



## Report to Policy Committee

**Author/Lead Officer of Report:** Philip Gregory,  
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**Report of:** *Philip Gregory, Director of Finance & Commercial Services*

**Report to:** *Communities, Parks & Leisure Committee*

**Date of Decision:** *11<sup>th</sup> March 2024*

**Subject:** *2023-24 Q3 Budget Monitoring Report*

|                                                                                                                                                                                                                              |     |                          |    |                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------|----|-------------------------------------|
| Has an Equality Impact Assessment (EIA) been undertaken?                                                                                                                                                                     | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>                                                                                                                                        |     |                          |    |                                     |
| Has appropriate consultation taken place?                                                                                                                                                                                    | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Has a Climate Impact Assessment (CIA) been undertaken?                                                                                                                                                                       | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| Does the report contain confidential or exempt information?                                                                                                                                                                  | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-                                                                                      |     |                          |    |                                     |
| <i>"The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended)."</i> |     |                          |    |                                     |

### Purpose of Report:

*This report brings the Committee up to date with the Council's General Fund Revenue outturn position for 2023/24 as at Quarter 3.*

### Recommendations:

#### The Committee is recommended to:

Note the updated information and management actions provided by this report on the 2023/24 Revenue Budget Outturn position

**Background Papers:**  
[2023/24 Revenue Budget](#)

| <b>Lead Officer to complete: -</b>                                                                                                                              |                                                                                                                                                                                                                                                                                                                                               |                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 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: Philip Gregory, <i>Director of Finance and Commercial Services</i>                                             |
|                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                               | Legal: Sarah Bennett, <i>Assistant Director, Legal Services</i>                                                         |
|                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                               | Equalities & Consultation: <i>Senior Equalities &amp; Engagement Officer Policy &amp; Democratic Engagement Service</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                                                                                                                                                               | <b>SLB member who approved submission:</b>                                                                                                                                                                                                                                                                                                    | <i>Philip Gregory, Director of Finance and Commercial Services</i>                                                      |
| 3                                                                                                                                                               | <b>Committee Chair consulted:</b>                                                                                                                                                                                                                                                                                                             | <i>Cllr Zahira Naz, Chair of the Finance Committee</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 EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. |                                                                                                                         |
|                                                                                                                                                                 | <b>Lead Officer Name:</b><br><i>Philip Gregory</i><br><br><i>Jane Wilby</i>                                                                                                                                                                                                                                                                   | <b>Job Title:</b><br><i>Director of Finance and Commercial Services</i><br><br><i>Head of Accounting</i>                |
|                                                                                                                                                                 | <b>Date:</b> 28 <sup>th</sup> February 2024                                                                                                                                                                                                                                                                                                   |                                                                                                                         |

## 1. PROPOSAL

1.1. This report provides an update on the current outturn position for Sheffield City Council's revenue and capital budget for 2023/24.

### 2023-24 Q3 Financial Position by Directorate

1.2. At the end of the third quarter of 2023-24, the Council's revenue budget shows a forecast overspend of £16.7m. This was an improvement of £700k from the previous quarter's outturn position.

| Full Year £m                                | Q3<br>Outturn | Budget       | Q3<br>Variance | Q2<br>Variance | Move<br>ment |
|---------------------------------------------|---------------|--------------|----------------|----------------|--------------|
| Neighbourhood Services                      | 148.9         | 146.8        | 2.1            | 3.3            | (1.2)        |
| Adults                                      | 146.7         | 144.2        | 2.6            | 3.4            | (0.8)        |
| Children's                                  | 142.5         | 131.3        | 11.2           | 8.8            | 2.4          |
| City Futures                                | 49.2          | 48.8         | 0.4            | 1.0            | (0.6)        |
| Strategic Support                           | 15.0          | 10.6         | 4.5            | 4.4            | 0.0          |
| Public Health & Integrated<br>Commissioning | 12.8          | 11.2         | 1.6            | 1.8            | (0.2)        |
| Corporate                                   | (498.4)       | (492.9)      | (5.5)          | (5.2)          | (0.3)        |
| <b>Total</b>                                | <b>16.7</b>   | <b>(0.0)</b> | <b>16.7</b>    | <b>17.4</b>    | <b>(0.7)</b> |

1.3. This overspend is due to a combination of factors. Agreed Budget Implementation Plans ("BIPs") are not forecast to fully deliver within the year. There are underlying cost and demand pressures faced by services that are partially offset by one-off items. These "one-offs" consist of grant income, draws from specific reserves or provisions and income from central government or external sources.

