

## 2.0 REVENUE BUDGET 2023/24

### 2.1 BACKGROUND AND SUMMARY

- 2.1.1 This is the first quarterly financial report for the new Council. Significant work has been undertaken in order to reach a consolidated budget in merging eight into one but, as a result, it is inevitable that this year will see more variations than would normally be expected. A new set of restructured services with new management / budget managers will identify different opportunities and priorities and the quarterly reporting regime will be essential to ensure good monitoring.
- 2.1.2 This section of the report presents details of the Council's forecast revenue outturn for the 2023/24 financial year. The 2023/24 net budget is £559,629k. However, it should be noted that the 2023/24 Budget is an in-year deficit budget of £30,350k. This was due to the essential work to bring the eight councils together and the use of Reserves to bridge the financial gap was to be seen as "a valuable investment that delivers lasting, sensible and deliverable savings proposals. These proposals can be brought forward at any time but the Budget report for 2024/25 will be a key acid-test of this approach" (section 25 statement – 22 February 2023). The 2023/24 position therefore needs to be seen in the light of this recurring deficit.
- 2.1.3 As a reminder, the current cumulative deficit stands at £30,350k but this increases to £45,331k by the end of 2025/26 based on the MTFS report that was approved by members in February 2023.

	23/24	24/25	25/26
In-year shortfall	12,446	-1,245	16,226
Cumulative Shortfall	30,350	29,105	45,331
Cumulative use of reserves	30,350	59,455	104,786

- 2.1.4 At the end of Q1, the council is reporting a projected underspend of £5,199k (0.9%) against operational budgets. (Please note that this equates to a £25.2M structural in-year deficit given the issues raised in para 2.1.2 above). Further detail is provided in **section 2.2**.

### 2.2 OPERATIONAL BUDGETS

- 2.2.1 The most significant factor for the changes in quarter 1 is lower energy costs compared with the assumptions included within the budget when it was approved in February 2023 (achieved through international price changes and a positive outcome on contract switching). Other major areas of variance include overspends within two of the largest directorates, Health and Adult Services and Children and Young Peoples Services as well as a predicted significant shortfall on income within Planning. These in turn are largely offset by underspends elsewhere including staff vacancy savings.
- 2.2.2 The following table identifies the operational budgets for each of the Directorates in 2023/24 to give an overall view for the new North Yorkshire Council.

Directorate	Budget (£k)	Draft Outturn (£k)	Variance (£k)
Health and Adult Services (HAS) Gross	222,181	230,953	8,771
Other Grant Funding	-	(8,239)	(8,239)
<b>HAS Net</b>	<b>222,181</b>	<b>222,714</b>	<b>+532</b>
Children and Young People Services (CYPS) Gross	104,352	105,081	+729
LA Provision for High Needs*	2,500	2,500	0
<b>CYPS Net</b>	<b>106,852</b>	<b>107,851</b>	<b>+729</b>
<b>Community Development Directorate</b>	<b>29,132</b>	<b>30,116</b>	<b>+984</b>
<b>Environment Directorate</b>	<b>109,750</b>	<b>104,300</b>	<b>-5,450</b>
<b>Resources, Central Services and Corporate Miscellaneous</b>	<b>91,714</b>	<b>89,719</b>	<b>-1,995</b>
<b>Total</b>	<b>559,629</b>	<b>554,430</b>	<b>(5,199)</b>

\*Provision established to ensure an equal and opposite mirror reserve to the High Needs Deficit as under temporary funding regulations LA budget cannot be used to fund Dedicated Schools Grant Deficits.

2.2.3 A summary of the overall **Health and Adult Services (HAS)** position across public health and adult social care (ASC) is outlined in **Appendix B** and shows a forecast overspend against budget of £0.5m for the 2023/24 financial year.

2.2.4 The outturn position demonstrates that pressures in ASC are continuing to have an impact on the directorate. This can be seen within **Care and Support** in particular, which is showing an increased forecast spend of £20.7m since the 2022/23 outturn position. This was largely covered by inflation and additional growth in the budget set by the Council in February. The pressures are a result of the following:

#### **Market Pressures**

- Increasing average costs - average costs will increase due to the implementation of the new Approved Provider Lists which will continue as more packages of care move on to these new higher rates. As mentioned above, this was provided for in the budget. In particular, the average cost for 18 - 64 year olds has increased by £314 per week since last year. This alone could equate to an additional gross cost of £6.8m per year.
- Individual placements which, as a result of the care required and/or supply issues in the market can be **very high cost**, particularly around younger adults with multiple disabilities and older people with complex dementia. The current 20 most expensive placements show an average gross annual cost of £290k per year each – or £5.8m in total. As part of the Directorate's Transformation plans, work

is being undertaken to reduce costs while continuing to provide appropriate care for people. This includes regular monitoring to ensure that there are appropriate reviews, that temporary increases do not become permanent, and also that the NHS pays for its share of the costs where this is appropriate.

- Inflationary pressures arising from cost of living and issues in the provider market resulting in an increased number of sustainability requests from care providers, seeking additional support to continue to operate. Since April 2023 we have received 5 sustainability requests from care providers, pre-pandemic we would expect to see four or five per year. These requests, if agreed, amount to additional annual costs of £221k in rate increases and £90k in one off hardship payments. We expect this trend to continue and perhaps accelerate.

