

## 2.0 REVENUE BUDGET 2023/24

### 2.1 BACKGROUND AND SUMMARY

- 2.1.1 This is the second quarterly financial report for the new Council. While confidence grows about the robustness of the budget, it remains likely that there will be other significant changes and issues as the year progresses. Quarter 2 sees further financial pressures in the people-related services where demand is growing in some cases but unit costs / prices are consistently increasing due to complexity and / or market price pressures.
- 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 Q2, the council is reporting a projected underspend of £3,129k (0.6%) against operational budgets, which is circa £2m less than Q1. (Please note that this equates to a £27.2M 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 Since Q1, we have seen a deteriorating position in most directorates which is partially offset by an updated position on utility forecasts.
- 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)	Q1 Variance (£k)
Health and Adult Services (HAS) Gross	222,644	235,953	+13,309	+8,771
Other Grant Funding	-	(11,088)	(11,088)	(8,239)
<b>HAS Net</b>	<b>222,644</b>	<b>224,865</b>	<b>+2,222</b>	<b>+532</b>
Children and Young People Services (CYPS) Gross	104,347	106,090	+1,743	+729
LA Provision for High Needs*	2,500	2,500	0	0
<b>CYPS Net</b>	<b>106,847</b>	<b>108,590</b>	<b>+1,743</b>	<b>+729</b>
<b>Community Development Directorate</b>	<b>31,325</b>	<b>32,594</b>	<b>+1,269</b>	<b>+984</b>
<b>Environment Directorate</b>	<b>110,225</b>	<b>106,377</b>	<b>(3,849)</b>	<b>(5,450)</b>
<b>Resources, Central Services and Corporate Miscellaneous</b>	<b>88,588</b>	<b>84,074</b>	<b>(4,514)</b>	<b>(1,995)</b>
<b>Total</b>	<b>559,629</b>	<b>556,500</b>	<b>(3,129)</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 £2.2m for the 2023/24 financial year, an increase of £1.7m in the quarter. The directorate has also received additional one-off Market Sustainability and Improvement Workforce Funding of £3.7m in the quarter, of which £2.9m is supporting the increased costs. This has been reflected in the Q2 position.

2.2.4 The outturn position demonstrates that increased pressures in ASC are continuing to impact the directorate. This can be seen within **Care and Support** in particular which is showing a £5.3m increase in projected annual spend since Q1 (taking total projected overspend to £14,718k).

- The impact of the implementation of the new Approved Provider Lists (APL) is continuing to cause budget pressures within the service. The new rates charged by providers are generally higher than before and while those new rates only apply to new placements or packages of care, the numbers are showing a more rapid conversion to them than expected. Work is therefore being undertaken to understand this pattern and to ensure that rates are being correctly applied.
- We are continuing to see increasing high-cost packages of care and average costs are continuing to increase each quarter. For example, 27 new high cost residential and nursing packages have been identified in the quarter, increasing gross costs by around £2.9m. Containing such costs is one of the Directorate's

key financial priorities over the next few years, as well as ensuring that we receive the right level of NHS funding when care costs cover both health and social care needs and we have incorporated our assumptions about Continuing Health Care (CHC) income. Work is already underway with a new CHC team to ensure consistency of practice and approach and that all eligibility of funding is achieved; this will be followed up with a Deep Dive into CHC practice in December.

- **Increased Discharge Costs.** We continue to see very high levels of hospital discharge activity, with an average of 14.3 per day in Q2. This is a small improvement since Q1 but we note that activity in September averaged 15.4 per day. On some days (one in four), there were over 20 discharges. The critical factor continues to be localised surges in the number of discharges, which can quickly use up available domiciliary care capacity necessitating use of short-term care beds instead.

2.2.5 The headline figures mask some areas of progress. For example, another key priority for the service is to manage down the number, length, and therefore cost of, **short-term placements**. Work has already started on this, and we are estimating a reduction in-year of around £0.8m as other types of support are implemented. We expect this trend to grow and costs to reduce more in future years.

We are also seeing a significant reduction in one-off **support to providers**. While inflationary pressures arising from cost of living and recruitment issues in the provider market remain, the number of requests in the quarter for such support have decreased considerably in the past twelve months. Those approved in quarter have resulted in additional annual costs of around £0.2m. This compares with a figure of £1.8m this time last year.

