Financial Year 2023/24 Period 4

Executive 13th September 2023

Appendix 1: Revenue Budget Monitoring Report

Executive Summary

- The Council is forecasting to overspend against its Revenue Budget for 2023/24 by £9.6m, an adverse movement of £0.9m since Period 2. The Council continues to face severe inflationary and cost price pressures, particularly in Adults and Children's Services. The Adults overspend is £3.7m, driven by a combination of non delivery of demand management savings in long term care placements and cost pressures, which have in part been mitigated by additional grant funding through the Market Sustainability funding announced in July. Children's are facing £4.9m of pressures due to increased External Residential costs, Home to School Transport demand, workforce and price pressures and overspends in Localities and Fostering workforce budgets. Neighbourhoods are forecasting an overspend of £1.4m in relation to shortfalls of income in markets and car parking as income levels have failed to recover since the pandemic and alternative locations for the Christmas markets have not replaced the losses incurred at Albert Square. Corporate Core is forecast to overspend by £407k predominantly due to the costs of the May elections and additional burdens of voter identification. These pressures are offset by smaller underspends in Growth and Development and Population Health.
- Overspending Directorates are working on recovery plans to mitigate pressures with an aim to reduce the size of the overspend by the end of the financial year.
- Planned total Directorate savings in 2023/24 total £25.2m. Of these £8.5m (34%) are high risk, £1.5m (6%) are medium risk and £15.1m (60%) are low risk in that they are on track to be achieved or mitigated. Work is ongoing to find alternative savings where original plans may not be achieved.

Table 1 – Forecast Outturn against Budget 2023/24

Summary P4	**Original Budget**	**Gross Expenditure Budget**	**Gross Income Budget**	**Revised Budget**	**Outturn**	**Variance**	**Movement from last report (P2)**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Total Available Resources	**(745,218)**	**0**	**(764,793)**	**(764,793)**	**(764,677)**	116	116
Total Corporate Budgets	123,025	122,993	0	**122,993**	122,993	0	0
Children's Services	138,234	239,748	(99,736)	**140,012**	141,892	4,880	2,140
Adult Social Care	211,947	280,880	(65,609)	**215,271**	218,988	3,717	(1,528)
Public Health	41,955	56,826	(13,435)	**43,391**	43,220	(171)	99
Neighbourhoods	104,103	181,131	(75,432)	**105,699**	107,099	1,400	732
Homelessness	31,191	70,318	(39,014)	**31,304**	31,304	0	0

Growth and Development	(9,733)	41,252	(50,865)	**(9,613)**	(10,326)	(713)	(562)
Corporate Core	104,496	340,702	(224,966)	**115,736**	116,143	407	(93)
Total Directorate Budgets	**622,193**	**1,210,857**	**(569,057)**	**641,800**	**651,320**	**9,520**	**788**
Total Use of Resources	**745,218**	**1,333,850**	**(569,057)**	**764,793**	**773,113**	**9,520**	**788**
Total forecast over / (under) spend	**0**	**1,333,850**	**(1,333,850)**	**0**	**9,636**	**9,636**	**904**

Corporate Resources - £116k Underachievement

Resources Available	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Retained Business Rates	0	(297,929)	(297,929)	(297,929)	0	0
Business Rates Grants	0	(87,597)	(87,597)	(87,597)	0	0
Council Tax	0	(217,968)	(217,968)	(217,968)	0	0
Other Specific Grants	0	(143,538)	(143,538)	(1423,422)	116	116
Dividends	0	0	0	0	0	0
Use of Reserves	0	(17,761)	(17,761)	(17,761)	0	0
Fortuitous Income	0	0	0	0	0	0
Total Corporate Resources	**0**	**(764,793)**	**(764,793)**	**(764,677)**	**116**	**116**

Corporate Resources - Financial Headlines

- The underachievement of £116k due to a shortfall on expected waste rebate from GMCA due to the method of allocation.
- Business Rates Collection as at the end of July is 40.45% (excluding account credits) compared to 39.22% in 2022/23, 30.24% in 2021/22, 26.41% in 2020/21 and 37.55% in 2019/20 (pre pandemic comparator). This demonstrates a return to pre-pandemic collection rates with just 87.91% collected in-year in 2020/21.
- Council Tax Collection at end of July is 32.01% which compares to 31.74% in 2022/23, 32.56% in 2021/22, 31.74% in 2020/21 and 33.47% in 2019/20 (pre pandemic comparator).
- Invoices paid within 30 days is 93.86%, against the target of 95%.
- £4.926m (9.35%) of £52.681m of pursuable debt is over a year old and still to be recovered by the Council (as at end of May 2023).

Corporate Costs – Breakeven

Planned Use of Resources	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Capital Charges	39,507	0	39,507	39,507	0	0
Insurance Charges	2,004	0	2,004	2,004	0	0

Transfer to Reserves	10,334	0	10,334	10,334	0	0
Contingency	600	0	600	600	0	0
Inflationary Budgets and Budgets to be Allocated	22,034	0	22,034	22,034	0	0
Apprentice Levy	1,060	0	1,060	1,060	0	0
Levies	39,407	0	39,407	39,407	0	0
Historic Pension Costs	8,047	0	8,047	8,047	0	0
Total Corporate Budgets	**122,993**	**0**	**122,993**	**122,993**	**0**	**0**

Corporate Costs - Financial Headlines

- Budgets are on track at this stage in the financial year. The Consumer Prices Index (CPI) was 6.8% in the 12 months to July 2023, a reduction of 1.1% compared to June 2023. At this stage, it is expected price inflation can be contained within the inflation budgets available. Allowance has been made for the 23/24 pay award in line with the current employer's offer. Should this be settled at a higher level there will be a budget pressure.
- Historic pension payments are increased annually from April by the CPI % rate in September of the previous year. Usually, these costs reduce as the number of recipients fall throughout the year, however, any reductions in numbers are likely to be offset by the high increases in pension payments due to September 2022 CPI being 10.1%. This will be closely monitored throughout the year.

