Report To:	**EXECUTIVE CABINET**
Date:	20 December 2023
Executive Member / Reporting Officer:	Cllr Jacqueline North –First Deputy (Finance, Resources & Transformation) Ashley Hughes – Director of Resources
Subject:	**PERIOD 7 2023/24 FORECAST OUTTURN – REVENUE AND CAPITAL.**
Report Summary:	This is the Period 7 monitoring report for the current financial year, showing the forecast outturn position. The report reviews the financial position for the General Fund revenue budget, the Dedicated Schools Grant (DSG) and the Capital budget. The underlying revenue position is an overspend of £13.007m at Period 7, which is a favourable movement of (£0.894m) from Period 6 (where it was £13.901m). The favourable movement is primarily driven by reductions in Children's care home placements through planned step downs. Work on recovery plans has been undertaken by all Directorates and draft plans have been submitted by Directors of overspending areas. The mitigating actions developed within these plans total £8.734m, leaving a residual overspend of £4.274m. There is a forecast overspend on the DSG of £5.317m, which is a nil movement from the Period 6 position. This has been driven by an unprecedented growth over the summer term of Education, Health and Care Plans (EHCP) and forecast support towards the education element of Children's Social Care placement costs. The Capital programme is forecasting an underspend in-year, with subsequent reprofiling of budgets from future years of £1.024m, bringing total reprofiling for the year to £11.885m.
Recommendations:	That Executive Cabinet APPROVES: 1) The release of £1.344m contingency budget into Adults Social Care to reflect the impact of the cost of transitions on Service budgets. 2) The release of a further £0.602m from contingency on a one-off basis to reflect modelling undertaken on the costs of transitions and complexity of need in residential settings, which are included within the MTFS to ensure budget available on an ongoing basis. 3) The allocation of £0.186m to the Resources Directorate revenue budget from Contingency to support the in-year overspend on the Council's annual insurance premiums that include employee, buildings and contents and transport related policies. 4) The release of £0.642m contingency budget into Place budgets to resolve inflationary pressures on the Facilities

Management contract.

5) The transfer of £0.495m contingency budget to offset the budget reductions targets for the council tax single person discount review (£0.450m) and salary sacrifice schemes (£0.045m). The targets were budgeted in contingency to allow for performance reporting, however as the reductions will materialise in increased council tax income and directorate budgets respectively a transfer is required to offset budgets within Contingency. Both budget reductions have been achieved.
6) The acceptance of the non-recurrent £0.541m grant sum awarded to the Council from the Department of Health and Social Care (DHSC) to support urgent and emergency care during the 2023/24 winter period and that the grant is allocated to the 2023/24 Adult Services revenue budget. The acceptance of the grant award is supported by a Memorandum Of Understanding that was formally signed by the Director Of Adult Services on behalf of the Council and returned to the DHSC by the required deadline of 29 November 2023.

That Executive Cabinet NOTES

1) The forecast General Fund revenue budget position of an underlying pressure of £13.007m, which is a favourable movement of £0.894m from Period 6 reporting.
2) The update on the production of recovery plans to mitigate the shortfall in budgets, with mitigations of £8.743m identified.
3) That there is a projected overall overspend for the Council of £4.274m, following the application of actions within draft recovery plans.
4) The forecast deficit on the DSG of £5.317m, which has not changed from Period 6 reporting.
5) The Capital programme position of projected spend of £46.946m, following Cabinet approval to reprofile project spend of £1.024m from 2024/25.

Policy Implications:

Full Council set the approved budgets in February 2023. Budget virements from Contingency to service areas is not effecting a change to the budgets set by Full Council.

Financial Implications:

(Authorised by the Section 151 Officer & Chief Finance Officer)

As contained within the report.

Legal Implications:

(Authorised by the Borough Solicitor)

The Local Government Act 1972 (Sec 151) states that "every local authority shall make arrangements for the proper administration of their financial affairs…"

Revenue monitoring is an essential part of these arrangements to provide Members with the opportunity to understand and probe the Council's financial position.

Members will note that the underlying outturn position is a net deficit of £13.007m on Council budgets. As the council has a legal duty to

	deliver a balanced budget by the end of each financial year Members need to be content that there is a robust Medium Term plan in place to ensure that the council's longer term financial position will be balanced. Ultimately, failure to deliver a balanced budget can result in intervention by the Secretary of State. The council has a statutory responsibility to ensure that it operates with sufficient reserves in place. The legislation does not stipulate what that level should be, rather that it is the responsibility of the council's 151 officer to review the level of reserves and confirm that the level is sufficient. Reserves by their very nature are finite and so should only be drawn down after very careful consideration as the reserves are unlikely to be increased in the short to medium term.
Risk Management:	Associated details are specified within the report. Failure to properly manage and monitor the Council's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on Council reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.
Background Papers:	Background papers relating to this report can be inspected by contacting Gemma McNamara, Interim Assistant Director of Finance (Deputy 151 Officer):  e-mail: gemma.mcnamara@tameside.gov.uk

1. SUMMARY

1.1 This report presents the Council's forecast financial position across the General Fund revenue budget, DSG and Capital Programme as at October 2023.

1.2 It shows the Council's budgets, forecast outturn positions and underlying variances. The report also identifies the management actions being taken to mitigate adverse variances.

1.3 Overall, there are significant overspends on expenditure of £13.007m on the underlying position within the General Fund. This represents an improvement in position of £0.894m from month 6. This underlying position shows the total potential overspend, should management action not be taken to bring the expenditure down to within budget.

1.4 As per the Council's financial regulations, Directors have a responsibility to manage within budgeted levels of expenditure and where overspends occur, Directors are required to present a recovery plan to the Chief Finance Officer (S151 officer).

1.5 At Month 6 reporting, the forecast overspend of £13.901m was driven by a 3% forecast overspend on gross budgets in Adult Social Care, 5% on gross budgets in Place, 2% on gross budgets in Education and 9% on gross budgets in Children's Social Care. A recommendation was included that recovery plans, signed off by the Section 151 Officer, be presented to Executive Cabinet.

1.6 Work has been undertaken by service areas in conjunction with Finance in the period between Month 6 and Month 7 reporting. To date, plans totalling £8.734m have been received reducing the overspend to £4.274m. Only Adult Social Care have been able to present a recovery plan that balances for the year at Month 7, and even then it carries a level of risk on delivery.

1.7 All members of the Senior Leadership Team recognise the need to grip their budgets and are working through their budgets line-by-line again to determine where there is more possibility to control their expenditure and improve their income generation.

1.8 Recovery Plans are a standing agenda item at Senior Leadership Team meetings, and will remain so for the duration of the financial year to ensure corporate oversight.

1.9 This report will introduce a new section on recovery plan progress alongside budget reduction delivery progress for Month 8 monitoring and for the remainder of the financial year to ensure members of this Executive Cabinet retain a strong, transparent oversight of the financial position.

1.10 Any pressures or undelivered savings within Directorates by the end of the financial year will need to be resolved in the next financial year, in addition to delivering MTFS proposals to meet the budget gap for 2024/25.

