Report To:	**BOARD**
Date:	10 January 2024
Executive Member / Reporting Officer:	Cllr Jacqueline North – First Deputy (Finance, Resources & Transformation) Ashley Hughes – Director of Resources
Subject:	**PERIOD 8 2023/24 FORECAST OUTTURN – REVENUE AND CAPITAL**.
Report Summary:	This is the Period 8 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 £11.997m at Period 8, which is a favourable movement of (£1.010m) from Period 7 (where it was £13.007m). The favourable movement is primarily because of recovery plan actions achieved within Adults Social Care and moved into the underlying position. Work on recovery plans has continued within all Directorates and draft plans have been submitted by Directors of overspending areas. The mitigating actions developed within these plans total £9.335m, leaving a residual overspend of £3.824m. There is a forecast overspend on the DSG of £4.718m, which is an improved position of £0.599m from the Period 7 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 is recommended to approve: 1) The allocation of £0.024m to the Resources Directorate revenue budget from Contingency to support the in-year non-recovery of income towards a previous jointly funded post with a Greater Manchester local authority within the Assurance Service. This joint funding arrangement is no longer in place as the post now supports Council priorities only. 2) The acceptance of, and signing of the Memorandum of Understanding (MoU), by the Director of Resources and Director of Place for, the non-recurrent High Street Accelerator Programme RDEL Seed Funding of £0.237m. £0.050m of this is to be received and spent in 2023/24 with the remaining £0.187m to be received in 2024/25. This funding aims to bring together local stakeholders to support the long-term revival and regeneration of Hyde town centre.

By entering into the MoU, the Council also confirms it will act as treasurer for the Accelerator Partnership.

3) The acceptance of the non-recurrent Delivery Support Funding of £0.062m in 2023/24. This is to support local authorities meet programme and delivery costs associated with rolling out the expanded EY entitlements. This was subject to Memorandum of Understanding (MoU) to be signed by the Director of Resources in their capacity as the S151 officer, which was completed by the deadline of 26 October 2023.
4) The acceptance of Wraparound Childcare Programme Costs of £0.020m in 2023/24; £1.316m (up to a maximum of) in 2024/25 and £0.613m (provisional up to a maximum of) in 2025/26 - this is to support local authorities in England to increase the supply of wraparound places, to ensure or guarantee provision for all parents who may need it, meeting current demand and building further demand. This is a 3-year grant and was subject to Memorandum of Understanding (MoU) to be signed by the Director of Resources in their capacity as S151 officer, which was completed by the deadline of 30 October 2023.

That Executive Cabinet is recommended to note:

1) The forecast General Fund revenue budget position of an overspend of £11.997m if the Council did nothing, which is a favourable movement of £1.010m from Period 7 as a result of delivered mitigating actions.
2) The update on the production of recovery plans to mitigate the shortfall in budgets, with mitigations of £9.334m identified, £1.010m of which is included in the underlying overspend above.
3) That there is a projected General Fund overspend for the Council of £3.824m, following the application of actions within draft recovery plans.
4) The forecast deficit on the DSG of £4.718m, which is an improved position of £0.599m on the month 7 position.
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 £11.997m 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 Section 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 November 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 £11.997m on the underlying position within the General Fund. This represents an improvement in position of £1.010m from month 7 as some actions within recovery plans within Adults Social Care have been confirmed into the underlying position. This shows the total potential overspend, should actions within the recovery plans to bring the expenditure down to within budget not be taken.

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 7, recovery plans were presented to Board, which included actions to bring the residual overspend down to £4.274m. Work has continued to be undertaken by service areas in conjunction with Finance in the period between Month 7 and Month 8 reporting to further review recovery plans and identify actions required. To date, plans totalling £9.334m have been received reducing the residual overspend to £3.824m.

1.6 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. 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.

1.7 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.

1.8 A £4.718m 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.

1.9 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.

1.10 At the time of drafting this report, the Consumer Price Index (CPI) measure of inflation was running at 3.9%, a significant reduction over the course of the year and a further 0.7% on the October rate. 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 latest projections assume that it will remain at this level, rather than increasing as had been previously projected. 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.

1.11 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.

1.12 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 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.

1.13 Any decision to use reserves, above those approved at Budget Council, would require approval from the Director of Resources as per the Financial Regulations, and significant use of reserves is a decision for Full Council on a recommendation of Executive Cabinet. 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 Directorate, which will be required to bring Services to within budget.