Children’s Services - £4.880m overspend

Childrens Social Care	**Gross Expenditure Budget**	**Gross Income Budget**	**Net Annual Budget**	**Projected Outturn**	**Variance from Budget**	**Movement from Last Report**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
LAC Placements	55,568	(6,452)	49,116	52,816	3,700	1,181
LAC Placements Service	9,175	(938)	8,237	8,454	216	87
Permanence and Leaving Care	30,401	(13,885)	16,516	16,198	(319)	285
Children Safeguarding Service Areas	50,242	(12,231)	38,012	38,418	406	285
Children's Safeguarding	**145,387**	**(33,506)**	**111,881**	**115,885**	**4,004**	**1,838**
Education Services	72,714	(65,267)	7,447	7,409	(38)	20
Home to School Transport	14,144	(321)	13,823	14,664	841	192
Targeted Youth Support Service	848	0	848	816	(32)	(33)
Education	**87,707**	**(65,588)**	**22,119**	**22,889**	**770**	**179**
Children's Strategic Management and Business Support	6,655	(642)	6,012	6,118	105	123
Total Young People (Children’s and Education Services)	**239,748**	**(99,736)**	**140,012**	**144,892**	**4,880**	**2,140**

Children’s and Education Services - Financial Headlines

The overall gross budget totals £239.748m with a net budget totalling £140.012m, on top of this the Directorate is responsible for £364.871m Dedicated Schools Grant (DSG). The underlying forecast overspend is as a result of higher placement costs for Looked After Children (LAC), a shortfall in the UASC grant for the numbers now being accommodated, an overspend on Home to School Transport and workforce pressures in Localities and Fostering. Over the last 13 months there has been a 71 drop in the numbers of LAC. The reduction in LAC numbers would have been greater if not for the increase in UASC which currently stands at 195 (14% of total LAC population). The current UASC numbers is 46% higher than November 22 partially explained by c.70 children coming from dispersal hotels. The financial pressures being faced by the service are predominantly cost driven with significant increases in the costs of placements, which have been impacted by higher national demand, increased complexity of care and high inflation.

As at Period 4 there is a projected year end overspend of £4.880m, this is after taking account of £3.884m mitigations against key pressures. There has been a movement of £2.140m since the last reporting period.

Key variances and changes since the last reporting period:

- £3.700m LAC placement overspend. Overall LAC placement numbers are 36 below budget. Despite decreasing overall numbers of non UASC looked after children there have been increasing numbers of children placed in external residential placements; 13 more external residential placements than budgeted. In particular due to external national market forces - lack of availability of placements and increasingly complex needs of the cohort. 45% of all LAC Placement now spent on external residential compared to 36% in 2019/20. Placement sufficiency an escalating national issue. Characterised with a lack of suitable placements, increasing numbers of children with complex needs and rising charges for residential places.
- The external residential placement budget is forecast to overspend if no mitigations take place by £10.893m. £4.053m of this pressure is due to there being 97 placements, 13 placements higher than budgeted for; £6.840m of the overspend is due to the average external residential weekly cost being 44% higher than what was budgeted for. This price increase has impacted on the achievement of the £3m Managing Demand saving.
- Fostering and Internal Residential and contingency budget underspends amount to £5.170m which has off-set part of the external residential pressures outlined above. The Directorate is undertaking mitigations actions to manage down this pressure amounting to £2.023m in this area. Namely: step downs, transitions plans that have been established with the high-cost placements and use of grant. The mitigation can be quantified by high cost step downs (£0.631m), delayed opening of Take Breath models (£242k) and one-off use of Resettlement grant (£1.150m)
- There has been little movement (£19k) in the position since the last reporting period.

LAC Pressures and (mitigations)	£m
External Residential Placements - additional 13 placements against budget	4.053
External Residential Placements – increase in unit costs by 44% to £xx per week on average	6.840
Fostering, Internal Residential and Contingency – reduction in number of placements	(5.170)
High cost placement step downs	(0.631)
Delayed Take and Breath role out	(0.242)
One off application of resettlement funding	(1.150)
Total LAC Overspend	3.700

External Residential Placements and Unit Cost

- **£216k LAC placement services** overspend on staffing budgets in the Leaving Care Service and Fostering Service. Vacancies being filled by agency which is required to support a growing and stable workforce to ensure Fostering Caseworker caseloads remain at a safe and manageable level. There has been an adverse movement of £87k since the last reporting period due to delays in recruiting permanent staff.
- **£319k Permanence and Leaving Care placement** underspends, overall placements numbers are 956, 67 below budget and are helping to off-set LAC pressures outlined above. In addition to the permanence and leaving care placements there are currently 469 UASC and Care Leaver placements compared to a budget of 430. The current projection is after mitigation of £445k on supported accommodation placements review of over 18 years old and high cost placements.
- **£406k Safeguarding Service overspend.** It has been assumed that a £0.507m remand pressure will be offset by additional grant or reserves. The projection has moved £284k adversely since the last reporting period due to social work agency spend not reducing in line with what was previously estimated. The service is continuing to strengthen its recruitment and retention strategy to ensure increase permanency and stability across the service with planned reductions in agency personnel by December.
- **£38k Education Services underspend.** Attendance service pressures have been off-set by underspends elsewhere in the service, an adverse movement of £20k since the last reporting period.
- **£33k Targeted Youth Support Service contract underspend.**
- **£0.841m Home to Schools Transport pressure** have increased due to a combination of fuel prices, increased eligible children and a shortage in provision in the market pushing prices up. The service has been reviewed and is reshaping the service delivery. It is expected that the recommendations will enable the service to manage down the pressures. The forecast would have been £2.341m overspent had it not been for mitigation of £500k from grant income and £1m (one-off) additional budget that was agreed at budget setting. There has been a £192k adverse movement in Home to School Transport due to increases in route operators' costs and number of routes.
- **£105k Strategic Management and Business Support** overspend due to archiving pressures in Business Support this caused the £123k adverse movement since the last reporting period.

The Directorate’s overarching budget strategy is based around cost avoidance, care planning, commissioning, and efficiency. The evidence indicates this continues to be the right approach in preventing children unnecessarily becoming LAC and entering high-cost placements. The investment programme has experienced delay predominantly due to external forces in the social care market and associated recruitment difficulties which are now likely to limit the in year impact of current plans and necessitating alternative mitigating approaches.

The rising costs of special educational needs transport and increase in demand for Home to School Transport are significant. The service expects that the improvement plan will help to reduce current pressures on an on-going basis and bring the budget back into balance.