1.11 A £5.317m overspend is forecast on the DSG fund, mainly due to unprecedented levels of growth on Education, Health and Care plans (EHCPs), at which the work on the Delivering Better Value (DBV) project is targeted. The DBV project is in the final stages of consideration with the Department for Education (DfE) for a revenue grant to support the deliverables agreed between the Council and the DfE.

1.12 The Capital budget has forecast budgets of £11.885m to be reprofiled to future years in 2023/24, agreed at month 6, representing a reduction from previous reprofiling requested, due to schemes progressing more quickly than expected. This does not affect the overall programme budget which is forecast to underspend by £2.872m.

1.13 At the time of drafting this report, the Consumer Price Index (CPI) measure of inflation was running at 4.6%, a significant reduction from September. The Bank of England have responded to the inflationary environment with a strong monetary policy and increased the base rate 14 consecutive times from December 2021 to August 2023 with the aim of controlling inflation. The Bank of England announced on the 21st September 2023 that the base rate of interest would remain at 5.25% and it is expected to stay at this level for the foreseeable future. Although the rate of inflation has decreased further, cost of living pressures remain significant and will continue to impact on both the costs of, and demand for, Council Services for the foreseeable future.

1.14 Members should be aware of the wider impact the macroeconomic environment is having in Local Government. Multiple local authorities have warned of pressures adversely impacting on their financial sustainability, despite the welcome increase in funding received in the Local Government Finance Settlement for this financial year. A lack of multi-year funding settlements and the sustained high level of inflation has severely impacted the level of underlying risk in the Council's financial position and made planning for the future more difficult due to the increased uncertainty around available funding.

1.15 Whilst the Council is not in a poor financial position in terms of its balance sheet at this point in time, and section 7 on reserves demonstrates this, it is clear that ongoing cost pressures make delivering the 2023/24 budget, and the future Medium Term Financial Strategy (MTFS), a difficult task. However, without a "One Council" approach and a clear rationale around reserves being used to support transformation, change and a sustainably lower expenditure budget, Members will be asked to make more-and-more difficult decisions over the medium-term regarding service provision and levels of income generated locally.

1.16 Any decision to use reserves, above those approved at Budget Council, would require Section 151 Officer approval. Reserves should not be an alternative to undelivered budget reductions. Should Service overspends remain unmitigated in year, there may need to be a drawdown from unallocated reserves to bring expenditure to with budget. This is not a sustainable approach and will take the Council closer to financial distress. Budgetary control needs to be applied to reduce current expenditure, in addition to longer term recovery plans for each Group, which will be required to bring Services to within budget.

2. FORECAST 2023/24 REVENUE OUTTURN POSITION AT MONTH 7

2.1 The underlying Month 7 position is an overspend of £13.007m, which represents a favourable movement on the month 6 underlying position of (£0.894m). This figure represents the total potential overspend position for the Council.

2.2 Work has been undertaken by service areas in conjunction with Finance in the period between Month 6 and Month 7 reporting. To date, plans totalling £8.734m have been received reducing the overspend to £4.274m. Only Adult Social Care have been able to present a recovery plan that balances for the year at Month 7, and even then, it carries a level of risk on delivery.

2.3 The total figure of planned actions within the recovery plans is £8.734m, an increase of £2.783m on the month 6 position, where management actions of £5.951m were estimated. Taking into account these recovery plan actions, the residual overspend at month 7 is projected to be £4.274m.

2.4 Table 1 gives a breakdown of the position for each Directorate showing both the underlying variance and recovery plan actions, leading to the net reported overspend at month 7, and is shown in comparison to the month 6 position.

Table 1: Month 7 forecast monitoring position

Forecast Position	Revenue Budget	Month 7 Forecast	Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 6	Change in Variance
(to 3 decimal places)	£m	£m	£m	£m	£m	£m	£m
Adults	41.591	45.160	3.569	-3.569	0.000	2.854	-2.854
Children's Social Care	55.537	61.488	5.951	-2.313	3.638	2.525	1.113
Education	8.743	9.500	0.757	-0.629	0.128	0.445	-0.317
Population Health	14.320	13.886	-0.434	0.000	-0.434	-0.434	0
Place	29.546	34.663	5.117	-2.223	2.894	4.051	-1.157
Governance	13.555	13.329	-0.226	0.000	-0.226	-0.097	-0.129
Resources	58.104	56.377	-1.726	0.000	-1.726	-1.393	-0.333
Totals	**221.396**	**234.404**	**13.007**	**-8.734**	**4.274**	**7.950**	**-3.677**

2.5 To provide further detail to the table above, the following table shows the movement in the underlying position for month 7 compared to month 6, which is then described in more detail for each Directorate in sections following the table.

Table 2: Month 7 movement in underlying position

Forecast Position	Revenue Budget	Month 7 Forecast	Month 7 Underlying Variance	Month 6 Underlying Variance	Change in Variance
	£m	£m	£m	£m	£m
Adults	41.591	45.160	3.569	3.603	(0.034)
Children's Social Care	55.537	61.488	5.951	6.468	(0.517)
Education	8.743	9.500	0.756	0.695	0.062
Population Health	14.320	13.886	(0.434)	(0.434)	0.000
Place	29.546	34.663	5.116	5.060	0.056
Governance	13.555	13.329	(0.226)	(0.097)	(0.129)
Resources	58.104	56.378	(1.725)	(1.393)	(0.332)
Totals	**221.397**	**234.404**	**13.007**	**13.901**	**(0.894)**

2.6 In addition, the table below shows the movement in the management actions presented by Directorates from month 6 to month 7:

Table 3: Movement in management actions – month 6 to month 7

Forecast Position	Management actions projected at Month 6	Recovery plan actions at Month 7	Movement
	£m	£m	£m
Adults	-0.749	-3.569	-2.820
Children's Social Care	-3.943	-2.313	1.630
Education	-0.250	-0.629	-0.379
Population Health	0.000	0.000	0.000
Place	-1.009	-2.223	-1.214
Governance	0.000	0.000	0.000
Resources	0.000	0.000	0.000
Totals	**-5.951**	**-8.734**	**-2.783**

Recovery Plans

2.7 All Directors have submitted draft recovery plans. Each recovery plan requires sign off from the S151 Officer and work is continuing to develop plans to meet the shortfall. The position listed above is a draft position, based on the plans presented to date.

2.8 The table below shows an updated position on the proportion of the overspend/underspend position on each Directorate, assuming full delivery of the recovery plan actions. These reductions have taken the overspends from 3% of the total gross budget, to 1%.