### **Hospital Discharge**

- **Increased Discharge Costs** – We continue to see very high levels of hospital discharge activity, with an average of 14.5 per day in Q1. At times however this figure exceeded 20 per day over a 7-day period and compares with an average of 10 per day pre-pandemic. The directorate has received £2.4m in additional discharge funding for 2023/24. Additional funding has also been given to the Integrated Care Board (ICB) and we have been working with them to develop up to 30 schemes to a value of over £6m. The Fund can be used flexibly on the interventions that best enable the discharge of patients from hospital to the most appropriate location for their ongoing care. Funding should prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost within the funding available, including from mental health inpatient settings.

We have increased capacity in the Discharge Hubs – with an additional 10 social care assessors and have retained additional brokers, enhanced brokers and discharge flow posts. This will enable better flow through our Intermediate Care beds, as well as a focus on pathway 1 discharges home. We continue to fund additional Home from Hospital capacity across North Yorkshire Place and Craven and have allocated funds to support the market specifically around winter pressures. Market development work has started with providers.

We anticipate a further £3.685m in 2023/24 paid in September 2023 in one grant instalment as part of the NHS Winter Plan. Work is ongoing with ICB colleagues on how this money will be spent according to the grant conditions. This is not yet reflected in forecasts.

### **Other Pressures and variances**

- There are also pressures within **Care Provider Services** which is forecasting an overspend of £0.9m. This is mainly as a result of staffing pressures within the service, of which approximately £150k is due to **additional Health and Safety measures** put in place in Council's care homes, other staffing demands relating to CQC regulations around acuity of admissions and residents, and also some delays in the achievement of planned savings. The service has received discharge funding to partially offset pressures.

- **Assistant Director/ Cross area budgets**- is showing an overspend of £0.4m mainly due to additional agency costs on Best Interest assessments to support the directorate duties around the Deprivation of Liberty Safeguards.
- **Prevention and Service Development** is showing a forecast underspend of £0.7m, mainly due to contract efficiencies, contingencies, and other additional funding into the service.
- Schemes funded through the **Winter/ASC Plan** are currently showing an underspend of £0.7m. This is as a result of delays in the delivery of projects and delays in recruitment.

### 2.2.5 Public Health

Funded entirely from grant, Public Health is currently forecasting additional planned use of the earmarked reserve of £764k. This is to cover agreed investments and projects while the service reduces cost to match grant.

2.2.6 A summary of the revenue outturn for **Children and Young Peoples Services (CYPS)** is available within **Appendix C** and shows a projected net overspend position of £729k for 2023/24. The main variances of the forecast compared to budget are:

- **Children and Families**
  - **Operational Delivery** – the service has a predicted overspend of £937k. The cost of transporting looked after children is predicted to be higher than anticipated at £370k. Staffing vacancies have continued in parts of the service but are considerably reduced this year and the savings here have been offset by staffing pressures around the in-house residential care at Dovedale and Stephney Road.
  - **Child Placement** – the predicted overall outturn for the area is below budget (£297k), an increase in demand for placements has been offset by increased income from central government associated with support for Unaccompanied Asylum-Seeking Children.
- **Inclusion** – the financial pressure within the service is predicted to be £643k, taking the service to a 17% projected overspend for the year. The projected overspend for inclusion includes an additional £800k growth that was added to the 2023/24 Budget, without which the overspend would have been £1,443k. The main driver continues to be the demand for occupational therapy equipment which is projected to be £300k over budget. The other principal reason relates to the cost of directed remediation payments to parents of children following complaints around assessments (£130k). There is also continued pressure around the availability of Educational Psychologists to support with the increased demand of assessments for Education Health and Care Plans (EHCPs).
- Whilst **Disabled Children's Services** and **Pooled Budgets** are both forecasting underspends (£49k and £297k respectively), it is worth noting that both of these services received temporary funding as part of the 2023/24 budget setting process (£3,500k) and whilst this is containing the pressures for 2023/24 this will result in an increased savings requirement if savings in these areas are not delivered over the next two years.

## 2.2.7 High Needs Block Funding (HN)

- As previously reported, the unprecedented demand within the High Needs Block has continued throughout the system with pressures in SEN Assessments, Educational Psychology and SEN Transport.
- Within the High Needs block of the Dedicated Schools Grant (DSG), insufficient funding from DfE continues to place pressure on the LA and schools to be able to meet demand. The overspend on the High Needs Block for the year is estimated to be just over £3m for the financial year 2023/24. If confirmed, this will increase the accumulated deficit to £13m. The medium-term outlook continues to show demand increases and inflationary pressures outstripping likely funding increases which will potentially significantly increase the accumulated deficit position.
- Although the local authority is prohibited from using LA funds to meet the cost of the deficit, an equal and opposite reserve has been established as a prudent and responsible financial management approach. This is, however, not a sustainable position particularly in light of other council financial pressures.

2.2.8 **Appendix D** includes details of the projected variance within the **Environment Directorate** and includes a net forecast underspend of £5,450k for 2023/24. Areas of significant variance are;

**Concessionary Fares** – Passenger numbers continue to remain lower than budgeted resulting in lower costs for concessionary tickets driving an expected underspend of (£873k).

**Waste Management** – The forecast underspend of (£1,212k) is due to the additional tonnages of commercial waste disposed under the current waste contract at Allerton Waste Recovery Plant resulting in expected increased income of (£825k), fuel prices have reduced against budget (£145k), staffing vacancies resulting in a saving of (£124k) and increases of contract prices for disposal of waste were lower than expected providing a forecast underspend of (£96k).

**Parking Services** – A forecast underspend of (£149k) is due to additional expected income. This position will be better understood at Q2 and beyond as the impact of seasonal parking becomes clearer.

