

MANAGEMENT COMMENTARY

The following table reconciles the outturn report to column 1 of Note 5 Expenditure and Funding Analysis (EFA)

	Service Outturn Report £'000	Retained Resources for Committed Investment	Depreciation £'000	Pensions £'000	Employee Statutory Adjustment £'000	EFA Column 1 Note 5 £'000
Net Cost of Services	579,918	(3,457)	(99,770)	2,910	1,297	480,898
Other Income and Expenditure	(556,504)	-	99,770	(2,910)	(1,297)	(460,941)
Deficit / (Surplus) on Provision of Services	23,414	(3,457)	-	-	-	19,957

The core revenue outturn position is an overspend of £2.916 million against the agreed 2023/24 revenue budget, after taking account of unfunded pay award costs in 2023/24 and IJB's contribution towards the Social Policy overspend.

The main areas of variance in 2023/24 were as follows:

- Education underspent by £433,000 mainly due to savings from vacancies in line with the introduction of council wide recruitment control measures and temporary cessation of non-essential supplies. These underspends were partially offset by Early Learning & Childcare (ELC) pressures resulting from the impact of "Funding Follows the Child" and the proportion of children accessing funded provision out with council settings in relation to costs. Additionally, the ongoing expansion of income generation in relation to the roll out of the purchase of additional hours is still being enhanced in line with staffing capacities in council settings.
- Planning, Economic Development & Regeneration underspent by £736,000 due to over-recovered planning application and pest control income and staff savings within the service area.
- Operational Services overspent by £990,000 as a result of additional fleet and vehicle costs, higher staffing cost mainly from sickness absence, food and other direct material inflationary costs needed to deliver facilities management and cost inflation for Mainstream and Additional Support Needs (ASN). These overspends were partially offset by lower than anticipated winter maintenance costs through increased use of the Winter Resilience fund.
- Housing, Customer & Building Services overspent by £2.319 million principally due to homelessness pressures. The main pressure continues to be in Bed & Breakfast costs with an average of 177 clients accommodated per night (compared to an average of 153 in 2022/23). The number of clients in Bed & Breakfast accommodation at the end of March 2024 was 179 compared with 157 at the end of December 2023. There is limited availability of permanent housing options across all sectors, and lack of new affordable supply and private lets. When this combines with increased demand and depressed rented stock turnover, the result is lower availability of all types of accommodation and increases to the average length of stay in temporary accommodation. The service continues to prioritise moving people on from bed and breakfast, and finding permanent solutions wherever possible, as set out in successive Rapid Rehousing Transition Plans.
- The outturn for Social Policy IJB was a net overspend of £585,000 after taking account of the IJB's equal share with the council, £585,000, of the year-end overspend within Social Policy IJB of £1.170 million, agreed by Council Executive on 16 April 2024. The increased costs relate mainly to care commitments and ongoing care package costs. Staff costs in internal care homes for older people continue to be a recurring pressure where additional agency and locum costs were incurred to cover for staff absence and vacancies. Further work is being undertaken to identify actions to maintain spending levels within budgeted resources in future years.
- The outturn for Social Policy Non-IJB was an overspend of £553,000 mainly resulting from pressures in external residential school placements for children due to new placements and increasing cost of placements. There were also increased costs in secure placements and other bespoke packages.
- The underspend in Chief Executive, Finance & Property Services of £1.154 million particularly lower staff costs as a result of vacancies in advance of the implementation of new staffing restructures in Revenues and Anti-Poverty and an over-recovery in intervention income.
- The overspend in non-service expenditure of £2.279 million includes £1.019 million in relation to the Council Tax Reduction Scheme (CTRS) as a result of increased caseloads and higher CTRS award levels. A balance of £165,000 in Equal pay provision, after all liabilities were paid by March 2024, helped improve the position.