2. FORECAST 2023/24 REVENUE OUTTURN POSITION AT MONTH 8

2.1 The underlying Month 8 position is an overspend of £11.997m, which represents a favourable movement on the month 7 underlying position of £1.010m due to the inclusion of delivered recovery plan actions into the underlying position.

2.2 Work has continued on the development and delivery of recovery plans by service areas, in conjunction with Finance, in the period between Month 7 and Month 8 reporting. To date, plans totalling £9.334m have been received, reducing the residual unmitigated overspend to £3.824m.

2.3 The total figure of planned actions within the recovery plans is £9.334m, an increase of £0.600m on the month 7 position, where management actions of £8.734m were estimated. Taking into account these recovery plan actions, the residual overspend at month 8 is projected to be £3.824m.

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 8, and is shown in comparison to the month 7 position.

Table 1: Month 8 forecast monitoring position

Forecast Position	Revenue Budget	Month 8 Forecast	Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 7	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Adults	41.591	44.388	2.797	(2.407)	0.390	0.000	0.390
Children's Social Care	55.537	61.547	6.009	(2.205)	3.804	3.638	0.166
Education	8.743	9.500	0.756	(0.756)	0.000	0.128	(0.128)
Population Health	14.320	13.772	(0.548)	0.000	(0.548)	(0.434)	(0.114)
Place	29.546	34.663	5.116	(2.805)	2.311	2.894	(0.583)
Governance	13.563	13.339	(0.225)	0.000	(0.225)	(0.226)	0.001
Resources	58.096	56.187	(1.909)	0.000	(1.909)	(1.726)	(0.183)
Totals	**221.397**	**233.394**	**11.997**	**(8.173)**	**3.824**	**4.274**	**(0.450)**

2.5 To provide further detail to the table above, the following table shows the movement in the underlying position for month 8 compared to month 7, which is then described in more detail for each Directorate in sections following the table.

Table 2: Month 8 movement in underlying position

Forecast Position	Revenue Budget	Month 8 Forecast	Month 8 Underlying Variance	Month 7 Underlying Variance	Change in Variance
	£m	£m	£m	£m	£m
Adults	41.591	44.388	2.797	3.569	(0.772)
Children's Social Care	55.537	61.547	6.009	5.951	0.058
Education	8.743	9.500	0.756	0.756	0.000
Population Health	14.320	13.772	(0.548)	(0.434)	(0.114)
Place	29.546	34.663	5.116	5.116	0.000
Governance	13.563	13.339	(0.225)	(0.226)	0.002
Resources	58.096	56.187	(1.909)	(1.725)	(0.184)
Totals	**221.397**	**233.394**	**11.997**	**13.007**	**(1.010)**

Recovery Plans

2.6 All Directors have submitted draft recovery plans. Each recovery plan requires sign off from the Director of Resources in line with the Financial Regulations and work is continuing to develop plans to meet the shortfall. Education has now developed a recovery plan which balances the pressures within the Service. Although Adult Social Care was previously balanced, additional pressures at month 8 have resulted in requiring further mitigations.

2.7 The table overleaf shows a summary of the £9.335m included within Directorate recovery plan, split into months:

Table 3: summary of recovery plan actions by Directorate

Recovery plan actions	P7 October	P8 November	P9 December	P10 January	P11 February	P12 March	Total
Directorate	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Adults Social Care		-1.641	0	0	-0.027	-1.901	-3.569
Childrens Social Care		-0.037	-1.331	-0.136	-0.223	-0.477	-2.204
Education		-0.069	-0.149	-0.126	-0.174	-0.239	-0.756
Place	-0.673	-0.070	-0.124	-0.353	-0.272	-1.312	-2.805
Total	**-0.673**	**-0.176**	**-1.604**	**-0.615**	**-0.669**	**-2.028**	**-9.334**

2.8 The following sections give an update on each Directorate position, focusing on pressures, with the recovery plans laying out the management actions to reduce the overspends.