The overall **Highways & Transportation services** underspend is (£3,176k). Areas of significant variation are;

- **Street Lighting** – Energy prices were expected to increase significantly during 2023/24 and the budget was increased accordingly, however, new contractual prices were agreed at much lower rates, resulting in an expected underspend of £3,927k for the year.
- **Highways Maintenance** – Deterioration of the network has resulted in additional maintenance works and an expected overspend of £1,030k. However, the service continues to explore alternative methods to carry out maintenance works, including the spray injection patching programme, which is expected to reduce the number of repeated defects on the network and provides a more cost-effective method for an increased number of repairs to be carried out using a quicker process than traditional methods.

It is expected that additional grass cutting across the county based on severity of growth could result in a pressure of up to £130k.

- **Winter Maintenance** – Additional contractual costs associated with the disposal of winter gritters is forecast to cost £363k.
- **Highways Fees and Charges** - £260k underspend because of additional income from Streetworks licensing/permitting and fixed penalty notices.
- **Staffing** – Temporary vacancies forecast to be £354k across highways teams contribute to offset other areas of overspend within the highways service.
- **Registrars** – (£182k) underspend due to additional income from increased demand for ceremonies and registration certificates.
- **Coroners** – Increasing coroners' salaries which are set by the chief coroner are not covered by the current budget. This, along with additional costs for post mortems and forensic testing, are resulting in a forecast overspend of £314k.

Further areas with expected in year vacancies contributing to the directorate underspend are **Harbour Services** (£50k), **Regulation Services** (£130k) and **Licensing Services** (£60k).

2.2.9 A summary of the revenue outturn for the **Community Development Directorate** is available within **Appendix E** and shows a projected net overspend position of £984k for the 2023/24 financial year. The main variances of the forecast compared to budget are:

- **Planning** - a reduction in application number across the County has resulted in an income forecast shortfall of £1,314k for the year, with the reduction in application volumes expected to continue throughout the year. The service continues to have recruitment issues which require agency cover. The latter has been accommodated in the budget, but vacancies continue in the service, the forecasts suggest at this stage a saving of circa £420k against budget which helps to partly offset the income shortfall. Work is underway to understand staffing levels in comparison to application volumes and both income and staffing will be monitored closely over the next quarter.
- **Housing (Non HRA)** – the financial pressure within the service is predicted to be £628k, the main driver of which is the costs of accommodation requirements for homelessness where both volume and type of requests is driving the £424k overspend position. A project is underway to look at ways to reduce the costs of this in the future.
- At Q1, **Leisure** is forecasting to deploy the £1m contingency following difficult trading conditions within the Selby area, although it should be noted this was included within the 2023/24 budget. In addition, Leisure is reporting a small shortfall on income following the pool closure at Northallerton (£56k). Patronage levels and impact on income levels should be more apparent at Q2.
- **Other** - there are staff savings across most services in Community Development. There are also higher lettings income than anticipated on the Harrogate Convention Centre (£281k). These are helping to offset a number of areas where income is forecast to fall short of budget including an in year loss of £160k rents on Cinema Block Phase 3 in Northallerton.

2.2.10 **Resources, Central Services and Corporate Miscellaneous** variance details are included within **Appendix F** and shows a forecast net underspend position of £1,995k for 2023/24. Areas of significant variation include:

**Property** - £1,810k underspend on utilities due to a reduction in price against the estimated costs, £440k underspend on staffing due to vacancies. £116k shortfall in income targets due to not achieving inflation increases, £134k overspend as a result of depleted income at Travellers sites not covering costs to manage the premises, £190k overspend due to temporary additional security costs at three sites.

**Customer** – A £214k overspend is forecast in Emergency Duty team staffing. An in-depth review is currently underway focussing on all out of hour services across the council, including the Emergency Duty team.

**Business Support and HR** - £1,478k forecast overspend on staffing, net of additional income, this is partially due to an increased vacancy factor and therefore expected to reduce as the year progresses. £171k underspend on the central venue hire budget and £147k on transport and stationery costs due to reduced demand.

**Legal and Democratic Services** – the service is reporting a total underspend of £284k which is largely driven by current estimated salary underspends.

- 2.2.11 The outturn statement for the County Council's **NYES** traded service is also attached at **Appendix G** for information. These services are mainly provided to schools in the County and the figures reported do not have any further impact on those in the above table because, where relevant, the charges are already incorporated in Directorate forecast budget outturn positions. NYES are projecting a small surplus (£1k).

## 2.3 Housing Revenue Account (HRA)

- 2.3.1 The table below sets out the HRA forecast outturn position for year ending 31 March 2024.

Authority	Budget £k	Forecast Outturn 2023/24 £k	Variance £k
Harrogate	2,046	2,455	408
Richmondshire	128	119	-9
Selby*	0	-112	-112
<b>Total across all councils</b>	<b>2,174</b>	<b>2,462</b>	<b>288</b>

The overall position on the HRA is a forecast overspend against budget of £288k. This is essentially due to an increase in the contribution from HRA revenue to the housing capital programme funding in the year, to fund spending that slipped from 2022/23. However, there was an underspend of £3.8m on this budget in 2022/23 and so there is still a significant underspend across 2022/23 and 2023/24 when taken together.

The forecast increase in expenditure will be met from the HRA working balance, which sat at approximately £22m as at 1 April 2023. This area will be the subject of significant review as part of a wider review of Housing including internal provision through the HRA.

## 2.4 BUDGET/ MTFS SAVINGS TARGETS

- 2.4.1 The 2023/24 revenue budgets include budget savings of £14.7m. As at the end of Q1, some savings are at risk of not being delivered this year including savings that were due to be delivered under legacy authorities, however it should be noted that

the impact of these delays are already incorporated into the forecast outturn position in paragraph 2.2.1.