Pressures within **Care Provider Services** which is forecasting an overspend of £0.3m – but the annual forecast has reduced by £0.5m since Q1, largely because of an increase in forecasted income and a reduction in staffing costs. The overall overspend is mainly as a result of delays in the achievement of planned savings and other staffing pressures within the service, of which approximately (£207k) is due to additional Health and Safety measures put in place in Council's care homes.

**Prevention and Service Development** is showing a forecast underspend of £1m, due to contract efficiencies, staffing underspends, contingencies and other additional funding into the service. This underspend has increased by £0.3m in quarter, mainly as a result additional staffing vacancies within the service.

2.2.6 Whilst the following areas remain stable between quarters, they continue to cause variances to budget:

- **Assistant Director/ Cross area budgets-** is showing an overspend of £0.5m mainly as a result of additional staffing pressures and agency costs due to increased assessments. Again, work is being undertaken to propose ways of bringing the budget back into line. Some of the additional grant of £3.7m mentioned previously will be used to clear waiting lists.
- **Public Health** is currently forecasting additional planned use of the earmarked reserve of £647k. This is to cover agreed investments and projects while the service reduces cost to match grant. This reserve requirement has reduced by £0.1m in the quarter due to a reduction in activity levels.

- Schemes funded through the **Winter/ASC Plan** are currently showing an underspend of £0.7m. This is largely as a result of delays in the delivery of projects.

2.2.7 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 £1.7m for the 2023/24 financial year. The main variances of the forecast compared to Q1 are:

- **Children and Families** -The service predicted outturn has increased by £240k to a projected overspend of £1.2m. The cost of transporting looked after children is predicted to be higher than anticipated by £445k. Very limited staffing vacancies this year are not offsetting the staffing pressures around the in-house residential care at Dovedale and Stepney Road.
- **Pooled External Placement Budget** –Since Q1 there has been a small number of additional young people requiring emergency care, necessitating the use of agency care workers to meet their care requirements, reducing the anticipated underspend on this budget by £290k.
- **Inclusion** – the financial pressure within the service is predicted to be £1.3m, an increase of £600k from Q1, taking the service to a 34% projected overspend for the year. The main driver continues to be the demand for occupational therapy equipment which is now projected to be £380k over budget. The other principal reason relates to both the demand and the cost of assessments of children for Education Health and Care Plans (EHCPs), the continued pressure around the availability of Educational Psychologists has resulted in the need to use an outside agency to meet our statutory obligations, resulting in an anticipated budget pressure of £600k.
- **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 c.£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 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.

2.2.8 **Appendix D** includes details of the projected variance within the **Environment Directorate** and includes a net forecast underspend of £3,849k for 2023/24, a decrease of £1,601k from the Q1 forecast. Areas of significant variance are;

- **Fleet** – £220k identified in the cost for improvement of fleet workshops and additional equipment requirements.

- **Waste Management** – At Q1 the forecast underspend was (£1,212k) - a decrease in underspending of £704k compared to Q2. This has arisen due to additional costs associated with green waste disposal £161k caused by increased composting tonnage, both at the HWRCs and from the locality collections driven by a wet Autumn, as well as additional transport costs associated with residual waste disposal (£187k). The additional transport costs are due to higher street sweeping tonnages than forecast, higher inert tonnages at the HWRCs coupled with some areas have higher residual waste than previously forecast.
- The overall **Highways & Transportation services** underspend is (£3,328k), a decrease in the underspend of £151k from Q1. Areas of significant variation at Q2 are:
  - **Street Lighting** – New contractual energy prices were agreed at much lower rates and at Q2, the latest estimate is that there is a saving of £4,327k.
  - Expected expenditure of £104k has been included this quarter for costs associated with Storm Babet.
  - **Winter Maintenance** – The additional contractual costs associated with the disposal of winter gritters has reduced from £363k at Q1 to £160k at Q2.
  - **Highways Fees and Charges** – the level of additional income expected from Streetworks licensing/permitting and fixed penalty notices has reduced from £260k to £106k this quarter.
  - **Staffing** – within the highways service, staffing continues to be underspent due to a hold on recruitment (£291k) compared to (£354k) at Q1.
- **Public Rights of Way** – This quarter there has been an increase of £213k. This is due to remedial works on bridges and the requirement to carry out surface improvement works.
- **Regulatory Services** – At Q1 there was a forecast underspend of (£156k). At Q2 there is now a total forecast overspend of £202k. This is due to additional costs associated with Air Quality and Noise Monitoring £80k. Staffing costs are expected to be overspent by £100k which is a change from the expected underspend of (£156k) at Q1 as further analysis work has been carried out in this area.

