

Quarter 2 Revenue Budget Monitoring Report

Executive Summary

The forecast financial position of the Council at the end of 2023/24 financial year based on the information known at the end of the second quarter is a current overspend of £9.796m. Any remaining unmitigated overspend at the year-end will impact upon the available reserves. The Council had £22.7m in its General Fund usable reserves as at 31st March 2023.

Table 1 – Forecast Outturn against Budget 2023/24

Appendix A	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Business, Growth and Infrastructure	0.714	0.796	0.082	0.040	0.042
Children and Young People	39.377	49.463	10.085	9.361	0.724
Corporate Core Services	15.101	15.134	0.033	0.166*	(0.133)
Corporate Core Finance	8.825	8.836	0.011	0.001	0.010
Housing General Fund	(0.079)	(0.079)	0.000	0.000	0.000
Non-Service Specific	34.066	30.866	(3.200)	(2.257)	(0.943)
Health and Adult Care (formerly OCO)	78.261	79.406	1.145	3.216	(2.071)
Operations	14.009	15.649	1.640	2.740*	(1.100)
Total forecast over / (under) spend	190.274	200.071	9.796	13.266	(3.471)

*adjusted for movement of Art Galleries and Museums from Corporate Core Services to Operations.

Business, Growth, and Infrastructure - £0.082m adverse variance

Business, Growth and Infrastructure	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter
	£m	£m	£m	£m	£m
BGI Central Budget (Fees & Charges Savings)	(0.244)	0.000	0.244	0.000	0.244
Strategy, Planning & Regulation	0.471	0.464	(0.007)	0.090	(0.097)
Land & Property	(1.421)	(1.454)	(0.033)	0.000	(0.033)
Regeneration Delivery – Major Projects	0.020	0.019	(0.001)	0.000	(0.001)
Regeneration Delivery – Economic Regeneration	0.597	0.550	(0.047)	0.000	(0.047)
Housing Needs & Options	0.451	0.494	0.043	(0.030)	0.073
Strategic Housing	0.132	0.081	(0.051)	0.000	(0.051)
Urban Renewal & Adaptations	0.123	0.126	0.003	0.000	0.003
BGI Management Team	0.602	0.533	(0.069)	(0.020)	(0.049)
Total forecast over / (under) spend	0.731	0.813	0.082	0.040	0.042

Business, Growth, and Infrastructure - Financial Headlines

The forecast overspend is an overall overspend of £0.082m. Included within the revenue budgets are savings targets of £0.750m of which £0.700m has been achieved on a permanent basis and £0.050m remains to be achieved. The underachieved £0.050m will be reviewed as part of the ongoing process to reduce the overall overspend position to bring the budget into balance by the end of the financial year.

Children and Young People - £10.085m adverse variance

Children and Young People	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Children's Commissioning	0.370	0.414	0.044	0.035	0.009
Early Help & School Readiness	4.289	3.536	(0.753)	(0.319)	(0.434)
Children's Services Management and other costs	(0.094)	0.291	0.385	0.000	0.385
Education and Inclusion	9.445	13.542	4.096	4.308	(0.212)
Social Care and Safeguarding	25.367	31.680	6.313	5,337	0.976
Total forecast over / (under) spend	39.377	49.463	10.085	9.361	0.724

Children and Young People - Financial Headlines

The Children and Young People department is forecasting to overspend by £10.085m as at Quarter 2 (£9.361m at Quarter 1) with a £6.313m forecast overspend on Social Care and Safeguarding and a £4.096m forecast adverse variance across Education and Inclusion. There are a number of budget headings over and under spending across the service, however the most significant variances are set out in the paragraphs below.

A review of the Dedicated Schools Grant (DSG) was carried out earlier in the calendar year which resulted in the requirement to transfer £2.5m of expenditure across several services back to the general fund. Due to the timing of this review, it was not possible to include this pressure in the budget approved by full Council in February 2023 which has resulted in the ongoing expenditure contributing to the overall departmental overspend. The service is continuing to review the services transferred to seek alternative delivery methods to mitigate pressures in the current year and reduce the impact on the medium-term financial plan for 2024/25 onwards.

The 2023/24 CYP saving programme is £0.707m and has delivered £0.507m (72%) of savings as at month 6. A budget reduction of £0.200m for Short Breaks and Personal Budgets has been identified as Red and unachievable. There also remains £0.200m of undelivered savings relating to 2022/23 savings programmes. As at month 6, the saving for external placements (£0.200m) is considered to be unachievable.