<b>At Risk/ Cash-funded of Projects</b>		<b>£000's</b>
Current Year	Environment – Waste	350
Prior Year	CYPS – Pension Enhancements	50
Prior Year	HAS – Reablement	250
Prior Year	HAS – Extra Care	540
	<b>TOTAL</b>	<b>1,190</b>

## **2.5 GENERAL WORKING BALANCE**

2.5.1 An update on reserve balances was due to be provided as part of the Q1 Monitoring report, this has been rescheduled to Q2.

## **2.6 INVESTMENT APPROVALS**

2.6.1 To remind Members a fund of £38m was created in order to provide for the costs of implementing Local Government Reorganisation (LGR) and the subsequent Transformation Programme. To date £16,955k has been committed and the detail was set out in the Q4 report for 2022/23 with no further allocations having been made since. A new funding request and an approach for authorisation of future funding requests are now submitted for approval in the remainder of this section.

2.6.2 The preparation of a new Local Plan for the whole of North Yorkshire is now required and involves pulling together multiple workstreams across Council services. Discussions are underway with several services including Highways to fully understand the technical evidence required to support a new plan and the resource implications involved. Benchmarking is also underway to understand any cost efficiencies of pulling together evidence for seven former District Authorities. A full report on budgets will be pulled together which addresses the resource and staffing implications for developing a Local Plan over the next five years. However, to make progress on the local plan it is crucial that a budget is set aside for Year 1 (2023/24) so that several key technical evidence can be commissioned, this will include:

- consultation software
- engagement software
- initial transport scoping work
- Habitats Regulations and Sustainability Appraisal scoping
- Strategic Flood Risk Assessment
- Renewable Energy Capacity Study
- Housing and Economic Development Needs Assessment
- Site of Importance for Nature Conservation reviews



- Neighbourhood Plan support

2.6.3 A preliminary budget of £400k is therefore requested from the LGR Reserve to progress work on the North Yorkshire Local Plan in the first year (2023/24). There will be further reports to the Executive on this area but to progress the initial work it is recommended that £400k is delegated to the Corporate Director Community Development in consultation with the Executive Member for Open to Business.

2.6.4 The Council is now in a phase of converging services while beginning transformation of certain areas, all of which are essential for effective service delivery and / or to bring forward savings proposals to meet the challenges of the Medium Term Financial Strategy (MTFS). The pace of this work is now such that there is a need for a more flexible and responsive approvals process for requests for funding from the LGR Reserve whilst still ensuring accountability and transparency. It is therefore proposed that authority is delegated to the Corporate Director, Resources in consultation with the Chief Executive, Leader and Deputy Leader / Executive Member for Finance to implement a scheme for requests for funding from the LGR Reserve that total less than £1m with any proposals in excess of that requiring prior approval of the Executive. Having determined an appropriate scheme this will be reported back to the Executive in the Q2 report alongside any allocations that have been made in the period. It is envisaged that the scheme would feature recognition of: -

- Deminimus requests
- Urgent issues that were not foreseeable
- Some practical operational “must-haves”
- Not less than weekly updates to the Executive Member for Finance on any approvals with the intention that as many as possible are consulted in advance
- Any areas perceived as sensitive or contentious are brought formally to the Executive.

## 2.7 GRANT APPROVALS

2.7.1 The current finance procedure rules require grants over £1m to be approved by the Executive. As currently written, this includes all grants including mainstream recurring government grants, grants linked to government compensation for business rates reliefs, passported school grants etc.

2.7.2 It is recommended that, to comply with the current rules, the comprehensive list of grants over £1m, as listed in **Appendix I**, are approved. It is then proposed that the finance rules are reviewed to clarify the process and ensure the appropriate focus can be given to those grants with an element of ‘choice’ (e.g. grants subject to a bidding process) and/or which entail a greater degree of risk of unfunded commitments. Any such recommended changes to the rules would require approval by full council having been assessed by the Constitution Members Working Group.

## **2.8 RECOMMENDATION**

That the Executive

- (i) notes the forecast outturn position against the 2023/24 Revenue Budget, as summarised in **paragraph 2.2.2**.
- (ii) notes the forecast outturn position for the Housing Revenue Account as set out in **paragraph 2.3.1**.
- (iii) approves a preliminary allocation of £400k from the LGR Reserve to progress work on the North Yorkshire Local Plan in the first year (2023/24) and that the funding is delegated to the Corporate Director Community Development in consultation with the Executive Member for Open to Business as set out in **paragraphs 2.6.2 to 2.6.3**.
- (iv) authorises the Corporate Director, Resources in consultation with the Chief Executive, Leader and Deputy Leader / Executive Member for Finance to implement a scheme for requests for funding from the LGR Reserve that total less than £1m with any proposals in excess of that requiring prior approval of the Executive as set out in **paragraph 2.6.4**.
- (v) approves the acceptance of the grants as set out in **Appendix I** as described in **paragraphs 2.7.1 to 2.7.2**

## REVENUE BUDGET APPENDICES

A	2023/24 Latest NYC Revenue Budgets
B	Health and Adult Services
C	Children and Young Peoples' Service
D	Environment Directorate
E	Community Development Directorate
F	Resources, Central Services and Corporate Miscellaneous
G	North Yorkshire Education Services (NYES)
H	Housing Revenue Account
I	Grant List