2.2.9 The following areas that were highlighted at Q1 continue to contribute to the variance;

- **Waste** income relating to commercial tonnage disposed at Allerton Waste Recovery Park underspend of £852k.
- **Concessionary Fares** underspend of £704k.
- **Parking** underspend of £100k.
- **Registrars** underspend of £236k.
- **Coroners** overspend of £269k.
- **Highways Maintenance** overspend of £960k.

2.2.10 A summary of the revenue outturn for the **Community Development Directorate** is available within **Appendix E** and shows a projected net overspend position of £1,269k for the 2023/24 financial year. The main variances of the forecast compared to budget are:

- **Planning** – following on from Q1 there continues to be a reduction in forecasted income for applications across the County, the latest estimate is a

shortfall of £1,528k for the year. It is also expected that the reduced application volumes will continue throughout the year. There has been an increase in some of the other income areas, such as Building Control, Street naming and some additional government support for Land Charges work, forecasting £239k above budgeted levels. The service is currently forecasting a £629k net saving on staffing costs, this being through vacancies and reduced agency usage. Work is continuing to understand staffing levels in comparison to application volumes and both income and staffing will be monitored closely over the next quarter.

- **Economic Development** – The Services are predicting a £562k saving on staffing/vacancies. However, they are forecasting a shortfall in anticipated income streams of £354k. This is relating to the loss of income (£160k) for the Cinema block and Leeming Food Centre tenant vacating (£94k), plus Harrogate Marketing income (£50k) and other small reductions (£50k). This shortfall is being partially offset by increased expected income from Harrogate Spa Water and Hambleton Evolution Business Centre, £44k and £20k respectfully.
- **Housing (Non HRA)** – the financial pressure within the service is predicted to be £697k, of which £640k relates to the increasing cost and demand of emergency Bed and Breakfast accommodation within the homelessness service. A project is underway to look at ways to reduce the costs of this in the future.
- At Q2, **Leisure, Culture and Archives** is forecasting an underspend of £145k. This is primarily due to the settlement of a legacy VAT claim from legacy authorities resulting in a surplus of £335k.
- **Other** - there are staff savings across most services in Community Development. There are also higher lettings income, net of associated costs, than anticipated on the Harrogate Convention Centre (£232k), although catering income shortfalls (£124k) and increased Business Rate revaluation charges (£40k), are offsetting this.

2.2.11 **Resources, Central Services and Corporate Miscellaneous** variance details are included within **Appendix F** and shows a forecast net underspend position of £4,515k, an increase of £2,520k since Q1. Areas of significant variation include:

**Property** – the movement between Q1 and Q2 is largely driven by revised forecasts on utility spend which has increased the forecast underspend to £4,353k at Q2.

**Waste Strategy Provision** – based on latest information, there is expected to be an underspend of £621k on this provision in 2023/24.

As outlined at Q1, the following areas are continuing to report variances

**Business Support and HR** – continuing to overspend on staffing (£1,514k) which is partially offset by reductions in spend against venue hire (£141k), transport (£120k) and stationery costs (£33k).

**Legal and Democratic Services** – the service is reporting a total underspend of £842k (£282k at Q1) which is largely driven by salary underspends due to a number of vacancies within the team.



2.2.12 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, with further detail in **Appendix H**.