Social Care and Safeguarding – £6.313m forecast adverse variance.

The residential placements budget for children including those with a disability is projected to overspend by £4.089m at Quarter 2 (£3.177m at Quarter 1) due to the current number of children in residential placements and their complexity.

The service is continuing to experience a high demand for Children's placements which is comparable with neighboring authorities. The service has set up a weekly panel to ensure that children can return to a more family orientated home environment where appropriate. In addition to an increase in the number and cost of residential homes the service continues to incur high costs associated with high numbers of agency social workers in common with many other Local Authorities, both regionally and nationally.

The safeguarding service is forecast to overspend at Quarter 2 by £1.915m (£1.534m at Quarter 1) of which £1.051m relates to the safeguarding fieldwork team and increased costs for Non-Looked After Children's support packages and homelessness alongside additional legal costs.

The service is currently implementing a large recruitment exercise to recruit permanent social workers and reduce the cost of agency staff. The service also continues to invest in its social worker academy which will result in more locally qualified social workers.

Education and Inclusion - £4.096m forecast adverse variance.

Home to School Transport is reporting a forecast overspend of £1.868m at Quarter 2 (£1.817m at Quarter 1). There has been an increase in demand for this service alongside inflationary costs which have also contributed to this adverse variance. The service is currently reviewing this service to identify how this can be delivered more efficiently to reduce costs.

School crossing patrols are expecting to overspend by £0.280m (£0.324m at Quarter 1) and a review is currently underway to look at alternative provision to deliver this service.

The Educational Psychology service is forecasting an adverse variance of £0.376m at Quarter 2 (£0.427m at Quarter 1). Included within the work as part of the Council's budget setting process for 2024/25, a review of the structure of the service has been completed with additional resource requirements included within the Council's Medium Term Financial Plan.

A review of the DSG expenditure during January to March 2023 resulted in the transfer of costs of the Curriculum Language and Access Service to the general fund. This service was ceased on 31 August 2023 with the majority of costs for the period April to August being offset by vacancies held across Education & Inclusion.

The Inclusion and Partnerships budget is forecast to overspend by £1.275m (£1.095m at Quarter 1). The Short Breaks service is the largest contributing area to this adverse variance at £1.272m which in part is due to the unachievement of a

previously approved savings target of £0.200m and short breaks costs of £0.300m previously funded through DSG. An increase in demand and costs for Personal budgets is also contributing to the overall overspend within Education and Inclusion.

The pressures across Social Care & Safeguarding and Education and Inclusion are being partially offset by a favourable variance of £0.753m in Early Help and School Readiness which is a result of several vacancies being held across the service area.

Children’s Services Dedicated Schools Grant - £18.555m projected deficit

The dedicated schools grant has been overspending and projected to have a deficit of £18.555m by the end of this financial year. The Council have been in regular discussions with the Department for Education (DfE) about its deficit projections and in April 2023 was asked to complete a DSG Management Plan for submission to the Department for review by Ministers. A revised plan was and supplementary information was submitted on 13 October 2023 for consideration by Ministers. This plan sees the eradication of the DSG deficit by the financial year 2028/29 and includes the use of £6m of Council reserves as approved by Cabinet in July.

Corporate Core Services - £0.033m overspend

Corporate Core Services	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Legal and Democratic Services	4.274	4376	0.102	0.095	0.007
Chief Information Officer	4.941	4.852	(0.089)	0.071*	(0.160)
People and Inclusion	4.429	4.388	(0.041)	0.000	(0.041)
Communications and Engagement	1.235	1304	0.069	0.000	0.069
Senior Management	0.222	0.215	(0.007)	0.000	(0.007)
Total forecast over / (under) spend	15.101	15.134	0.033	0.166	(0.132)

*adjusted for movement of Art Galleries and Museums from Corporate Core Services to Operations.

Corporate Core Services financial headlines

The Corporate Core Services budget is forecast to overspend by £0.033m at quarter 2, an improvement of £0.132m from the position at quarter 1. Included within the budget is a saving target of £0.591m of which £0.026m remains to be achieved.

Legal and Democratic

Legal and Democratic services is overspending by £0.102m which is due to the net increase in the cost of staffing and agency of £0.183m and an overspend on Coroners Court costs of £0.079m, offset by additional forecast income and an underspend in relation to Members Allowances of £0.088m.