Children’s Services Dedicated Schools Grant - £1.417m overspend

DSG (Dedicated Schools Grant)	Gross Annual Budget	Gross Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000
Schools Block	202,026	202,026	0	-
Central Services Block	3,824	3,824	0	-
High Needs Block	116,110	117,527	1,417	-
Early Years Block	41,494	41,494	0	-
Total in-year	**363,454**	**364,871**	**1,417**	**-**
Transfer to Reserves	1,417	0	(1,417)	
DSG 2023/24	**364,871**	**364,871**	**0**	
Reserve Balance	0	1,417	(1,417)	
Overall DSG position	**364,871**	**366,288**	**(1,417)**	

*The DSG Budget is a ringfenced account and is not part of MCC’s General Fund Budgets.

Dedicated School Grant (DSG) - Financial Headlines

Dedicated Schools Grant (DSG) in 2023/24 totals £674m, of which £309m is top sliced by the Department for Education (DfE) to pay for academy budgets leaving a £364.871m budget that is directly managed by the Council and its maintained schools. This includes additional grant funding provided for the high needs block (HNB) of £5m allocated by the DfE in recognition for schools cost pressures.

The high needs block before mitigating actions have been taken has £3.990m of pressures in four key areas: education health care plans (EHCP), education independent sector placements, inter authority placements and post 16. As at the end of July 2023 it is unlikely the high needs block recovery plan agreed by the service will be met in full, due to the length of time taken to drive through efficiencies, in an area where demographic pressures continue to drive demand. The recovery plan is now estimated to cover £3.990m of the in-year 2023/24 pressures, however, this will mean the service will be unable to recover the cumulative deficit brought forward from last financial year of £1.417m, which will remain and be carried forward into 2024/25.

At this stage in the year there are no indications that there will be variances in the other DSG blocks.

In the Northwest 77% of LAs have a DSG deficit. Manchester has the second lowest deficit in the region and is looking at the deficit remaining at the current level. Manchester has been asked to lead on a SEND change programme as it has been recognised that it has developed areas of good practise.

Adult Social Care / Manchester Local Care Organisation - £3.717m overspend

Adult Social Care	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Long Term Care:						
Older People/Physical Disability	81,632	(31,619)	50,013	53,622	3,609	(716)
Learning Disability	67,719	(6,165)	61,554	64,431	2,877	(154)
Mental Health	30,364	(5,887)	24,477	26,329	1,852	(256)
Disability Supported Accommodation Service	19,347	(2,645)	16,702	18,250	1,548	794
Investment funding	8,774	-	8,774	7,055	(1,719)	(1,718)
Subtotal	207,836	(46,316)	161,520	169,687	8,167	(2,050)
Short Term Care:						-
Reablement/Short Term Intervention Team	10,546	(2,147)	8,399	8,161	(238)	(88)
Short Breaks/Respite/Day Centres/Neighbourhood Apartments	5,648	(314)	5,334	5,528	194	(3)
Equipment & Adaptations (inc TEC)	7,502	(2,307)	5,195	4,951	(244)	56
Carers/Voluntary Sector	3,947	(462)	3,485	3,605	120	126
Subtotal	27,643	(5,230)	22,413	22,245	(168)	91
Infrastructure and Back Office:						-
Social Work Teams	21,934	(4,609)	17,325	16,669	(656)	107
Safeguarding/Emergency Duty	5,014	(1,127)	3,887	4,083	196	78
Brokerage/Care Home Teams	1,587	(159)	1,428	1,376	(52)	(54)
Management and support	16,866	(8,168)	8,698	4,928	(3,770)	300
Subtotal	**45,401**	**(14,063)**	**31,338**	**27,056**	**(4,282)**	**431**
Total ASC	**280,880**	**(65,609)**	**215,271**	**218,988**	**3,717**	**(1,528)**

Adult Social Care - Financial Headlines

The forecast outturn based on information to the end of July is indicating an overspend of £3.7m. The long term care budget is forecast to overspend by £8.2m. This reflects c£10m of pressures detailed below, offset by £1m in recruitment slippage from the investment programme and use of £0.8m of the MSIF grant to support the care budget.

- It is not prudent to build in expectations on the delivery of the additional demand management savings (£5.5m) from client social care packages, due to a combination of demand and price pressures in the market
- £1m increase in homecare costs (5% growth in the year to date);
- £0.8m within Older People / Physical Disability residential and nursing care due to client number changes and increase additional support costs;

- £1.2m increases in personal budgets and;
- £1.5m DSAS reflecting increased placements in-house, agency spend profile and backdated 2022/23 agency costs.

The financial forecast on short term care is fairly stable (£0.2m underspend). The Long Term Care pressure is offset further through planned use of reserves £2m, £1.3m of funding identified from resetting the budgets for the Adult Discharge Fund, Better Care Fund and Investment programme and employee underspends across social work teams (£0.7m) and support services (£0.5m) together with a small pressure in safeguarding (£0.2m) bringing the overall position to £3.7m.

£4.055m of additional funding to support the care market and its workforce has been added to the cash limit. The funding has the same aspirations for its use and the equivalent conditions attached as the Market Sustainability and Improvement Fund. £2m has been set aside for winter planning, £0.5m for social work capacity, £0.9m for specific nursing care provision and the balance of £0.8m incorporated into the forecast position.

The Better Outcomes Better Lives (BOBL) Board is overseeing all programmes of work aimed at prevent, reduce and delay care costs. The BOBL programme remains the primary source of reducing spend whilst also helping citizens to achieve independence and better life outcomes, by preventing, reducing and delaying demand into adult social care. These achievements have been supported by operating a strengths-based approach and implementing an improved short-term care offer and improved commissioning practices. Throughout 2022/23 the number of clients in >65 residential and nursing placements reduced from 839 at the start of the year to 698 at outturn. As at period 4, there are 718, with a number requiring additional 1-2-1 support. In addition to the increase in >65s, there is an additional 7 clients into external learning disability supported accommodation placements since outturn. Here, numbers have increased from 313 at period 9, 316 at outturn, to 326 at period 4. Some of these clients have transitioned from Children's Services on high-cost packages and further projected costs have been factored in based on joint analysis across children's and adults teams. Homecare commissioned hours are 5.5% up on the year to date following a 14% increase in 2022/23.