## 2023-24 REVISED ESTIMATE REVENUE BUDGETS AT 30 JUNE 2023

	Original Budgets agreed by Cty Cncl on 22nd Feb 23 £000s	Other agreed transfers and adjustments £000s	Latest Revised Budgets £000s
Children & Young Peoples' Services	107,381	(529)	106,852
Environmental Services	100,671	9,079	109,750
Health & Adult Services	230,921	(8,740)	222,181
Resources, Central Services & Corporate M	150,005	(58,291)	91,714
Community Development	46,476	(17,344)	29,132
<b>NYES</b>	-	-	-
<b>Total Directorate Spending</b>	635,454	(75,826)	559,629
<b>Contribution From (-) General Working Bala</b>	(12,446)	-	(12,446)
<b>Net Revenue Budget</b>	<b>623,008</b>	<b>(75,826)</b>	<b>547,183</b>
NNDR	119,453		119,453
Council Tax Revenue	427,730		427,730
<b>=Net Budget Requirement</b>	<b>547,183</b>	-	<b>547,183</b>

**HEALTH AND ADULT SERVICES**  
**Appendix B**

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	REVISED BUDGET 2023-24 £000	FORECAST OUTTURN 2023-24 £000	VARIANCE (-) = saving £000	COMMENTS
<b>Care &amp; Support - Area Budgets</b>				
Care & Support - Hambleton & Richmond	26,849	28,333	1,484	The forecast outturn position for Care and Support shows continued pressures impacting the service, particularly in the Harrogate area, as a result of increases in average costs and high cost packages of care, increasing hospital discharge costs, inflationary pressures and increasing provider sustainability issues. The overspend has mainly been financed by growth funding and other additional funding (see below), including from the NHS.
Care & Support - Harrogate	51,643	59,758	8,115	
Care & Support - Craven	17,166	18,842	1,676	
Care & Support - Vale of York	42,785	46,974	4,189	
Care & Support - Scarborough & Whitby	46,148	49,187	3,040	
CHC Income and Other Budgets	-	(2,137)	(2,137)	
Growth Funding	6,969	-	(6,969)	
<b>Area Budgets</b>	<b>191,560</b>	<b>200,958</b>	<b>9,398</b>	
Provider Services & EC/PCAH	20,000	20,863	863	Cost pressures within the service on staffing (including agency costs), some of which is due to additional staffing requirements to increase Health and Safety measures within care home, demands arising from CQC regulations around acuity of admissions/residents, and delays in the achievement of savings, partially offset by underspends in energy costs, discharge funding and contingencies within the service
Mental Health Services	9,301	8,838	(463)	Underspends within the Mental Health Service, largely as a result of staffing underspends and reduced care costs, partially offset by staffing overspends within the TCP team.
Assistant Director/Cross-area budgets	(12,937)	(12,493)	444	Overspend as a result of additional agency costs for assessments
Prevention & Service Development	10,921	10,204	(717)	Underspends due to contract efficiencies, contingencies and additional funding into the service
Quality	1,120	1,087	(33)	Small staffing underspend
Winter Plan	1,219	552	(667)	Underspend due to delays in spending on specific projects within the winter plan
<b>Area Budgets Total</b>	<b>221,184</b>	<b>230,007</b>	<b>8,824</b>	
<b>Public Health - Spend</b>	24,503	25,267	764	Overspend as a result of planned use of reserves to fund specific schemes
<b>- Income</b>	(24,503)	(25,267)	(764)	
<b>Integration &amp; Engagement</b>	989	894	(96)	Underspend primarily due to staffing vacancies and reductions in activity levels
<b>Resources Unit</b>	(208)	(192)	16	
<b>Director &amp; Cross-Directorate</b>	216	243	28	
<b>TOTAL</b>	<b>222,181</b>	<b>230,953</b>	<b>8,771</b>	
Discharge Funding	-	(2,298)	(2,298)	Discharge funding received by the Council, to be allocated to fund existing discharge costs within the service
Supplementary Adult Social Care Grant Funding (IBCF)	-	(941)	(941)	Use of temporary IBCF grant to fund increasing adult social care pressures
Market Sustainability Funding	-	(5,000)	(5,000)	Market sustainability funding to be allocated to fund increasing fees to external care providers
<b>REVISED TOTAL</b>	<b>222,181</b>	<b>222,714</b>	<b>532</b>	