Forecast Position	Gross Expenditure Budget	Month 7 Overspend / (Underspend) Net of recovery plan action	Proportion of total budget	Proportion reported at month 6
	£m	£m	%	%
Adults	135.14	0	0%	3%
Children's Social Care	70.646	3.638	5%	9%
Education	37.899	0.128	0%	2%
Population Health	15.971	-0.434	-3%	-3%
Place	93.103	2.894	3%	5%
Governance	16.18	-0.226	-1%	-1%
Resources	127.844	-1.726	-1%	-1%
Totals	**496.783**	**4.274**	**1%**	**3%**

2.9 The following sections give an update on each Directorate position:

Directorate position

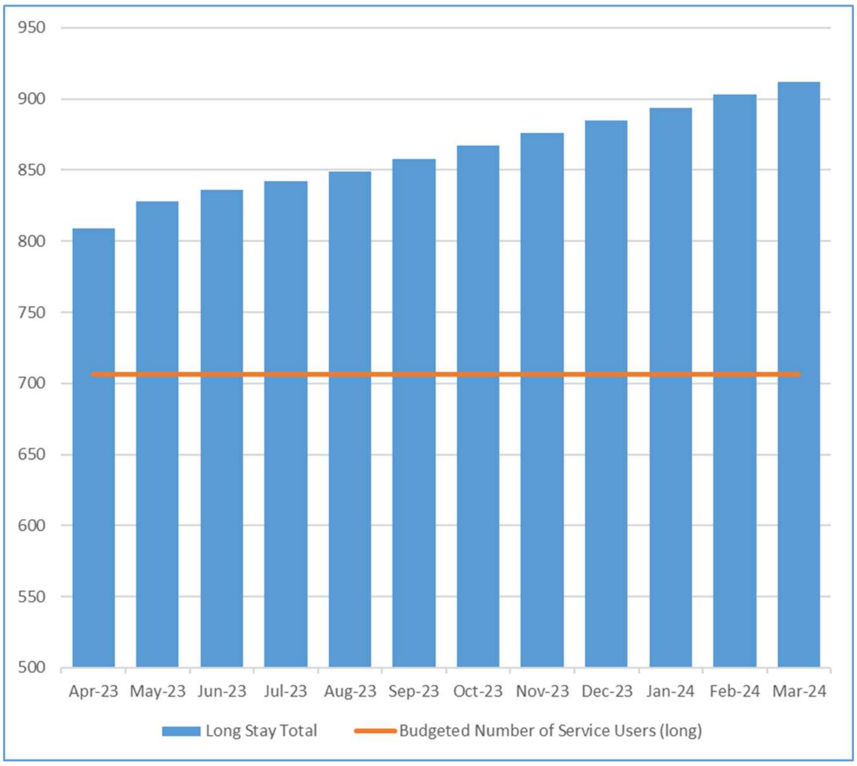
Adult Services
Underlying overspend of £3.569m, favourable movement of £0.034m
Recovery plan action of £3.569, favourable movement of ££2.820m
Balanced position: favourable movement of £3.603m

2.10 The Adults Services Directorate has a forecast potential overspend against budget in 2023/24 of £3.569m. This is an improvement of £0.034m on the period 6 forecast. Following the completion of a draft recovery plan, actions of £3.569m have been identified to offset the overspend position, presenting a balanced position for the Directorate at month 7, an improvement of £3.603m on the month 6 position.

2.11 Residential and nursing care home placement costs have impacted on the adverse movement with a net forecast increase of £0.259m. There were 706 budgeted permanent care home placements, however, actual numbers of service users had increased to 858 during September 2023. The forecast includes a net increase of 2 additional permanent care home placements per week to 31 March 2024 with an anticipated forecast of 910 placements by this date.

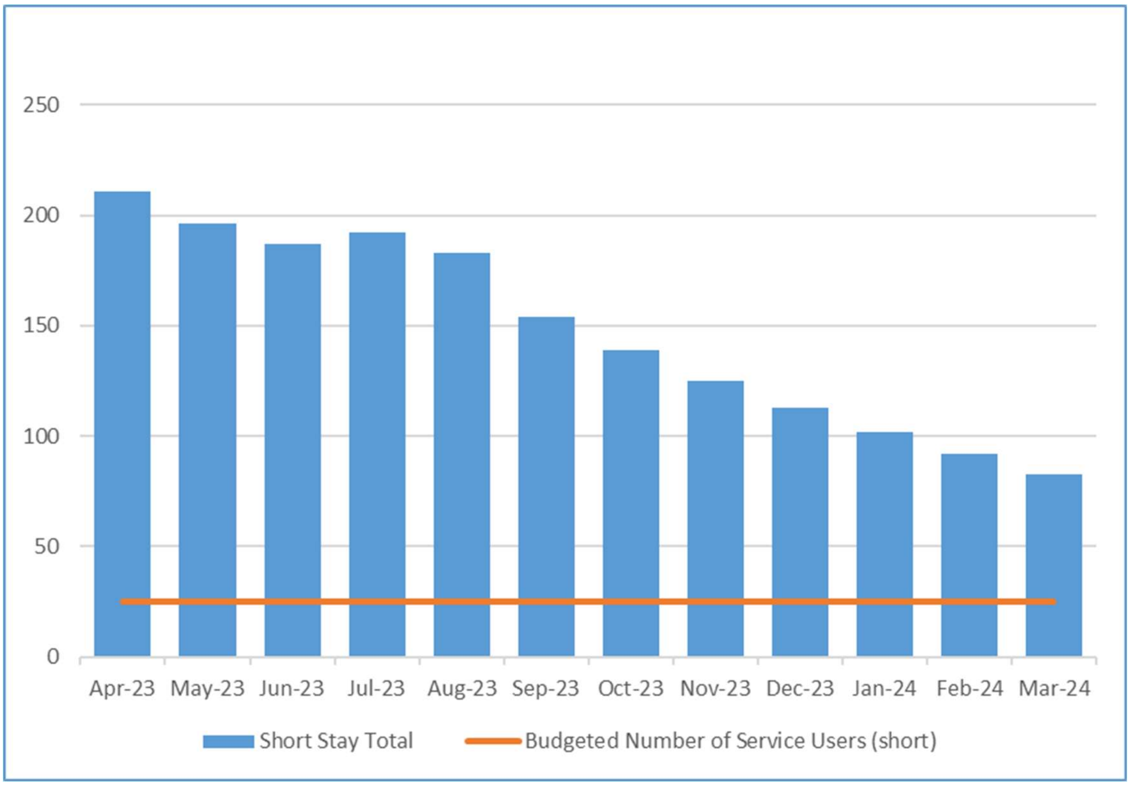
2.12 Graph 1 provides the trajectory of actual and forecast permanent placements over the financial year.

Graph 1 – Permanent Care Home Placements



2.13 As reported at period 6 there has been a recent change to the hospital discharge assessment process which will reduce the level of estimated short stay placements during the remainder of the financial year and on a recurrent basis thereafter. To date the level of short stay placements has reduced from 211 in April 2023 to 154 in September 2023, a reduction of 27%. The volume of short stay placements is forecast to reduce by a further 10% per month to the end of the financial year with an estimated number of 83 per month by March 2024. This represents a forecast reduction of 61% by the end of the financial year. Graph 2 provides the trajectory of actual and forecast short stay placements over the financial year.

Graph 2 – Short Stay Care Home Placements



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2.14 In the current year, there is a budget reduction target of £0.750m relating to resettling service users into in-borough placements. Further work has been undertaken in this area and the projected reduction delivery is £0.440m at period 7, an improvement of £0.080m on the month 6 projected position. The requirement to make emergency placements into previously identified service user resettlement accommodation has affected this reduction.

2.15 The forecast of service user contributions towards non-care home care packages (e.g. home care, day care service provision) has reduced by £0.220m at period 7. Service users' abilities to pay are financially assessed annually, and if their circumstances deteriorate, their contribution levels will subsequently reduce upon assessment.

