Executive Decision-Revenue Budget Monitoring
April-June 2023/24

Decision to be taken by: City Mayor

Decision to be taken on: 20th September 2023

Lead director/ officer: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All
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- Report version number: 1

1. Summary

This report is the first in the monitoring cycle for 2023/24 and provides early indications of the significant financial pressures the Council is facing this year, and the worsening picture for future years' budgets.

The monitoring exercise has identified an overall net forecast overspend of £12.7m against the latest approved budget. There are £17.0m of cost pressures, partially offset by £4.3m of lower than budgeted costs and additional income.

The £17.0m of cost pressures are:

- £9.9m in Education and Children's Services, of which £9.2m is increased costs of children looked after where placement costs have increased faster than budgeted.
- £4.9m in City Development and Neighbourhoods, of which £3m is additional costs of temporary accommodation for homeless households and £1.2m is the higher costs of waste management after the use of a provision set aside for this purpose.
- £2.2m likely additional costs of the local government pay award over and above the budget provision, based on the current pay offer.

The £4.3m of lower than budgeted costs and additional income are:

- Additional income of £0.3m in Sports Services
- An expected £3m lower cost of energy, compared to the budget provision.
- Underspends of £1.0m in corporate budgets.

The net £12.7m overspend can be met from departmental earmarked reserves.

However, it should be noted that departmental reserves are one-off resources and will not be available in future years - while the underlying cost pressures will continue into future years unless action is taken. It remains imperative that significant savings are identified as soon as possible to safeguard the Council's longer-term financial position.

Management action has been identified resulting in savings of £1.8m per year (by 2025/26), which can be approved now. Details are in Appendix C.

In total, savings identified since the budget was set have reduced expected spend by £2.8m in the current year (assuming the savings in Appendix C are approved). This will allow the call on managed reserves this year to be reduced from the budgeted amount, originally £34.1m.

2. Recommended actions/decision

2.1 The Executive is recommended to:

- Note the emerging picture detailed in the report.
- Approve the reductions to budgets described in Appendix C and for the in-year underspend to be transferred to the Managed Reserve Strategy, and delegate authority to the Director of Finance to determine the specific budget ceilings affected.

2.2 The OSC is recommended to:

Consider the overall position presented within this report and make any observations it sees fit.

3. Scrutiny / stakeholder engagement

N/A

4. Background and options with supporting evidence

The General Fund budget set for the financial year was £382.7m, before the use of managed reserves. Following savings identified since the budget was set, this has been updated to £380.4m.

Appendix A summarises the original budget, current budget and anticipated spending in 2023/24.

Appendix B provides more detailed commentary on the forecast position for each area of the Council's operations.

Appendix C details in-year budget savings, which are now ready to be implemented.

5. Detailed report

See appendices.

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

This report is solely concerned with financial issues.

6.2 Legal implications

This report is solely concerned with financial issues.

6.3 Equalities implications

Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. There are no direct equality implications arising out of this budget monitoring report. Equalities Officer, Surinder Singh, Ext 37 4148

6.4 Climate Emergency implications

There are no climate emergency implications directly associated with this report, as it is a budget monitoring report. However, where proposals are brought forward in order to make additional savings required, any climate emergency implications should be considered and addressed while proposals are being developed, and should be identified in the appropriate decision reports at the time. The Sustainability Team may be able to help departments with assessing implications as part of the evaluation of proposals ahead of report preparation. Where any necessary capital funding can be identified or secured, the potential role of invest-to-save energy efficiency and renewable energy projects in helping to address revenue budget pressures while also reducing carbon emissions is also worth noting. Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

7. Background information and other papers:

Report to Council on the 22nd February 2023 on the General Fund Revenue budget 2023/24.

8. Summary of appendices:

Appendix A – Period 3 (April-June) Budget Monitoring Summary

Appendix B – Divisional Narrative – Explanation of Variances

Appendix C – Shows the latest tranche of in-year budget savings

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

10. Is this a "key decision"? If so, why?

Yes – recurrent savings in excess of £0.5m.