The Chief Information Officer

The Chief Information Officer service has an overall underspend of £0.089m. This includes a one off overspend within ICT of £0.236m in relation to the costs of migration to cloud based services. This is offset with underspends within Strategic Partnerships and Performance and Intelligence services in relation to reductions due to the moratorium on expenditure, (£0.155m), reduced staffing costs, (£0.086m) and additional income (£0.033m).

People and Inclusion

The People and Inclusion service has an overall underspend of £0.041m.

Communications and Engagement

The Communications and Engagement service is forecast to overspend by £0.069m which is due to a partial underachievement of the savings target in relation to a service review and underachievement of the vacancy factor savings.

Included within the overall overspend is a saving of £0.026m yet to be achieved which relates to a service review which will be achieved in full during 2024/25. The service is reviewing budgets to mitigate the savings in the current financial year.

Corporate Core Finance - £0.011m overspend

Corporate Core Finance	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Corporate Core Finance	0.000	0.000	0.000	0.000	0.000
Deputy Director of Finance	4.967	4.908	(0.059)	(0.069)	0.010
Executive Director of Finance	3.858	3.927	0.069	0.070	(0.01)
Total forecast over / (under) spend	8.825	8.836	0.011	0.001	(0.010)

Corporate Core Finance

The overspend in finance is as a consequence of bringing in additional resources over and above establishment to support the finance improvement agenda and additional work to support with children's services.

Housing General Fund - £0.079m variance.

Housing General Fund	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Housing General Fund	(0.079)	(0.079)	0.000	0.000	0.000
Total forecast over / (under) spend	(0.079)	(0.079)	0.000	0.000	0.000

The Housing general fund

The housing general fund budget funds housing benefit payments to claimants.

Non-Service Specific - £3.200m favorable variance

Non-Service Specific	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Car Lease Salary Sacrifice Scheme	(0.025)	(0.025)	0.000	0.000	0.000
Chief Executive	0.212	0.173	(0.039)	(0.043)	0.004
Corporate Management	0.737	0.656	(0.081)	(0.058)	(0.023)
Cost of Borrowing	5.487	1.926	(3.561)	(4.058)	0.498
Environment Agency	0.100	0.111	0.011	0.011	0.000
GMWDA Levy	12.551	12.551	0.000	0.000	0.000

Passenger Transport Levy	13.403	13.403	0.000	0.000	0.000
Town of Culture	0.090	0.090	0.000	0.000	0.000
Townside Fields	(0.058)	(0.058)	0.000	0.000	0.000
Provisions/Reserves	1.569	2.039	0.469	1.891	(1.422)
Total forecast over / (under) spend	34.066	30.866	(3.200)	(2.257)	(0.943)

Non-Service Specific financial headlines

The Non-Service Specific (NSS) budget variance has increased from a £2.257m underspend at Quarter 1 to a £3.200m underspend at Quarter 2. Included within NSS is a cross cutting transformation budget saving of £2.921m of which £1.469m is currently reporting to be unachieved by the year end.

Corporate Management £0.081m favourable

Corporate management is forecast to underspend by £0.081m due to a number of variances relating to professional fees, subscriptions and initiatives.

Cost of Borrowing

A review of the Capital Programmes has taken place and projects to the value of £80.891m have been re-phased into future years resulting in a reduction in the amount of borrowing required by £40.440m in the current financial year to fund projects. In addition, investments have generated an additional £0.250m over budget due to better interest rates being received.

Provisions/Reserves £0.469m

There are a number of centrally held savings included within provision and reserves. There is a forecast underachievement of savings of £1.469m £1m of this has been mitigated by budgets that are not needed in this financial year.

Work is currently being undertaken to progress schemes where possible and identify mitigations for those savings that are unable to be achieved.

Health and Adult Care (formerly OCO) - £1.145m Overspend

Appendix A	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Adult Social Care Operations	6.566	6.309	(0.257)	(0.342)	0.085
Care in the Community	46.998	48.593	1.595	2.312	(0.716)
Commissioning and Procurement	15.295	15.295	0.000	1.276	(1.276)
Departmental Support Services	(0.845)	(0.859)	(0.014)	(0.002)	(0.012)
Workforce Modernisation	0.078	0.078	0.000	0.000	0.000
Public Health	10.169	9.990	(0.180)	(0.028)	(0.151)
Total forecast over / (under) spend	78.261	79.406	1.145	3.216	(2.070)

Financial Position

The Health and Adult Care (HAC) budget is forecast to overspend by £1.145m at quarter 2 which is a £2.070m improvement on the position reported at quarter 1. Included within the budget is a savings target of £9.307m, 11.9% of net budget which is made up of £7.761m for 2023/24 and £1.546m from prior years savings brought forward of which £0.334m remains to be achieved. The service is actively working to mitigate the savings through negotiations and reviews of care packages.