| Full Year Variance £m                       | One-off       | BIPs        | Trend       | Total<br>Variance |
|---------------------------------------------|---------------|-------------|-------------|-------------------|
| Neighbourhood Services                      | (4.7)         | 2.9         | 3.9         | 2.1               |
| Adults                                      | (11.2)        | 3.5         | 10.3        | 2.6               |
| Children's                                  | (5.0)         | 4.0         | 12.2        | 11.2              |
| City Futures                                | (0.1)         | 0.4         | 0.1         | 0.4               |
| Strategic Support                           | (1.1)         | 0.1         | 5.5         | 4.5               |
| Public Health & Integrated<br>Commissioning | (0.5)         | 0.0         | 2.0         | 1.6               |
| Corporate                                   | 0.0           | 0.0         | (5.5)       | (5.5)             |
| <b>Total</b>                                | <b>(22.7)</b> | <b>10.9</b> | <b>28.5</b> | <b>16.7</b>       |

1.4. In 2021/22, the Council set aside £70m of reserves to manage the financial risks associated with delivering a balanced budget position. Overspends against general fund budgets in 2021/22 and 2022/23 have meant we have drawn almost £40m from this reserve to date. Current overspends of £16.7m would deplete this reserve to just £14m for budget overspends for 24/25 and beyond. Given this challenging position and likely requirement in the next few years to draw on this reserve, a further £12.5m has been identified from a one-off surplus from our collection fund to top up the reserve. This is subject to approval at full council on 6<sup>th</sup> March.

## 1.5. 2023-24 Q3 Financial Position by Committee

1.5.1. The major budget risk areas are in Childrens & Adults Social Care and in Homelessness services:

| Full Year £m                      | Q3<br>Outturn | Budget       | Q3<br>Variance | Q2<br>Variance | Movement     |
|-----------------------------------|---------------|--------------|----------------|----------------|--------------|
| Adult Health & Social Care        | 154.6         | 152.5        | 2.1            | 3.1            | (1.0)        |
| Communities Parks and Leisure     | 46.8          | 47.1         | (0.4)          | 0.8            | (1.2)        |
| Economic Development & Skills     | 11.1          | 11.1         | 0.0            | (0.0)          | 0.1          |
| Education, Children & Families    | 145.6         | 132.4        | 13.2           | 10.9           | 2.3          |
| Housing                           | 11.1          | 8.2          | 2.9            | 3.2            | (0.3)        |
| Strategy & Resources              | (462.7)       | (462.5)      | (0.2)          | 0.6            | (0.8)        |
| Transport, Regeneration & Climate | 43.6          | 43.6         | (0.0)          | (0.0)          | 0.0          |
| Waste & Street Scene              | 66.6          | 67.6         | (1.0)          | (1.1)          | 0.1          |
| <b>Total</b>                      | <b>16.7</b>   | <b>(0.0)</b> | <b>16.7</b>    | <b>17.4</b>    | <b>(0.7)</b> |

1.5.2. In 22/23, the Council's overspend improved by over £14m from the first quarter's forecasts to final outturn. This was mainly due to additional income received rather than underlying improvements in budgets and cost reductions. Whilst there is a likelihood we may receive some additional government funding in the final quarter of 2023/24, it is unlikely we will see an improvement on this scale.

Many underlying budget issues in social care services still remain and this is reflected in the current forecast position.

1.5.3. Most of the overspend is due to underlying cost and demand pressures in services. We estimate that £28.5m is embedded in the baseline costs but is somewhat mitigated by one-off income:

| Full Year Variance £m             | One-off       | BIPs        | Trend       | Total<br>Variance |
|-----------------------------------|---------------|-------------|-------------|-------------------|
| Adult Health & Social Care        | (11.5)        | 3.5         | 10.1        | 2.1               |
| Communities Parks and Leisure     | (0.2)         | 0.1         | (0.2)       | (0.4)             |
| Economic Development & Skills     | 0.1           | 0.0         | (0.1)       | 0.0               |
| Education, Children & Families    | (5.2)         | 4.0         | 14.4        | 13.2              |
| Housing                           | (1.7)         | 0.2         | 4.4         | 2.9               |
| Strategy & Resources              | (3.6)         | 2.8         | 0.6         | (0.2)             |
| Transport, Regeneration & Climate | 0.0           | 0.1         | (0.2)       | (0.0)             |
| Waste & Street Scene              | (0.6)         | 0.3         | (0.7)       | (1.0)             |
| <b>Total</b>                      | <b>(22.7)</b> | <b>10.9</b> | <b>28.5</b> | <b>16.7</b>       |

