



Report to Policy Committee

Author/Lead Officer of Report: Ryan Keyworth,
Director of Finance and Commercial Services

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Report of: *Ryan Keyworth*
Report to: *Finance Sub-Committee*
Date of Decision: *27 July 2022*
Subject: *Month 3 Monitoring*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes		No	X	
Has appropriate consultation taken place?	Yes		No	X	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	X	
Does the report contain confidential or exempt information?	Yes		No	X	

Purpose of Report:

This report brings the Committee up to date with the Council's financial position as at Month 3 2022/23.

Recommendations:

The Committee is recommended to:

1. Note the Council's challenging financial position as at the end of June 2022 (month 3).
2. Note that each Policy Committee will receive detailed budget monitoring for their areas of responsibility at their meetings in September 2022 alongside the reports on their 2023/24 budget proposals requested by the strategy and Resources Committee

Background Papers:

[2022/23 Revenue Budget](#)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Ryan Keyworth, Director of Finance and Commercial Services</i>
		Legal: <i>David Hollis, Assistant Director, Legal and Governance</i>
		Equalities & Consultation: <i>James Henderson, Director of Policy, Performance and Communications</i>
		Climate: n/a
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	<i>Ryan Keyworth</i>
3	Committee Chair consulted:	<i>Cllr Bryan Lodge</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Ryan Keyworth</i>	Job Title: <i>Director of Finance and Commercial Services</i>
	Date: <i>19th July 2022</i>	

1. PROPOSAL

1.1 This report brings the 22/23 M3 monitoring information for each committee. Executive directors and Directors will be required to develop plans to mitigate the in-year forecast overspends.

1.2 Council Portfolio Month 3 2022/23

1.2.1 The Council is forecasting a £20.4m overspend against the 2022/23 budget as at month 3.

Full Year £m	Outturn	Budget	Variance
Corporate	(460.3)	(460.1)	(0.2)
City Futures	46.4	46.1	0.3
Operational Services	112.7	112.8	0.0
People	312.3	293.7	18.6
Policy, Performance Comms	3.0	2.8	0.2
Resources	6.3	4.8	1.5
Total	20.4	0.0	20.4

1.2.2 This overspend is due to a combination of agreed Budget Implementation Plans ("BIPs") not being fully implemented and ongoing cost / demand pressures that are partially offset by one-off savings.

Full Year £m	One-off	BIPs	Trend	Total Variance
Corporate	0.0	0.0	(0.2)	(0.2)
City Futures	0.0	0.0	0.3	0.3
Operational Services	(2.9)	1.4	1.5	0.0
People	0.4	15.3	2.9	18.6
Policy, Performance Comms	0.0	0.2	0.0	0.2
Resources	(0.2)	1.7	0.0	1.5
Total	(2.7)	18.6	4.5	20.4

1.3 Committee Financial Position

1.3.1 Overall Position - £20.4m overspend at Month 3

There is a £11.9m overspend in the Adult Health and Social Care Committee and a £7.1m overspend in the Education, Children and Families Committee	Full Year Forecast £m	Outturn	Budget	Variance
	Month 3			
Adult Health & Social Care		162.5	150.6	11.9
Education, Children & Families		136.0	128.9	7.1
Housing		8.7	8.8	(0.1)
Transport, Regeneration & Climate		41.3	40.3	1.0
Economic Development & Skills		9.8	9.8	(0.0)
Waste & Street Scene		55.6	56.2	(0.6)
Communities Parks and Leisure		46.0	46.9	(0.9)
Strategy & Resources		(439.4)	(441.4)	2.0
Total		20.4	(0.0)	20.4

The position worsened by £1.2m in M3 due to overspends in children's services.

The position worsened by a further £1.2m in M3 from further overspends in the people portfolio due to the following key issues in children's services:

- 1) £700k forecast income from health is now unlikely to be received in year and has been reflected in the forecast
- 2) The children's residential secure unit Aldine House is under capacity due to staffing issues which has affected income
- 3) Additional costs emerging in children's disability services.

