

CMBC Quarter 3 Revenue and Capital Projected Outturn 2023-24



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 Q3 Projected Outturn Recommendations

- Note the Quarter 3 projected budget outturn.
- Note the Capital programme 2023/24 to 2025/26.
- Approval of Capital Programme items as set out in the covering report
- Note the Risks to the budget for 2023/24 and mitigating actions being taken.

<u>Revenue Budget Position</u>	Current Budget 2023-24 £000	Q3 Projected Outturn Spend £000	Q3 Outturn Overspend(+) U (-) £000
Adults & Well Being	70,581	79,563	8,982
Chief Executive's	4,875	5,518	643
Children & Young People	31,092	38,785	7,693
Public Services	31,407	32,290	883
Regeneration & Strategy	22,755	23,556	801
Resources & Transformation	12,542	12,771	229
Net Cost of Services	173,252	192,483	19,231
Central Costs (Incl. inflation to be allocated)	23,486	15,147	(8,339)
Total	196,738	207,630	10,892
Changes to Anticipated Funding		(630)	(630)
Use of Reserves/Other Savings	(2,400)	(6,009)	(3,609)
Projected Revenue Outturn	194,338	200,991	6,653

Adults & Wellbeing Projected Revenue Outturn

Service	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
All Age Disability & Mental Health	33,656	39,912	6,256
Integrated Commissioning	12,253	12,460	207
Personalised Long Term Support	21,159	24,015	2,856
Prevention & Early Help	2,868	2,496	(372)
Strategic Management	1,016	1,051	35
Sub Total	70,952	79,934	8,982
Contributions from Reserves	(371)	(371)	0
Projected Revenue Outturn Position 2023-24	70,581	79,563	8,982

Adults & Wellbeing – Projected Outturn Explanation

- AWB have reallocated the 2023/24 budget against the required Business Areas.
- There continues to be pressure on the AWB budget, and a further increase in the overspend to £8.98m. An increase of £1.51m from RM2. The reasons for this include:
- All Aged Disability Service - £693k increase in overspend:
 - There have been 3 new high-cost Mental Health placements (£170k), an increase in Learning Disability care and support funding as Direct Payments (£250k), increase in supported living costs (£100k), cost of the external LD Review team (£130k) and Children's Short Breaks increases (50k)
- Personalised Long-Term Support - £518k increase in overspend:
 - This includes 2 additional high-cost Physical Disability placements and a backdated payment (£330k) and an increase in Home Care costs to support the Home First hospital discharge model (£170k)
- Integrated Commissioning - £54k increase in overspend:
 - This includes an increase of £30k over 2 quarters for Westgarth Learning Disability Residential Respite resource.
- Prevention & Early Help - £242k increase in overspend:
 - Increased costs in investing in the Safeguarding Team to meet statutory duties and the Hospital Discharge/Admission Avoidance Team and Assistive Technology
- Other factors affecting budget overspend:
 - The increased costs of increased salaries for qualified social workers amounts to £500k and has been included in the overspend budgets above. However, recruitment has improved, and we are seeing a reducing trajectory of the use of agency staff.

Chief Executive's Office Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
Chief Executive Management	1,159	914	(245)
Corporate	980	1,021	41
Legal and Democratic Services	2,946	3,793	847
Public Health	508	508	0
Sub Total	5,593	6,236	643
Contributions from Reserves	(718)	(718)	0
Projected Revenue Outturn Position 2023-24	4,875	5,518	643

Chief Execs Office– Projected Outturn Explanation

- The overall budget for Chief Executive's Office (CEO) incorporates Executive Management, Corporate costs (including Members' Services), Legal and Democratic Services and Public Health.
- The cost attached to the CEO is forecast to exceed the net revenue budget by £643K. This represents a reduction of £97K from the overspend of £740K reported to Cabinet in the second revenue monitor. In addition to a number of minor budget variations the main budget pressures are detailed below:-
- Legal Services - £525K overspend due to increased use of locum solicitors net of savings from vacancies of permanent posts. This has increased from the previous figure due to continuing difficulties in the recruitment and retention of permanent staff.
- Elections - £281K overspend. As reported previously this relates to both additional investment required in the service arising from the new requirements of the Elections Act and the increased cost of operating local elections, including postage, printing, polling station rentals and elections fees.
- Public Health is almost entirely funded by separate ring-fenced grants from central government which can only be used to support the delivery of Public Health outcomes and any under or overspend is transferred to separate reserves at the end of the financial year.
- The remaining variations relate mainly to underspends due to a freeze in non-essential expenditure within Communications, and external funding received from the NHS towards management costs.