1.5.4. Balancing the General Fund 2023/24 budget was only possible because the Council identified £47.7m of savings:

### General Fund Budget Implementation Plans (in £m)

| Committee                  | Total<br>Savings | Financial<br>Savings<br>Deliverable in<br>Year | In Year<br>Gap | Financial<br>Savings<br>Deliverable<br>Next<br>Year<br>(Slippage) | Undeliverable<br>Savings |
|----------------------------|------------------|------------------------------------------------|----------------|-------------------------------------------------------------------|--------------------------|
| Adult Health & Social Care | 31.6             | 28.0                                           | 3.5            | 3.5                                                               | 0.0                      |

|                            |             |             |             |            |            |
|----------------------------|-------------|-------------|-------------|------------|------------|
| Comm, Parks & Leisure      | 2.0         | 1.9         | 0.1         |            | 0.1        |
| Economic Dev & Skills      | 0.5         | 0.5         | 0.0         |            | 0.0        |
| Ed, Children & Families    | 6.9         | 2.9         | 4.0         | 0.3        | 3.6        |
| Housing                    | 0.6         | 0.5         | 0.2         |            | 0.2        |
| Strategy & Resources       | 4.1         | 1.4         | 2.7         | 2.5        | 0.2        |
| Transport, Regen & Climate | 0.8         | 0.7         | 0.1         |            | 0.1        |
| Waste & Street Scene       | 1.1         | 0.8         | 0.3         |            | 0.3        |
| <b>Grand Total</b>         | <b>47.7</b> | <b>36.8</b> | <b>10.9</b> | <b>6.4</b> | <b>4.5</b> |

The current forecasts show £10.9m savings plans are undeliverable this year. This represents a delivery rate of 77% against target with a further 23% set to be delivered in the following year.

In 22/23, less than 65% of savings targets were delivered. Whilst we are improving upon overall delivery performance, we are still falling short of targets meaning further draws could be required from our reserves to meet these overspends if they are not managed and mitigated. Delivering in year budgets must be a key focus for all services for the Council to retain financial sustainability.

- 1.5.5. Inflation is continuing to fall; from April 2023 CPI at 7.8% to 4.2% in December (month 9). Whilst we are seeing some stabilisation in the cost base, the fall in inflation does not mean that our costs will now reduce, higher costs are now embedded in baseline expenditure. There is an increased demand for services alongside cost pressures in social care, home to school transport and homelessness services.

#### 1.6. **Key Committee Overspends:**

- 1.6.1. **Adult Health and Social Care are forecast to overspend by £2.1m** The high cost of packages of care put in place during covid increased our baseline costs and this carries into 23/24. Work is underway as part Adults Care and Wellbeing recovery plan to tackle the underlying issues. One-off funding has mitigated the position again this year leaving a £0.5m overspend in the purchasing budgets. Work continues on the package reviews to reduce the baseline costs for the future. Recovery work is underway including establishment of Task & Finish groups and the development of business cases around invest to saves including focus on enablement, day services, reviewing high cost 1 to 1 support and maximising income. The main area of overspend in the service sits in staffing budgets.

- 1.6.2. **Education, Children and Families are forecast to overspend by £13.2m** The key overspends in the service relate to placements with external residential placements a particular issue which are forecast to exceed the previous year's costs by £7.4m. The average placement cost has increased to £5,800 per week but due to a limited number of places in the city, placements for the most complex children can cost much more. Actions are being taken to ensure that costs for placements are being met by all elements including education and where possible health. High-cost placements are also being reviewed.

The savings proposal for £1.6m to increase fostering placements this year is forecast to not be delivered. Marketing is taking place, but our number of foster carers remains static. Nationally this has been an issue since the pandemic as older foster carers decided to exit the market and there has

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not been the like for like recruitment to new foster carers. Overall looked after children numbers have remained fairly consistent with increased demand being met, where possible, through family based placements.

Further demand in home to school transport costs are forecast to create a £3.9m overspend against budgets this year. Since the start of the new school year, the overspend has increased due to a further 180 children now requiring transportation to school. Sheffield City Council are now supporting over 2,365 children with transportation to school, this has increased by almost 1,000 children in 4 years, and demand is forecast to continue to increase. An overarching SEND review, including Home to School Transport, is currently underway. Outcomes from the review will bring about longer-term changes to reduce future pressures but the underlying cost base will be difficult to reduce due to the rising demand for the service.

Integrated Commissioning budgets are forecast to overspend by £2m in recognition of the unachieved saving from 2022/23 relating to leveraging additional funding from Health partners.