The majority of the FY forecast overspend is attributable to shortfalls in Budget Implementation Plans (BIPs) delivery

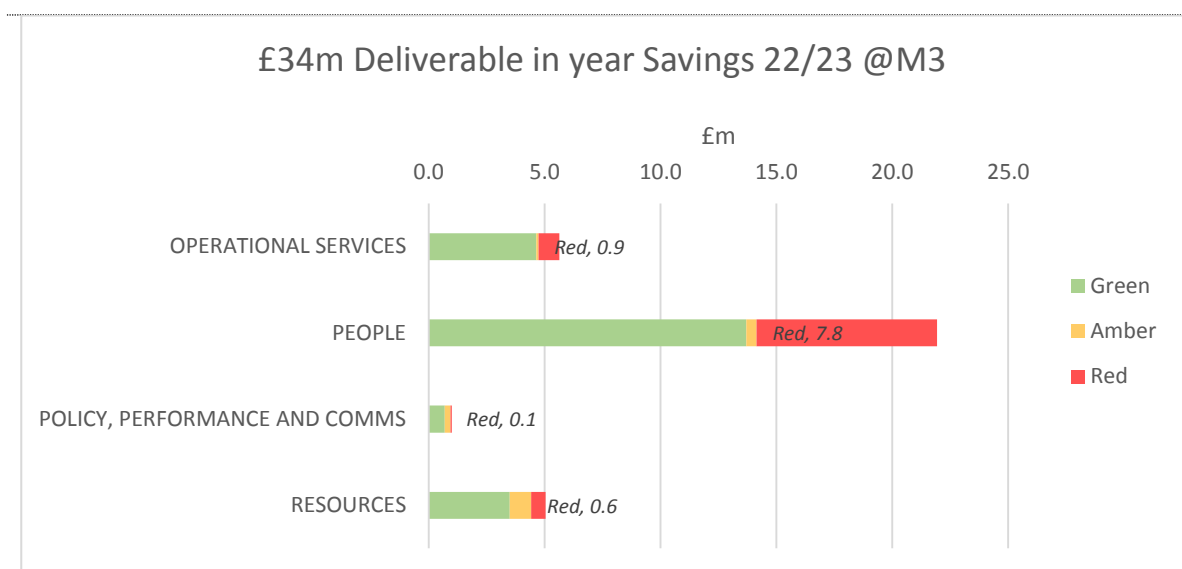
Variance Analysis £m Month 3	One-off	BIPs	Trend
Adult Health & Social Care	0.0	8.5	3.3
Education, Children & Families	0.6	6.8	(0.3)
Housing	0.0	0.0	(0.1)
Transport, Regeneration & Climate	0.0	1.3	(0.2)
Economic Development & Skills	(0.0)	0.0	(0.0)
Waste & Street Scene	(2.9)	0.2	2.0
Communities Parks and Leisure	(0.2)	0.0	(0.6)
Strategy & Resources	(0.3)	1.9	0.4
Total	(2.8)	18.6	4.5

£2.8m of one-off savings are mitigating part of the ongoing overspend

Contributions from provisions for energy and waste inflation mitigate the in-year impact of rising baseline costs. These are one-off contributions that will not help our position in 23/24 as the trend continues.

Balancing the 22/23 budget was only possible with £53m of BIPs, £34m are reported as deliverable in year

£m Portfolio	Total Savings 22/23	Deliverable in year	FY Variance
Corporate	1.2	1.0	0.2
People	37.7	22.4	15.3
Operational Services	7.1	5.7	1.4
PPC	1.2	1.0	0.2
Resources	6.7	5.0	1.7
Total	52.7	34.1	18.6



Focus has to be on delivering BIPs in 22/23 and preventing the in-year budget gap from getting any wider. Of the £34m BIPs forecast as being deliverable, £9.4m are rated red, which indicates high risk of increased overspending.

Of the £18.7m savings that are forecast to be undelivered this year, some can be delivered next financial year. It is estimated that £10m of this year's undelivered savings will still be unachievable in 23/24 and form part of the baseline pressures captured in the draft medium term financial analysis presented to the Strategy and Resources Committee on 5th July 2022.

Adult Health and Social Care are forecast to overspend by £11.9m

The high cost of packages of care put in place during covid has increased our baseline costs into 22/23. Work is underway as part of an investment plan with additional resource to tackle the underlying issues although recruitment issues are impacting our ability to deliver the required savings.