Directorate position

Adult Services
Underlying overspend of £2.797m, adverse movement of £0.390m
Recovery plan action of £2.407, no movement from period 7
Residual overspend: adverse movement of £0.390m

2.9 The Adults Services Directorate has a forecast underlying overspend against budget in 2023/24 of £2.797m. This is an adverse movement of £0.390m on the period 7 forecast which included recovery plan proposals to deliver a balanced budget by 31 March 2024. Recovery plan actions of £1.162m have been implemented since period 7. These include a reduction of £0.560m to the Directorate pay forecast due to delayed recruitment to vacant posts within the establishment until 1 April 2024 at the earliest. Additional revenue budget of £0.602m has also been transferred from contingency to support the costs of transitions and complexity of need in residential care settings. This additional budget allocation was approved within the period 7 monitoring report.

2.10 The net £0.390m adverse movement to the forecast at period 8 is comprised of £0.981m adverse variations that have been reduced by £0.591m favourable variations. The adverse variations predominantly relate additional demand. Residential and nursing care home placement costs have increased by £0.202m. This is a combination of an increase to permanent placements (858 in October 2023 compared to 809 in April 2023, a 6% increase) with a reduction in short stay placements (165 in October 2023 compared to 211 in April 2023, a 22% reduction). The recovery plan proposals included in the period 7 report assumed no further additional permanent placements to the end of the financial year. The forecast position also assumed a continual 10% reduction each month in the volume of short stay placements. The period 7 position reported a volume of 154 short stay placements in September 2023, the October volume was 165, an increase of 7% rather than the forecast 10% reduction.

2.11 There has also been an increase of 18 direct payment and shared lives care packages since period 7 that has resulted in an increase of £0.211m to the forecast expenditure. Home care and support at home care provision also continues to increase. The forecast has increased by £0.562m due to an increase in hours delivered each week together with additional services provided due to the complexity of care needs e.g. waking night care. At period 8 the weekly hours delivered were at 12,400 an increase of 2% since period 7. Home care equates to 45% of the weekly hours delivered with support at home 55% of the total weekly hours.

2.12 The favourable variation movement since period 7 of £0.591m is due to improvements in the forecast income receivable by the Directorate. There is an increase in the forecast of service user contributions to care home packages of £0.313m together with an increase in the forecast of continuing health care income from the NHS to related care packages of £0,239m.

2.13 Further recovery plan proposals are being worked on by the directorate for the remaining £0.390m adverse movement and will be reported at period 9.

Children's Social Care – Underlying overspend £6.009m, adverse movement of £0.058m
Recovery plan action of £2.205m, adverse movement of £0.108m
Reported position: £0.166m adverse movement

2.14 The overall position on Children's Social Care services is reported as an underlying variance of £6.009m forecast overspend, which is an adverse movement from the position reported at period 7 of £0.058m. The underlying pressure is subject to mitigation by recovery plan actions currently forecast at £2.205m, resulting in a reported net forecast variance of £3.804m. The in-depth review across the whole of Children's Social Care services, undertaken with the new Children's Senior Leadership Team is continuing to identify efficiencies and savings opportunities for 2023/24 and into future years.

2.15 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 £8.024m. This relates both to the overall number and the increasing cost of each placement with external residential placement numbers currently at 78, compared to 67 at the start of the financial year.

2.16 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 directorate 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.