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	30,074	38,231	8,157
Education & Inclusion	(431)	(517)	(86)
Strategic Management	2,454	2,576	122
Sub Total	32,097	40,290	8,193
Contributions from Reserves	(1,005)	(1,505)	(500)
Projected Revenue Outturn Position 2023-24	31,092	38,785	7,693

Children and Young People – Projected Outturn Explanation

- At the 3rd revenue monitoring, Childrens is forecasting a service controlled overspend of £7.7m (after the use of another £500k of directorate reserves).
- The external residential placements budget is forecast to overspend by £3.1m and the external fostering budget by £940k. Overall, although there has not been a significant increase in numbers the number of high-cost placements has risen bringing the average cost of each placement up significantly.
- The supported accommodation budget for 16 and 17 year-olds is forecast to significantly overspend due to an increase in numbers but also accommodation costs themselves. The overspend is forecast to be £1.7m in this area.
- Social worker salary rates have been increased at a cost of £500k. The Education Psychology service has a budget of £200k but current costs are coming in at £540k. This is due to an increase in cases & also an increase in the costs. This work is statutory.
- The funding received for Unaccompanied Asylum Seeker Children (UASC) from government grant is insufficient to pay for the current cohort resulting in an overspend of £410k. There is also pressure on the in-house cost of care amounting to nearly £900k
- The current forecast overspend on the High needs DSG (ringfenced Government grant that we receive for Special Education, SEND & Inclusion services) is £6.8m. This overspend is not included in the Directorate's overall position as the DfE requires us to recover this from DSG in future years as part of a recovery plan. The overspend is made up of £4.3m for out of district special school places, £1m for top-ups for special places within the Borough, £0.4m for the Specialist inclusion staff team, £0.7m for EHC support & £0.4m for DCATCH (statutory work for Early Years high needs).

Public Services Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
Customer Services	6,365	6,124	(241)
Group Director	241	232	(9)
Neighbourhoods	24,839	25,972	1,133
Sub Total	31,445	32,328	883
Contributions from Reserves	(38)	(38)	0
Projected Revenue Outturn Position 2023-24	31,407	32,290	883

Public Services – Projected Outturn Explanation

- Public Services is reporting an overspend of £883k overall.

Customer Services (forecast underspend of £241k in the current year)

- The two main budget pressures within Customer Services are The Shay and Libraries
- The cost of pitch maintenance at The Shay to the required standards and the reduction in income forecasts are adding to the budget pressure which is expected to result in an overspend of £204k.
- The Libraries forecast overspend is largely due to unachievable income targets but these have been offset to an extent with some in-year vacancy management savings leaving a forecast net overspend of £102k in this area.

Public Services – Projected Outturn Explanation

Neighbourhoods (forecast overspend of £1.113m in the current year)

- There is an estimated overspend on Transport Services of £700k. Additional funding of £1.5m for Special Education Needs (SEN) transport previously agreed in the MTFS is now included in the transport budgets but demand for this service continues to increase with an additional 41 children needing SEN provision this year. The cost attached to this has been offset by savings achieved elsewhere in the Transport Service.
- Greenspaces and Street Scene is currently forecasting an overspend of £457k, largely due to increasing workloads and costs due to appointing contractors to fill vacancies and rising prices for materials, plant and diesel. The Service also continues to meet the extra costs of Fly Tipping forecast to be £30k. Also, an additional cost of £100k is expected due to tree inspection requiring a large numbers of trees to be felled as a safety measure. Approximately 50% of these trees are Ash with Ash dieback. This is currently the best estimate based on the latest inspections that have been done at two parks.
- Bereavement Services is predicting an overspend £129k. Income targets were based on numbers of burials and cremations in 2022/23 but in the first 6 months there has been a decline in the number of cremations by 263 compared to 2022/23. This may be linked to a neighbouring authority reopening their cremation services. Costs of maintaining cemeteries have increased and the Service is currently reviewing options to bring these down.
- The Community Protection Service is currently forecasting an overspend of £200k mainly due to increasing costs of running the CCTV operations. Premises and Hackney Carriage licensing have both been impacted by demand but improved levels of income are expected for 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.
- CPI inflation has been added to the Waste Services budgets for this year, which are therefore now forecasting a balanced position. Parking Services have been successful in their claim to a business rates rebate of £400k which is now reflected in their outturn position and has reduced the Neighbourhoods forecast overspend from £1.444m to £1.113m.