APPENDIX A

Revenue Budget at Period 3 (April – June), 2023-24

Table A

2023-24	Original Budget £000's	Current Budget £000's	Forecast £000's	Variance £000's
Financial Services	12,702.5	12,505.0	12,505.0	0.0
Information Services	10,791.9	10,769.2	10,999.2	230.0
Human Resources & Delivery, Communications & Political Governance	9,737.4	9,416.5	9,186.5	(230.0)
Legal Services	3,752.8	3,751.2	3,751.2	0.0
Corporate Resources & Support	**36,984.6**	**36,441.9**	**36,441.9**	**0.0**
Planning, Development & Transportation	14,294.7	13,994.6	14,764.8	770.2
Tourism Culture & Inward Investment	4,558.2	3,713.6	3,719.4	5.8
Neighbourhood & Environmental Services	36,214.9	37,527.9	38,746.6	1,218.7
Estates & Building Services	4,927.2	4,966.5	4,966.5	0.0
Departmental Overheads	575.8	575.4	575.4	0.0
Housing Services	4,634.9	4,635.5	7,606.6	2,971.1
City Development & Neighbourhoods	**65,205.7**	**65,413.5**	**70,379.3**	**4,965.8**
Adult Social Care & Safeguarding	170,181.8	170,149.6	175,745.7	5,596.1
Adult Social Care & Commissioning	(18,061.4)	(18,508.6)	(24,104.7)	(5,596.1)
Sub-Total Adult Social Care	**152,120.4**	**151,641.0**	**151,641.0**	**0.0**
Strategic Commissioning & Business Support	2,385.5	2,322.9	2,035.2	(287.7)
Learning Services	19,596.5	19,503.4	20,887.0	1,383.6
Children, Young People & Families	71,231.0	71,206.1	80,457.3	9,251.2
Departmental Resources	1,976.3	2,037.3	1,557.5	(479.8)
Sub-Total Education & Children's Services	**95,189.3**	**95,069.7**	**104,937.0**	**9,867.3**
Total Social Care & Education	**247,309.7**	**246,710.7**	**256,578.0**	**9,867.3**
Public Health & Sports Services	**23,940.6**	**24,247.2**	**24,501.0**	**253.8**
Total Operational	**373,440.6**	**372,813.3**	**387,900.2**	**15,086.9**
Corporate Budgets	34,929.8	33,930.8	32,136.5	(1,794.3)
Capital Financing	2,792.1	2,292.1	2,275.1	(17.0)
Total Corporate & Capital Financing	**37,721.9**	**36,222.9**	**34,411.6**	**(1,811.3)**
Public Health Grant	(28,448.1)	(28,650.7)	(29,169.5)	(518.8)
TOTAL GENERAL FUND	**382,714.4**	**380,385.5**	**393,142.3**	**12,756.8**

1.1 Changes since the original budget are summarised in the table below:

	Total General Fund £000's
Original budget	**382,714**
Savings approved - Period 9 monitoring 22/23	**(1,113)**
Savings approved - Outturn 22/23	**(1,216)**
Latest budget	**380,385**

1.2 The original budgets split between employees, running costs and income are available at https://www.leicester.gov.uk/media/50bbavjj/budget-summary-2023-2024.pdf

Divisional Narrative – Explanation of Variances

Corporate Resources and Support

Corporate Resources Department is forecasting to spend £36.4m. The position after the planned use of reserves is a breakeven position:

1. Finance

1.1. The Financial Services Division is forecasting to break even.

2. Information Services (IS), Human Resources (HR), Delivery Communications & Political Governance (DCPG) and Legal, Registration & Coronial Services

2.1. Taken together IS, HR, DCPG and Legal, Registration & Coronial Service are forecasting to spend to budget after the planned use of reserves.

2.2. The HR service is forecasting a £230k underspend, resulting from vacancies across various areas together with additional traded income. This will support Information Services to reduce the call on reserves for new IT equipment.

2.3. The forecast takes account of the planned use of reserves for Information Services (to fund new equipment) and Electoral Services following the council and mayoral election in May 2023.

2.4. Coronial and registrar services are forecasting to spend £0.6m as per the budget, after support from corporate budgets of £0.45m, as in previous years.

3. City Catering

3.1. City Catering faced significant headwinds in 2022/23 with increasing food costs and pay inflation, together with lower levels of uptake of school meals. Meal price increases have previously been kept to a minimum, but pay and food inflation meant that at the end of 2022/23 the cost of producing meals was more than the prices charged to schools.

3.2. New charging arrangements are in place from August this year and together with some internal re-organisation of staffing this is forecast to significantly reduce the deficit this year from £1m in 2022/23 to £0.5m which will be funded from the school catering reserve. When in place for the full year 2024/25 the new arrangements are intended to enable the catering service to be fully financially sustainable without the use of one-off reserves.