Key considerations include:

- Full delivery of the £4.142m savings target through increasing the vacancy factor on all staffing budgets, releasing £2.275m from the ASC reserve to smooth savings in year, a review of transport usage and re-financing of assessment posts to the DFG;
- £14.694m of funding is fully deployed to support the care market with a notable increase in fees, which also start to move towards a 'fair cost of care'. The ledger reflects £11.44m applied at Period 4;
- £4.055m of additional funding received by central government to support pressures across the care market from both a staffing and fees perspective is now included in the position covering £0.864m specific financial support for the care home market to guarantee nursing beds remain available to Manchester residents, £0.5m social work capacity for winter 2023, £2m towards anticipated increased winter care requirements and the balance reflecting the current pressures in long term care including additional one to one and assessed need top up costs within residential and nursing care;
- £2m of reserves agreed for support to the care market together with all remaining funding (£1.288m) not yet deployed is utilised to offset activity pressures and the demand management savings;

- The investment programme (£3.118m) agreed in the 2023/24 budget has been reviewed and based on recruitment timescales, it is now forecast that £2.118m will be spent in year with the balance supporting the overall financial position in year.

The key financial risks are:

- 2023/24 is the final year of the three-year BOBL savings programme with an agreed saving target of £8.977m to be delivered in 2023/24. £3.477m is achieved through prevent, reduce and delay approaches. The balance of £5.500m is to be delivered through specific additional demand management interventions. Key components notably mental health £1.5m and Learning Disability £2m are considered to be very high risk. The complex review team, once established, will provide an enhanced focus on high-cost packages. The current increase in client numbers on older people residential and nursing (+9) similarly signals an increase in risk on this aspect £1.5m (target is reduction of -42) and similarly homecare hours have increased (1,802 hrs pw) against a target reduction of 590 hrs pw, impacting on the delivery of £0.5m saving;
- Work with Children's Services is suggesting an increase in transitions packages during this year with potential for significant cost transfer (all confirmed and agreed package costs have been included in the forecast);
- The financial position on Disability Services Accommodation Service DSAS (£1.548m overspend) detailed below, reflects the impact of the uplift in agency costs from 2022/23 and recruitment slippage; and
- There is significant work underway to fully programme manage the delivery of the proposed saving programme ahead of 2024/25.
- Winter 2023 is a key risk with significant care market supply issues and all new funding already built into the position.

Long Term Care

The forecast position at P4 is an overspend of £8.167m on long term care. There are several pressures across all service areas, with increases in activity and at this stage, it is not considered prudent to build in expectations on the delivery of the demand management savings, resulting in the pressure. The long-term care budget has been reset to reflect outturn activity and average costs. The additional £4m received from central government to support the care market is reflected in the long-term care position, reducing the pressure considerably from Period 2.

The key pressures within long term care are £2.877m on learning disabilities, £3.095m on >65s residential and nursing provision, £1.852m on Mental Health services, £1.395m on >65s homecare provision and £1.548m on the in-house supported accommodation provision. As can be seen from the graphs below there is a jump in residential numbers, an increase in the numbers of clients in learning disability supported accommodation packages and an increase in the total of homecare hours commissioned. There is a further pressure on the D2A budget of £205k offset by underspends on < 65s residential and nursing provision. Further detail on each area is provided below. The pressures are being offset by £2m of reserves agreed for support to the care market together with all remaining funding (£1.288m) not yet deployed.

Short Term Care

The forecast outturn position on short term care at P4 is an underspend of £168k, a reduction in the underspend of £91k from period 2. This breaks down as un underspend on Reablement of £229k and Equipment of £309k due to a time-lag in filling vacancies, offset by a pressure on day centres of £102k, short breaks of £94k and other minor variations. The Reablement forecast reflects the increased vacancy factor (as per budget plan) and significant recruitment into roles.

The service is committed to filling all positions over the course of the year with the progress to date highlighted below. The equipment forecast expects the £500k saving as per the budget plan is achieved in full. It also reflects estimated start dates for additional recruitment from November. The pressures on the day centres and short breaks is coming from increased food costs and utility costs. The service are working with contractors to look at food supply costs.

Infrastructure and Back Office

The forecast outturn position at P4 is an underspend of £4.280m. The underspend on social work teams is £0.656m, comprising £561k on the hospital teams, £131k on specialist learning disability teams and a pressure across the INTs of £36k. The underspend confirms the challenges in recruiting and retaining qualified social workers, but progress is positive with increases in applications coming forward. Overall, this equates to 59.7FTE, of which 31.8 FTE have been appointed to and are going through pre-employment checks, or are being held for Social Work apprentices. All remaining vacancies are out to recruitment. The majority are covered by agency in the interim.

The overspend on safeguarding (£0.196m) relates to the pressure on best interest assessments in relation to Deprivation of Liberty Standards, where external assessors are utilised. The forecast assumes spend on external assessors will be comparable to 22/23 spend levels, as staff vacancies persist in the service. Agency staff are deployed to cover essential roles resulting in a pressure of £144k. The use of agency staff to cover Emergency Duty rotas is resulting in a further pressure of £52k.

Management and support have a forecast underspend of £3.767m. This is primarily due to a £2m care support reserve and a £1.288m contingency to mitigate the demand management saving being held centrally pending progress in the year. Therefore, as a Period 4 the following assumptions are incorporated into the forecast:

- £2m from reserves to support the care market, £1.288m of funding held as a contingency to mitigate the demand management savings;
- £258k control room and other commissioning vacancies;
- An underspend on Business Support of £176k due to challenges across the recruitment market; and
- An underspend of £45k across back office and strategic management areas.

Public Health - £171k underspend

Public Health	**Gross Expenditure Budget**	**Gross Income Budget**	**Net Annual Budget**	**Projected Outturn**	**Variance from Budget**	**Movement from Last Report**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Children's:						
Health Visitors	11,164	0	11,164	11,164	-	-
Schools Health Service	4,145	0	4,145	4,145	-	-
Other Children's	415	0	415	415	-	-
Sub Total	**15,724**	**-**	**15,724**	**15,724**	**-**	**-**
Wellbeing:						