Education, Children and Families are forecast to overspend by £7.1m

Forecast under-delivery of budget implementation plans in the service are the main cause of overspends; plans to reduce staffing and increase income from Health are looking unlikely and the residential children's home strategy requires further work on capital business cases in order to progress. The service needs to provide mitigations to bring overspends back in line with budgets.

The following sections (1.4.1 – 1.4.8) detailed budget monitoring reports for each Policy Committees. Committees will next receive their individual budget monitoring reports in September along with any specific recommendations.

1.4.1 Strategy and Resources - £1.7m overspend at Month 3

Delays to proposed restructures account for the majority of the overspend in the Strategy and Resources Committee budget	Full Year Forecast £m	Outturn	Budget	Variance
	Month 3			
	Business Change & Info Solns	17.9	16.9	1.1
	Central Costs	(47.4)	(46.9)	(0.5)
	Consolidated Loans Fund	28.7	28.9	(0.2)
	Contract Rebates & Discounts	(1.0)	(0.7)	(0.3)
	Corporate Transactions	(489.0)	(489.0)	0.0
	Customer Services	5.3	5.4	(0.1)
	Finance & Commercial Services	19.6	19.5	0.1
	Housing Benefit	0.2	0.2	0.0
	Human Resources	5.3	5.0	0.3
	Legal & Governance	6.2	5.2	1.0
	Other Central Costs	0.0	0.0	(0.0)
	Policy, Performance & Comms	3.1	3.0	0.2
	Public Health	(0.1)	(0.1)	0.0
	Resources Management & Planning	0.3	0.3	(0.0)
	One Year Plan	0.0	0.0	0.0
	Direct Services (Facilities Mgmt; Ppe)	15.8	15.9	(0.0)
	Inclusive Growth & Development (Property and Regeneration)	(4.2)	(4.8)	0.6
	Total	(439.4)	(441.4)	2.0

Restructures in Business Change and ICT delivery have caused the greatest overspend alongside underlying overspends in legal services.

An approach to the restructures has now been agreed which should secure full run-rate savings going into 2023/24

1.4.2 Adult Health & Social Care- £11.9m overspend at Month 3

The revenue outturn position for the AHSC Committee is to overspend by £11.9m	Full Year Forecast £m	Outturn	Budget	Variance
	Month 3			
	Adult Health & Social Care	153.5	141.6	11.9
	Integrated Commissioning (Early Help and Prevention; Supporting Vulnerable People)	9.0	9.0	(0.0)
	Total	162.5	150.5	11.9

£8.5m of the overspend relates to BIP shortfalls. Staffing is £0.8m overspent and Purchasing activity £2.2m over budget	Variance Analysis £m @	One-off	BIPs	Trend
	Month 3			
	Adult Health & Social Care	0.0	8.5	3.3
	Integrated Commissioning	0.0	0.0	(0.0)
	Total	0.0	8.5	3.3

Expenditure trends continue in learning disabilities and older people's purchasing budgets with an underlying pressure of £2.2m in this sector and a potential for the position to worsen.

BIP delivery for 22/23 is looking challenging, focus needs to be on reviewing high-cost packages put in place during covid

Over £11m of the BIP savings required for 22/23 relate to reviewing high-cost packages of care put in place during the pandemic.

Work is underway as part of an investment plan with additional resource to tackle the underlying issue although recruitment issues is impacting on deliverability.

Reported delivery of savings in year amounts to £5.3m leaving a continued gap of £5.8m as part of the overall overspend. Further analysis of the reviews is on-going and will be fed into forecasts each month. Staffing issues pose a risk to case review work.

RAG	Saving	Total Budgeted	Deliverable	GAP
Red	Case review	11.1	5.3	5.8
	Staffing	2.4	1.2	1.2
	TUPE	1.0	0.4	0.6
	MH Social Work	1.0	0.7	0.3
	Localities	0.5	0.1	0.4
	Safeguarding			
	Prevention	0.1	0.0	0.1
	Red Total	16.2	7.8	8.4
	Amber Total (various)	0.6	0.4	0.1
	Green Total (various)	8.5	8.5	0.0
	Grand Total	25.3	16.8	8.5

Recruitment and retention difficulties continue to impact savings delivery in 22/23, but with the potential to increase staffing pressure in future years

Vacancies which are part of the investment plan are not fully recruited to.