City Development and Neighbourhoods

The department is forecasting to spend £70.4m, some £5.0m above budget. However, it is proposed to contribute £3.0m of departmental reserves and grants towards increased homelessness costs, which would reduce the overspend to £2.0m.

4. Planning, Development & Transportation

4.1. The division is forecasting to spend £14.8m, resulting in an overspend of £0.8m. An income shortfall of £0.9m is expected across parking services, in on and off-street parking and penalty charge notices. There is a £1.5m forecast overspend on bus services, including supported bus services and park & ride, compounded by lower than budgeted income from bus lane enforcement. The pressures on parking and bus services are expected to be fully offset by a £2.4m underspend on concessionary fares. In a continuation of pressures being experienced in previous years reflecting the economic downturn, fewer major planning applications being submitted is currently predicted to lead to an income shortfall of £0.7m. Savings are being identified to address the budget gap, along with mitigating measures for the current financial year.

5. Tourism, Culture & Inward Investment

5.1. The division is forecasting to spend £3.7m and after the planned use of reserves totalling £0.6m will result in a breakeven position. Whilst cost of living pressures may have an adverse impact on income levels across the service, these will be managed to achieve a balanced outturn position.

6. Neighbourhood & Environmental Services

6.1. The division is forecasting to spend £38.7m, which is expected to result in a overspend of £1.2m after additional funding of £1.8m for waste management is transferred from corporate budgets.

6.2. Overall, waste management costs are £3.0m higher than budget. Higher than expected inflation has resulted in contractual payments under the waste PFI contract being £0.5m higher than budgeted. The volume of waste being sent to landfill increased significantly during covid, which continues to be the case; the additional cost of associated landfill tax is expected to be £1.2m. A technical change imposed by HMRC on the calculation of landfill tax payable on certain types of waste is expected to have a £0.9m impact for the year. Separately, additional costs of £0.4m are being incurred due to legislative changes in the treatment and haulage of contaminated waste, along with smaller pressures within the service.

6.3. As volumes continue to remain high, £1.8m has been transferred from a provision included in the corporate budget to offset the costs of additional inflation and landfill tax. This reduces the net overspend to £1.2m.

6.4. Costs will be monitored throughout the year, with the potential for the overspend to reduce as the impact of legislative changes becomes clearer. In addition, savings are being sought to manage the impact and work towards a breakeven position by the year end.

7. Estates & Building Services

7.1. The division is forecasting to spend £5.0m and after the use of reserves totalling £0.2m will result in a breakeven position. Whilst a number of pressures persist, including a shortfall of income within the Corporate Estate and on fee income within the Capital Projects Team, and higher costs continuing to be incurred on vacant buildings, these are being managed through savings on vacant posts.

8. Departmental Overheads

8.1. This area holds budgets for added years' pension costs and departmental salaries. This is forecast to break even.

9. Housing General Fund

9.1. The division is forecasting to spend £7.6m, £3m in excess of budget. Growth in the cost of homelessness is the main reason and is a significant national issue: the pressure is likely to be ongoing. Specifically, the number of homeless families in Leicester continues to add to the cost of temporary accommodation, the gross cost of which is expected to exceed £3m this year. Grants and reserves will be used to manage this pressure, eliminating the overspend this year. Work continues to find longer-term resolutions.

10. Housing Revenue Account

10.1. The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the Council's housing stock. The HRA is forecast to break even. Revenue is also used for capital spending, which is reported separately within the capital monitoring report.

10.2. Income from core rent and service charges is expected to be on target for the year.

10.3. The Repairs and Maintenance service is forecast to overspend by £1.7m. Whilst there are vacant posts generating underspends of £0.5m, these will be more than offset by the use of contractors, costing £0.9m. Materials and running costs are expected to add a further £0.8m, particularly in voids where there is a continued focus on turning properties around; this focus also results in a reduction in income from capital charges of £0.5m. An increase in disrepair claims will create a pressure of £1m. This will be resolved by the introduction of fixed recoverable costs, but in the meantime, it is proposed to fund this from reductions in the capital budget.