2.16 In addition, there is a forecast improvements of £0.055m relating to housing benefit income claimed for service users residing in long term support. A review of all existing property management agreements is underway to ensure all related expenditure and income claimable is in accordance with agreements. The review will also outline opportunities to realise additional cost efficiencies. The review has been commissioned as an invest to save initiative at a cost of £0.035m.

2.17 There are a number of favourable movements included in the forecast at period 7 equating to £0.813m.

2.18 One of the management actions reported at period 6 has been implemented. The residual balance (£0.255m) of the earmarked reserve to support adult social care and NHS integration initiatives has been allocated to the hourly rate cost differential between the support at home and home care models. The reserve balance is also supporting additional in year demand.

2.19 The weekly hours delivered for home care and support at home care packages has reduced at period 7. The weekly hours delivered at period 6 were at 12,320. This has reduced to 12,120 per week at period 7, a reduction of 2%. This has resulted in a net forecast reduction of £0.214m since period 6. Support at home continues to equate to 54% of the weekly hours with home care at 46%.

2.20 Since period 6 there has been a reduction to the forecast of complex care supported accommodation costs by £0.344m.

2.21 As reported at period 6, the Directorate will implement the management action to utilise private rented sector accommodation to support the resettlement of out of borough service users. It is still envisaged that 6 service users will be resettled from 1 January 2024 with a part year saving on existing placement costs of £0.130m.

2.22 In addition, the review of care packages with an annual net cost in excess of £0.050m will be instigated when 6 Assessors commence in post in December 2023 / January 2024. The estimated part year cost reductions that will be realised from these reviews in 2023/24 (and annual from 2024/25) will be included in subsequent monitoring reports.

2.23 The period 5 revenue monitoring report presented to the Executive Cabinet on 25 October 2023 noted that the Council had been awarded the indicative non-recurrent grant sum of £0.541m from the Department of Health and Social Care (DHSC) to support urgent and emergency care during the 2023/24 winter period. It was noted that the sum was to be allocated to the 2023/24 Adult Services revenue budget when the sum was confirmed. On 8 November 2023 the DHSC advised the Council that the grant award was confirmed following a successful submission of the proposed utilisation. On 22 November 2023 the DHSC issued a Memorandum Of Understanding (MOU) to the Council to formally accept the grant award. The MOU was formally signed by the Director Of Adult Services on behalf of the Council and returned to the DHSC by the required deadline of 29 November 2023. The grant sum is included within the Adult Services period 7 forecast revenue outturn position.

Children's Social Care –
Underlying overspend of £5.951m, favourable movement of £0.517m
Recovery plan action of £2.313m, adverse movement of £1.630m
Residual overspend position: £3.638m, adverse movement of £1.113m

2.24 Following the ongoing in-depth review across the whole of Children's Social Care budgets, undertaken with the new Children's Senior Leadership Team, the overall position on Children's Services is reported as an underlying variance of £5.951m forecast potential overspend, which is a favourable movement from the position as at period 6 of £0.517m due to improvements in placement step down.

2.25 The underlying overspend is subject to mitigation by the recovery plan actions, currently forecast at £2.313m, resulting in a reported net forecast overspend of £3.638m. Mitigations previously assumed at month 6 have been reduced through a prudent reduction in the level of contributions from Health expected.

2.26 The overall forecast overspend is driven significantly by the requirement for high-cost independent and residential external placements for Cared for Children, which is forecast to overspend by £7.849m. This relates both to the overall number and the increasing cost of each placement with external residential placement numbers currently at 72, compared to 67 at the start of the financial year.

2.27 The forecast also continues to be adversely affected due to the reliance on, and associated high cost, of agency Social Workers and other interim placements currently supporting the departmental priorities and caseload requirements. The forecast includes over £4.833m on Agency staff which is partly mitigated by savings on core staffing budgets (£3.704m) and from Children's Services transformation reserve (£0.772m) pending formal approval.

2.28 The interim agency arrangements include the new Children's Services Senior Leadership Team who are supporting the improvement requirements across the Directorate. They are leading the work which is actively underway to review all service structures in order to implement a revised staffing structure that will deliver a more skilled permanent workforce for Children's Services. A dedicated Workforce Board has been established to support all the delivery requirements of the new structure.

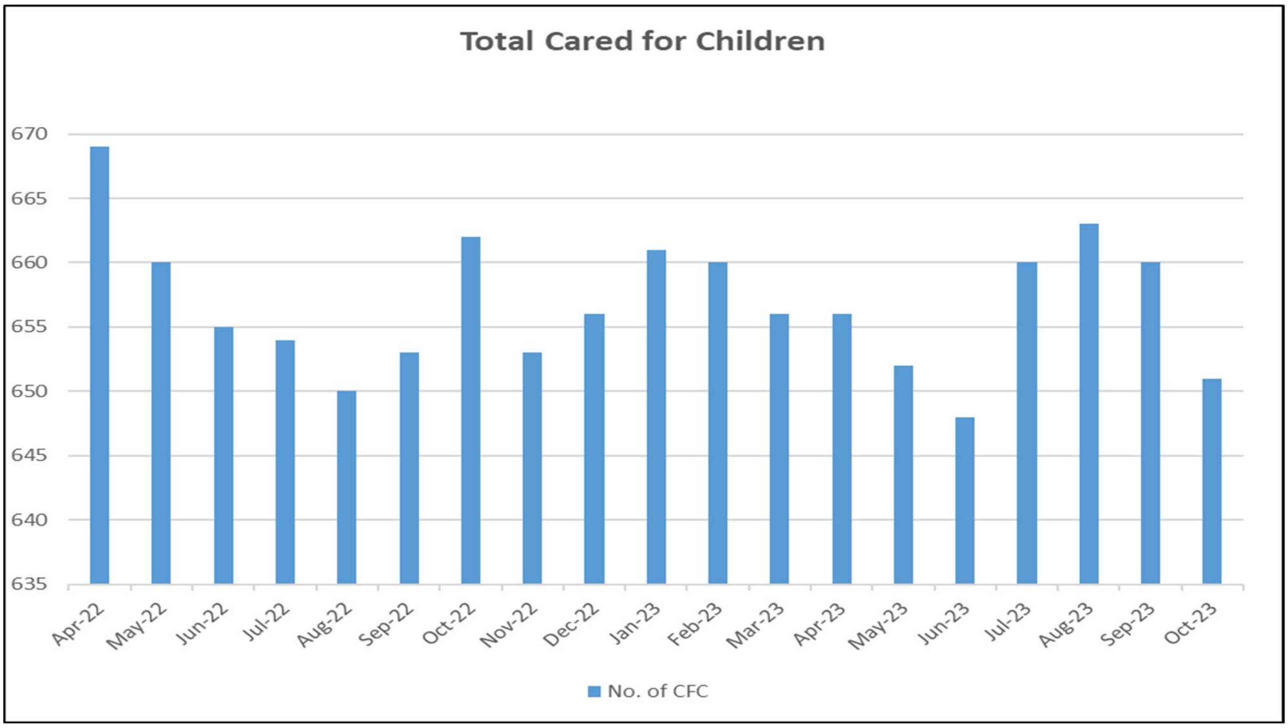
2.29 Table 5 below shows that since April 2023, 23 over 18's have had their Semi Independent placement ceased, this has been offset by 20 additional placements in the 16-17 age range. The table also shows the growth of 17 Independent Foster Placements in 0-15 year olds, and external residential placements have risen by 10 in 0-15 year olds.