2.17 The 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.

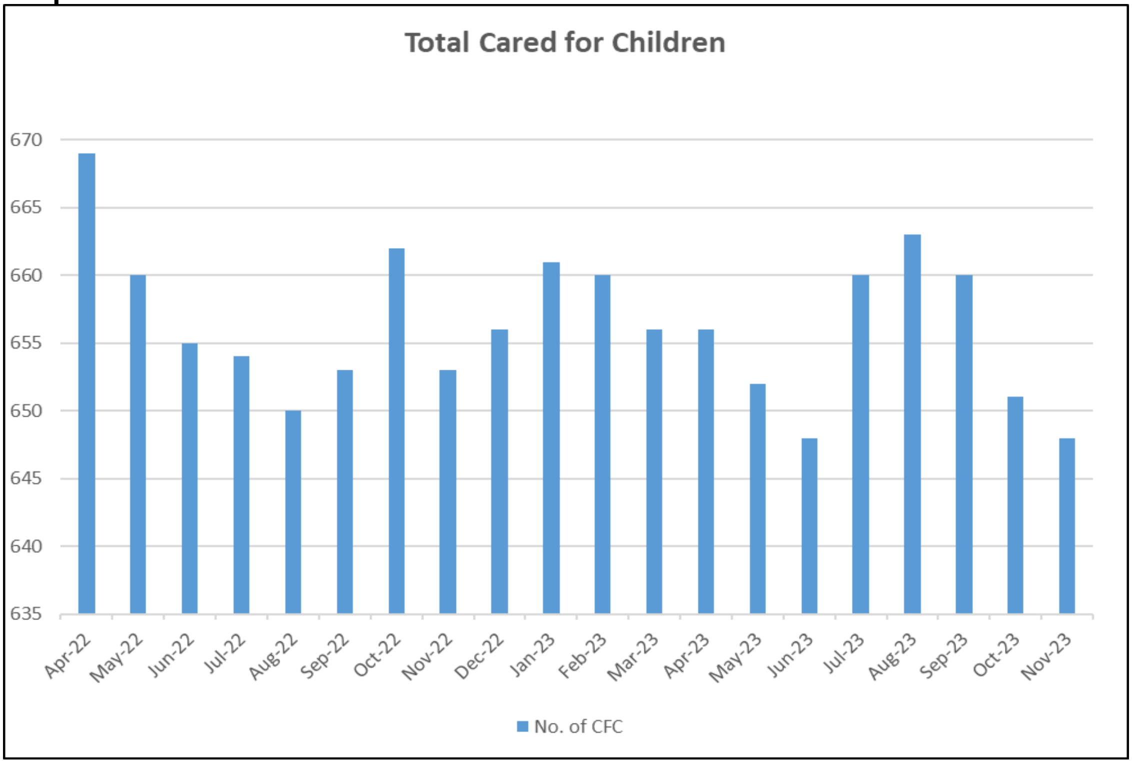
2.18 Table 4 below shows that since April 2023, 21 over 18's have had their Semi Independent placement ceased, this has been offset by 18 additional placements in the 16-17 age range. The table also shows the growth of 24 Independent Foster Placements in 0-15 year olds, and external residential placements have risen by 14 in 0-15 year olds.

Table 4: Age Profile of External Placements

Age Profile	Semi Independent		Independent Foster Placement		External Residential Homes	
	Apr-23	Dec-23	Apr-23	Dec-23	Apr-23	Dec-23
0 to 2	0	0	1	6	0	0
3 to 4	0	0	3	9	0	0
5 to 10	0	0	47	57	4	6
11 to 15	0	0	64	67	40	52
16 to 17	28	46	23	23	23	20
18+	33	12	1	0	0	0
	61	**58**	**139**	**162**	**67**	**78**

2.19 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. Since August there has been an overall net reduction of 15 Cared for Children with the current total now being 648 as at the end of November 2023.

Graph 1: Total Cared for Children



2.20 Table 5 provides a summary analysis by type of placement for the 648 Cared for Children recorded as at 30 November 2023

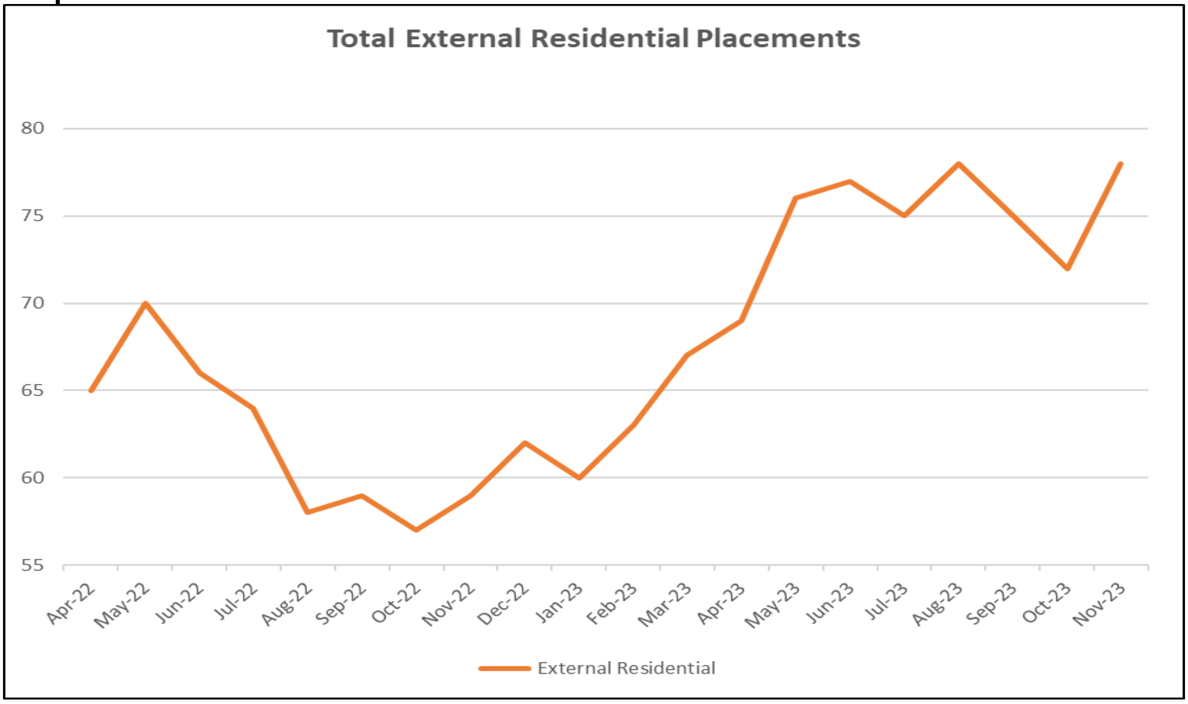
Table 5: Cared for Children Placement Types