Regeneration and Strategy Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
CAFM	11,653	11,840	187
Major Projects	(365)	(365)	0
Business, Skills & Investment	1,980	1,910	(70)
Housing & Green Economy	2,943	3,143	200
Markets	(363)	(135)	228
Planning Services	825	1,393	568
Strategic Infrastructure	6,861	6,861	0
Sub Total	23,534	24,647	1,113
Contributions to/from Reserves	(779)	(1,091)	(312)
Projected Revenue Outturn Position 2023-24	22,755	23,556	801

Regeneration and Strategy – Projected Outturn Explanation

- The net cost for the directorate is forecast to exceed the net revenue budget by £801K which is £309k lower than that predicted in the second revenue monitor.
- In the current year the net cost of the CAFM Service is forecast to exceed the net budget by £187k largely due external factors, including increased costs from repairs and maintenance and statutory rates revaluations. It should also be noted that achievement of the required levels of investment and other income is increasingly challenging in the current economic climate.
- The Service continues to actively explore opportunities to reduce the forecast budget shortfall through a combination of short and longer term measures, which have been in place for some time. These include, optimising the estate to focus on fewest best assets, robust management of repairs and building on our successful approach to increase energy efficiency.

Regeneration and Strategy – Projected Outturn Explanation (2)

- The Housing Service delivers key functions funded by a combination of government grants, other external funding (including Section 106 agreements) and the base budget of the service. In the current year the net cost of the service is forecast to exceed the net revenue budget by £200k, largely due to the additional cost attached to temporary accommodation. Although the service continues to consider options to reduce costs, including the use of further homelessness facilities, the cost in the current year will exceed the revenue budget.
- The projected variances for the Markets and Planning Services are forecasted to continue at broadly their previous levels due to income targets not being met. The legacy income targets are unachievable and likely to remain until further action is agreed and implemented.
- There are a number of factors that may impact in a positive and negative manner on the ability of Strategic Infrastructure to deliver a balanced revenue position. However, the latest forecast for the service anticipates that the net cost of the service will be contained within the net revenue budget by the end of the financial year, which is an improvement on the previously reported position. The ability of the service to deliver the current forecast will largely be determined by managing the Winter Service and Street Lighting energy costs within existing revenue budgets whilst achieving significant targets for capital fee income.

Resources and Transformation Projected Revenue Outturn

	2023-24 Budget	2023-24 Projected Outturn	2023-24 Projected Variance
	£000	£000	£000
Digital & IT	4,928	4,706	(222)
Finance Services	5,162	5,431	269
Human Resources	2,810	3,041	231
Sub Total	12,900	13,178	278
Contributions from Reserves	(358)	(407)	(49)
Projected Revenue Outturn Position 2023-24	12,542	12,771	229

Resources & Transformation – Projected Outturn Explanation

- The directorate comprises the Finance Service, Digital & IT and Human Resources, with the majority of Business Support staff (and related budget) having been transferred back to directorates.
- Digital & IT – In the current year increased network costs (including software maintenance) and a reduction in external income will be offset by savings achieved by vacancies within the staffing establishment. Overall, there is a projected underspend of £222K.
- Finance Service – A significant proportion of the cost of the service relates to employee and related costs and increases in this area of the budget largely account for the projected overspend of £269k. In the current year costs have increased in part due to the directorate restructure of the Council and the requirement to engage external resource to support the delivery of key functions of the service. The additional cost will be offset to some degree by the utilisation of reserves.
- HR & Transformation – Whilst the overall net cost of the service is expected to exceed the net revenue budget the overspend has reduced significantly from the previously reported figure to the sum of £231k detailed in the projection for the directorate. As previously reported increased licence fee maintenance costs attached to the HR/Payroll system largely account for the overspend.