**CHILDREN & YOUNG PEOPLE'S SERVICES**

Appendix C

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	REVISED BUDGET 2023-24 £000	FORECAST OUTTURN 2023-24 £000	VARIANCE (-) = saving £000	COMMENTS
<b>Local Authority</b>				
<b>Inclusion</b>				
Inclusion	3,733	4,376	643	Spending on Occupational Therapy equipment remains higher than anticipated, generating a financial pressure of c.£300k. Recruitment for Educational Psychologists remains challenging, resulting in an ongoing requirement to use an agency workers, resulting in a financial pressure of £120k. Complaint resolution has also resulted in higher than expected costs.
Alternative Provision	92	92	0	
CYPS Commissioning	1,024	905	(120)	Non-recurring savings resulting from contracted arrangements.
<b>SEND - Special Education Needs &amp; Disabilities</b>				
High Needs Commissioning	2,496	2,496	-	LA provision to mirror anticipated in-year high needs deficits.
Disabled Children's Services	6,947	6,898	(49)	A £1m temporary additional budget allocation for 2023-24 has resulted in a small underspend. However, the underlying financial pressure remains including: - a reduction in financial contributions from Health partners for Continuing Care (£334k). - continued staffing pressure in Children's Resource Centres (£380k) - increases in direct payments partially due to additional demand and partially due to reduced short break availability (£650k), offset in part by lower short breaks costs due to unavailability.
Home to School Transport	41,345	41,424	79	The provisional assessment of costs for Home to School Transport indicate a projected overspend of £426k, offset in part by additional income from Extended Rights to Free Travel grant of £347k. The daily rate is running around 2% higher than the budgeted value.
Children & Families	32,378	33,315	937	£650k pressure on in-house residential staffing costs within children's homes and £370k higher than expected transport costs.
Child Placement	11,236	11,002	(234)	
CYPS Pooled Budgets	4,268	3,970	(297)	
Director's Unit	71	60	(12)	
<b>Education &amp; Skills</b>				
Education & Skills Other	107	110	3	
School Improvement	801	787	(14)	Following changes to the staffing structure during 2023-24, there is an increased focus on delivering core work. Additional £41k de-delegated income received from Special Schools.
Strategic Planning Team	13	14	1	
Music Service	-	23	23	
Outdoor Learning Service	-	(306)	(306)	Outdoor Learning centres are forecasting a combined surplus of c.£200k driven by anticipated additional income. In addition, income arising from the Educational Visits service is projected to be a c.£105k surplus.
<b>Finance &amp; Management Support</b>				
Finance & Management Support	923	957	35	
Early Years Review	18	18	-	
School Redundancies & Employment Related Costs	926	967	41	Higher than anticipated costs for historic pension enhancements driven by inflation increases (£165k). Redundancy costs are expected to be lower than anticipated.
Safeguarding Unit	473	474	1	
<b>LA TOTAL</b>	<b>106,852</b>	<b>107,581</b>	<b>729</b>	
<b>DSG</b>				
<b>Inclusion</b>				
Inclusion	5,088	5,008	(80)	Projected underspend on staffing within Inclusion hubs.
Alternative Provision	1,729	1,824	95	Locality Board expenditure is higher in 2023-24 reflecting the implementation of plans over an academic year.
CYPS Commissioning	70	70	-	
<b>SEND - Special Education Needs &amp; Disabilities</b>				
High Needs Commissioning	60,198	64,137	3,939	A higher number of children and young people assessed as requiring an Education, Health and Care Plan has led to higher anticipated costs of provision.
Children & Families	967	967	-	
CYPS Pooled Budgets	3,835	2,948	(887)	Low availability of places for complex needs have led to lower number of placements with shared education and care.
Director's Unit	207	173	(33)	
<b>Education &amp; Skills</b>				
Education & Skills Other	12	12	-	
School Improvement	1,248	1,248	(0)	
Strategic Planning Team	717	797	80	
Music Service	65	65	-	
Outdoor Learning Service	44	44	-	
<b>Finance &amp; Management Support</b>				
Finance & Management Support	(74,294)	(74,302)	(8)	
School Redundancies & Employment Related Costs	115	115	(0)	
<b>DSG TOTAL</b>	<b>-</b>	<b>3,106</b>	<b>3,106</b>	
DSG Net overspend funded by DSG reserve		(3,106)	(3,106)	
<b>TOTAL</b>	<b>106,852</b>	<b>107,581</b>	<b>729</b>	

**ENVIRONMENT**  
Appendix D

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	START BUDGET 2023-24 £000	FORECAST OUTTURN 2023-24 £000	VARIANCE (-) = saving £000	COMMENTS
Highways and Transportation	42,501	39,325	(3,176)	The underspend position is due to a combination of factors; Energy pricing for street lighting less than budgeted (£3,927k), in-year staffing vacancies across Highways and Transportation teams (£354k), additional income from street works licensing/permits and Fixed Penalty Notices (£260k).  This is partially offset by expected overspends of £1,030k for additional routine maintenance works required as result of road network deterioration, £130k for expected additional grass cutting and £363k contractual costs associated with the disposal of winter gritters.
Parking Services & Street Scene	(4,085)	(4,234)	(149)	The underspend is due to expected additional income from parking services
Environmental Services excl. waste	2,320	2,269	(51)	
Waste Services	51,314	50,102	(1,212)	The underspend is due to the following areas; Additional income due to increased tonnages of commercial waste (£825k), staff vacancies of (£124k), contractual price variances for disposal of waste saving (£96k). Added to this, expected savings on fuel against expected budget prices (£145k).
Integrated Passenger Transport	13,052	12,205	(847)	£873k of the underspend is due to reduced concessionary ticket costs and passenger numbers remaining low following the pandemic.
Licensing Services	(516)	(586)	(70)	
Public Rights of Way	907	935	27	
Harbour Services	(345)	(395)	(50)	
Regulation Services	6,485	6,329	(156)	Underspend due to in year staffing vacancies across regulation services
Bereavement Services	(2,840)	(2,738)	102	Overspend due to reduction in Cremation Income
Registration Services	(438)	(620)	(182)	Underspend due to additional income partially offset by additional ceremonies costs.
Coroners Service	839	1,153	314	Overspend due to increased Coroners salaries (£211k), increased spend on Post mortems and forensic testing (£76k) and £27k pressure in the cost of inquests and use of mortuaries.
Environment Service Management	555	555	-	
<b>TOTAL</b>	<b>109,750</b>	<b>104,300</b>	<b>(5,450)</b>	