Table 5: Age Profile of External Placements

Age Profile	Semi Independent		Independent Foster Placement		External Residential Homes	
	Apr-23	Nov-23	Apr-23	Nov-23	Apr-23	Nov-23
0 to 2	0	0	1	6	0	2
3 to 4	0	0	3	8	0	0
5 to 10	0	0	47	57	4	6
11 to 15	0	0	64	61	40	46
16 to 17	28	48	23	22	23	18
18+	33	10	1	0	0	0
	61	**58**	**139**	**154**	**67**	**72**

2.30 Graph 1 shows that, whilst Cared for Children numbers fluctuate monthly, there had been an overall reduction recorded from April 2022 at 669 down to 648 at June 2023. The numbers have subsequently increased each period since June 2023 up until August 2023 which was recorded as 663. September 2023 recorded a net reduction of 3 and there has been a further net reduction of 9 with the current Cared for Children total now being 651 as at the end of October 2023. This net reduction of 3 is due to 6 external residential placements stepping down offset by 3 new external residential placements. The net in-year effect is a forecast reduction of £0.257m from Period 6.

Graph 1: Total Cared for Children



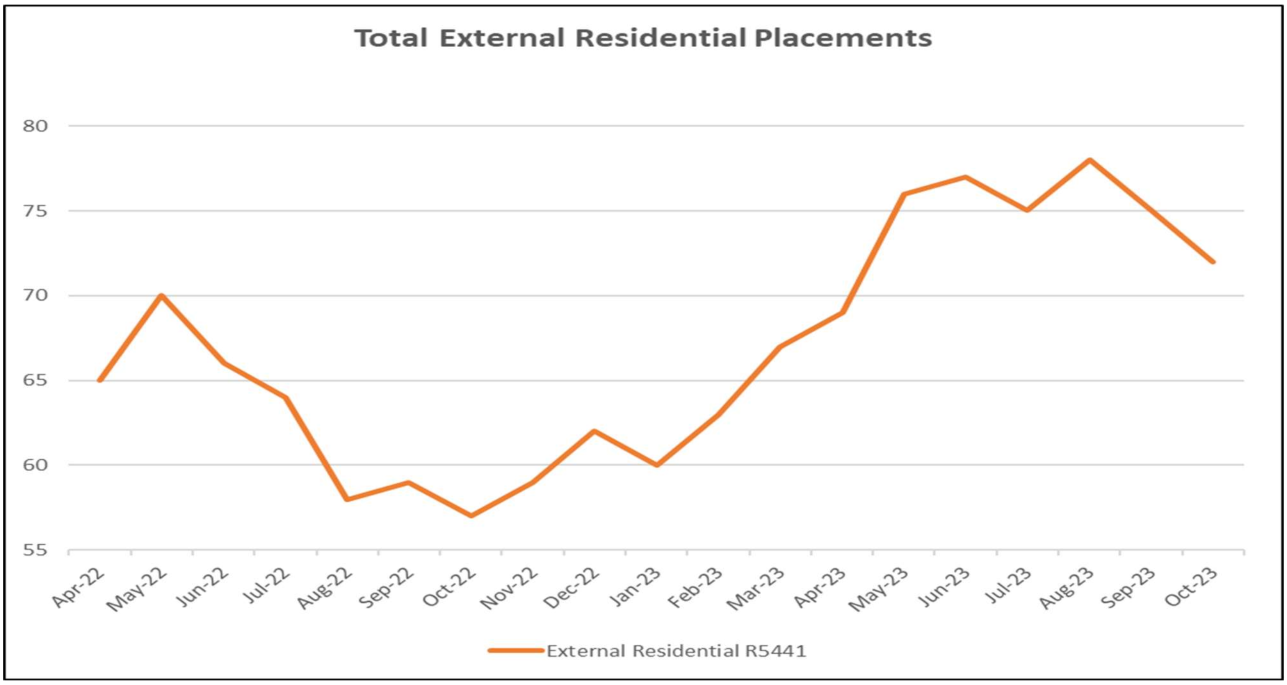
2.31 Table 6 provides a summary analysis by type of placement for the 651 Cared for Children recorded as at 31 October 2023

Table 6: Cared for Children Placement Types

Cared for Children - Placement Types	Total
Foster Care Placements - External	170
Foster Care Placements - Internal	245
Other, including Secure, Prison, Young Offenders	7
Placed with Own Family or Others with Parental Responsibility Orders	98
Residential Placements - External	75
Residential Placements - Internal: Including Children's Homes, Independent Living, Supported Accommodation	56
Grand Total	**651**

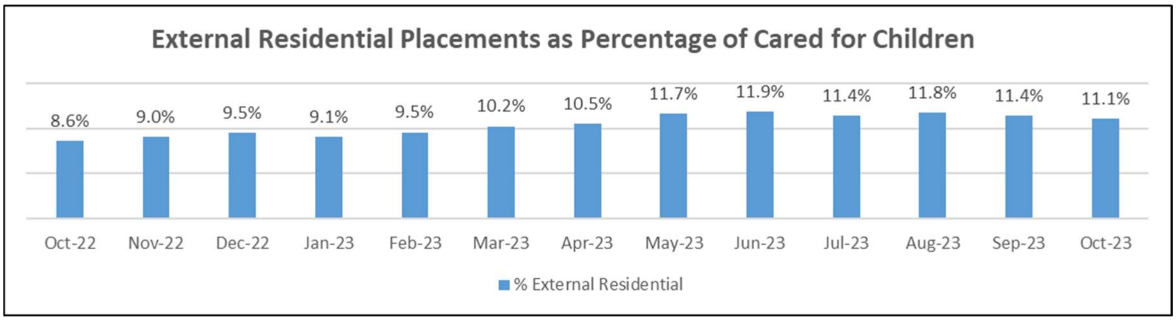
2.32 After a period of falling numbers from May 2022 (70) to October 2022 (57), the number of external residential placements had risen sharply since then to reach 78 as at August 2023, but has subsequently reduced by 3 in September 2023 and a further 3 by the end of October 2023. Graph 2 shows the number of external residential placements recorded from April 2022 to September 2023.

Graph 2: External Residential Placements



2.33 The increase in external residential placements up to 78 at August 2023 has led to a greater proportion of the total Care for Children client base being in external residential placements. In line with the net reduction of 6 placements to 72 at October 2023, the proportion has reduced to 11.1%. Graph 3 demonstrates the overall number of external residential placements as a proportion of the total Cared for Children.