If posts are filled, the £0.8m current employee overspend would increase but an improvement in BIP delivery would be expected.

However, some elements of the investment plan funding employees are time limited with c.£2m due to be removed from staffing budgets over the next 2 financial years.

A Target Operating Model is being worked on and it is anticipated to arrive at an optimum staffing establishment level

but will need to consider the level of permanent funding available.

Home care continues to be a huge challenge

Increased cost and size of packages following the pandemic continues to be an underlying issue. The market is also suffering from staff recruitment and retention problems resulting in a lack of capacity.

Fair Cost of Care Exercise and Social Care Reform will increase Adult Social Care responsibilities and costs

Fair Cost of Care is to determine an appropriate fee level on over-65 Care Homes and Homecare delivery. SCC are currently an average to low payer when benchmarked against other Local Authorities which indicates the potential to have to increase rates above current forecast levels. Any grant allocated is unlikely to fully cover the cost of those increases.

Social Care Reform will levy significant new responsibilities on Local Authorities and introduces a cap on care costs. The grant allocated is unlikely to fully cover the costs of those increases or the required increase staffing base needed in order to deliver our new responsibilities.

1.4.3 **Education, Children & Families Committee - £7.1m overspend at Month 3**

The Education, Children & Families General Fund is overspending by £7.1m, made up of a shortfall of savings delivery offset by staffing vacancies.	Full Year Forecast £m Month 3	Outturn	Budget	Variance
Children & Families		115.7	109.0	6.7
Education & Skills (<i>Access and Inclusion; Business Support; Operational and Portfolio Wide Budgets; School Budgets; Schools and Learning; SEN</i>)		13.1	13.2	(0.1)
Integrated Commissioning (<i>Commissioning; Children's Public Health; Early Help and Prevention</i>)		7.2	6.7	0.5
Total		136.0	128.9	7.1

The main cause of the overspend is under delivery of Budget Implementation Plans (BIPs)	Variance Analysis £m Month 3	One-off	BIPs	Trend
	Children & Families	0.6	6.1	0.0
	Education & Skills	0.0	0.0	(0.1)
	Integrated Commissioning	0.0	0.7	(0.1)
	Total	0.6	6.8	(0.2)

The position in Children's & Families worsened from M2 to M3 by £1.3m

The forecast outturn at M3 is £1.3m worse in Children's & Families for 3 main reasons:

- 1) the recognition that forecast income of £700k from Health partners will not be received this year, without formal agreement this creates an underlying budget pressure in future years
- 2) income at our secure residential children's unit Aldine House is down against forecast due to capacity restrictions caused by staffing shortages, this is a timing variance and
- 3) additional costs emerging in Children's disability services.

The forecast for unaccompanied asylum seeker children services improved following settlement advice from the Home Office for historic claims. There is still an overspend of £0.5m in this service.

Dedicated Schools Grant (DSG) is overspending by £2.1 due to rising placements in Special Educational Needs (SEN) and associated cost pressures	DSG Full Year Forecast £m Month 3	Outturn	Budget	Variance
	Children & Families	6.0	6.3	(0.3)
	Community Services	0.6	0.6	-
	Education & Skills	210.7	208.4	2.4
	Integrated Commissioning	9.4	9.4	-
	Total	226.7	224.6	2.1

There is a £6.8m BIP delivery shortfall forecast for 22/23 and potential	RAG	Saving	Total Budget	Deliverable	GAP
	Red	Convert Agency Staff to Permanent	0.5	0.0	0.5