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|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.6.3. Homelessness support in temporary and exempt accommodation is forecast to cost the Council £8.4m</b> | The Government does not fully subsidise all housing benefit payments made by the Council even though it sets the rules that determine the amount the Council has to pay. In 2022/23, the Council incurred a loss of £5.9m as a result of the legislation relating to temporary homelessness and supported accommodation. The Council is essentially bridging the gap between the amount the accommodation costs to procure and the amount we are able to recover via housing benefits. |
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In 2023-24, this is forecast to cost the Council £4.5m for temporary accommodation and £3.5m for supported accommodation. The shortfalls are split between the Housing General Fund and Strategy and Resources budgets respectively.

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### **The Budget Implementation Group**

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| <b>1.6.4. A working group is in place to drive improvements in budget delivery</b> | A senior officer working group has been established to help drive delivery of the budget. The purpose of the Budget Implementation Group (BIG) is to improve the delivery of the Council's annual Revenue Budget (both General Fund and Housing Revenue Account), challenge and drive delivery of the Budget Implementation Plans (BIPs) and make recommendations for the allocation of transformation funding. It will look to facilitate Council wide learning. The group is jointly chaired by the Director of Finance and Commercial Services and the Chief Operating Officer. The group has a nominated core member from each Directorate. |
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### **Transformation Funding**

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|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.6.5. The Council identified £4m to support</b> | As part of 2023-24 budget setting, the Council identified a £4m fund that would be used to support programmes of transformational change in the organisation, expedite the |
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**transformation activity** delivery of savings plans or support where delivery of savings has become “stuck”. The “BIG” group has provided advice, challenge, and recommendations for allocation of the transformation funding to the Council’s Performance and Delivery Board.

In August 2023, the Performance & Delivery board approved bids to support delivery of programmes in Adult Social Care, Housing, Children’s services, ICT, HR, and Organisational Strategy to build upon the Future Sheffield programme. These key projects are working to stabilise the organisation and bring budgets back to a steady footing for the future. Each programme of work is being monitored, and progress reported to the Council’s Performance & Delivery board to ensure activity remains on track. Overall performance will be reported to the finance committee as part of in-year budget monitoring briefings, with relevant policy committees overseeing progress on programmes in their areas.

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### **Medium Term Financial Analysis (MTFA) & 2024/25 Budget**

1.6.6. **By law, the council must set a balanced budget** The Council is facing a challenging financial position. The Strategy and Resources Committee on 5<sup>th</sup> September received the Councils Medium-Term Financial analysis, highlighted the financial pressures facing the Council over the coming 4 years and the potential gap of £61.2m in resources.

Each Committee has worked to reach savings targets to achieve a balanced budget for 2024/25. On February 21<sup>st</sup> 2024, the Strategy and Resources committee recommended the budget to full Council meeting on 6<sup>th</sup> March.

For 2024/25 we are forecasting pressures of £79m for Committees budgets. These pressures result from rising demand for services but also significant increases in contract and price inflation due to the current economic backdrop. Approximately £49m of these pressures relate to Social Care Services. Through our 2024/25 Business Planning Process, Committees managed to identify £8m of savings to help deliver the balanced budget. Delivery of these savings will require steadfast commitment, and targeted resources from the Council to be successful.

In addition to these savings, increases in Business Rates income and associated grants, uplifts to sales fees and charges where appropriate, additional funding from government (mainly ringfenced to social care) along with the difficult decision to increase Council Tax by 4.99%, means we are able to set a balanced budget for 2024/25.

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### **23-24 Q3 Committee Budget Outturn Position**

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1.7. **Communities, Parks & Leisure Committee – overspend of £0.4m**

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|--------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|-----------------|
| 1.7.1. | <b>The Communities Parks &amp; Leisure Committee is forecast to overspend by £0.4m</b> | <b>Full Year £m</b>                                                                                                                                                                                             | <b>Outturn</b> | <b>Budget</b> | <b>Variance</b> |
|        |                                                                                        | <b>Community Services</b><br>(Community Safety; Family Centres; Youth Services; Community Services Business Support)                                                                                            | 11.6           | 11.8          | (0.2)           |
|        |                                                                                        | <b>Parks, Leisure &amp; Libraries</b><br>(Bereavement; Coroner and Medico Legal; Libraries and Archives; Parks and Countryside; Partnerships and Special Projects; Physical Activity and Sports; Public Health) | 34.5           | 34.3          | 0.2             |
|        |                                                                                        | <b>Integrated Commissioning</b><br>(Voluntary Sector)                                                                                                                                                           | 0.8            | 0.8           | (0.0)           |
|        |                                                                                        | <b>Business Improvement</b>                                                                                                                                                                                     | (0.1)          | 0.2           | (0.3)           |
|        |                                                                                        | <b>Total</b>                                                                                                                                                                                                    | <b>46.7</b>    | <b>47.1</b>   | <b>(0.4)</b>    |