Be Well Service	2,920	(1,337)	1,583	1,584	1	1
Weight Management	599	0	599	599	-	-
Smoking Prevention	812	(242)	570	570	-	-
Falls Service	768	0	768	768	-	-
Other Wellbeing	2,759	(668)	2,091	2,090	(1)	(237)
Sub Total	**7,858**	**(2,247)**	**5,611**	**5,611**	**-**	**(236)**
Drug & Alcohol Services:						
Integrated Treat & Support Service	10,156	(3,224)	6,932	6,980	48	4
In-patient Detox & Residen Rehab	944	0	944	944	-	-
Young People Services	652	0	652	652	-	-
Other Drug & Alcohol	736	0	736	736	-	(46)
Sub Total	**12,488**	**(3,224)**	**9,264**	**9,312**	**48**	**(42)**
Sexual Health Services:						
Sexual Health	7,216	(829)	6,387	6,285	(102)	(102)
HIV	1,227	0	1,227	1,227	-	-
Other Sexual Health	1,599	(192)	1,407	1,408	1	1
Sub Total	**10,042**	**(1,021)**	**9,021**	**8,920**	**(101)**	**(101)**
Making Manchester Fairer:						
COVID Health Equity Manchester	410		410	770	360	361
Sub Total	**410**	**-**	**410**	**770**	**360**	**361**
Other Staffing, Mng & Support:						
Core Staffing	3,638	(929)	2,709	2,286	(423)	172
Locality budget	2,355	(2,355)	0	-11	(11)	(11)
Other	2,482	(1,830)	652	608	(44)	(44)
Sub Total	**8,475**	**(5,114)**	**3,361**	**2,883**	**(478)**	**117**
Total Public Health	**54,997**	**(11,606)**	**43,391**	**43,220**	**(171)**	**99**

Public Health - Financial Headlines

- Public Health have a £171k forecast underspend at year end. This is a reduction in the underspend of £99k from period 2. Savings of £0.730m have been achieved in full.
- There are underspends across the staffing budgets of £0.466m due to vacant posts and the maximisation of external funding, and underspends on other indirect staffing costs. The specialist nature of roles results in an extended timeline for any recruitment. The forecast allows for posts to be filled from October.
- The children's services and health visitor budgets shown above reflect contracting arrangements with health partners and are forecast to spend to budget.
- Drugs and alcohol support budgets - there is an increase in dispensing costs generating a pressure of £48k.
- Sexual health contracts have an underspend of £101k, reflecting additional income from partners for outreach work. All block contracts forecast to budget at this point in the year. Nationally and locally demand for these services is increasing and this will be closely monitored in the coming months.
- The coming year will present several challenges and opportunities for Public Health as the service look to develop and embed the Making Manchester Fairer (MMF) programme and exit the intensity of the Covid-19 pressure. The MMF programme (included in the Wellbeing

section above) has a budget of £2.989m (reserves funded) and commitments of £2.1m already in progress. Procurement processes are underway with significant spend expected in the final quarter of the year and into 2024/25. Further updates on this will be provided to the MMF Board throughout the year. Spend incurred on the early kickstarter schemes will transfer across to Public Health in the coming months. In addition to the above, work is progressing at pace to utilise the CHEM (Community Health Equity Funding) funding with £120k distributed to partner organisations to date. Demands for further funds will be met from the Public Health reserve subject to appropriate approvals. There is a pressure on the MCR Active programme which supports the overall wellbeing agenda, with this spend being offset by service underspends elsewhere.

- Negotiations with Health partners regarding 'Agenda for Change' health staff pay uplifts is continuing. The wider national negotiations confirm central government funding into ICBs to cover Agenda for Change increases. The forecast position assumes all increases will be funded in full.

Neighbourhoods - £1.4m forecast overspend

Neighbourhoods	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Compliance and Community Safety	16,559	(5,350)	11,209	10,709	(500)	0
Libraries, Galleries and Culture	13,784	(3,829)	9,955	9,692	(263)	50
Neighbourhood Area Teams	6,254	(431)	5,823	5,823	0	0
Neighbourhood Management and Directorate Support	1,376	(70)	1,306	1,304	(2)	(21)
Operations and Commissioning	90,243	(42,751)	47,492	48,907	1,367	703
Other Neighbourhood Services	1,349	(1,203)	146	146	0	0
Parks, Leisure, Events and Youth	22,195	(13,008)	9,187	10,149	798	0
SUB TOTAL	**151,760**	**(66,642)**	**85,118**	**86,682**	**1,400**	**732**
Highways	27,260	(6,679)	20,581	20,581	0	0
Operational Housing	2,111	(2,111)	0	0	0	0
SUMMARY TOTAL	**181,131**	**(75,432)**	**105,699**	**107,263**	**1,400**	**732**

Neighbourhoods - Financial Headlines

Neighbourhood Services – are currently forecasting a £1.4m overspend, this is mainly due to ongoing pressures in markets due to the reduced income from Christmas markets, increased costs in Parks, Leisure and Youth due to loss of income whilst refurbishment is undertaken and increased costs because of step in arrangements. The pressures are partially offset by staffing underspends in Libraries, Compliance and Community safety and higher than forecast income in advertising and bereavements. There is an adverse movement for Operations and Commissioning which is due to an underachievement of income in Off Street Parking.

- **Compliance and Community Safety** - £0.5m underspend is mainly due to net forecasted staffing underspends. The service has recently completed a service redesign, all vacant posts have either been recruited to or are in the process of being recruited to. There are currently 15 vacant posts but due to time taken to obtain necessary police vetting requirements it is assumed that these will only be filled from January 2024.
- **Libraries, Galleries and Culture** – £263k underspend due to vacant posts, the current underspend reflects the vacancies and expected turnover in posts, the time taken to recruit, appoint and get people into post. This is a reduction in the forecast underspend of £50k from the previous position, £20k of which relates to costs for the relocation of Northenden Library to St Wilfred's Church where capital funding was requested but was not supported.
- **Operations and Commissioning** - £1.367m overspend – largely due to income shortfalls for Markets and a shortfall in income from Off Street Parking, offset by over achievement of income on Advertising and Other Business Units. £1m shortfall in Christmas Markets due to the unavailability of Albert Square. The losses due to closure are time limited and whilst it is anticipated that Albert Square will reopen the date is unclear and the pressure may continue in 2024.
    - Advertising over achievement of income of £287k, due to an annual inflationary uplift that was higher than what was reflected in the budget and increased revenue share, based on the annual performance of each site. Other Business Units £168k underspend linked to higher than forecast income in bereavement Services.
    - Wholesale, Retail & City Centre Markets, £103k underachievement of income, the main pressures are, markets not achieving the forecast income because of ongoing lower footfalls post Covid, exacerbated by the ongoing cost of living crisis and economic uncertainty, Sunday Market Car Boot (£75k) and Church Street (£28k), at Church Street 4 of the 11 units are vacant, these units will not be filled due to the intention to redevelop the market site, with traders offered alternative trading space.
    - Off St Parking – £0.703m overspend. The income for the first quarter of the year is below the profiled budget, and whilst period 4 has increased it is too early to assess if this increase will continue. There has been a reduction in the number of users directly impacting on income particularly in the larger multi storey car parks. Work is being undertaken to review the impact of the Early Bird Offer on projected income, and volume of users in our multi storey car parks, particularly following infrastructure changes across the city to reduce volume of traffic in the Centre.
    - There are several inflationary pressures, these include £273k increased NSL costs following the recent procurement exercise and £265k in relation to Piccadilly Gardens rents, Biffa charges and costs of business Rates. A submission has been made against the corporate inflation budget.
    - The workforce underspend in Grounds Maintenance is being offset by the use of contractors and the forecast position at year end is breakeven.
- **Parks, Leisure, Events and Youth** - £0.798m overspend due to £0.540m Leisure overspend from income losses at the Manchester Aquatic Centre (MAC) car park and Abraham Moss (both of which had been closed and undergoing major refurbishment, but have now reopened), along with the additional costs of financial support to the operators of Broadway Leisure Centre. The loss of income was attributed to the closure of facilities whilst undergoing refurbishment at both the MAC and Abraham Moss it is expected that the MAC shortfall is time limited and is forecast to recover now that the facilities have reopened. Further work is

