) F

The significant variances for the directorate are:

Service Area	Forecast Variance Month 3 £M	Explanation
ICU – Provider Relationships	(0.17) F	HICP - ICU - Provider Relationships has a favourable variance due to revised FNC income from the ICB due to increased bed occupancy.
ASC – Living & Ageing Well – Cost of Care	(1.00) F	The key variances are as follows: <ul style="list-style-type: none"> Home Care - £0.40 A - due to an increase of 13 people receiving home care and a marginal increase in the average weekly cost.

		<ul style="list-style-type: none"> Residential & Nursing Care - £0.19 A – Net increase of 5 placements Cost control – (£1.52M) F – Release of further underspend based on early care forecasts. The anticipated growth in activity and provider fees has not materialised. This is largely due to demand management being undertaken by social care teams and more robust negotiations with providers regarding fee uplifts. Further modelling work is being carried out to stress test the position.
ASC – Quality, Assurance & Professional Development	(2.41) F	This is the remainder of Demography & Provider uplift pressures monies following budget reapportionment which assumed 3.5% provider uplifts. Growth was built into the budget to reflect the increased costs and activity levels, largely driven by the Discharge to Assess process that was introduced to free up hospital beds during the Coronavirus pandemic. Those activity levels have not been sustained, resulting in an underspend. Additionally, demand management being undertaken by social care teams and more robust negotiations with providers regarding fee uplifts have improved the position further.
ASC – Whole Life Pathways – Other Cost of Care	(0.30) F	<p>The key variances are as follows:</p> <ul style="list-style-type: none"> Residential & Nursing Care – (£0.09M) F – arising from a reduction in short term care forecasts and increased income projections. Cost control – (£0.18M) F – Release of further underspend based on early care forecasts. The anticipated growth in activity and provider fees has not materialised. This is largely due to demand management being undertaken by social care teams and more robust negotiations with providers regarding fee uplifts. Further modelling work is being carried out to stress test the position.

3. ENABLING SERVICES DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT JUNE 2024

The directorate is currently forecast to have an underspend of **£0.08M**, which represents a percentage variance against budget of **0.3%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(0.08) F	0.3 %

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Month 3 £M
Digital Services	(0.08) F
Total	(0.08) F

The are no significant variances for the directorate.

4. GROWTH & PROSPERITY DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT JUNE 2024

The directorate is currently forecast to have an underspend of **£0.79M**, which represents a percentage variance against budget of **2.1%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(0.79) F	2.1%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Month 3 £M
School Travel Service	(0.75) F
Transport & Planning	(0.27) F
Corporate Assets & Estates	(0.05) F
Culture & Tourism	0.28 A
Total	(0.79) A

The significant variances for the directorate are:

Service Area	Forecast Variance Month 3 £M	Explanation
School Travel Service	(0.75) F	The favourable forecast is as a result of retendering and route optimisation work carried out last financial year.
Transport & Planning	(0.27) F	There is a favourable forecast of £0.30M on concessionary fares based on estimated payments to operators under the new scheme for 2024/25 which has new reimbursement rates, along with the anticipated levels of patronage during the year. Across the service there is a net £0.03M favourable forecast on

		staffing from vacancies and recharges to capital. There is an adverse variance of £0.06M on planning income due to planning application fee receipts in Quarter 1 being lower than expected based on past trends.
Corporate Assets & Estates	(0.05) F	There is a favourable forecast of £0.20M on geothermal energy costs based on expected charges for 2024/25. There is a favourable forecast of £0.15M on staffing from recharges to other Local Authorities under joint working and recharges to capital forecast to be above budgeted levels. There is an adverse variance of £0.30M on the investment property portfolio. The budget increased by £0.25M in 2024/25 as part of a staged recovery to pre-covid income levels and this may not be achievable based on current forecasts.
Culture & Tourism	0.28 A	There is an adverse variance due to £0.15M from pressures not included in the 2024/25 budget for previously agreed activity. There is a £0.05M pressure on income in year as a result of the Art Gallery closing for roof repairs. There is a forecast pressure on event income of £0.04M based on expected receipts in year. There is also an adverse position in libraries of £0.09M from not being able to meet vacancy management targets. There is also a favourable variance from a reduction in grant payments to partners of £0.05M

5. RESIDENT SERVICES DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT JUNE 2024

The directorate is currently forecast to have an underspend of **£0.68M**, which represents a percentage variance against budget of **2.6%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	0.68 A	2.6%

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Month 3 £M
City Services – District Operating Areas	0.23 A
Bereavement Services	0.52 A
Landscapes Trading Area	0.20 A
Others	(0.02) F
Total	0.68 A

The significant variances for the directorate are:

Service Area	Forecast Variance Month 3 £M	Explanation
City Services – District Operating Areas	0.23 A	There is a forecast adverse variance of £0.23M due to unachievable savings introduced or ramped up in 2024/25 from the budget approved in February 2023. There is a total saving of £0.16M for solar powered bins, and £0.07M for removal of diesel sweepers. The vehicles to effectively operate the solar bins collection are now operational and the saving could partially be achieved through fuel and material efficiencies, which will be measured throughout the year. The sweeper proposal involved

		removing diesel sweepers and replacing with more efficient electric sweepers. This has not been able to progress due to the power supply arrangements for the depot and the unit rates for electricity are now higher than the original business case which limits the financial benefits.
Bereavement Services	0.52 A	This adverse variance is split £0.28M for the Coroner's Service, £0.23M on the Crematorium and £0.01M on Cemeteries. For the Coroner's Service SCC is charged a share of costs by Hampshire CC based on the number of cases dealt with by the coroner. Despite a pressure of £0.10M being included in budget planning for 2024/25 for increasing cost pressures, updated information from Hampshire is forecasting a total recharge for SCC of £1.23M in 2024/25 which is £0.28M higher than budget. This is being driven by increased fees by funeral directors, increased use of mortuary services, high rate of referrals requiring a post-mortem and the associated costs with testing, along with an increased number of inquests. The adverse position on the Crematorium is based on recent past performance against income targets. Total income has been below budgeted levels due to the impact of competition and that trend is anticipated to continue in 2024/25. The £0.01M on cemeteries is due to urgent tree safety works.
Landscapes Trading Area	0.20 A	There is an adverse position forecast to reflect that as an internal trading function not all overhead costs can be recharged to capital which makes the overall net budget position unachievable based on the current operating model.

6. STRATEGY & PERFORMANCE DIRECTORATE

COMMENTARY – 2024/25 FORECAST AS AT JUNE 2024

The directorate is currently forecast to have an underspend of **£0.12M**, which represents a percentage variance against budget of **2.7%**.

	Forecast Variance £M	% of budget
Directorate Forecast Outturn	(0.12) F	2.7 %

A summary of the directorate forecast variance is shown in the table below:

Service Area	Forecast Variance Month 3 £M
Corporate Communications	(0.06) F
Data & Intelligence	(0.03) F
Strategic Management of the Council	(0.03) F
Total	(0.12) F

The are no significant variances for the directorate.