**COMMUNITY DEVELOPMENT**

Appendix E

**2023-24 REVENUE BUDGET OUTTURN REPORT**

<b>BUDGET HEAD</b>	<b>START BUDGET 2023-24 £000</b>	<b>FORECAST OUTTURN 2023-24 £000</b>	<b>VARIANCE (-) = saving £000</b>	<b>COMMENTS</b>
Culture, Arts, Libraries, Museums, Archives, Key Venues and Leisure	12,493	12,376	(117)	Improved income performance of £392k from Scarborough area attractions such as Peasholme Park attractions and the Scarborough Spa Bar. £56k income loss from the closure of Northallerton Pool for repairs. Also loss of income and cost of repairs to the Whitby lift (£68k). Higher costs to Royal National Lifeboat Institution (RNLI) for the Whitby, Scarborough and Filey beaches. Staff costs overall £110k higher. £25k loss of income at Falsgrave Community Centre.
Economic Development, Regeneration, Tourism and Skills	5,821	5,595	(227)	Staff savings in the services and increased income on Harrogate Spa Water partly offset by losses of income on Cinema Block Phase 3, Northallerton of £160k and marketing related sales £50k.
Housing (excluding HRA)	6,572	7,101	529	Homelessness services are expected to overspend by £424k, largely driven by accommodation costs which are expected to exceed budget by £382k. Lifeline fee income is expected to fall short of budget by £55k.
Planning	4,890	5,785	895	Planning income forecasts indicate a shortfall of £1,314k due to reducing application volumes. This is partly offset by savings on staff vacancies.
Harrogate Convention Centre	(1,036)	(1,317)	(281)	Improved rental income performance.
Economic Partnership Unit	205	204	(0)	
Community Development Management	187	372	186	Salaries to be offset across the whole service.
<b>TOTAL</b>	<b>29,132</b>	<b>30,116</b>	<b>984</b>	



**RESOURCES DIRECTORATE, CENTRAL SERVICES AND CORPORATE MISCELLANEOUS**

Appendix F

**2023-24 REVENUE BUDGET OUTTURN REPORT**

<b>BUDGET HEAD</b>	<b>REVISED BUDGET 2023-24 £000</b>	<b>FORECAST OUTTURN 2023-24 £000</b>	<b>VARIANCE (-) = saving £000</b>	<b>COMMENTS</b>
<b>Resources</b>				
Technology	24,005	23,822	(183)	One-off underspend relating to Office 365 as a result of procurement efficiencies (£173K) as well as additional external income expected (£152k). Offset by a number of smaller variances.
Transformation	3,784	3,793	9	
Property	29,848	28,054	(1,794)	Predominantly linked to underspend on utilities due to reduction in price estimates (£1,810k), as well as £440k underspend on staffing due to vacancies. Offset by shortfall in income targets due to not achieving inflation increases (£116k), an overspend as a result of income not covering costs at Travellers sites (£134k), and £190k due to temporary additional security costs at 3 sites.
Procurement	2,255	2,205	(50)	
Commercial	548	554	6	
Financial Services	14,478	14,433	(45)	
Customer	5,329	5,557	227	Staffing overspend forecast in the Emergency Duty team (£214k)
Revenue and Benefits	4,493	4,504	11	
<b>Central Services</b>				
<b>Business Support and HR</b>	23,891	25,051	1,160	£1,478k overspend on staffing, net of additional income- partially due to increased vacancy factor and therefore expected to reduce as the year progresses. Underspend on central venue hire budget (£171k) and transport and stationery costs (£147k).
<b>Local Engagement</b>	10,970	11,076	105	Staffing pressures within Strategy and Performance area (£92k).
<b>Legal and Democratic Services</b>	10,925	10,641	(284)	Largely linked to staffing vacancies
<b>Corporate Miscellaneous</b>				
<b>Contingency Budgets</b>	<b>18,243</b>	<b>17,179</b>	<b>(1,064)</b>	A number of contingencies included within the 2023/24 budget report are forecasted to be required as at Q1.
<b>Treasury Management</b>				
Capital Financing Costs	23,743	23,553	(191)	
Dividends & Interest Earned	(25,790)	(25,791)	(0)	
Commercial Investments	(727)	(727)	-	
	<b>(2,774)</b>	<b>(2,965)</b>	<b>(191)</b>	
<b>Corporate Budgets</b>				
Corporate Funds	400	387	(13)	
Other Corporate Budgets	13,925	13,808	(117)	
	<b>14,325</b>	<b>14,195</b>	<b>(130)</b>	
<b>Corporate Funding</b>	<b>(69,427)</b>	<b>(69,201)</b>	<b>225</b>	
<b>Waste Budget Strategy Provision</b>	<b>821</b>	<b>821</b>	<b>-</b>	
<b>Total</b>	<b>91,714</b>	<b>89,719</b>	<b>(1,995)</b>	