Graph 3: External Residential Placements as Percentage of Cared for Children



2.34 In addition to the proportionate increase in external residential placements it should also be noted that the average cost has increased to £6,081 per week at October 2023 compared to £5,653 per week at October 2022, representing a 7.6% increase in weekly costs in comparison to the same point last year. From analysis available, in order to put this into some context Table 7 compares the weekly cost variance per period this year to the same periods last year as follows:

Table 7: Weekly cost variance comparison

Period	Average of Weekly Cost £	Weekly cost Variance £	Weekly cost Variance %
May-22	5,371.43		
May-23	6,085.57	714.14	13.3%
Jun-22	5,341.06		
Jun-23	6,075.24	734.18	13.7%
Jul-22	5,541.36		
Jul-23	6,059.57	518.21	9.4%
Aug-22	5,510.23		
Aug-23	5,958.30	448.07	8.1%
Sep-22	5,917.25		
Sep-23	5,964.78	47.53	0.8%
Oct-22	5,652.97		
Oct-23	**6,080.87**	**427.89**	**7.6%**

2.35 The main reason for the increases seen in 2023-24 is due to greater numbers of high-cost placements required in 2023-24 compared to 2022-23. The average weekly rate has increased at October 2023 when compared to September 2023 due to individual high-cost placements where fees have increased during the last month, these are being reviewed to ensure any one-off elements of increases are not included in future forecasts

Education
Underlying overspend of £0.757m, adverse movement of £0.062m
Recovery plan action of £0.629m, favourable movement of £0.317m
Residual overspend position: £0.333, favourable movement of 0.112m

2.36 The underlying variance is an overspend of £0.757m, representing an adverse movement of £0.062m. The recovery plan work in this area has identified actions of £0.629m, a favourable movement of £0.317m. This then results in a residual overspend of £0.112m.

2.37 There is a net £0.390m overspend on Special Education Needs and Disability (SEND) Transport in the current year due to higher than expected levels of Education Health and Care Plans including transport requirements.

2.38 Evaluation of SEND Transport applications for the Autumn Term, whilst continuous, has shown that route demand has increased above initial expectations resulting in additional pressure, mainly borne from additional Pre-16 routes being implemented which carry a higher value route cost. Table 8 below provides details on the estimate of routes required from the Autumn term compared to the Autumn term update.

Table 8: Estimated Routes vs October 23 Updated Routes

Category	Estimated No. Of Routes from Autumn	Estimated Average Route Cost £m	Oct 23 No. Of Routes	Oct 23 Average Route Cost per annum £m	Variation to Estimated Routes
Pre-16 to in borough provision	136	0.022	142	0.021	6
Pre-16 to out of borough provision	74	0.021	79	0.020	5
Post-16 in or out of borough provision	31	0.014	29	0.015	(2)
GMPF Yellow Bus	1	0.048	1	0.048	0
Internal Transport*	3	0.064	3	0.053	0
Transport of Pupils - Personal Budgets	24	0.005	22	0.004	(2)
Total	**269**		**276**		**7**

*the estimate included an element of commissioning cost which has been separated in the October 2023 update.

2.39 In total there has been an adverse movement of £0.061m on SEN transport from P6. This has been as a result of increased routes, the cost of which has been partly offset by absenteeism of pupils in the Summer Term and recoupment of costs of £0.041m chargeable to other local authorities for which TMBC arrange the pupil transportation.

2.40 A review of the use of personal budgets continues to be worked through including investigating other potential efficiency ideas such as commissioning more Yellow Buses, increasing the travel training contract, and commissioning special schools to deliver their own travel services.

2.41 As a result of the increased number of EHCP requests, there is an increase this year in the use of Associates (private practice EPs) on the Educational Psychology Service for the delivery of statutory assessments producing a pressure of £0.297m. The service is currently working on a strategy to meet demand now and to support future needs. The shortage of Educational Psychologists and the haemorrhaging of professionals to private practice is a national issue. The pressure in this service can be further highlighted by the announced strike action planned for Education Psychologists as a result of the ongoing pay dispute.

Place
Underlying overspend of £5.116m, adverse movement of £0.056m.
Recovery plan action of £2.223m, favourable movement of £1.214m
Residual overspend position: £2.894m, favourable movement of 1.157m

2.42 The forecast position as at period 7 is showing a net overspend of £5.116m for the Place Directorate. This is an adverse movement on the underlying position reported at period 6 of £0.056m. As detailed in previous reports, the Place Directorate is facing a number of financial challenges across several areas including Corporate Landlord, Homelessness, Waste & Fleet and Engineers & Highways. The forecast overspend is driven by cost and demand pressures, non-delivery of prior year savings and the partial non-delivery of savings in 2023/24. These pressures are being partially mitigated by significant underspends in staffing across the directorate. Monitoring at period 7 has focussed on two of the high-risk areas: Corporate Landlord and Temporary Accommodation.

2.43 The key issues driving the reported change at period 7 are as follows:

2.44 **Corporate Landlord £2.760m forecast overspend, £0.056m adverse movement** – Work has been progressing on delivering the 2023/24 savings target linked to rationalising the corporate estate, with further savings of £0.074m identified since period 6. However, it has come to light that, due to a technicality, the Council may be liable for additional costs of up to £0.190m in 2023/24 on a building that has already been vacated and has previously been reported as an achieved saving. This has resulted in a net worsening of the position by £0.116m since period 6.

2.45 In conjunction with the LEP, further one-off savings for 2023/24 have been identified against the Facilities Monitoring contract. Whilst this is mitigating pressures elsewhere in the service, further work is required to identify on-going savings for future years. The forecast overspend in relation to Facilities Management costs is now expected to be £1.715m, against a budget of £2.829m.

2.46 As reported in previous periods, there are ongoing pressures in relation to gas and electricity, with costs expected to be greater than budget by £0.976m. This is the result of a combination of increased supply costs and through prior year reductions in Council buildings not being achieved. The ongoing estate rationalisation work is expected to result in reduced energy consumption across the organisation in future years.

2.47 **Temporary Accommodation (TA) £2.561m forecast overspend, no change in position** – Although there is no reported change in the position indicative figures show that net growth in demand is slowing down potentially resulting in a future reduction in costs. This reduction appears to be driven by an increased number of households moving on from TA, when comparing to previous months and therefore may not impact longer term demand. There has been a slight drop in new TA placements but previous year demand data for Tameside indicates that the borough tends to see an increase in the final quarter of the financial year. Consequently, no change in the forecast position is being reported at this time. The situation will continue to be monitored with updates provided at future reporting periods.