10.4. Management and Landlord Services are expected to underspend by £1.9m. The price of gas supplying the district heating network has fallen since the budget was set. This will reduce the subsidy to households being borne by the HRA by an estimated £2.3m, from the budgeted £3.9m to an estimated actual cost of £1.6m. A reduction in the forecast number of property sales through Right to Buy will reduce income to fund the administration cost by £150k. Separately, the Council Tax payable on void properties is likely to be £250k higher than budgeted.

10.5. The HRA makes contributions towards general fund activities as well as being charged for a fair proportion of the Council's overheads. These are expected to be £0.2m more than the budget due to inflationary increases for these services.

Adult Social Care

11. Adult Social Care

11.1. Adult social care is forecasting to spend £151.7m as per the budget.

11.2. In March 2023 DLUHC announced the 2023/24 allocations for the market sustainability and improvement fund (MSIF) for local authorities. Although the implementation of the charging aspects of the reforms to adult social care have been delayed until October 2025, the government has provided the MSIF to allow local authorities to increase fee rates to providers to ensure they are sustainable and to build capacity against the backdrop of the fair cost of care exercises carried out in 2022.

11.3. Leicester received £3.6m and all of this has been used to supplement existing fee increases funded by the Council to better reflect the impact of inflation on provider costs seen in 2022 and forecast for 2023. Due to the technical accounting treatment of these grants, a variance is reported on the Social Care & Safeguarding and Social Care & Commissioning budget lines, but these net off to zero.

11.4. A further Workforce Improvement grant of £2.4m was announced at the end of July. This has not been included in the reported figures at this stage, although there is likely to be additonal spend matching the grant and hence no net effect on the budget.

11.5. The Council and the Integrated Care Board (ICB) have also received funds to support discharge from hospitals into social care. The combined total is £4.8m which is being spent on additional intermediate home care, bed based intermediate care, residential care and workforce recruitment and retention.

11.6. There has been a 1.3% net increase in the number of people receiving adult social care by the end of June compared to April taking actual numbers from 5,423 to 5,492. The increase in working age adults was 1.5% and older people 1.1%. The budget assumes an overall growth in numbers of 4% for the year.

11.7. Of those receiving care at the start of the year, 19% have had their care package cost increased on average by 9% year to date. Whilst the proportion of people with care package changes at the same time last year was similar, the care package increase percentage was significantly higher last year at 20%. This is encouraging although it is too early in the year to be clear whether this will be sustained. There is a backlog of outstanding reviews and this may have an impact on the number and size of package changes in the remaining 9 months of the year.

11.8. At this stage of the year net package costs are forecast to be as per the budget.

11.9. There are a limited number of vacancies within care management and these are being managed with agency staff. There are no other significant issues within the preventative services.

Education and Children's Services

12. Education and Children's Services

12.1. The department is forecasting to overspend by £9.9m. This is substantially due to the cost of children looked after and other placements forecast to be £9.2m more than the budget. In addition, there are a range of other overspends totalling £2.7m, partly offset by staff vacancy savings of £2.0m.

12.2. The £9.2m additonal cost of children looked after will be funded on a one-off basis this year through the use of the social care and education earmarked reserves. However, clearly there is a significant issue for 2024/25 which will need to be addressed as part of the forthcoming budget setting process.

12.3. As outlined in the 2022/23 outturn report, there was a significant increase in the average cost of placements by the end of March 2023. This was a result of a greater proportion of new high cost semi-independent and external residential placements in the second half of the year; significant cost increases to existing high needs placements through a combination of greater support needs and provider cost pressure with a lack of alternative placements available; finally, a number of existing placements broke down with the young person needing greater support levels and therefore higher cost provision.

12.4. These events in the second half of 2022/23 coupled with price rises at the start of the new financial year (including a 12% increase in the national minimum fostering rates which affects special guardianships as well as foster carers) resulted in the placement cohort at 1st April 2023 forecast to cost £7.4m more in the current year than was budgeted for. The average placement cost per annum for the cohort at 1st April was £60k, £10k higher than the budget and with 10 more places than budgeted for.

12.5. The impact of high-cost placements has continued into the first 3 months of 2023/24 with 3 new expensive residential placements. Those that left care in the period were in lower cost provision. There has also been the cost impact of further placement breakdowns in the first 3 months with, for example, 3 children moving to high-cost residential provision.

12.6. Net growth in placement numbers this year to date is 6, taking the total placements excluding special guardianships to 674 at the end of June. The 674 includes 55 Unaccompanied Asylum-Seeking Children (UASC), one less than at the start of the year. The forecast assumes that net growth for the rest of the year will continue at the same rate, i.e. 24 for the year compared to 10 in the budget.