Centrally Controlled Budgets and Funding/Use of Reserves

- In central costs, £4,639k of the saving relates to the benefit of recent changes to the Minimum Revenue Provision (MRP), a £3m refund/reduction in WYCA's Transport Levy (with a further £1.45m set aside in reserves for future use), £400k of unused inflation and £300k of budget agreed in last year's MTFS to offset the revenue cost of schemes in the Capital Programme.
- The additional income of £630k that is also anticipated at this point is from Business Rates.
- 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 brought forward reserve can be used to reduce the reported overspend further. This is in addition to the budgeted planned use of reserve of £2.4m. Finally, the general fund balance of £695k that was agreed at Budget Council, has been utilised to increase the funding for 2023/24.

Actions to mitigate forecast overspend

Financial management and budget challenge routinely takes place periodically throughout the year with Directors to review performance against budget and outcomes being achieved. This considered actions being taken by Directors to reduce costs through transformation, improved demand management and review of policies.

In the second half of the financial year, management actions have been taken to minimise the financial challenges and budget pressures identified across the Council. These include in-year controls:

- Introduction of a Vacancy Panel to control the release of vacant posts for recruitment
- Restrictions on non-pay related spend on non-critical items
- Requests for voluntary Early Retirement, Voluntary Severance, Flexible Retirement, Reduction in Hours and Sabbaticals
- Management action and flexible use of grants and other funding

Our Reserves Position

Reserve Category	Balance B/F into 2023/24	Additions	Impact of Monitor	C/F Reserves
	£000	£000	£000	£000
Unallocated General Balances	6,482	0	0	6,482
Corporate Risk Reserves	36,488	1,494	-13,850	24,132
Service Specific Earmarked Reserves	15,249	500	-2,956	12,793
Ringfenced Reserves – Public Health	4,163	0	-701	3,462
Total Council Reserves	62,382	1,994	-17,507	48,869
Schools	11,122	0	0	11,122
Total	73,504	1,994	-17,507	57,991

Reserves

- The useable reserves are categorised as:
 - Corporate Reserves, which are for risk resilience, financial planning and investment priorities;
 - Service Reserves, which are earmarked for specific purposes and may have some restrictions on their use;
 - Ringfenced reserves, which have restricted use and include Schools' balances, and Public Health grants
- Reminder – reserves have been built up over a number of years and can only be used once

Pressures and Risks for 2023 onwards –

Inflation is still high – currently 4.0% affecting all spend but especially contracted areas

Energy prices – these have reduced since peaking over winter but continue to be volatile

Staff Costs – Vacancies – National Pay Award

Unachievable Income pressures

Cost of care, sufficiency of care placements and accommodation

Capital Programme 2023/24 to 2025/26



Service Area	Outturn spend 2023-24	Budget spend 2024-25	Budget spend 2025-26	<u>Total Budget spend</u>
	£000	£000	£000	£000
Adults and Wellbeing	6,418	7,805	4,485	18,708
Corporate Schemes & Retentions	293	1,568		1,861
Children & Young People	5,549	3,201	24,982	33,732
Public Services	243			243
Regeneration & Strategy	55,638	54,341	42,623	152,602
Total	68,141	66,915	72,090	207,146

Capital Programme Funding 2023/24 to 2025/26



Service Area	Outturn spend 2023-24	Budget spend 2024-25	Budget spend 2025-26	<u>Total Budget spend</u>
	£000	£000	£000	£000
Grants	55,840	38,617	70,119	164,576
Revenue & Reserves	85	72		157
Prudential Borrowing	10,301	25,946	1,303	37,550
Pooled Resources	1,915	2,280	668	4,863
Total	68,141	66,915	72,090	207,146

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	0	881	0	881
Client Index & Children's Assessment & Safeguarding System Transformation	2,218	1,754	1,302	5,274
Disabled Facilities Grant	4,000	4,170	3,183	11,353
Community Alarms & Mobile Response	200	1,000	0	1,200
Total	6,418	7,805	4,485	18,708

Corporate Schemes & Retentions

	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
ICT Infrastructure	0	1,139	0	1,139
Renew HR and Payroll System	260	0	0	260
Retentions	33	0	0	33
Unallocated	0	429	0	429
Total	293	1,568	0	1,861