Authority		Budget £k	Forecast Outturn 2023/24 £k	Variance £k	Q1 Variance £k
Harrogate	Expenditure	22,650	22,567	-82	408
	Income	-20,576	-20,629	-53	0
	Movement to/ from HRA working balance	-2,074	-2,074	0	0
Richmondshire	Expenditure	7,255	7,223	-32	-27
	Income	-7,064	-7,040	24	19
	Movement to/from HRA working balance	-191	-191	0	0
Selby	Expenditure	-10,085	10,147	62	-130
	Income	13,741	-13,816	-76	18
	Movement to/from HRA working balance	3,656	3,656	0	0
<b>Total</b>	<b>Expenditure</b>	<b>39,990</b>	<b>39,937</b>	<b>-53</b>	<b>251</b>
	<b>Income</b>	<b>-41,381</b>	<b>-41,485</b>	<b>-104</b>	<b>37</b>
	<b>Movement to/from the HRA working balance</b>	<b>1,391</b>	<b>1,391</b>	<b>0</b>	<b>0</b>

2.3.2 The overall position on the HRA is a forecast underspend against budget of (£157k). Key variances relate to additional £388k contribution to capital, which relates to slippage from 22/23. There is a surplus of (£160k) relating to investment income based on revised rates and (£59k) due to no additional borrowing undertaken. There is a combined saving expected on salaries of (£425k), which is partially offset by £178k overspend on housing repairs as a result of increasing reliance on contractors due to vacancies. Savings targets shortfall of £195k is expected from the implementation of the CX Housing system.

2.3.3 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.

At Risk/ Cash-funding of Projects		£000's
Current Year	Health and Adult Services – E-scheduling	150
Current Year	Health and Adult Services – Background Support	188
Prior Year	CYPS – Pension Enhancements	50
Prior Year	HAS – Reablement	250
Prior Year	HAS – Extra Care	540
	<b>TOTAL</b>	<b>1,178</b>

## 2.5 GENERAL WORKING BALANCE

- 2.5.1 Based on the draft accounts for 2022/23, the aggregated general working balances inherited by North Yorkshire Council is £45,529k. To ensure compliance with the Reserve Policy, which has set General Working Balances at 10% of the net revenue budget, it is recommended that we transfer £10,443k from Strategic Capacity Unallocated to General Working Balances.

## 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 £17,395k has been committed and the detail was set out in the Q4 report for 2022/23 with only one further request made at Q1 which was an initial £400k allocation to the Council Local Plan, no further allocations having been made since.

## 2.7 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 the move of £10,443k from Strategic Capacity Unallocated to General Working Balances as set out in **paragraph 2.5.1**

## 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

## 2023-24 REVISED ESTIMATE REVENUE BUDGETS AT 30 SEPTEMBER 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	(534)	106,847
Environmental Services	100,671	9,554	110,225
Health & Adult Services	230,921	(8,278)	222,644
Resources, Central Services & Corporate M	150,005	(61,417)	88,588
Community Development	46,476	(15,151)	31,325
<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	26,868	29,982	3,114	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- particularly as a result of the implementation of the new approved provider lists and conversion to its higher rates and also a marked increase in the number of very high cost packages of care for complex needs. The Directorate is working to ensure that we receive all NHS funds due for such packages. Although we have seen a decrease in individual provider sustainability requests, the pressures in the market continue to impact on the budget. The overspend has mainly been financed by growth funding and other additional funding (see below), including from the NHS.
Care & Support - Harrogate	51,662	61,594	9,933	
Care & Support - Craven	17,174	18,707	1,533	
Care & Support - Vale of York	42,794	49,693	6,900	
Care & Support - Scarborough & Whitby	46,157	50,309	4,152	
CHC Income and Other Budgets	-	(3,945)	(3,945)	
Growth Funding	6,969	-	(6,969)	
<b>Area Budgets</b>	<b>191,623</b>	<b>206,341</b>	<b>14,718</b>	
Provider Services & EC/PCAH	20,424	20,750	326	Cost pressures within the service on staffing (including agency costs), some of which are due to additional staffing requirements to increase Health and Safety measures within care homes, and delays in the achievement of savings, partially offset by underspends in non-pay, discharge funding and contingencies within the service
Mental Health Services	9,288	8,864	(424)	Underspends within the Mental Health Service, largely as a result of staffing underspends and reduced care costs, partially offset by staffing overspends within the Transforming Care Programme team.
Assistant Director/Cross-area budgets	(12,959)	(12,467)	492	Overspend as a result of staffing pressures and additional agency costs for assessments.
Prevention & Service Development	10,906	9,928	(978)	Underspends due to contract efficiencies, staffing underspends, contingencies and additional funding into the service.
Quality	1,109	1,075	(34)	Small staffing underspend
Winter Plan	1,219	523	(696)	Underspend due to delays in spending on specific projects within the winter plan.
<b>Area Budgets Total</b>	<b>221,610</b>	<b>235,013</b>	<b>13,404</b>	
<b>Public Health - Spend</b>	24,560	25,207	647	Overspend as a result of planned use of reserves to fund specific schemes.
<b>- Income</b>	(24,560)	(25,207)	(647)	
<b>Integration &amp; Engagement</b>	1,022	882	(140)	Underspend primarily due to staffing vacancies and reductions in activity levels.
<b>Resources Unit</b>	(197)	(174)	23	
<b>Director &amp; Cross-Directorate</b>	209	231	22	
<b>TOTAL</b>	<b>222,644</b>	<b>235,953</b>	<b>13,309</b>	
Supplementary Adult Social Care Grant Funding (IBCF)	-	(980)	(980)	Use of temporary IBCF grant to fund increasing adult social care pressures.
Discharge Funding	-	(2,176)	(2,176)	Discharge funding received by the Council, to be allocated to fund existing discharge costs within the service.
Market Sustainability Funding	-	(7,932)	(7,932)	Market sustainability funding and additional one-off workforce funding covering additional costs within Adult Social Care for additional payments to providers.
<b>REVISED TOTAL</b>	<b>222,644</b>	<b>224,865</b>	<b>2,222</b>	