**NORTH YORKSHIRE EDUCATION SERVICES  
APPENDIX G**

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	BUDGET Profit(-) / Loss(+)  2023-24 £000	FORECAST Profit (-) / Loss (+) 2023-24 £000	VARIANCE Increase(-) / Decrease (+)  £000	COMMENTS
<b>TRADED SERVICES PROFIT &amp; LOSS SUMMARY</b>				
Cleaning Service	(530)	(526)	4	The underachievement is due to an overspend on the Peripatetic staff.
County Caterers Service	(300)	(259)	41	
Grounds Maintenance Service	-	(23)	(23)	
Health and Safety Service (HandS)	(59)	(59)	0	
Health and Safety Commercial	(78)	(78)	0	
Energy Traded Service	(26)	(26)	(0)	
Maintenance and Servicing Scheme	(120)	(130)	(10)	
<b>Property &amp; Facilities</b>	<b>(1,113)</b>	<b>(1,101)</b>	<b>12</b>	
School Improvement Service	(8)	(8)	0	
LA Clerking Service	-	0	0	
<b>Education &amp; Skills</b>	<b>(8)</b>	<b>(8)</b>	<b>0</b>	
Employment Support Service - Traded	(65)	(59)	6	An increase in staffing costs has meant the current forecast is slightly below target. Work is ongoing to secure new contracts and bring the profit forecast back in line.
Financial Management Services	(134)	(172)	(38)	
Health and Wellbeing Service	(175)	(170)	5	Currently forecasting an underachievement on commissioned income. Work is ongoing to build this up by the year end.
HR Advisory Service	(69)	(56)	13	
Legal Services Traded	(28)	(26)	2	
North Yorkshire Procurement Service	(54)	(54)	-	
Schools ICT Service	(86)	(86)	(0)	
Training and Learning	(14)	(14)	0	
<b>Professional Support Services</b>	<b>(625)</b>	<b>(637)</b>	<b>(12)</b>	
	<b>(1,746)</b>	<b>(1,746)</b>	<b>0</b>	
Central Traded Establishment	829	828	(1)	
North Yorkshire Education Solutions (NYES)	917	917	(0)	
<b>TOTAL</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	

**Housing Revenue Account  
Appendix H**

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	START BUDGET 2023-24 £000	FORECAST OUTTURN 2023-24 £000	VARIANCE (-) = saving £000	COMMENTS
Area C (Harrogate)	2,046	2,455	408	The increase in net expenditure - which would be met by a drawdown from the HRA working balance - is mainly due to the forecast contribution to capital increasing by £388k, because of slippage from 2022/23. Overall the revenue contribution to the Housing capital programme in 2022/23 was £3.8m lower than budgeted, so there are funds carried forward within the HRA working balance to more than cover the forecast increased expenditure in 2023/24. The only other significant increase in spend is £100k for legal fees in respect of disrepair claims; the number of claims is increasing and, whilst many are being successfully defended, there are legal costs associated with this. Offsetting these increases are forecast salary savings totalling £99k, £61k of which is within the in-house maintenance team.
	-	-	-	
	128	119	(9)	Overall, there is a small £9k decrease in net expenditure forecast. £101k of salary vacancies within the building maintenance team are offset by a £76k increase in expected payments to external repairs contractors. Dwellings rental income is forecast to be £21k lower than budgeted, due to Right to Buy sales and voids, whilst garage rental income is forecast to be £8k more than budgeted. Although there are a number of salary and overtime variances, they are minor overall, with a £3k net saving forecast.
Area E (Richmondshire)	-	-	-	
	-	(112)	(112)	The budget setup is slightly different at Selby compared to Harrogate and Richmondshire; a transfer to the Major Repairs Reserve is used as the balancing figure to bring the net budget back to zero. Overall there is a £112k underspend forecast, which will be transferred to the Major Repairs Reserve. The underspend is made up of a number of items, including a forecast £59k reduction in interest payments; £28k saving on Housing IT system charges; £22k reduction in central heating costs; £20k reduction in contingency budget. Offsetting these savings is a forecast reduction in income for internally rechargeable works, due to capacity issues.
Area H (Selby)	-	-	-	
<b>TOTAL</b>	<b>2,174</b>	<b>2,462</b>	<b>288</b>	

Appendix I

Revenue Grant Summary  
Awarding Body

Revenue Grant

23-24 Amount

Revenue Grant	Awarding Body	23-24 Amount	
E-Crime (Environment)	Dept. for Business, Energy & Industrial Strategy	1,130,488	
Public Health	Dept of Health	22,971,763	
Improved Better Care Fund	Dept of Health	17,328,446	
Social Care Grant (SR19, SR20 & SR21)	Dept of Health	33,359,399	
Adult Social Care Discharge Fund	Dept of Health	2,429,421	
Market Sustainability and Improvement Fund	Dept of Health	5,675,265	
Pupil Premium	Dept. for Education	20,957,580	
Strengthening Families Protecting Children	Dept. for Education	2,100,929	
High Needs	Dept. for Education	71,095,938	
Schools	Dept. for Education	416,884,127	
Early Years	Dept. for Education	36,249,343	
Schools Central Services	Dept. for Education	3,406,141	
Holiday Activity Fund	Dept. for Education	1,194,456	
Homelessness Prevention Grant (including top-up grant for Ukraine - £830,715)	Dept. for Levelling Up, Housing & Communities	2,276,600	
Compensation for change in business rates multiplier	Dept. for Levelling Up, Housing & Communities	14,469,749	
Doubling of Small Business Rates Relief	Dept. for Levelling Up, Housing & Communities	13,951,395	
Other Rates Relief	Dept. for Levelling Up, Housing & Communities	19,050,113	
Rural Services Delivery Grant	Dept. for Levelling Up, Housing & Communities	12,342,732	
New Homes Bonus	Dept. for Levelling Up, Housing & Communities	4,332,486	
Services Grant	Dept. for Levelling Up, Housing & Communities	3,434,521	
Supporting Families Programme	Dept. for Levelling Up, Housing & Communities	1,689,800	
Domestic Abuse Statutory Duty	Dept. for Levelling Up, Housing & Communities	1,307,346	
Housing Benefit Administration Subsidy	Dept. for Work and Pensions	1,267,311	
Housing Benefit Rent Rebates	Dept. for Work and Pensions	11,807,604	Estimate
Housing Benefit Rent Allowances	Dept. for Work and Pensions	63,948,420	Estimate
Household Support Fund	Dept. for Work and Pensions	7,075,100	