

CMBC Quarter 1 Revenue and Capital Projected Outturn 2023-24



VISION 2024

Glossary of Terms

Revenue costs include the day-to-day expenses of the council and any fees, income and charges that offset those costs. The net revenue budget is funded by Business Rates , Council Tax and government grants

Capital expenditure relates to one off investment items that add value to assets or deliver a new asset. Funding for these items can be a variety of sources including grants, capital receipts and borrowing.

Reserves are funds set aside for specific purpose in the future. The 2023-24 budget for Calderdale MBC was set with some of these contributions already allocated as funding for specific one off spend.

Budget Q1 Projected Outturn Recommendations

- Note the Quarter 1 projected budget outturn.
- Note the Capital programme 2023-24 to 2025-26.
- Agree to include additional WYCA funding allocation for Year of Culture 2024 of £800k
- Note the Risks to the budget for 2023-24.

<u>Revenue Budget Position</u>	Original Budget 2023- 24 £000	Spend to date @30.06.23 £000	Q1 Projected Outturn £000	Q1 Reported Outturn variance £000
Adults & Well Being	65,478	16,681	76,777	11,299
Chief Executive	12,684	7,259	13,184	500
Children & Young People	29,634	15,556	35,630	5,996
Public Services	31,525	2,244	35,225	3,700
Regeneration & Strategy	19,847	3,043	20,547	700
Net Cost of Services	159,168	44,783	181,363	22,195
Central Costs	30,697	9,531	26,058	(4,639)
Total	189,865	54,314	207,421	17,556
Inflation Provision to be Allocated	7,761	0	0	(7,761)
Use of Reserves/Other Savings			(4,239)	(4,239)
Q1 Projected Revenue Outturn	197,626	54,314	203,182	<u>5,556</u>

<u>Capital Programme</u>	Outturn spend 2023-24	Budget spend 2024-25	Budget spend 2025-26	<u>Total Budget spend</u>
Service Area				
	£000	£000	£000	£000
Adults and Wellbeing	8,254	6,237	4,585	19,076
Children & Young People	6,666	2,086	24,288	33,040
Public Services	1,382			1,382
Regeneration & Strategy	74,692	61,564	16,020	152,276
Total	90,994	69,887	44,893	205,774



Capital Financing

The capital expenditure of £90.994m for the financial year 2023/24 detailed on previous slide will be funded by the following:-

£,000

Grants & Contributions	71,320
Revenue & Reserves	203
Prudential Borrowing	17,109
Pooled Resources	2,362
Total	90,994

Adults & Wellbeing Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
All Age Disability & Mental Health	28,548	36,186	7,638
Integrated Commissioning	11,585	12,247	662
Personalised Long Term Support	22,448	25,995	3,547
Prevention & Early Help	2,132	1,578	(554)
Strategic Management	831	837	6
Sub Total	65,544	76,843	11,299
Contributions from Reserves	(66)	(66)	0
Projected Revenue Outturn Position 2023-24	65,478	76,777	11,299

Adults & Wellbeing – Projected Outturn Explanation

- **All Aged Disability Service £7.6m overspend – caused by 10% increase in all areas due to increase in line with National Living Wage, with no additional budget at this stage – These include Care Home Placements, Supported Living, Direct Payments, Community Based Day Opportunities, Childrens Short Breaks. There has also been several expensive cases transitioned from Children to Adults.**
- **Integrated Commissioning £600k overspend - this overspend is mainly due to the new Extra Care scheme at Railway Bridge View, which has opened but has no additional budget for it.**
- **Personalised Long-Term Support - £3.5m overspend - caused by 10% increase in all areas due to increases in payments to Providers in line with National Living Wage, with no additional budget at this stage – These include OP Care Home Placements, OP Home Care and Direct Payments. We have also seen an increase Care Homes asking for additional chargers and top ups above the current weekly Local Authority rates for Nursing and Residential / Nursing EMI.**

Adults & Wellbeing Capital

	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Provision of Extra Care Units in the Borough	881	0	0	881
Client Index & Children's Assessment & Safeguarding System Transformation	2,218	1,754	1,302	5,274
Disabled Facilities Grant	5,155	3,283	3,283	11,721
Community Alarms & Mobile Response	0	1,200	0	1,200
Total	8,254	6,237	4,585	19,076

Chief Executive Office Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
Chief Executive Management	1,035	1,035	0
Corporate	1,022	1,022	0
Democratic & Partnership Services	2,665	3,165	500
Finance	5,941	5,941	0
HR & Transformation	2,446	2,446	0
Public Health	(89)	(89)	0
Sub Total	13,020	13,520	500
Contributions from Reserves	(336)	(336)	0
Projected Revenue Outturn Position 2023-24	12,684	13,184	500

Chief Execs Office– Projected Outturn Explanation

The cost attached to the service controlled revenue budget is forecast to exceed the net revenue budget by £500k, largely due to a budget pressure identified within the Legal Section of Democratic and Partnership Services. The additional cost attached to the Legal Section is due to the continued requirement to engage agency staff to support service delivery. Although agency staff are largely engaged on a temporary basis to allow the section to recruit to vacant post, the cost of agency staff significantly exceeds the cost attached to permanent members of staff.