**CHILDREN & YOUNG PEOPLE'S SERVICES**  
Appendix C

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	REVISED BUDGET	FORECAST	VARIANCE (-) = saving £000	COMMENTS
	2023-24 £000	2023-24 £000		
<b>Local Authority</b>				
<b>Inclusion</b>				
Inclusion	3,707	4,982	1,275	Spending on Occupational Therapy equipment remains high, generating a pressure of c.1.350k. Educational Psychologists recruitment is still challenging, resulting in a continued requirement to use an agency, creating pressure (£600k). Staffing pressure from additional temporary roles and some job evaluations (£80k). Expected remuneration following complaints £150k. Hubs only expecting to generate £30k of the £100 income budget.
Alternative Provision	90	87	(3)	
CYPS Commissioning	1,025	870	(156)	Contract rates are still at the pre-high inflation levels, so one-off savings until they reach renewal.
<b>SEND - Special Education Needs &amp; Disabilities</b>				
High Needs Commissioning	2,500	2,500	-	LA provision to mirror anticipated in-year high needs deficits.
Disabled Children's Services	6,953	6,941	(12)	All of the overspends offset by additional £1m temporary budget allocation, pressures include the following: A reduction in financial contributions from Health partners for Continuing Care (£316k). Continued staffing pressure in Childrens Resource Centres (£360k) Increase in direct payments partially due to additional demand and partially due to reduced short break availability (£570k), partially offset by lower short breaks costs (£240k) primarily due to unavailability.
Home to School Transport	41,366	41,332	(34)	Home to Transport variance £313k, offset by additional income from Extended rights to free travel grant of £347k. The mainstream daily rate is running around 3.5% higher than the budgeted value, but the increase in SEN has been slightly below the budgeted growth. The transport for out of school provision is reflecting a £120k pressure driven by higher exclusions. Driven by £750k pressure on inhouse residential staffing costs at Dovedale & Stepney, £450k continued pressure from Taxi costs combined with lower than usual staffing vacancies.
Children & Families	32,339	33,516	1,177	
Child Placement	11,236	11,019	(217)	
CYPS Pooled Budgets	4,268	4,261	(7)	
Director's Unit	77	58	(19)	
<b>Education &amp; Skills</b>				
Education & Skills Other	105	110	5	
School Improvement	801	796	(45)	Changes to staffing structure during 2023-24, vacancies early 2023/24. SEAs mainly focused on delivering core work. Plus additional £41k de-delegated income received from Special Schools.
Strategic Planning Team	53	52	(1)	
Music Service	-	3	3	
Outdoor Learning Service	-	(82)	(82)	Educational Visits projected £138k surplus which is offsetting a slight drop in income for the Outdoor Learning centres.
<b>Finance &amp; Management Support</b>				
Finance & Management Support	794	773	(21)	
Early Years Review	18	-	(18)	
School Redundancies & Employment Related Costs	1,047	930	(117)	Higher than anticipated cost for historic pension enhancements driven by inflation increases (£50k). Redundancy costs for the years expected to only be £125k, but half of these are Schools DSG expense.
Safeguarding Unit	467	482	14	
<b>LA TOTAL</b>	<b>106,847</b>	<b>108,590</b>	<b>1,743</b>	
<b>DSG</b>				
<b>Inclusion</b>				
Inclusion	5,092	4,856	(236)	Predicted underspend on staffing in HUBs
Alternative Provision	1,729	1,836	107	Locality Boards higher spending following lower in past two years.
CYPS Commissioning	70	70	-	
<b>SEND - Special Education Needs &amp; Disabilities</b>				
High Needs Commissioning	60,731	64,797	4,066	Higher number of EHCPs has lead to larger cost of provision
Children & Families	967	967	-	
CYPS Pooled Budgets	3,835	2,889	(945)	Low availability of places for complex needs have lead to lower number of placements with shared education and care.
Director's Unit	207	155	(51)	
<b>Education &amp; Skills</b>				
Education & Skills Other	12	12	-	
School Improvement	1,248	1,069	(180)	Anticipated underspend on Early Years Strategy
Strategic Planning Team	717	753	36	
Music Service	65	65	-	
Outdoor Learning Service	44	44	-	
<b>Finance &amp; Management Support</b>				
Finance & Management Support	(74,831)	(74,823)	8	
School Redundancies & Employment Related Costs	115	171	56	
<b>DSG TOTAL</b>	<b>-</b>	<b>2,862</b>	<b>2,862</b>	
DSG Net overspend funded by DSG reserve		(2,862)	(2,862)	
<b>TOTAL</b>	<b>106,847</b>	<b>108,590</b>	<b>1,743</b>	