Cared for Children - Placement Types	Total
Foster Care Placements - External	173
Foster Care Placements - Internal	237
Other, including Secure, Prison, Young Offenders	5
Placed with Own Family or Others with Parental Responsibility Orders	96
Residential Placements - External	79
Residential Placements - Internal: Including Children's Homes, Independent Living, Supported Accommodation	58
Total as at 30 November 2023	**648**

2.21 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. There has been a net increase of 4 placements in November 2023 which have increased the forecast by £0.057m.

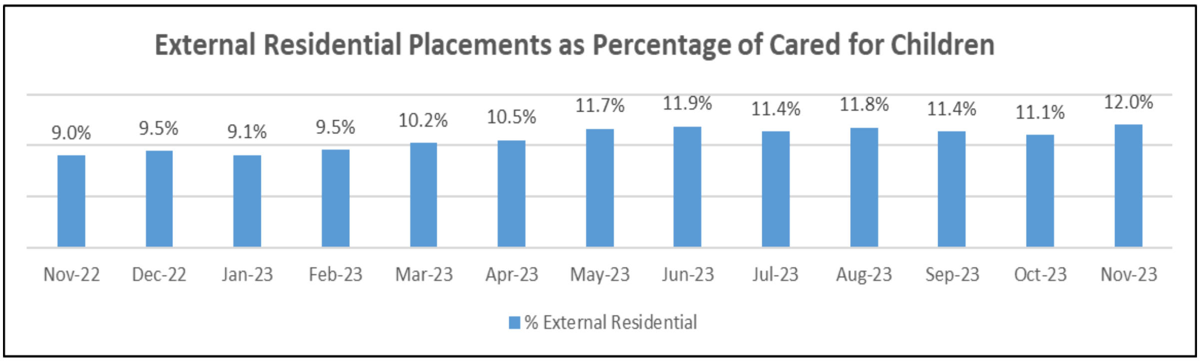
Graph 2 shows the number of external residential placements recorded from April 2022 to September 2023.

Graph 2: External Residential Placements



2.22 The increase in external residential placements has led to a greater proportion of the total Cared for Children client base being in external residential placements which is now at 12%. Graph 3 demonstrates the overall number of external residential placements as a proportion of the total Cared for Children recorded over the last 12 months.

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



In addition to the proportionate increase in external residential placements it should also be noted that the average cost has increased to £5,913 per week at November 2023 compared to £5,459 per week at November 2022, representing an 8.3% increase in weekly costs in comparison to the same point last year.

2.23 Recovery plan mitigations include achieving additional partner contributions towards the health and education elements of care packages of children above those already forecast, and was originally estimated at £0.082m in-year. Additional income from health agreed in Period 8 of £0.120m has increased the full year impact of this recovery action to £0.140m, a favourable movement of £0.058m.

2.24 Maximisation of available external funding is also being factored into the management recovery plan mitigations where, following an in-depth review of all grants available to Children's Social Care for 2023-24, up to £1.548m is estimated to be able to be contributed to eligible costs related to the delivery of relevant grant requirements.

