

DECISION-MAKER:	CABINET		
SUBJECT:	FINANCIAL POSITION UPDATE		
DATE OF DECISION:	28 JANUARY 2025		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail:	Mel.Creighton@southampton.gov.uk	
Author:	Title:	Director of Finance	
	Name:	Richard Williams	Tel: 023 8083 2936
	E-mail:	Richard.Williams@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
Not Applicable
BRIEF SUMMARY
<p>This report provides a summary of the financial position of the council for 2024/25 as at the end of December 2024 (month 9).</p> <p>The position as at the end of December 2024 is a £18.40M favourable variance, with the detail set out in Appendix 1. This is a further positive movement of £2.28M compared to the position at month 8 (£16.12M favourable variance forecast).</p>

RECOMMENDATIONS:

	Cabinet is recommended to:	
i)	Agree the £3.51M adjustments to be made to directorate budgets to reflect sustained favourable variances reported at month 9 of 2024/25 due to transformation and other measures, to be transferred to centrally held contingency to reduce the reliance on Exceptional Financial Support (EFS), as set out in paragraph 6.	
ii)	Agree to use £0.68M of centrally held contingency to meet the forecast overspend for emergency accommodation within Resident Services, as set out in paragraph 8.	

REASONS FOR REPORT RECOMMENDATIONS

1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the council's resources.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	Not applicable.
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DETAIL (including consultation carried out)**Latest Financial Position**

3. The forecast financial position of the council as at the end of December 2024 (month 9) is set out at Appendix 1. Table 1 summarises the General Revenue Fund Forecast.

4. **Table 1 – General Revenue Fund Forecast 2024/25**

	Working Budget Month 9 £M	Forecast Outturn Month 9 £M	Forecast Variance Month 9 £M	Movement Month 8 to Month 9 £M
Children & Learning	51.08	48.49	(2.59) F	(0.81) F
Community Wellbeing	79.18	76.51	(2.67) F	(0.77) F
Enabling Services	26.13	24.89	(1.23) F	(0.12) F
Growth & Prosperity	36.65	35.34	(1.31) F	(0.01) F
Resident Services	25.32	25.57	0.25 A	(0.26) F
Strategy & Performance	5.74	5.08	(0.66) F	(0.30) F
Total Directorates	224.09	215.89	(8.21) F	(2.28) F
Centrally Held Budgets	30.20	20.06	(10.14) F	0.00
Net Council Expenditure before EFS	254.29	235.94	(18.35) F	(2.28) F
Centrally Held Funding	(215.02)	(215.07)	(0.05) F	0.00
Net Over/(Underspend) before EFS	39.28	20.88	(18.40) F	(2.28) F
Exceptional Financial Support (EFS)	(39.28)	(20.88)		
Net Over/(Underspend)	0.00	0.00		

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

5. Sustained favourable variances are being achieved by directorates through demand management transformation activity and other measures. In accordance with the Business Planning & Budgeting Framework, agreement is sought to transfer these budgets to centrally held contingency. Table 2 summarises the proposed budget adjustments for month 9.

Sustained favourable variances identified at month 8 were approved for transfer by Cabinet on 7 January 2025. These variances will be transferred to centrally held contingency in month 10.

6.

Table 2 – Proposed Budget Adjustments

	Budget Adjustment £M
<u>Children & Learning</u>	
Residential and Independent Foster Carer placements (transformation)	(0.60)
Residential – non-use of in house residential pressure in year	(0.40)
Care Leavers placements	(0.10)
Agency staff savings	(0.30)
Legal savings	(0.23)
<u>Community Wellbeing</u>	
Planned Respite reprovision	(0.35)
Improvement income forecasts on BUPA beds due to higher occupancy	(0.10)
ICU contracts savings	(0.05)
In-year favourable variance on staffing budgets arising from team restructure	(0.15)
Care packages costs, including lower demand	(0.65)
<u>Enabling Services</u>	
Digital Services – salary surpluses	(0.48)
<u>Growth & Prosperity</u>	
ADDP – energy cost savings	(0.10)
Total Directorates	(3.51)
<u>Centrally Held Contingency</u>	
Budget transferred for sustained favourable variances	3.51
Net Adjustment	0.00

Numbers are rounded

7.

Where overspends are forecast, service areas are required to develop Deficit Recovery Plans to bring budgets back into projected balance. Plans are required to address adverse variances for Planning, City Services (including Waste) and Bereavement Services.

8.

The cost of emergency overnight accommodation placements has increased compared with 2023/24. These costs are not fully subsidised through housing benefit, giving rise to an in-year overspend forecast at £0.68M. Given the cap on the housing benefit subsidy rate is outside the control of the service, it is proposed to meet this overspend from centrally held contingency.

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	The revenue implications are contained in the report.
<u>Property/Other</u>	
10.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the council.
<u>Other Legal Implications:</u>	
12.	None.
RISK MANAGEMENT IMPLICATIONS	
13.	Risk management implications are contained in the report.
POLICY FRAMEWORK IMPLICATIONS	
14.	None.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Financial position update report month 9 2024/25
2.	

Documents In Members' Rooms

1.	
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	No
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Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out?	No
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Other Background Documents

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Equality Impact Assessment and Other Background documents available for inspection at:	
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Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	The 2024/25 Budget and Medium Term Financial Strategy (Council 6 March 2024)	
2.		