12.7. Whilst the £7.4m additional cost of the cohort at the start of the year will not change, the other elements of the forecast are clearly sensitive to expectations for the remaining 9 months of the year. For example, whether or not the recent intake of higher cost placements is or is not sustained results in a forecast overspend range of between £9.2m and £10.3m.

12.8. There are currently 149 residential and semi-independent placements which make up 22% of the total placements of 674, but these 22% incur 70% of the placement costs.

12.9. External residential costs are currently averaging £279k p.a. per placement, whilst in-house residential care averages £207k p.a. and semi-independent £125k. All other placements now average £35k p.a. This emphasises the extent to which high-cost placements influence the total placement cost. These expensive placements will be reviewed shortly by an external consultancy to determine whether they match the need of the child. Further work is also being done to assess the current level of contributions from the ICB for those children with mental health needs.

12.10. In addition to the £9.2m overspend from placement costs, a number of other over and under-spend items are expected as outlined below.

12.11. A £0.96m overspend is forecast from the continuing pressure on SEN home to school transport, with taxi journey price inflation the main factor driving up costs with journeys now costing an average of £13.7k p.a. per child. There are also pressures on the home to school taxi budget for children looked after, an increased demand for disabled children's respite service and more demand for legal and translation services for social care. New statutory guidance for local authorities effective from September this year means that the Education Welfare Service can no longer charge schools for the majority of its existing casework which whilst currently traded, will become a Council statutory duty. This will cost an estimated £0.35m, for which no new burdens funding is being provided. These pressures total some £2.7m.

12.12. The overspends are partially offset by underspends of £2m as a result of a number of staffing vacancies across early help (in advance of reviews), in social care (20 agency social workers are being employed to cover vacancies) and in administration which continues to struggle with high staff turnover and difficulties in recruitment.

12.13. The remaining overspend of £9.2m will be funded on a one-off basis this year through the use of the social care and education earmarked reserves. However, clearly there is a significant issue for 2024/25 which will be addressed as part of the forthcoming budget setting process.

12.14. The pressure on the high needs block (HNB) of the dedicated schools grant (DSG) continues. The number of requests for education, health and care (EHC) plans continues at unprecedented levels following the lull during the pandemic. In the calendar year 2022, 788 requests were received with a record in a single month of 100 in December. The number of requests in 2022 was 44% higher than in 2019 the last full year prior to the pandemic. The equivalent national figure is 37%. Numbers of requests in 2023 to May are 40% higher so far than the equivalent period in 2022 with another record of 104 requests received in May 2023.

12.15. The DfE has increased the HNB allocation by £7.5m in 2023/24 to £79m. Forecast expenditure for the HNB in 2023/24 is based on the forecast EHC plans and probable placement type taking into account the current capacity constraints of the system. Overall funded placements are forecast to increase by 8.3% to 3,756, with a significant increase in expensive independent placements (189 compared to 124 in 2022/23) and a further increase in mainstream placements. Inflation has also been included within the budget, generally at 3.4% as per the guidance provided by the Education and Skills Funding Agency (ESFA).

12.16. The high level of independent placements means that forecast HNB expenditure rises to £85.9m, 12.8% more than in 2022/23, resulting in a forecast in-year deficit of £6.9m. This would take the cumulative DSG deficit to £12.9m at the end of 2023/24.

12.17. The Council is in the process of completing a deficit recovery management plan which will incorporate the most recent forecast of EHC plan numbers up to 2029/30. The deficit recovery management plan will be presented to Schools' Forum at its next meeting in September.

12.18. The DfE will continue to use the Safety Valve programme to intervene with those councils which have the highest DSG deficits; the Delivering Better Value in SEND is another programme for those with lower deficits and is delivered by Newton Consulting. Leicester is not yet part of either of these programmes.

12.19. In March 2023, the DfE released the SEND and AP (Alternative Provision) improvement plan. This followed on from the SEN green paper but there was little additional information in the improvement plan with regards to making the system financially sustainable and no new announcements on revenue funding. The main issue remains the continued annual increase in net EHC plans as outlined above. The current level and continued increase in demand is unsustainable. Further expansion of in-house provision is limited and our recent application for an additional special free school was surprisingly not approved by the DfE. This means further reliance on independent provider placements is required in the short term which are significantly more expensive. These issues and our approach to reducing demand for high-cost placements through further inclusivity in the mainstream schools system and early intervention will form the basis of our discussions about the deficit management recovery plan with the DfE.