permanent mitigations of £2.6m	Contributions from Health	1.4	0.0	1.4
	New Residential Home	2.0	0.0	2.0
	Fieldwork Staffing	1.4	0.0	1.4
	Agency spend/caseload reduction	1.0	0.5	0.5
	Residential placements - disabilities	0.7	0.0	0.7
	Children's MH	0.3	0.0	0.3
	Residential staffing strategy	0.1	0.0	0.1
	Red Total	7.4	0.5	6.8
Green Total	3.3	3.3	0.0	
Grand Total	10.7	3.8	6.8	
Plans to reduce business support staffing have been delayed with costs offset by difficulties in recruiting social workers	<p>£1.4m of the BIP shortfall relates to reduction in business support staffing linked to the investment in support workers in Fieldwork is not happening as planned.</p> <p>Difficulties in recruiting Fieldwork staff is resulting in a £1.6m underspend which is currently helping to offset the BIP shortfalls.</p> <p>There are £1.1m other staff related savings forecast not to be delivered where it is assumed that it will not be possible to replace agency with permanent staffing.</p>			
The residential strategy (c£2.7m savings) requires completion of a business case and is unlikely to be delivered this year	<p>The £2m saving relating to a new secure unit is a longer term saving requiring capital and planning approvals to be in place before building/renovations would be able to commence.</p> <p>The existing secure unit is now forecasting an income shortfall of £0.4m due to capacity restrictions caused by staffing shortages.</p> <p>Similar approvals would be needed for the other residential strategy saving of £750k for Children with Disabilities. However, Placements budgets are assumed to balance with current trend numbers remaining within budget even allowing for the £750k BIP non-delivery.</p>			
£1.4m savings from contributions from Health is not deliverable this year	<p>Discussions have begun with Health partners but no firm agreement is in place therefore this saving will not be delivered this year. This is reflected in the outturn position and is likely to continue as an underlying pressure in the budget until an agreement is formalised.</p>			
Direct Payments, Family Time and Unaccompanied Asylum Seeker Children budgets have a combined overspend of £1.3m.	<p>Direct payments budget is forecast to overspend by £0.4m based on current client costs plus 10% growth allowed (consistent with growth observed in 21/22).</p> <p>Family time budget is £0.4m overspent with the current staffing forecast being higher than planned.</p> <p>Unaccompanied Asylum Seeker Children budgets are £0.5m overspent due to additional clients and costs being higher than Home Office funding provides for. This is largely due to costs not falling in line with the reduction in income received once the child reaches 18 years of age.</p> <p>These areas need to be closely reviewed to confirm forecast accuracy, understand reasons behind the overspends and explore any mitigating action available.</p>			

1.4.4 **Housing Committee - balance in the General Fund but overspend of £11.3m in the Housing Revenue Account at Month 3**

The Housing General fund is forecast to be broadly in line with budget.	Full Year Forecast £m @ Month 3	Outturn	Budget	Variance
	Housing General Fund	8.6	8.7	(0.1)
	Housing Growth	0.1	0.1	(0.0)
	Total	8.7	8.8	(0.1)
The Housing Revenue Account is forecast to overspend by £11.3m.	Full Year Forecast £m @ Month 3	Outturn	Budget	Variance
	Net Income – Dwellings	(149.1)	(152.6)	3.5
	Other income	(6.5)	(6.5)	0.0
	Repairs & Maintenance	47.3	41.4	5.8
	Depreciation	25.0	25.0	0.0
	Tenant Services	49.4	51.4	(1.9)
	-Disrepairs	5.2	2.6	2.6
	-Council Tax	2.2	0.9	1.3
	Interest on borrowing	13.6	13.6	0.0
	Contribution to Capital Programme	12.8	24.2	(11.3)
	Total	0.0	(0.0)	0.0
Vacant properties are resulting in a forecast loss of £3.1m in rent.	The loss of rental income is forecast to be £3.1m for the year largely due to the speed of turnaround in the repairs and maintenance service resulting in vacant properties. The Business Plan assumes a voids rate of 1.84%, but the current rate of voids is significantly higher. Although plans are in place to reduce this in 2022/23, the current void rate is more like 3.5%.			
Vacant properties also result in £3.9m of additional forecast cost.	The current forecast includes a £1.3m of additional costs for council tax on empty properties and £2.6m extra costs for legal fees from increasing disrepair claims.			
Tenant Services	The forecast includes a £1.1m overspend on costs for furnished accommodation, due to increased demand for furnishings from the Temporary Accommodation service. This is offset by underspends across the service of around £2.4m including £1.3m payroll. There is an improvement on last month of £1.7m, largely reflecting reviews on spend, including re-alignment of payroll costs to actual spend rates.			
High inflation poses a risk to the business plan.	The HRA Business Plan assumes rental income to increase by CPI +1%. CPI is currently running at a higher rate than originally assumed at 2%. 22/23 CPI is 7.9% latest business planning assumptions forecast the position to stabilise back to 2% by 24/25 but remain high in 23/24. This needs further consideration in the business plan. Energy inflation at around 100% is forecast to add an additional cost pressure of around £1.8m in 22/23. This cost is forecast to			

be offset this year from specific earmarked reserves, but clearly this not sustainable.