Children & Young People Capital

School Funding Streams	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Basic Need	695	93	20,617	21,405
High Needs (SEND)	2,593	1,375	641	4,609
Capital Maintenance	2,111	616	3,724	6,451
Devolved Formula Capital & Other Funding	0	0	0	0
Children's Centre Refurbishments	100	240	0	340
Increasing Local Residential Places	50	877	0	927
Total	5,549	3,201	24,982	33,732

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
Total	243	0	0	243

Regeneration & Strategy Capital

Summary	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Regeneration	21,498	33,220	34,097	88,815
Strategic Infrastructure	27,228	15,737	8,526	51,491
CAFM	3,524	2,481	0	6,005
Housing	3,388	2,903	0	6,291
Total	55,638	54,341	42,623	152,602

Regeneration & Strategy Capital

Regeneration	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Future High Street (HX & Elland)	15,126	0	0	15,126
Tod & Brig Town Investment Plans	2,500	23,282	9,071	34,853
New Leisure Facility	1,000	5,000	25,026	31,026
Mixenden Hub	2,738	0	0	2,738
Clifton Enterprise Zone	0	4,483	0	4,483
Towns Funds	134	455	0	589
Total	21,498	33,220	34,097	88,815

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 (detail in next slide)	6,999	9,387	8,526	24,912
Local Transport Package Programmes	325	950	0	1,275
WY +Transport and Transforming Cities Funds (2023/24 Forecast only)	16,414	0	0	16,414
Active Travel Tranche 3& 4 Programme	819	3,095	0	3,914
Street Lighting LED	230	2,100	0	2,330
Modernisation of Ainley Depot	1,587	0	0	1,587
Other Highway Schemes	854	205		1,059
Total	27,228	15,737	8,526	51,491

City Region Sustainable Transport Programme

	2023/24 Projected Outturn	2024/25 Budget	2025/26 Budget
	£,000	£,000	£,000
Active Travel/Public Rights of Way	288	192	192
Highways Asset Management	6,158	6,497	5,952
Network Renewals & Enhancements	91	602	385
Safer Roads	371	640	440
Bus Hotspots & Enforcement	10	290	550
Connecting North East Calderdale	81	1,156	877
West Yorkshire Places	0	10	30
Halifax Streets for People			100
TOTAL CRSTS PROGRAMME	6,999	9,387	8,526

WY+TF & TCF Schemes

	2023/24 Projected Outturn	2024/25 Forecast*	2025/26 Forecast*
<u>WYTF Projects</u>	£'000	£'000	£'000
A629 Phase 1B	8,034	4,404	
A629 Phase 2	1,341	41,758	15,460
A629 Phase 4	313		
Elland Station Access Package			1,939
A629 North Orange Street	150	2,478	3,442
A641 Bradford to Huddersfield Corridor	1,712	5,835	63,707
A58 Corridor Improvement Programme	1,452	1,604	33
A646 Corridor Improvement Programme	1,201	952	33
North East Calderdale Transformational	4,234		
UTMC		423	
TOTAL WYTF PROGRAMME	14,207	57,454	84,614

WY+TF & TCF Schemes

	2023/24 Projected Outturn	2024/25 Forecast*	2025/26 Forecast*
	£,000	£,000	£,000
<u>Transforming Cities Fund</u>			
Elland Station Access Package	529	3,440	3,554
Halifax Bus Station	12	6	
Halifax Station Gateway	317		
North Halifax Improvements	786	6,851	2,882
West Halifax Improvements	563	5,804	1,000
TOTAL TCF PROGRAMME	2,207	16,101	7,436
TOTAL WY +Transport and Transforming Cities Funds	16,414	73,555	92,050

**this is the forecast funding based upon current bids in WYCA processes*

Regeneration & Strategy Capital

CAFM	2023-24 Projected Outturn £000	2024-25 Budget £000	2025-26 Budget £000	Total £000
Corporate Estate - Asset Review Programme	0	536	0	536
Corporate Estate – Asset Management	326	0	0	326
Workforce Office Accommodation Strategy	1,598	0	0	1,598
Investment in the Corporate Estate	1,100	1,333	0	2,433
Centre @ Threeways	500	612	0	1,112
Total	3,524	2481	0	6,005

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 Phase 1 & 3	331	0	0	331
Home Upgrade Grants	1,152	2,448	0	3,600
Other	40	455	0	495
Total	3,388	2,903	0	6,291