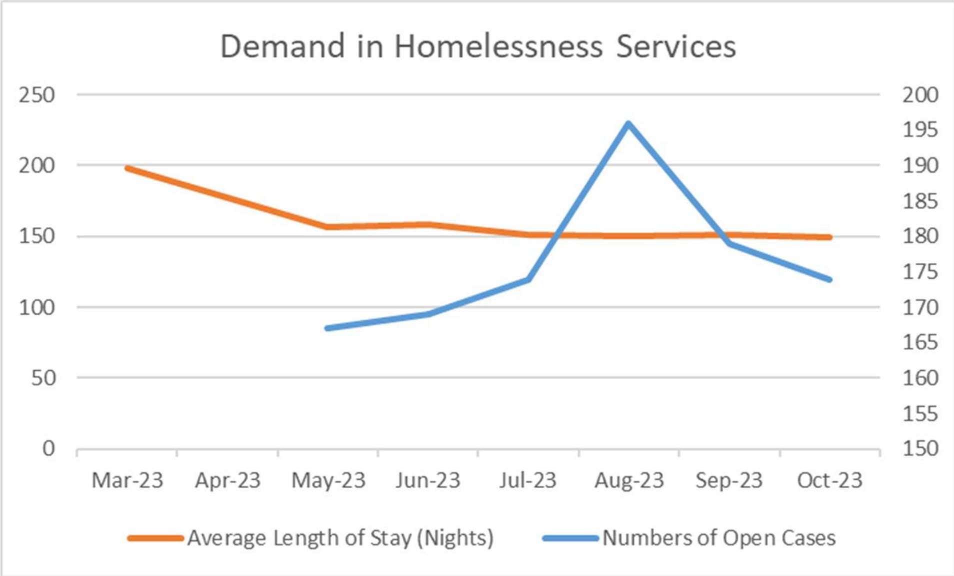
2.48 The table below shows the gross movement in and out of TA during this financial year.

Month 23/24	New TA Placements	Ended TA Placements
April	44	2
May	74	58
June	59	65
July	67	56
August	62	34
September	52	70
October	50	65

These figures will include households moving between TA providers, however these make up a small proportion of the numbers.

2.49 As shown in Graph 5, although there was a spike in open cases in August, which has then subsequently reduced in the following months, the number of cases continues to be higher than at the start of the financial year, demonstrating the increase in demand driving the forecasted position.

Graph 5: Demand in Homelessness Services



2.50 Average length of stay is based on all cases in year, both open and closed. For those that are ongoing, an end date of 31st October has been used to calculate the length of stay.

Resources – Underlying underspend £1.726m, £0.333m favourable movement

2.51 Resources has an underlying forecast underspend of £1.726m, which represents a favourable movement of £0.333m on the month 6 position.

2.52 Despite the recent announcement on 1 November 2023 that the Bank of England base interest rate would remain unchanged, there is a forecast improvement of £0.090m on investment interest due to an improved forecast of the Council's cash balance and associated interest earned.

2.53 There has been a favourable improvement of £0.026m relating to a rebate due to the Council for improved levels of recycling in the borough (relating to the 2022/23 financial year) via the waste disposal levy payable to the Greater Manchester Combined Authority.

Governance – Underlying underspend £0.226m, favourable movement of £0.128m

2.54 Governance has an underlying forecast underspend of £0.226m, which represents a favourable movement of £0.128m on the month 6 position.

2.55 The favourable movement is pre-dominantly related to an improved forecast of pensions increase act payments compared to the budget of £0.144m. Pensions increase act payments are pension costs that relate to historic approvals of compensatory added years awarded to retiring employees by the Council. The Council is liable for the ongoing costs of these prior year approvals as they are not financed by the Greater Manchester Pension Fund.

Contingency budget virements to fund specific earmarked pressures

2.56 As part of the 2023/24 budget, approved at budget council, earmarked budgets were set aside in Contingency for emerging pressures. The proposal is that budget is transferred from earmarked Contingency to directorates to fund the following pressures;

1) £1.344m to Adults Social Care to fund the cost of Transitions of young people previously in receipt of service through Childrens Social Care, moving into the Adults Social Care service.

2) A further one-off allocation of £0.602m to Adults Social Care to support the in year pressures as a result of both pressures on transitions and additional complexity of need within residential settings, which have been accounted for within the MTFS for 2024/25.

3) The annual insurance premiums for the Council have increased significantly for the current financial year. The sum of £0.186m in excess of the current budget has been included in the previously reported Resources Directorate revenue forecast outturn. The insurance premiums include employee, buildings and contents and transport related policies. It is proposed that additional budget of £0.186m is allocated to the Resources Directorate revenue budget from Contingency to support this in-year overspend.

4) Allocation of £0.642m to the Place directorate to support inflationary pressures within the Facilities Management contract.

5) £0.495m to offset the budget reduction targets set in contingency for single person discount review for council tax (£0.450m) and employer savings by introducing several salary sacrifice schemes (£0.045m). The targets were set in Contingency to allow for performance reporting, however with the budget reductions materialising in increased council tax income and reduced employer contributions in directorate budgets a transfer is required to offset budgets within Contingency. Both budget reductions have been achieved.

3. SAVINGS PROGRAMME 2023/24

3.1 The overall financial position detailed above, includes achieving planned 2023/24 savings. Detail of the delivery status of savings by Directorate of the 2023/24 savings programme, included within the original budget, is shown in Table 9 overleaf.

Table 9: Saving Programme in 2023/24 Budget at month 7

2023/24 Budget Reductions	Opening Target £m	Red £m	Amber £m	Green £m	Achieved £m
Adults	2.550	0.989	0.143	0.591	0.827
Children's Social Care	3.652	1.695	1.267	0.690	0.000
Education	0.318	0.050	0.212	0.056	0.000
Population Health	0.155	0.000	0.000	0.000	0.155
Place	2.103	0.699	0.413	0.374	0.617
Governance	0.000	0.000	0.000	0.000	0.000
Resources	1.776	0.000	0.000	0.918	0.858
Total	**10.554**	**3.433**	**2.035**	**2.629**	**2.457**
%		**32.5%**	**19.3%**	**24.9%**	**23.3%**

3.2 At month 7, 48.2% (45.9% at month 6) of the programme is considered to be achieved, or on track to be delivered, a total of £5.086m. A further £2.035m is classed as Amber, with some issues or delays in delivery with £3.433m or 32.5% (31.2% at month 6), with serious concerns of delivery (red rated savings are detailed in Table 11). These savings are discussed with Directors and their management teams as part of the STAR Chamber process that has been implemented to give a key focus on savings delivery. To track changes to savings delivery each month a comparison between month 6 and month 7 is shown in Table 10 below.

Table 10: Change in Savings Programme RAG rating between month 6 and 7

	Opening Target £m	Red £m	Amber £m	Green £m	Achieved £m
Month 6 Total	**10.554**	**3.296**	**2.414**	**2.899**	**1.945**
Month 7 Total	**10.554**	**3.433**	**2.035**	**2.629**	**2.457**
Change from M7 to M6		**0.137**	**(0.379)**	**(0.270)**	**0.512**
Month 6 %		**31.2%**	**22.9%**	**27.5%**	**18.4%**
Month 7 %		**32.5%**	**19.3%**	**24.9%**	**23.3%**

Table 11: Red rated savings at month 7

Directorate	Scheme	Savings Ref No.	Opening Target £m	Red £m
Adults	Non Residential Client Income – Realignment of Fees & Charges for Support at Home	AD1	0.550	0.550
Adults	Support individuals in a way that increases independence and reduces reliance on services	AD3	0.750	0.439
Children's	SEND Transport - Review transport policy and thresholds	CH3	0.050	0.050
Children's	A further reduction in the number of Children requiring Care of the Local Authority	CH10	0.450	0.450
Children's	Remodelling of Early Help Offer	CH11	0.865	0.665
Children's	Repurposing and opening St Lawrence Road	CH15	0.702	0.300
Children's	Management Review	CH20	0.280	0.280
Place	Industrial Estate Unit Rental / Change in Use - Plantation Unit 7	PL6	0.130	0.047
Place	FM / TAS Contract Review	PL7	0.320	0.030
Place	Street Lighting - reduction in energy consumption (reduce brightness)	PL10	0.108	0.034
Place	Reduction in parking enforcement contract costs based on reduced service spec (based on 5% reduction)	PL15	0.030	0.030
Place	Estates Rationalisation	PL3	0.920	0.548
Place	Corporate Building Room Hire Income Review	PL4	0.010	0.010
	Total		**5.165**	**3.433**