Children and Young People's Services Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
Childrens Early Intervention & Safeguarding	28,785	35,097	6,312
Education & Inclusion	(505)	(318)	187
Strategic Management	1,354	1,351	(3)
Sub Total	29,634	36,130	6,496
Contributions from Reserves	0	(500)	(500)
Projected Revenue Outturn Position 2023-24	29,634	35,630	5,996

Childrens & Young People – Projected Outturn

- High needs DSG is forecast to overspend by £4.2m. The overspend is made up of £2.6m for out of district special school places, £1m for top ups for special places within the Borough, £0.3m for the Specialist inclusion staff team & £0.3m for DCATCH (statutory work for Early Years high needs)
- The Locality Social work teams & CAT / MAST Social work teams are forecasting a £686k & £324k overspend respectively. The main reason for these overspends is that Social worker rates of pay were increased in January 2023. Pay has been increased in order to attract permanent social worker applications & to make pay in Calderdale comparable with our regional counterparts. The increase equated to each social worker being paid 2 scale points higher than previously, no additional budget has been allocated to fund these increments. The service will be fully staffed with no agency staff by September.
- There continues to pressure on the External residential placements budget with a forecast overspend of £2.0m and a national shortage.
- Purchased Foster care (IFA's) also remain high resulting in a forecast overspend of £622k. The shortage is increasing unit costs.
- It is forecast that there will be a £400k overspend on Unaccompanied asylum seeker children (UASC's), in previous years any shortfall in this budget was met from the UASC reserve but this reserve was used in its entirety to offset the Directorates 2022/23 overspend.
- 16 & 17 year old semi independent accommodation costs are forecast to overspend by £1.2m. The overspend has arisen due to an increase in numbers & the rising cost of accommodation.
- The rising accommodation costs has also resulted in a forecast overspend for 18 year old + support of £199k.
- There is forecast to be an overspend of £256k in the cost of inhouse residential care. The reason for this is the closure of Cousin Lane childrens home whilst essential Health & Safety refurbishments are being carried out & interim arrangements at Field Heights meaning the number of children being looked after is temporarily lower than normal. There are currently 3 in house homes which will increase to 5 in the future which should clear any overspend.

Children & Young People Capital

School Funding Streams	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Basic Need	755	95	20,557	21,407
High Needs (SEND)	2,593	1,375	641	4,609
Capital Maintenance	2,051	616	3,090	5,757
Devolved Formula Capital & Other Funding	0	0	0	0
Children's Centre Refurbishments	340	0	0	340
Increasing Local Residential Places	927	0	0	927
Total	6,666	2,086	24,288	33,040

Public Services Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
Customer Services	5,422	5,941	519
Digital & IT	4,709	4,709	0
Group Director	175	173	(2)
Neighbourhoods	21,219	24,402	3,183
Sub Total	31,525	35,225	3,700
Contributions from Reserves	0	0	0
Projected Revenue Outturn Position 2023-24	31,525	35,225	3,700

Public Services – Projected Outturn Explanation

Customer Services

The two main budget pressures within Customer Services are the Sports Service (forecast overspend of £425k) and Libraries (forecast overspend of £150k).

The Sports Service continues to be impacted by the Covid pandemic and the cost of living crisis and reduced levels of demand and income at various sports centres. Current predicted income level forecasts are at 83% compared to 99% pre-covid.

Libraries forecast overspend is largely due to unachievable income targets.

Customer Services is currently forecast to overspend by £519k in the current year.

Neighbourhoods

There is an estimated overspend on transport services of £744k. Additional funding of £1m for Special Education Needs (SEN) transport is now included in the transport budget, the current demand for this service has increased significantly in recent years and will continue to increase this year with an additional 41 children needing SEN provision. The cost attached to SEN provision has offset savings achieved by the Transport Service. Unachievable income targets are still embedded within the transport budgets with a forecast overspend of £826k.

Three further areas of budget pressure are Waste Management, Greenspaces and Street Scene (GSSS), and Enforcement.

The forecast overspend in relation to Waste Management is expected to increase to £2.12m. The existing contract is subject to increased costs and general price inflation in relation to waste disposal and refuse collection and discussions are continuing between the contractors and the Council. CPI inflation is yet to be added to the Waste budgets for this year.

GSSS is currently forecasting an overspend of £380k largely due to increased demand for highways maintenance works and increased costs due to appointing contractors to fill vacancies and rising prices for materials, plant and diesel.

The Enforcement Service is currently forecasting an overspend of £188k which is largely due to reduced levels of licensing income. Although Hackney Carriages has also been impacted by demand, improved levels of income are expected in the remainder of the year but are still below pre-covid levels. There is currently no budget to cover emergency planning costs which is adding an additional budget pressure.

Neighbourhoods is currently forecast to overspend by £3.183m in the current year.