2.25 As part of the recovery plan actions, a project is currently underway reviewing all placements for children that may be able to be returned to home. An initial review of the eligible cohort ages 9 to 12 identified 45 placements for review where 3 have now successfully returned home. A second tranche focussing on 0-5 year-olds has identified 79 placements for review. It should be noted that not all the young people may be able to return to home due to their individual circumstances. A reduction of £0.185m is currently forecast to be achieved in 2023/24 with greater scope anticipated for full-year effect and increased numbers for 2024/25.

2.26 Further cost reductions have been factored into the recovery plan in respect to strengthened processes around the review of children entering care and through effectively managing appropriate levels of risk. A cost reduction for 2023/24 of £0.497m based on a reduction of placements and associated costs was forecast to the end of the financial year, however there was an adverse movement of £0.058m in Period 8 while 7 placements ceased, compared with a favourable movement of £0.166m forecast in the recovery plan. In total this is an adverse movement of £0.224m.

Education
Underlying overspend of £0.757m, no movement
Recovery plan action of £0.757m, favourable movement of £0.128m
Residual overspend position: Balanced position, favourable movement of £0.128m

2.27 The underlying variance is an overspend of £0.757m. The recovery plan work in this area has identified actions of £0.757m resulting in a residual breakeven position.

2.28 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 (EHCP) including transport requirements as requests continue to increase. The Delivering Better Value project is working to reduce the number of EHCP's being issued.

2.29 Further reviews of the forecast has been conducted for SEND transport which identifies several additional routes that have commenced due to continuing growth in demand and eligibility, along with price increases on current routes which totals £0.037m. However, absenteeism for the remainder of the year has been estimated at £0.032m which is likely to offset any adverse movement, so the forecast is unchanged from Period 7.

2.30 The recovery plan includes a review of the eligibility for transport which seeks to provide cost reductions in year. This will be completed along with the longer-term plans to increase the use of personal budgets, increasing travel training and varying commissioning arrangements.

2.31 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 loss of professionals to private practice is a national issue.

Place
Underlying overspend of £5.116m, no movement.
Recovery plan action of £2.805m, £0.582m favourable movement.
Residual overspend position: £2.311m, £0.582m favourable movement.

2.32 The forecast position as at period 8 is showing a net overspend of £5.116m for the Place Directorate. There has been no movement since period 7. 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.

2.33 Although there was no movement in the underlying position, the Directorate has identified £2.805m of mitigating actions as part of its recovery plan, an increase of £0.582m, including £0.443m identified from a review of earmarked reserves. The Director of Resources has agreed the funding of the differential on the inflationary impact on the Facilities Management contract, subject to the review and renegotiation of the contract to deliver the remainder of recovery plan actions within this function. There are targeted cost reductions in the Homelessness service of £0.479m following investment in prevention officers and as a result of the Council securing an additional 10 properties for Temporary Accommodation, which will reduce expenditure on Bed and Breakfast settings. Further work is required to identify further mitigations to meet the residual overspend.

2.34 **Waste & Fleet Management £0.618m forecast overspend, no change in position.**
Staffing costs exceed the net budget due to vacancy factor (£0.406m) not being delivered and the use of agency staff to cover sickness and other absences. Vehicle repairs and maintenance continue to exceed budget due to a combination of increased prices and the aging fleet. Prior year savings in respect of three weekly collections and charging for replacement bins are not delivering the full saving originally anticipated. The Commercial Waste service continues to perform strongly in terms of income levels with further work being done to market the service to increase the number of external contracts and further increase income levels.

2.35 **Corporate Landlord £2.760m forecast overspend, no change in position.**
Facilities Management Core Contract – Budget reductions have been put forward as part of the MTFS each year since 2021/22, however, non-delivery of these savings has thereby widened the gap between budget and expenditure. In the current year, budget reductions presented total £0.320m, of which £0.290m of this currently forecasted to be achieved, although these are all one off underspends. Work is ongoing to confirm further savings to fully deliver the £0.320m on a recurrent basis, with confirmation of these expected in coming months. Recurrent savings will only be achieved if the estate is reduced requiring less facility management.

2.36 Asset Rationalisation – Budget reductions of £0.920m were proposed in the current year relating to asset rationalisation. Progress has been made on delivering these savings since the appointment of an Asset Rationalisation Surveyor, with £0.372m budget savings forecast to be achieved. There are also further cost mitigations forecast to be delivered as a result of Clarence Arcade and the Denton Centre being vacated.