**ENVIRONMENT**

Appendix D

**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>
Highways and Transportation	44,286	40,958	(3,328)	The underspend position is due to a combination of factors; energy pricing for street lighting is less than budgeted (£4,327k), in-year staffing vacancies across Highways and Transportation teams (£291k), additional income from street works licensing/permits and Fixed Penalty Notices of (£106k).  This is partially offset by expected overspends of £960k for additional routine maintenance works required as a result of road network deterioration (including spray injection), £160k contractual costs associated with winter gritters and £104k costs associated with Storm Babet.
Parking Services	(9,430)	(9,529)	(100)	Underspend is due to income from parking services exceeding budget.
Environmental Services excl. waste	1,712	1,776	64	
Waste Services	56,008	55,500	(508)	Underspend is primarily due to additional income arising from increased tonnages of commercial waste (£852k). This has been partially offset by additional costs associated with green waste disposal £161k, as well as additional transport costs associated with residual waste disposal £187k.
Integrated Passenger Transport	12,896	12,320	(575)	The underspend is largely due to reduced concessionary ticket costs and passenger numbers remaining low after the pandemic (£869k). Offset by increased maintenance and fleet workshop costs £275k.
Licensing Services	(494)	(458)	36	
Public Rights of Way	907	1,147	240	Overspend due to remedial works on bridges and carrying out surface improvement works.
Harbour Services	(331)	(281)	50	
Regulatory Services	6,237	6,438	202	Overspend is due to additional costs associated with Air Quality and Noise Monitoring (£80k), as well as £100k additional staffing costs.
Bereavement Services	(2,822)	(2,786)	36	
Registration Services	(404)	(639)	(236)	Underspend due to additional income partially offset by additional ceremonies costs
Coroners Service	836	1,105	269	Overspend due to increased Coroners salaries (£167k), increased spend on Post Mortems and forensic testing (£76k) and £27k pressure in use of mortuaries.
Environment Service Management	825	825	-	
<b>TOTAL</b>	<b>110,225</b>	<b>106,377</b>	<b>(3,849)</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	12,613	12,467	(145)	Northallerton Leisure Centre is seeing a £56k loss due to closure of the pool for maintenance. £88k shortfall is also forecast on the Selby IHL contract. This is offset by a VAT refunds plus supplementary interest on leisure of £335k. There are also a number of vacancies throughout the services with a net effect of £79k saving.
	6,532	6,226	(306)	Forecasted income shortfalls of £354k (£160k Hambleton Cinema, £94k Leeming Food Centre, £100k various other). Slightly offset by increased income of £64k (£44k Harrogate Spa, £20k Hambleton Evolution Business Centre). Savings associated with salary/vacancies £562k.
Economic Development, Regeneration, Tourism and Skills	6,571	7,268	697	The overspend on Homelessness has increased to £640k, largely driven by the increased cost and requirement of emergency Bed & Breakfast accommodation.
Housing (excluding HRA)	5,524	6,502	978	£43k overspend on Lifeline services due to low uptake of new contracts.
Planning	(1,038)	(1,096)	(58)	Planning application fee income forecast shortfall of £1.528m. Partially offset by forecasted saving in linked to staffing including reduction of agency spend (£629k).
Harrogate Convention Centre	205	205	(0)	£499k increased lettings income, offset by £267k increased contractor costs associated. Catering income shortfall £124k.
Economic Partnership Unit	919	1,023	103	AD's and HoS Salaries to be offset across the whole service savings.
Community Development Management				
<b>TOTAL</b>	<b>31,325</b>	<b>32,594</b>	<b>1,269</b>	