The Housing Repairs Service is forecast to overspend by £5.8m

There are significant overspends on employees, sub-contractors, and material costs in responsive repairs. Gas servicing and repair work to address voids has also caused excess costs.

The community heating account is forecast to overspend by £1m due to rising energy prices

Full Year Forecast £m @ Month 3	Outturn	Budget	Variance
Income	(3.3)	(3.3)	(0.0)
Expenditure	4.3	3.2	1.1
Total	0.9	(0.1)	1.1

Overspends in the HRA impact the capital programme

Without significant savings in revenue budgets, the long term capital programme is not affordable. The month 3 outturn position shows a reduced contribution to the future programme

1.4.5 Transport, Regeneration & Climate Committee - overspend of £1m at Month 3

The Transport, Regeneration & Climate Committee is forecast to overspend by £1m	Full Year Forecast £m @ Month 3	Outturn	Budget	Variance
	Direct Services (<i>Carbon Reduction; Transport</i>)	0.0	0.0	0.0
	Streetscene & Regulation (<i>City Centre Management; Clean Air Zone; Environmental Regulations; Events; Parking Services</i>)	(0.2)	(1.4)	1.2
	Inclusive Growth & Development (<i>Capital Delivery; Director of Inclusive Growth; Property and Regeneration</i>)	0.4	0.4	(0.0)
	Planning, Investment & Sustainability (<i>Planning Services; ITA Levy; Transport and Infrastructure</i>)	41.1	41.3	(0.2)
	Total	41.3	40.3	1.0
The delayed implementation date of the Clean Air Zone has caused slippage of £1.2m to Budget Implementation Plans	Variance Analysis £m @ Month 3	One-off	BIPs	Trend
	Direct Services	0.0	0.0	0.0
	Streetscene & Regulation	0.0	1.3	(0.0)
	Inclusive Growth & Devt	0.0	0.0	(0.0)
	Planning, Investment & Sustain	0.0	0.0	(0.2)
	Total	0.0	1.3	(0.2)
Forecast losses in income contribute to the overspend	There is a £0.5m projected shortfall in rental income at Electric Works following loss / downsize of 2 key tenants. There is a shortfall on forecast planning fee income against budget of £0.2m, mitigated by a small upside on network management fee income of (£0.3m).			
Income from Clean Air Zone charges remains uncertain	The income forecast from the introduction of the charging Clean Air Zone remains uncertain given potential slippage in the programme following continued dialogue with central government. This income risk is a further £800k in 22/23.			

1.4.6 **Economic Development & Skills Committee - Balanced at Month 3**

The revenue outturn position for the Economic Development & Skills Committee is to balance	Full Year Forecast £m @ Month 3	Outturn	Budget	Variance
	Education & Skills <i>(Employment and Skills; Family and Community Learning)</i>	0.8	0.8	-
	Economy, Culture & Skills <i>(Business Development; Director of Economic Development and Culture; Economy and Business Support; Employment and Skills)</i>	9.0	9.0	-
	Total	9.8	9.8	-
The key Budget Implementation Plan (BIP) is on target to be delivered	The key BIP for 22/23 is to vacate the offices at Broad Street West. This is on track and saving will be delivered in year as part of the outturn position.			
The Budget is in line with expectations	The forecast for the Economic Development and Skills committee is broadly on track to balance in 22/23. Some small emerging pressures have been mitigated in year.			