required to understand the full effect of the pandemic and ongoing cost of living crisis on the usage of both centres.

  - Events £50k overspend. The MCFC parade took place in June 2023 with a cost of £50k incurred for fan safety along the route. There is a £100k risk around commercial income and sponsorship for events against a budget of £0.5m, but this will continue to be monitored on an ongoing basis and work will continue to identify additional commercial opportunities to offset any shortfall in income.
  - Youth Services is forecasted to overspend by £208k due to additional costs of support for Wythenshawe Active Lifestyle Centre where MCC have stepped in to provide additional support to maintain provision at the site.

- **Highways** Breakeven, the £461k workforce underspend has been reinvested into the highway capital programme.
- **Operational Housing** – although this is a net nil to Neighbourhoods mainstream budgets there is a pressure on the Equans repairs and maintenance contract which is covered in the HRA report below.

Homelessness - forecast Breakeven

Homelessness	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Asylum	677	(617)	60	51	(9)	0
B&B's (Room only)	7,037	(3,122)	3,915	2,960	(955)	0
Dispersed & Leasing Accommodation	30,575	(17,729)	12,846	12,846	0	0
Externally Commissioned Services	12,008	(3,937)	8,071	8,071	0	0
Homelessness Prevention Staffing & Move On	9,492	(5,736)	3,756	4,263	507	0
In House Accommodation	7,782	(5,126)	2,656	3,113	457	0
Total	**67,571**	**(36,267)**	**31,304**	**31,304**	**0**	**0**

Homelessness - Financial Headlines

The forecast outturn is showing a breakeven position. Although there are potential pressures in Homelessness the number of families in B&B accommodation has reduced significantly, the reduction is a result of considerable work which has been undertaken to find alternative settled accommodation for those in B&B and to increase prevention, so that new presentations to the Council do not require Temporary Accommodation. This reduction contrasts with other LA's where Temporary Accommodation numbers are increasing to levels not seen previously. The decrease in numbers is attributable to the intensive assertive individualised approach, a new off-the-street accommodation offer and increased partnership working to address systematic barriers and gaps between services as people require additional mental health and drug and alcohol support to sustain accommodation.

Overview of main cost drivers in Homelessness:

B&B Room Only. An underspend of £0.955m is forecast based on the numbers in B&B accommodation at the end of July 2023, this was 5 families and 220 singles. It is anticipated that the routine use of B&B accommodation for families in Manchester has now ended which is a fantastic achievement for the city. The base budget is based on 10 families and 228 singles per night. Significant work is progressing as part of the budget setting process for future years to understand the level of funding required to support the sustained reduction in B&B use, in the form of additional support for residents to remain in current accommodation as part of the Private Rented Sector offer for families as well as cheaper and more suitable accommodation that B&B for singles with Complex needs.

Dispersed Accommodation and Leasing. Balanced budget. A key component of the reduction in B&B and Nightly Paid is the development of Leasing schemes over the next 5 years, funding secured from DLUHC and GMCA as detailed in the Budget Report. The Leasing schemes are an agreement between the Council and Private Providers to provide private rented properties as temporary accommodation for a period of 5 years, meaning the Council can offer a level of stability until they are rehoused permanently.

Homelessness Prevention Staffing and Move On, £0.507m overspend, a key focus of the service is to increase the prevention of homelessness. Managers in Housing Solutions are working through an intensive four-week case review period with Housing Solutions Officers to review all open homeless cases. The case reviews are an opportunity to maximise prevention opportunities by reviewing the current situation and put in place innovative and creative solutions. Officers are supported with good practice and direction on cases which can be closed through effective interventions. Case reviews to date have led to a reduction of open cases from 1,721 at the start of April to c1,300 at the end of July. Case review activity will continue at the end of the intensive four-week period with a shift towards new cases. The impact of the case reviews will be the ongoing reduction in referrals to temporary accommodation because of the early identification of opportunities to prevent homelessness. As the expenditure in B&B's reduces Homelessness would seek approval to vire budgets from B&B to Prevention to mainstream this approach into the service. The change to the allocations policy enabling people to retain their Band 2 status on Manchester Move if they accept a PRS offer or if they are homeless at home. There has been a change in approach by the Private Rented Sector team to move people on quickly to the right accommodation direct from their presenting accommodation or a B&B setting, thereby avoiding the need to use temporary accommodation. There has also been a focus placed on prevention which has resulted in less people needing emergency accommodation.

In House Accommodation, a forecast overspend of £457k due to the proposed continuation of Etrop Grange in 2023/24. Etrop Grange was opened at the beginning of October 2022, initially to increase the availability of accommodation during the winter period. It provides 69 single unit rooms to people who are sleeping rough on the streets. Referrals are made via outreach services for people who are confirmed and verified as sleeping on the streets. Due to the success of Etrop, officers are looking to continue the accommodation until March 2024, providing an off the street offer over the winter period. Both DLUHC and GMCA are supportive of the off the street offer at Etrop and are working with MCC to identify a longer-term offer, DLUHC have funded £337k in year on the basis that this offer will continue. This provision is a key driver in the reduction in rough sleeper numbers in the city, while Manchester's number of rough sleepers are decreasing many other areas are facing an increase. If this provision was to cease the impact on B&B placements would be a cost of c£1m per annum.