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

Appendix F

**2023-24 REVENUE BUDGET OUTTURN REPORT**

BUDGET HEAD	REVISED BUDGET 2023-24 £000	BM & AUTO FORECAST 2023-24 £000	ADJUST 2023-24 £000	FORECAST OUTTURN 2023-24 £000	VARIANCE (-) = saving £000	COMMENTS
<b>Resources</b>						
Technology	23,349	23,569	-	23,569	220	
Transformation	5,097	5,499	-	5,499	401	Largely linked to staffing pressure.
Property	29,878	25,552	(28)	25,524	(4,353)	Savings on utilities through a combination of lower consumption and price is the main driver of the favourable variance. Further work since Q1, including confirmation of purchase price, means that this has increased from £1.8m underspend to £4.2m at Q2. On top of this there are staffing savings due to vacancies which are partly offset by an increase in security costs on empty properties.
Procurement	2,390	2,126	-	2,126	(264)	Savings from vacant posts.
Commercial	570	727	-	727	157	Overspend is as a result of the abandoned Better Homes project, which has resulted in some additional one off costs and some staffing costs which was expected to be capitalised in the budget.
Financial Services	14,221	14,221	(0)	14,221	0	
Customer	6,323	6,377	-	6,377	54	
Revenue and Benefits	3,695	4,046	-	4,046	351	Overspend principally arises from pressure on the rent rebate budgets.
<b>Central Services</b>						
<b>Business Support and HR</b>	24,245	25,764	-	25,764	1,520	Staffing overspend (£1,514k), partially offset by a number of savings on centrally managed contracts such as external venue spend (£141k), transport (£120k) and stationery (£33k).
<b>Local Engagement</b>	10,658	10,603	(18)	10,584	(74)	
<b>Legal and Democratic Services</b>	10,906	10,054	10	10,064	(842)	Underspend largely linked to staffing vacancies.
<b>Senior Leadership</b>	3,945	3,455	-	3,455	(490)	
<b>Resources &amp; Central Total</b>	<b>135,277</b>	<b>131,992</b>	<b>(37)</b>	<b>131,955</b>	<b>(3,322)</b>	
<b>Corporate Miscellaneous</b>						
<b>Contingency Budgets</b>	<b>10,119</b>	<b>9,808</b>	<b>20</b>	<b>9,828</b>	<b>(291)</b>	The 2023/24 budget report contained a number of contingency budgets with a small amount of these not being called upon at Q2.
<b>Treasury Management</b>						
Capital Financing Costs	19,914	19,723	-	19,723	(191)	
Dividends & Interest Earned	(22,155)	(22,155)	-	(22,155)	-	
Commercial Investments	(727)	(554)	-	(554)	173	
	<b>(2,968)</b>	<b>(2,986)</b>	<b>-</b>	<b>(2,986)</b>	<b>(18)</b>	
<b>Corporate Budgets</b>						
Corporate Funds	400	387	-	387	(13)	
Other Corporate Budgets	13,203	7,161	5,761	12,922	(281)	
	<b>13,603</b>	<b>7,548</b>	<b>5,761</b>	<b>13,309</b>	<b>(294)</b>	
<b>Corporate Funding</b>	<b>(69,427)</b>	<b>(65,960)</b>	<b>(3,596)</b>	<b>(69,556)</b>	<b>(130)</b>	
<b>Waste Strategy Budget Provision</b>	821	200	-	200	(621)	Based on latest projections, large proportion of the provision is forecast to not be utilised.
<b>Corp Misc Total</b>	<b>(47,852)</b>	<b>(51,390)</b>	<b>2,185</b>	<b>(49,205)</b>	<b>(1,354)</b>	
<b>Total</b>	<b>87,425</b>	<b>80,602</b>	<b>2,148</b>	<b>82,750</b>	<b>(4,675)</b>	
Other Resources Costs	1,163	1,324	-	1,324	161	