|        |                                                                                                     |                                                                                                                      |                |             |              |                       |
|--------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------|-------------|--------------|-----------------------|
| 1.7.2. | <b>There is forecast to be a shortfall of BIP delivery of £0.2m relating to Parks and Libraries</b> | <b>Full Year Variance £m</b>                                                                                         | <b>One-off</b> | <b>BIPs</b> | <b>Trend</b> | <b>Total Variance</b> |
|        |                                                                                                     | <b>Community Services</b><br>(Community Safety; Family Centres; Youth Services; Community Services Business Support) | (0.2)          | 0.0         | 0.0          | (0.2)                 |
|        |                                                                                                     | <b>Parks, Leisure &amp; Libraries</b>                                                                                | 0.0            | 0.1         | 0.1          | 0.2                   |
|        |                                                                                                     | <b>Integrated Commissioning</b><br>(Voluntary Sector)                                                                | 0.0            | 0.0         | (0.0)        | (0.0)                 |
|        |                                                                                                     | <b>Business Improvement</b>                                                                                          | 0.0            | 0.0         | (0.3)        | (0.3)                 |
|        |                                                                                                     | <b>Total</b>                                                                                                         | <b>(0.2)</b>   | <b>0.1</b>  | <b>(0.2)</b> | <b>(0.4)</b>          |

1.7.3. Of the committee's £2m savings, £200k will not be delivered in year:

**Budget Savings (BIPS) £m**

| Service                                     | Financial RAG | Total Savings | Savings Deliverable in Year | In Year Gap | Savings Deliverable Next Year | Undeliverable Savings |
|---------------------------------------------|---------------|---------------|-----------------------------|-------------|-------------------------------|-----------------------|
| PARKS, LEISURE & LIBRARIES                  | Red           | 0.6           | 0.5                         | 0.1         |                               | 0.1                   |
|                                             | Green         | 1.1           | 1.1                         | 0.0         |                               | 0.0                   |
| <b>PARKS, LEISURE &amp; LIBRARIES Total</b> |               | <b>1.7</b>    | <b>1.6</b>                  | <b>0.1</b>  |                               | <b>0.1</b>            |
| COMMUNITY SERVICES                          | Green         | 0.4           | 0.4                         | 0.0         |                               | 0.0                   |
| <b>COMMUNITY SERVICES Total</b>             |               | <b>0.4</b>    | <b>0.4</b>                  | <b>0.0</b>  |                               | <b>0.0</b>            |
| <b>Grand Total</b>                          |               | <b>2.0</b>    | <b>1.9</b>                  | <b>0.1</b>  |                               | <b>0.1</b>            |

1.7.4. **Libraries will under deliver BIPs by £125k** Libraries services are forecast to fall short of their savings target this year by £125k. This undelivered BIP is part of a multi-year savings programme of £771k over 3 years. The shortfall will be mitigated by



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high vacancy rates this year. The next stage of redesign of library service is needed including a review of home library service as well as longer term review which needs to link into Council's approach to face to face service delivery in communities.

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|--------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.7.5. | <b>There is a potential further underspend in Youth Services</b>                  | The Youth service underspent by £1.1m last year due to delays in the implementation of a new operating model and recruitment slippage. Continued delays into 2023/24 are contributing to an underlying underspend in the service currently forecast at £567k but could more if the planned spend in Q4 does not materialise. |
| <hr/>  |                                                                                   |                                                                                                                                                                                                                                                                                                                              |
| 1.7.6. | <b>Community services is forecast to overspend by £300k</b>                       | The overspend in the community services budgets (excluding Youth Services), relates to community support workers costs that were previously funded through Clinically Extremely Vulnerable grant funding which is no longer in place to support the expenditure.                                                             |
| <hr/>  |                                                                                   |                                                                                                                                                                                                                                                                                                                              |
| 1.7.7. | <b>Parks &amp; Leisure Services are forecasting a combined overspend of £0.2m</b> | The majority of the overspend in the Parks & Leisure service is due to Coroner and Medico Legal Centre which are forecast to overspend by £153k due to increased staffing and contractual costs.                                                                                                                             |
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## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The recommendations in this report is that the Communities Parks and Leisure Policy Committee notes their 2023/24 budget forecast position and takes action on overspends.

## **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 The primary purpose of this report is to provide Members with information on the City Council's revenue budget monitoring position for 2023/24.

### 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 climate 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.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 To record formally changes to the Revenue Budget and the Capital Programme.

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