2.37 Utilities - Although contingency budgets of £0.819m have been made available to support the increased costs of gas and electricity across the corporate estate, there is a remaining overspend against budget of £0.655m. This is largely the result of prior year reductions in Council buildings not being achieved. As work continues to progress on the asset rationalisation programme, the overspend linked to utilities should reduce.

2.38 Commercial Units - As reported in previous months, there is a forecast projected shortfall of rental income against the Wilkos unit in Tameside One. Alongside the projected income shortfall, it is expected that there will also be a business rates liability for this building should it come back to the Council without alternative subletting arrangements.

2.39 **Temporary Accommodation £2.561m forecast overspend, no change in position** – Despite seeing increased numbers of households moving on from temporary accommodation during September and October, this has reduced during November. New placements in temporary accommodation have also increased, resulting in a net increase of households in nightly paid temporary accommodation.

2.40 Although data at period 7 showed that growth was slowing, this wasn't reflected in the forecast position as seasonal trend data indicates that Tameside should expect an increase in households in temporary accommodation in the final quarter of 23/24. The table below shows the reported number of Tameside households in temporary accommodation for each quarter of 21/22 and 22/23. Whilst there are some anomalies, the general trend is that Q4 has the highest levels of households in temporary accommodation. The table below shows the quarterly statistics for the past 4 years and 23/24 to date.

	19/20	20/21	21/22	22/23	23/24
Q1	109	161	156	213	254
Q2	130	163	193	196	*273*
Q3	128	159	204	181	*287*
Q4	140	154	224	221	
Average	**127**	**159**	**194**	**203**	**271**
Year on Year Growth		25.64%	21.98%	4.38%	29.72%

**All figures are taken from gov.uk website, apart from those in italics which have not yet been published. 23/24 Q3 figure is as at 8 December 2023 and so published figure may be different.*

2.41 As part of the recovery plan, the service is seeking to utilise Homelessness Prevention Funding to increase the numbers of prevention officers. This is expected to reduce the number of households currently in temporary accommodation, as well as reducing the numbers entering the system. As a result, no change is currently being forecast to allow for the impact of this to be assessed. Updates will be provided at future reporting periods.

2.42 The table below shows the gross movement in and out of temporary accommodation during this financial year.

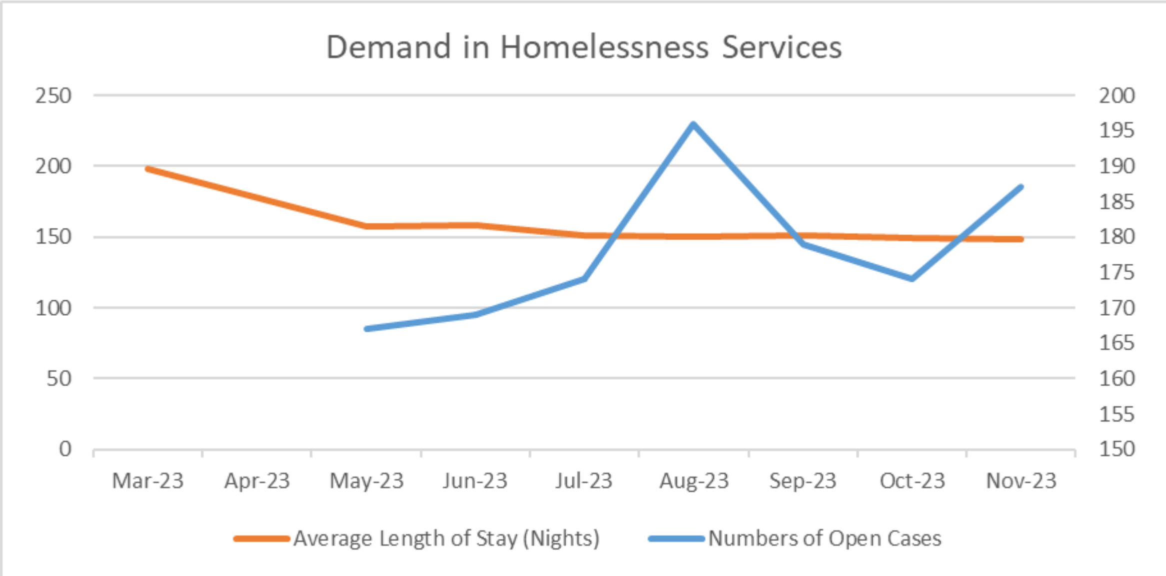
Month 23/24	New temporary accommodation Placements	Ended temporary accommodation Placements
April	44	2
May	74	58
June	59	65
July	67	56
August	62	34
September	52	70
October*	58	64
November	64	56

*October figures are different to those reported at period 7 due to the timing of the data being extracted from the system.