4. DEDICATED SCHOOLS GRANT

4.1 The in-year forecast position on the overall DSG remains to be a deficit of £5.317m, details are included in Table 12 below. The deficit predominantly relates to the ongoing pressure on High Needs. The cumulative DSG position at the end of 2022/23 was a deficit of £3.306m. The forecast closing balance on the DSG at the end of the current financial year is £8.627m. There is currently a statutory override in place for the DSG from 2023-24 to 2025-26 which means any DSG deficits are not included in the council's main revenue budgets. Beyond this period any deficit would become recognised in the council's revenue position.

Table 12: Dedicated Service Grant (DSG) 2023/24 Forecast Deficit

DSG Funding Blocks	DSG Settlement 2023-24 at July 2023 £m	Block Transfer 2023-24 £m	Revised DSG 2023-24 £m	Forecast Distribution /Expenditure 2023-24 £m	Forecast (Surplus) / Deficit £m
Schools Block	(201.052)	0.694	(200.358)	200.349	(0.010)

Central School Services Block	(1.249)	0	(1.249)	1.249	0
High Needs Block	(36.910)	(0.694)	(37.604)	43.480	5.876
Early Years Block	(18.062)	0	(18.062)	17.511	(0.550)
Total	**(257.273)**	**0**	**(257.273)**	**262.589**	**5.317**

5 CAPITAL PROGRAMME

5.1 There are no changes on Capital since month 6, with the month 6 report updating on significant reprofiling of budgets to and from 2024/25. Table 13 below presents the capital expenditure by service area at month 6, with services projecting expenditure of £2.872m less than the current capital budget for the year. Reprofiling of £1.024m was requested as part of the month 6 report, bringing total reprofiling for the year to £11.885m.

Table 13 – Capital Expenditure by Service Area

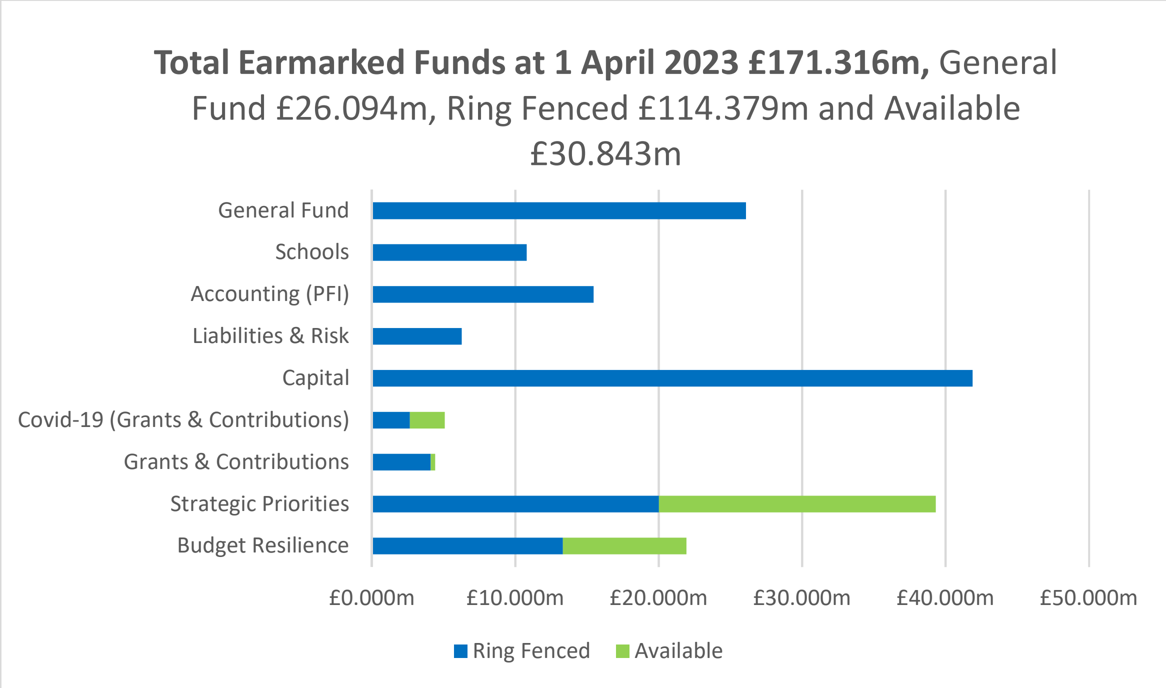
	2023/24 Budget	Actual to Date	Projected Outturn	Projected Outturn Variation	Reprofiling (to) / from future years	Projected Variation after reprofiling
	£m	£m	£m	£m	£m	£m
Place: Property, Development and Planning						
Development & Investment	14.024	1.452	8.502	(5.522)	(1.110)	(4.412)
Corporate Landlord	0.993	0.176	0.992	(0.001)	-	(0.001)
Vision Tameside	0.073	-	0.073	0.000	-	-
Active Tameside	0.102	0.103	0.103	0.001	-	0.001
Place: Operations and Neighbourhoods						
Engineers	4.826	0.463	4.248	(0.578)	(0.564)	(0.014)
Ops & Greenspace	1.925	0.347	1.395	(0.530)	(0.562)	0.032
Fleet Replacement	0.000	-	-	-	-	-
Estates	0.008	0.057	0.057	0.049	-	0.049
Children's Social Care						
Education	22.318	8.850	26.377	4.059	3.610	0.449
Children	1.322	0.041	1.234	(0.088)	(0.088)	-
Resources						
Digital Tameside	-	-	-	-	-	-
Adults Social Care						
Adults	4.195	0.964	3.933	(0.262)	(0.262)	-
Governance						
Governance	0.032	0.029	0.032	0.000	0.000	-
Total	**49.818**	**12.482**	**46.946**	**(2.872)**	**1.024**	**(3.896)**

7. EARMARKED RESERVES

7.1 The value and categories of earmarked reserves as at 1 April 2023 are summarised below in Graph 6. Whilst the overall level of earmarked reserves held by the Council remains strong, most of these earmarked reserves are committed, with only £30.843m not committed outside of the general fund balance of £26.094m. No uncommitted reserves have been used in this year to date, however, as mentioned earlier in this paper, drawdown of unallocated reserves may be required should expenditure in year continue to exceed budget.

7.2 Reserves balances excluding the General Fund balance and schools-related reserves are £132m. Reserves balances including the General Fund balance and schools-related reserves total £171m.

Graph 6: Earmarked reserves balances



8. RECOMMENDATIONS

8.1 As stated on the front cover of the report.