Resettlement Funding. Currently, there are 3 main cohorts who are being provided with support in the city. These are, the Afghanistan Resettlement Service, provided by the Council on behalf of the Home Office. The Ukraine Support Service, provided by the Council on behalf of the Department for Levelling Up, Homes and Communities (DLUHC). The Asylum Service, consisting of both contingency hotel and dispersed property accommodation, provided by Serco on behalf of the Home Office. Work is ongoing with the Home Office and DLUHC to understand the impact of recent government announcements to end the use of Bridging Hotels in cities such as Manchester and to move both Afghan and Ukrainian families into longer term accommodation with support. Funding available will be driven by the numbers who remain in Manchester, work is ongoing with families to assess what is affordable to them both in the short and long term.

Housing delivery and Housing Revenue Account (HRA)

HRA	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Housing Rents	0	(67,556)	(67,556)	(67,646)	(90)	(90)
Heating Income	0	(1,736)	(1,736)	(1,437)	299	299
PFI Credit	0	(23,374)	(23,374)	(23,374)	0	0
Other Income	0	(2,037)	(2,037)	(2,583)	(546)	0
Funding from General/MRR Reserves	0	(22,808)	(22,808)	(22,808)	0	0
Total Income	0	(117,511)	(117,511)	(117,848)	(337)	209
Operational Housing R&M & Management Fee	31,620	0	31,620	37,869	6,249	2,352
PFI Contractor Payments	34,212	0	34,212	34,048	(164)	(386)
Communal Heating	2,889	0	2,889	1,593	(1,296)	(1,296)
Supervision and Management	8,929	0	8,929	6,958	(1,971)	(109)
Contribution to Bad Debts	679	0	679	679	0	0
Depreciation	23,620	0	23,620	23,620	0	0
Other Expenditure	980	0	980	980	0	0
RCCO	11,880	0	11,880	8,839	(3,041)	(10,305)
Interest Payable and similar charges	2,702	0	2,702	2,702	0	0
Total Expenditure	**117,511**	**0**	**117,511**	**117,288**	**(223)**	**(9,744)**

Total HRA	**117,511**	**(117,511)**	**0**	**(560)**	**(560)**	**(9,535)**

Movement in General/MRR Reserves	**Opening Balance**	**Budgeted Adjustment**	**Forecast Closing Balance**	**Revised Forecast Closing Balance**
	67,927	(22,808)	45,119	45,679

Housing Revenue Account - Financial Headlines

The approved 2023/24 HRA budget is a gross c.£117m and this includes £32.5m contribution towards the capital programme of £60.4m, with the HRA currently forecasting an underspend of £0.560m. This is a significant improvement on the position reported at P2 and this is mainly due to reviewing how the capital programme is funded and maximising use of other sources of funding, including capital receipts. The overall £0.560m underspend is made up of:

Overspends of £6.548m:

- The management and maintenance costs have an overspend of £6.249m. This is due to c£4.689m higher than budget repairs and maintenance costs, including projected overspends on the Equans contract of c£3.591m this is because of surplus carry costs, and additional works in respect of damp and mould and fire risk assessments and contract inflation being higher than budget. Non Equans associated maintenance are currently forecast to be around £1.098m above budget, this is mainly due to the increased number of disrepair claims. There is also a c£1.224m overspend in management costs including £400k for increased legal costs, £300k revised recruitment assumptions and £200k for increased agency costs, and £336k relating to Intensive Housing Charges which is an addition to the HRA budget.

Offset by Underspends of £7.108m:

- Housing rents are forecast to be £90k higher than budget, this is due to a reduced number of right to buy sales.
- Other Income is anticipated to be £0.546m higher than budget because of the interest received on balances, due to the increase in the interest rates which is projected to continue for the year.
- PFI contractor payments – whilst the inflationary uplift was higher than allowed for in the budget, this has now been offset by reduced expenditure because of contract variations. The PFI are forecast to be £164k less then budget.
- Additional budget was provided for Communal Heating in 2023/24 because of the significant increase in energy costs during 2022/23. As a result of falling gas prices during 2023/24 the communal heating schemes costs are c£1.296m lower than the increased budget – a review has been undertaken of the gas prices to tenants and this is being discussed with Executive member.
- Supervision and Managment budgets originally included c.£1.9m for PFI Sprinkler works, but these have now been allowed for within the capital programme, so the budget is not required in 2023/24.
- Revenue contribution to capital has been revised after reviewing the available capital receipts, this has led to a £3.041m favourable variance in the current financial year.

Growth and Development – £0.713m Forecast Underspend

Growth & Development	Gross Expenditure Budget	Gross Income Budget	Net Annual Budget	Projected Outturn	Variance from Budget	Movement from Last Report
	£000	£000	£000	£000	£000	£000
Investment Estate	9,544	(23,345)	(13,801)	(14,137)	(336)	(336)
Manchester Creative Digital Assets Ltd (MCDA)	1,609	(1,609)	0	219	219	163
Growth & Development	305	(200)	105	105	0	0
City Centre Regeneration	2,361	(907)	1,454	1,227	(227)	(20)
Strategic Housing	3,244	(2,458)	786	786	0	0
Major Regeneration	1,503	(960)	543	513	(30)	(30)
Planning	4,770	(4,873)	(103)	(445)	(342)	(342)
Building Control	1,329	(1,162)	167	217	50	50
Licensing	3,100	(3,796)	(696)	(696)	0	0
Work & Skills	1,999	(67)	1,932	1,885	(47)	(47)
Manchester Adult Education Service (MAES)	9,274	(9,274)	0	0	0	0
Our Town Hall Project	2,214	(2,214)	0	0	0	0
Total Growth & Development	41,252	(50,865)	(9,613)	(10,326)	(713)	(562)

Growth and Development - Financial Headlines

- **Investment Estate – £0.336m underspend –** Whilst there are a number of pressures across the estate, which includes Arndale Centre (£380k) due to reduced income because of business rates liability on vacant units, former Barclays Computer centre in Wythenshawe (£157k) due to vacant units, and additional costs of £263k for works required to support the annual accounts asset valuations. These are offset by higher than forecast income on a number of sites, including Roundthorn and Sharston industrial estates (£340k), general let land (£318k), car parks (£296k) and other smaller variations (£182k) across the estate. Work is ongoing to review all assets, and in particular to ensure that rent reviews are reflected as part of the future budget projections.
- **MCDA (Manchester Creative Digital Assets) – £219k overspend –** Work is ongoing to evaluate options around disposing of Space studios and it is likely that the disposal will take place later this year. The current forecast for MCDA is a £219k overspend, and this is mainly due to lower than forecast income at Arbeta due to vacant space and reduced income at Space due to reduced filming activity because of the actors and screenwriters strike in America. Agents have been engaged to market the vacant units.
- **City Centre Regeneration - £227k underspend** - As part of the 2023/24 budget growth of £300k was approved to support establishing the new infrastructure delivery team, the recruitment to the team has been delayed and the £227k relates to savings against this specific budget. The head of service post has been recruited too, and further recruitment to the team is underway.
- **Major Regeneration** are forecasting a small underspend of £30k due to a number of vacant positions.