Adult Social Care Operations - £0.257m underspend

The Adult Social Care Operations budget is forecast to underspend by £0.257m, which is a £0.085m decrease on the underspend reported at quarter 1. The decrease is due to revised staffing forecasts within Assessment and Care Management and Integrated Neighbourhood Teams. The main driver of the underspend is staffing budget underspends due to staff vacancies in the Assessment and Care Management budget.

The workforce retention strategy continues to recruit Social Workers in Operational teams thereby strengthening focus on delivery of care package savings. However, recruiting to vacant care support worker roles in the Intermediate care services remains a challenge and therefore affects the ability to deliver services to their full capacity.

Care in the Community - £1.595m Overspend

The Care in the Community budget is forecast to overspend by £1.595m, this is a £0.716m improvement on the forecast reported at quarter 1.

The improved position between quarter 1 and quarter 2 is due to a plateauing of hospital discharges into home care and residential settings.

The £1.595m overspend is due to, an increase in demand for Home Care packages as a result of supporting hospital discharges into home care settings, additional 'in year demand' demand or increases to existing care packages and legacy demand pressures because of the Covid Hospital Discharge policy.

Commissioning & Procurement (Other) – Balanced Budget

The Commissioning and Procurement Budget is forecast to balance and reporting a £1.202m improvement to the quarter 1 position.

Public Health - £0.180m Underspend

The Public Health budget is forecast to underspend by £0.180m and is a £0.152m increase on the underspend reported at quarter 1. The increase in the underspend is as a result of the recent zero-based budgeting exercise which identified £0.140m of Public Health contract savings.

Operations - £1.640m overspend

Operations	Current Budget	Projected Outturn	Quarter 2 Variance	Quarter 1 Variance	Movement from Quarter 1
	£m	£m	£m	£m	£m
Arts & Museums	0.577	0.560	(0.017)	0.024*	(0.041)
Commercial Services	(0.917)	(0.506)	0.411	0.450	(0.039)
Engineers	(0.766)	(0.694)	0.072	0.307	(0.235)
Facilities Management	2.210	2.319	0.109	0.092	0.017
Health & Environmental Protection	1.208	1.100	(0.108)	(0.012)	(0.096)
Operations Senior Management	0.464	0.460	(0.003)	0.369	(0.372)
Street Scene Maintenance	4.163	4.412	0.249	0.703	(0.454)
Waste, Transport & Stores	4.992	5.324	0.332	0.218	0.114
Wellness	2.078	2.674	0.596	0.589	0.007
Total Forecast over / (under) spend	14.009	15.649	1.640	2.740	(1.100)

*adjusted for movement of Art Galleries and Museums from Corporate Core Services to Operations.

Operations - Financial Headlines

Overall, the month 6 forecast position for the Department of Operations is a £1.640m overspend a reduction from quarter 1 of £1.100m. The service is reviewing options to mitigate the overspends on a regular basis. Included within the budget is a saving target of £1.790m 12.78% of the budget of which £0.718m remains to be achieved.

Wellness Operations, £0.596m overspend.

There is a forecast overspend in leisure centres and libraries due to increased costs of energy in 2023/24 of £0.490m, costs relating automated access in the leisure centres of £0.117m, and forecast under-achievement of income of £0.052m, this has been partially offset by underspends in Sports Development of £0.052m.

The service planned to mitigate the overspend through applying for funding to support the increased energy costs in Leisure services however the bid was unsuccessful. The service is reviewing other options to mitigate the overspend in the current year and reduce the forecast overspend by the year end.

Future energy costs are expected to reduce in 2024/25 to mitigate the pressure in future years.

Bereavement fees and charges income is forecast to over-achieve by £0.040m.

Street Scene, - £0.249m overspend

There is a forecast overspend of £0.427m due partly to increased energy costs of £0.237m increasing the costs of street lighting and £0.190m underachieved savings on the implementation of LED lanterns due to capacity issues. The saving will be achieved in full in 2024/25.