	<b>88,588</b>	<b>81,926</b>	<b>2,148</b>	<b>84,074</b>	<b>(4,514)</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	(540)	(551)	(11)	
County Caterers Service	(300)	(280)	20	
Grounds Maintenance Service	-	(57)	(57)	
Arbor Service	-	(18)	(18)	
Health and Safety Service (HandS)	(59)	(18)	42	
Health and Safety Commercial	(78)	(78)	-	
Energy Traded Service	(26)	(23)	3	
Maintenance and Servicing Scheme	(120)	(130)	(10)	
<b>Property &amp; Facilities</b>	<b>(1,123)</b>	<b>(1,154)</b>	<b>(31)</b>	
School Improvement Service	(8)	3	11	
LA Clerking Service	-	85	85	Clerking is projected to incur a £85k loss. The service is currently undergoing a review and restructure bringing governance and clerking together. This prioritises the delivery of clerking services to its existing customer base and ensures effective school governance. A revised management structure will support the service to expand its customer base.
<b>Education &amp; Skills</b>	<b>(8)</b>	<b>88</b>	<b>96</b>	
Employment Support Service - Traded	(65)	(54)	11	
Financial Management Services	(134)	(209)	(75)	£75k positive variance is due to two main factors: • £64k recharge for LGR (Debtors) project support • Increase in hours from some contracts primarily as a result of schools struggling to recruit staff within their setting.
Health and Wellbeing Service	(175)	(166)	9	
HR Advisory Service	(69)	(81)	(12)	Currently forecasting small overachievement on net profit target. This is due to staff costs being £70.5k lower than budgeted as the service are holding vacancies and not recruiting to them.
Legal Services Traded	(28)	(26)	2	
North Yorkshire Procurement Service	(54)	(54)	-	
Schools ICT Service	(86)	(90)	(4)	
Training and Learning	(14)	(3)	11	
<b>Professional Support Services</b>	<b>(625)</b>	<b>(683)</b>	<b>(58)</b>	
	<b>(1,756)</b>	<b>(1,748)</b>	<b>8</b>	
Central Traded Establishment	839	828	(11)	
North Yorkshire Education Solutions (NYES)	917	903	(14)	
<b>TOTAL</b>	<b>-</b>	<b>(18)</b>	<b>(18)</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)	-	(136)	(136)	As at Q1, an additional £388k contribution to Capital is expected, due to slippage from 22/23. There is a surplus of £160k on investment income based on revised interest rates. Also an additional £211k of salary savings across the service since Q1, resulting in an overall saving of £310k. There are also an additional £54k of net savings.
Area E (Richmondshire)	-	(7)	(7)	£214k underspend on maintenance salaries is off set by the £178k overspend on Housing repairs. This is a direct result of increasing reliance on external contractors as a result of significant vacancies within building management. £31k overspend on rents as a result of changing rental base and higher than budgeted voids. There are an additional £2k of net savings.
Area H (Selby)	-	(14)	(14)	£195k overpend as a result of savings targets unlikely to be achieved from the implementation of the CX Housing system. £59k of savings forecast against interest payable as a result of no additional borrowing in year. £99k saving on rent as a result of better than expected performance on voids and increased rent collection. There are an additional £51k of net savngs.
<b>TOTAL</b>	-	<b>(157)</b>	<b>(157)</b>	