<u>Public Health and Sports Services</u>

13. Public Health

13.1. Public Health is forecasting to spend £22.2m, after the use of £1.3m of reserves. The remaining forecast overspend of £0.5m is offset by additional grant income, shown on the separate budget line for Public Health Grant in Appendix A. This is due to the impact of the (belated) 2022/23 NHS pay award on externally contracted services.

13.2. The 2023/24 NHS pay settlement affecting external public health contracts has been finalised at 5%. This will be funded by the ICB as a one-off in 2023/24, so has no net impact on costs this year. The on-going cost will be funded by a permanent additional allocation to the main public health grant, which will be addressed when setting the 2024/25 budget.

14. Sports Services

14.1. Sports Services are forecasting an underspend of £0.3m reducing the net cost to the Council to £2.3m.

14.2. Income from leisure centres is forecast to be £0.5m more than the budget of £6.6m. The service implemented a fee increase of 12% from May this year and now has 12,000 health and fitness members, a target which was reached ahead of schedule. The refurbishments completed in January 2023 at Spence Street and Braunstone have contributed to reaching this target with Braunstone in particular increasing its members by 1,000, a 33% increase.

14.3. There are currently around 8,000 learn to swim members and whist there is further demand, growth is being constrained because of continued difficulties in recruiting and retaining swim instructors.

14.4. To resource the additional activity, more staffing is required, including health and fitness instructors at Evington. Together with continued price pressure on consumables including chemical water treatments, this results in unbudgeted costs of £0.2m which partially offset the extra income.

<u>Corporate Items & Reserves</u>

15. Corporate Items

15.1. The corporate budgets cover the Council's capital financing costs, items such as audit fees, bank charges, contingencies and levies. This budget is currently forecasting an underspend of £1.8m.

15.2. The local government employers have made a pay offer of a flat rate of £1,925 per FTE on all pay points, from 1 April 2023. The initial modelling estimates that this will cost approximately £11.2m, some £2.2m more than budgeted. The pay award has not yet been accepted, and this figure will increase if a higher settlement is reached. The budget for pay awards is held centrally until finalised.

15.3. This overspend has been offset by a forecast saving of £3m in energy costs. Provision for additional energy costs was made centrally in the approved budget.

15.4. There are further underspends of £1.0m, mainly from additional recharges to the HRA and business rates revaluations.

15.5. A corporate contingency of £3.6m remains in the budget for unforeseen pressures.

15.6. Capital Financing income is forecast to be on budget: interest rates on investments are higher than forecast, but this is offset by lower cash balances reducing the amount of interest receivable. The situation around investment returns remains volatile and will continue to be monitored.

APPENDIX C

Savings Identified

1.1 As members are aware, the funding outlook for 2024/25 and beyond is bleak. Directors continue to identify and make savings during the course of 2023/24, which help reduce the scale of expected future deficits. Savings have already been reported in the 2022/23 monitoring reports. and in the 2023/24 budget report it was noted the Council need to continue to find savings in future budgets, to manage the impact of government funding settlements which are expected to be inadequate.

1.2 Where savings are made as part of a service review, decisions will be taken in the normal manner through a decision report. Where savings are incidental or can be made through management action, it is proposed to continue our previous practice of seeking approval to budget adjustments through routine budget monitoring reports.

1.3 Approval is sought to make the following budget adjustments:

	2023/24	2024/25	2025/26
	£000's	*£000's*	*£000's*
City Development and Neighbourhood savings			
Efficiency savings in building management	86	439	439
Management Savings in Regulatory Services and additional income	100	200	200
Review of running costs and charges for services across landscape services and parks & grounds maintenance	-	156	156
Cost savings and new income in cycling/walking promotion service	40	106	106
Efficiency savings within Fleet and Passenger Transport Services	126	206	206
Total City Development & Neighbourhood savings	**352**	**1,107**	**1,107**
Corporate resources & Support savings			
Efficiency savings resulting from staffing reviews	128	463	648
Additional income from expanding car leasing framework to other authorities	-	20	20
Total Corporate resources & Support savings	**128**	**483**	**668**
TOTAL PROPOSED SAVINGS	**480**	**1,590**	**1,775**