The moratorium on spend and underspends within grounds maintenance and the planned use of reserves has partly mitigated the overspend.

Commercial Services, £0.411m overspend

The Markets across Bury are forecasting to overspend by £0.282m due to an underachievement of income of £0.166m which is being reviewed for future years as the income target is overstated. The market occupancy rate is 98%. There is also a forecast overspend on energy costs of £0.211m due to the increased price, however there are a number of underspends partially mitigating the overspend.

Catering Services is £0.057m overspent and has been partially mitigated through the use of the catering reserve.

The Civic Halls budget is overspending by £0.071m and relates to staffing costs which are being incurred whilst civics are being mothballed.

Waste, Transport and Stores, £0.285m overspend

The waste, transport and stores service is forecasting an overspend this is due to a number of overspends across the services including fuel costs of £0.222m and the underachievement of the vehicle maintenance savings target of £0.100m, partially offset by mitigating underspends.

Health & Environment Protection, - (£0.108m) underspend.

An increase of £0.096m from the quarter 1 forecast position. The forecast underspend is due to the spend moratorium.

Facilities Management, - £0.109m overspend

The overspend relates to underachievement of income from admin buildings income of £0.126m, energy £0.078m, cleaning costs £0.076m offset by underspends on moratorium codes £0.280m, and salaries £0.064m.

Savings 2023/24

The savings target for the 2023/24 financial year was £18.569m and a further £3.781m of savings from 2022/23 brought forward into 2023/24 bring the total savings to be achieved to £22.350m which is 11.7% of the net budget.

Services have successfully delivered £12.850m of the savings target and forecast to achieve a further £6.039m by the end of the financial year which equates to 85% of the target. This leaves a forecast unachieved savings of £3.461m.

Work is ongoing to further deliver savings in year and mitigate any savings which are undeliverable in year.

Council wide Savings Tracker		2023/24			
Savings Group	Directorate Savings Programme	Savings target	Savings achieved to date	Forecast	Variance
	All	£2,712,000	£2,068,964	£2,672,600	-£39,400
Budget Savings 2023/24	Business Growth & Investment	£750,000	£0	£700,000	-£50,000
	Children & Young People	£707,000	£507,000	£507,000	-£200,000
	Corporate Core	£591,000	£379,725	£564,675	-£26,325
	Corporate Core Finance	£150,000	£150,000	£150,000	£0
	Housing General Fund	£964,000	£0	£539,000	-£425,000
	Department of Operations	£1,296,000	£585,041	£969,855	-£326,145
	Non-service Specific	£1,638,000	£1,638,000	£1,638,000	£0
	Department of Health & Adult Care	£5,800,000	£3,173,079	£5,600,000	-£200,000
	Subtotal Cabinet 2023 agreed savings		£14,608,000	£8,501,809	£13,341,130
Budget Savings 2023/24	Business Growth & Investment	£500,000	£500,000	£500,000	£0
	Department of Operations	£200,000	£74,828	£80,000	-£120,000
	Department of Health & Adult Care	£1,961,000	£1,004,557	£1,976,900	£15,900
Subtotal Cabinet 2022 agreed savings		£2,661,000	£1,579,385	£2,556,900	-£104,100
Once	Digitilisation & Channel Shift	£900,000	£247,000	£247,000	-£653,000
Once	Digitilisation & Channel Shift	-£100,000	£0	£0	£100,000
Flexibly	Building Revenue Reductions	£500,000	£0	£0	-£500,000
Subtotal Transformation 2023 agreed savings		£1,300,000	£247,000	£247,000	-£1,053,000
2023/24 Savings Target		£18,569,000	£10,328,194	£16,145,030	-£2,423,970
2022/23 una chieved savings	Children & Young People	£320,000	£120,000	£120,000	-£200,000
	Department of Health & Adult Care	£1,546,161	£1,255,377	£1,396,332	-£149,829
	Department of Operations	£294,000	£0	£22,000	-£272,000
	Transformation savings	£1,621,127	£1,145,900	£1,204,400	-£416,727
Subtotal 2022/23 una chieved savings		£3,781,288	£2,521,277	£2,742,732	-£1,038,556
Savings Target (2022/23 and 2023/24)		£22,350,288	£12,849,471	£18,887,762	-£1,462,526

Bury
Council