- **Planning - £342k underspend** – the budget is funded wholly from planning fee income, due to the ongoing buoyant development market in Manchester planning fee income is higher than forecast and this is the main factor behind the £342k underspend.
- **Building Control** – £50k overspend due to lower than forecast income.
- **Work and Skills -** £47k underspend due to a combination of staff savings because of vacant posts and savings against project activity. The team are reviewing the in year project activity and additional activity could lead to a call against the underspend if activity can be developed and implemented in the current financial year.
- **MAES –** IS 100% grant funded with funding being based on learning outcomes, in the current year grant income is c£140k higher than budget and this has been used to fund forecast pay awards and reduced the budgeted call on reserves of £53k. It is forecast that the MAES ringfenced reserve will have a balance of c£1.505m at year end.

Corporate Core - £407k forecast overspend

Chief Executives	**Gross Expenditure Budget**	**Gross Income Budget**	**Net Annual Budget**	**Projected Outturn**	**Variance from Budget**	**Movement from Last Report**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Coroners and Registrars	3,778	(1,426)	2,352	2,152	(200)	(100)
Elections	1,577	(305)	1,272	1,872	600	-
Legal Services	18,123	(7,863)	10,260	10,711	451	201
Communications	4,419	(1,012)	3,407	3,407	-	-
Executive	1,040	0	1,040	1,040	-	-
Legal, Comms, Democratic and Statutory Sub Total	28,937	(10,606)	18,331	19,182	851	101
Policy, Performance and Reform	18,755	(3,661)	15,094	15,074	(20)	(70)
Corporate Items	1,345	(130)	1,215	1,215	-	-
Chief Executives Total	**49,037**	**(14,397)**	**34,640**	**35,471**	**831**	**31**

Corporate Services	**Gross Expenditure Budget**	**Gross Income Budget**	**Net Annual Budget**	**Projected Outturn**	**Variance from Budget**	**Movement from Last Report**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Finance, Procurement and Commercial Governance	10,467	(2,507)	7,960	7,835	(125)	-
Customer Services and Transactions	230,304	(202,295)	28,009	28,009	-	-
ICT	16,125	0	16,125	16,125	-	-
Human Resources/ Organisational Development (HR/OD).	5,869	(825)	5,044	5,044	-	-
Audit, Risk and Resilience	1,881	(183)	1,698	1,476	(222)	(47)

Capital Programmes, Operational Property and Facilities Management	27,019	(4,759)	22,260	22,183	(77)	(77)
Corporate Services Total	**291,665**	**(210,569)**	**81,096**	**80,672**	**(424)**	**(124)**
Total Corporate Core	**340,702**	**(224,966)**	**115,736**	**116,143**	**407**	**(93)**

Corporate Core - Financial Headlines

Corporate Core is projected to be £407k overspent and the key variances relate to: -

- Coroners and Registrars £200k underspend due to the projected overachievement of income of £237k, mainly in relation to increased numbers of weddings and citizenship ceremonies, reduced by £37k staffing pressures within Coroners.
- Elections £0.6m overspend due to additional costs for the requirements of the 2022 Election for voter ID and accessibility
- Legal Services £451k overspend, mainly due to reduced external income due to a reduced level of service provision to Salford Council £330k, reduced internal income in Regeneration £185k and externalising Children's services legal work £251k which is partly reduced by £315k underspend on employee budgets as the service has faced challenges recruiting to vacancies. It also includes £1m overspend in relation to children's services legal costs which has been funded by a transfer from reserves in 2023/24 as approved by Executive on the 22 July 2022. The service has commenced its plan around a recruitment drive to reduce external costs and fill vacancies to mitigate this going forward.
- City Policy, Performance and Reform & Innovation £20k underspend - there is reduced income on project activity £134k as there has been a loss of European funding and access to other funding does not cover staffing costs at 100% and an overspend on running costs of £88k mainly due to licenses. This is offset by employee underspends of £242k due to vacancies.
- Finance, Procurement and Commercial Governance £125k underspend due to underspend on employee budgets.
- Audit, Risk and Resilience £222k underspend due to underspend on employee budgets including the workplace adjustment hub. The plan for the workplace adjustment hub has been approved and recruitment has commenced, the underspend is a result of the timing of the recruitment
- Capital Programmes, Operational Property and Facilities Management £77k underspend. There is £300k underspend on employee budgets offset by pressures in Facilities Management mainly Lloyd Street toilets.

Savings Achievement - £25.2m target

The savings target is made up of:

- Savings agreed for 2023/24 as part of prior year's budget setting £9.781m
- Savings agreed for 2023/24 as part of the 2023/24 Budget setting process total £15.396m

	Agreed in Prior years	2023/24 Budget Setting	Total 2023/24 Savings	Green - (Achieved & Mitigated)	Amber	Red
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Adult Social Care	8,977	4,142	**13,119**	7,469	150	5,500
Children's Services	100	4,411	**4,511**	1,464	47	3,000
Corporate Core	304	3,365	**3,669**	3,669	0	0
Growth and Development	300	959	**1,259**	1,259	0	0
Homelessness	0	1,244	**1,244**	0	1,244	0
Public Health	0	730	**730**	730	0	0
Neighbourhoods	100	545	**645**	558	87	0
Total Budget Savings	**9,781**	**15,396**	**25,177**	**15,149**	**1,528**	**8,500**

- £8.500m of the target is considered high risk on non-achievement. This relates to:
    - Children's £3m from reducing demand in Looked After Children services. There is considerable pressure on External Placement costs as set out earlier in this report.
    - Adults - 2023/24 is the final year of the three-year BOBL savings programme with an agreed saving target of £8.977m to be delivered in 2023/24. £3.477m is achieved through prevent, reduce and delay approaches. The balance of £5.500m is to be delivered through specific additional demand management interventions which are currently assessed as high risk