Public Services Capital

	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Play Area Improvements	243	0	0	243
ICT Infrastructure	1,139	0	0	1,139
Total	1,382	0	0	1,382

Regeneration and Strategy Projected Revenue Outturn

	2023- 24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
CAFM	10,181	11,581	1,400
Major Projects	(366)	(366)	0
Business, Skills & Investment	1,880	1,880	0
Housing & Green Economy	2,582	2,582	0
Markets	(450)	(250)	200
Planning Services	235	735	500
Strategic Infrastructure	6,538	6,538	0
Sub Total	20,600	22,700	2,100
Contributions to/from Reserves	(753)	(2,153)	(1,400)
Projected Revenue Outturn Position 2023-24	19,847	20,547	700

Regeneration and Strategy – Projected Outturn Explanation

The costs attached to the service and building controlled revenue budgets are forecast to exceed the net revenue budget by £2.1million, due budget pressures identified within Corporate Asset and Facilities Management (CAFM), Markets and Planning Service budgets.

- Although significant revenue growth was incorporated into the Council's revenue budget in 2023/24 to meet increased energy costs identified in the previous financial year, the cost of energy attached to the Council's Corporate Estate and Street Lighting Assets is forecast to exceed approved budget by £1.4million. Energy costs have decreased significantly in recent months, however, a large proportion of the energy was purchased via the Yorkshire Purchasing Organisation Framework earlier in the year when there was significant uncertainty in relation to future energy price inflation. The additional cost will be offset by the remainder of the Covid 19 reserve brought forward to the current year.
- Implementation of the actions agreed in the Markets Review have significantly reduced costs within the service, but the current trading activity continues to impact on income streams for both indoor and outdoor market activities. The overall budget shortfall of £200k is largely due to historical and unrealistic targets contained within the overall revenue budget.
- Within the Planning Service there are a number of income streams that would not be achieved, regardless of the performance of the Service including Planning fees Local Land Charge and Community Infrastructure Levy. In the current financial year the combined budgets account for a significant proportion of the overall budget pressure of £500k.

Regeneration & Strategy Capital

Regeneration	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Future High Street (HX & Elland)	15,386	0	0	15,386
Tod & Brig Town Investment Plans	7,606	18,177	9,071	34,854
New Leisure Facility	2,000	29,027	0	31,027
Mixenden Hub	2,738	0	0	2,738
Clifton Enterprise Zone	0	4,483	0	4,483
Towns Funds	527	0	0	527
Retentions & Other Schemes	461	0	0	461
Total	28,718	51,687	9,071	89,476

Regeneration & Strategy Capital

Strategic Infrastructure	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
City Region Sustainable Transport Settlement	8,779	6,949	6,949	22,677
Local Transport Package Programmes	1,275	0	0	1,275
WY +Transport and Transforming Cities Funds	21,375	0	0	21,375
Street Lighting LED Replacement	2,330	0	0	2330
Modernisation of Ainley Depot	1,587	0	0	1,587
Other Highway Schemes	1,478			3,808
Total	36,824	6,949	6,949	50,722

Regeneration & Strategy Capital

CAFM	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Corporate Estate - Asset Review Programme	578	0	0	578
Corporate Estate – Asset Management	526	0	0	526
Workforce Office Accommodation Strategy	1,598	0	0	1,598
Investment in the Corporate Estate	1,493	480	0	1,973
Centre @ Threeways	1,112	0	0	1,112
Total	5,307	480	0	5,787

Regeneration & Strategy Capital

Housing	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Beech Hill Phase 2	41	0	0	41
Green Homes Phase 2/3	1,824	0	0	1,824
Public Sector Decarb	331	0	0	331
Home Upgrade Grants	1,152	2,448	0	3,600
Other	495	0	0	495
Total	3,843	2,448	0	6,291

Our Reserves Position

Reserve Category	Balance B/F into 2023/24	Committed/ Assumed in this monitor	Remaining Reserves
	£000	£000	£000
Available Corporate Reserves	30,081	(7,924)	25,071
Service Controlled Reserves	13,023	(1,655)	11,368
Ringfenced Reserves	22,869	0	22,869
Total	65,973	(9,579)	56,394

Centrally Controlled Budgets and Use of Reserves

- The saving in relation to central costs relates to the on-going benefit of the changes to the Council's Minimum Revenue Provision (MRP) Policy that were made in 2022/23
- Other savings of £630k are also anticipated at this point from additional Business Rates income along with the headroom provision/budget flexibility of £695k that was agreed at Budget Council and now recommended to be released to help support the budget during 2023/24
- The Council has held an MRP reserve (£2,914k) since the last time the policy on this was changed. Given the savings now accruing from the more recent revision to the policy it is felt that this can be used to reduce the reported overspend further

Reserves

- Ringfenced reserves have restricted use and include Schools' balances, the Insurance Fund and Public Health
- There may also be some restrictions around some of the remaining service reserves
- Reminder – reserves have been built up over a number of years and can only be used once

Pressures and Risks for 2023 onwards –

Inflation – currently ~8%. Waste contract and other large contracts impacted in 2023/24 onwards

Energy prices –2023/24 impact

Staff Costs – Vacancies – Pay Award

Unachievable Income pressures