1.4.7 **Waste & Street Scene Committee - underspend of £0.6m at Month 3**

The Waste & Street scene committee is forecasting a £0.6m overspend	Full Year Forecast £m @ Month 3	Outturn	Budget	Variance
	Streetscene & Regulation <i>(Director of Street Scene; Highway Maintenance; Highways Contract; Licensing; City Markets; Waste Management)</i>	55.6	56.2	(0.6)
	Total	55.6	56.2	(0.6)
There is one-off funding mitigating the inflationary pressure in services	Variance Analysis £m @ Month 3	One-off	BIPs	Trend
	Streetscene & Regulation	(2.9)	0.2	2.0
	Total	(2.9)	0.2	2.0
There are £3m underling energy and waste management inflation pressures this year	The Waste contract provides for an uplift in costs at RPIX which was re-based at 8% for 22/23. This was £1.2m higher than the budget level for the contract. It is expected that RPIX will remain high into 23/24 so pressure is likely to continue and be an issue for the 2023/24 budget.			
	Similarly, energy costs on street lighting have caused a £1.8m issue in 22/23.			
	Both pressures have been mitigated for 2022/23 through one-off provisions / reserves but those reserves will be exhausted for the 2023/24 budget.			
	Vacancies held in Parking Services and Highways are contributing to the net underspend in the budget.			

1.4.8 **Communities, Parks & Leisure Committee - underspend of £0.9m at Month 3**

The Communities Parks & Leisure Committee is forecast to underspend by £0.9m	Full Year Forecast £m Month 3	Outturn	Budget	Variance
	Community Services <i>(Community Safety; Family Centres; Locality Management)</i>	13.1	13.4	(0.3)
	Parks, Leisure & Libraries <i>(Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health)</i>	32.9	33.4	(0.5)
	Total	46.0	46.9	(0.9)
	Variance Analysis £m @ Month 3	One-off	BIPs	Trend
	Community Services	(0.2)	0.0	(0.1)
	Parks, Leisure & Libraries	0.0	0.0	(0.5)
	Total	(0.2)	0.0	(0.6)
£1.3m is forecast to be spent to support the community response team	The forecast assumes £1.3m temporary funding will be drawn down to pay for staffing costs in community response for Clinically Extremely Vulnerable, Community Safety and Locality Teams. This is one off funding and caution must be taken to ensure expenditure does not continue as a trend into 23/24 or an unfunded budget pressure will be created. Contracts to support the service are forecast to end by the end of the financial year.			
There is a £0.2m forecast underspend for Page Hall	Most of the underspend relates to controlling migration funding relating to Page Hall which is expected to be part of a carry forward request.			
Parks, leisure, and libraries are forecasting a small underspend	There is a relatively small forecast of staffing underspends across most service areas amounting to £0.5m.			

1.5 **Capital Programme Monitoring M3 22/23**

The position on the capital programme at M3 is noted in appendix 1.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The recommendations in this report are that each Policy Committee undertakes any work required to both balance their 2022/23 budget and prepare for the 2023/24 budget.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There has been no consultation on this report, however, it is anticipated that the budget process itself will involve significant consultation as the Policy Committees develop their budget proposals

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 There are no direct equality implications arising from this report. It is expected that individual Committees will use equality impact analyses as a basis for the development of their budget proposals in due course.

4.2 Financial and Commercial Implications

- 4.2.1 There are no direct financial implications from this report.

4.3 Legal Implications

- 4.3.1 Under section 25 of the Local Government Act 2003, the Chief Finance Officer of an authority is required to report on the following matters:

- the robustness of the estimates made for the purposes of determining its budget requirement for the forthcoming year; and
- the adequacy of the proposed financial reserves.

- 4.3.2 There is also a requirement for the authority to have regard to the report of the Chief Finance Officer when making decisions on its budget requirement and level of financial reserves.

- 4.3.3 By the law the Council must set and deliver a balanced budget, which is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels and regard must be had to any report of the Chief Finance Officer on the required level of reserves under section 25 of the Local Government Act 2003, which sets obligations of adequacy on controlled reserves.

4.4 Climate Implications

- 4.4.1 There are no direct equality implications arising from this report. It is expected that individual Committees will consider climate implications as they develop their budget proposals in due course.

4.4 Other Implications

4.4.1 No direct implication

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 The Council is required to both set a balance budget and to ensure that in-year income and expenditure are balanced. No other alternatives were considered.