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

2.43 As can be seen in Graph 5, the average length of stay in temporary accommodation has remained fairly constant during this financial year, however, the number of open cases (nightly paid temporary accommodation) has continued to increase from May 2023 (despite fluctuations August – October). Given that both the average length of stay and the average nightly cost have not significantly changed, it is the increase in demand that is driving the significant forecast pressure; using average nightly rates and length of stays, each new household entering temporary accommodation costs the Authority £0.007m (net cost after receipt of Housing Benefit Subsidy).

Graph 5: Demand in Homelessness Services



2.44 Average length of stay is based on all cases in year, both open and closed. For those that are ongoing, an end date of 30 November has been used to calculate the length of stay.

Population Health – Underlying underspend £0.548m, £0.114m favourable movement

2.45 Population Health has an underlying forecast underspend of £0.548m, which represents a favourable movement of £0.114m on the month 7 position.

2.46 The favourable movement is attributable to the re-profiling of initiatives commissioned via the Be Well Service (£0.055m), an improvement to pay forecasts across the Directorate (£0.036m) and a reduction to the forecast expenditure on sexual health initiatives (£0.028) pre-dominantly relating to lower levels of expected demand.

Resources – Underlying underspend £1.909m, £0.192m favourable movement

2.47 Resources has an underlying forecast underspend of £1.909m, which represents a favourable movement of £0.192m on the month 7 position.

2.48 As per the previous month, the Bank of England base interest rate again remained unchanged following the Bank of England's Monetary Policy Committee announcement on 14 December 2023. However, there is a forecast additional improvement of £0.030m on investment interest due to an improved forecast of the Council's cash balance for the remainder of the year and the associated interest earned.

2.49 The Council is expecting an estimated non-recurrent rebate from the Greater Manchester Combined Authority relating to improved levels of recycling in the borough for the current financial year of £0.129m. This rebate is based on current estimates of recyclable disposable waste tonnages for the borough in 2023/24. Any changes to this estimated rebate will be updated in subsequent reports where disposable tonnages vary to those currently assumed in the forecast.

Governance – Underlying underspend £0.225m, £0.001m adverse movement

2.50 Governance has an underlying forecast underspend of £0.225m, as a result of vacant posts across the Service, which represents a minor adverse movement of £0.001m on the month

7 position.

Contingency budget virements to fund specific earmarked pressures

2.51 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) The allocation of £0.024m to the Resources Directorate revenue budget to support the in-year non-recovery of income towards a previous jointly funded post with a Greater Manchester local authority within the Assurance Service. This joint funding arrangement is no longer in place as the post now supports Council priorities only.

3. SAVINGS PROGRAMME 2023/24

3.1 The overall small projected underspend against the revenue budget, explained 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 8

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	0.773	0.339	0.374	0.617
Governance	0.000	0.000	0.000	0.000	0.000
Resources	1.776	0.000	0.000	0.592	1.184
Total	**10.554**	**3.507**	**1.961**	**2.303**	**2.783**
%		**33.2%**	**18.6%**	**21.8%**	**26.4%**

3.2 At month 8, 48.2% of the programme is considered to be achieved, or on track to be delivered, a total of £5.086m. A further £1.961m is classed as Amber, with some issues or delays in delivery with £3.507m or 33.2%, with serious concerns of delivery (red rated savings are detailed in Table 10). 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. There has been no movement on savings delivery between months 7 and 8.

Table 10: Red rated savings at month 8

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	0.108
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**	**3.507**

4. DEDICATED SCHOOLS GRANT

4.1 The in-year forecast position on the overall DSG is a deficit of £4.718m, a favourable movement of £0.599m primarily as a result of a reduction in post 16 High Needs Education placements, details are included in Table 11 below. The deficit predominantly relates to the ongoing pressure on High Needs. There is an additional adverse movement which impacts on the overall DSG deficit which relates to a forecast overspend on the early years supplementary grant. 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 £8.077m. 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 11: Dedicated Service Grant (DSG) 2023/24 Forecast Deficit

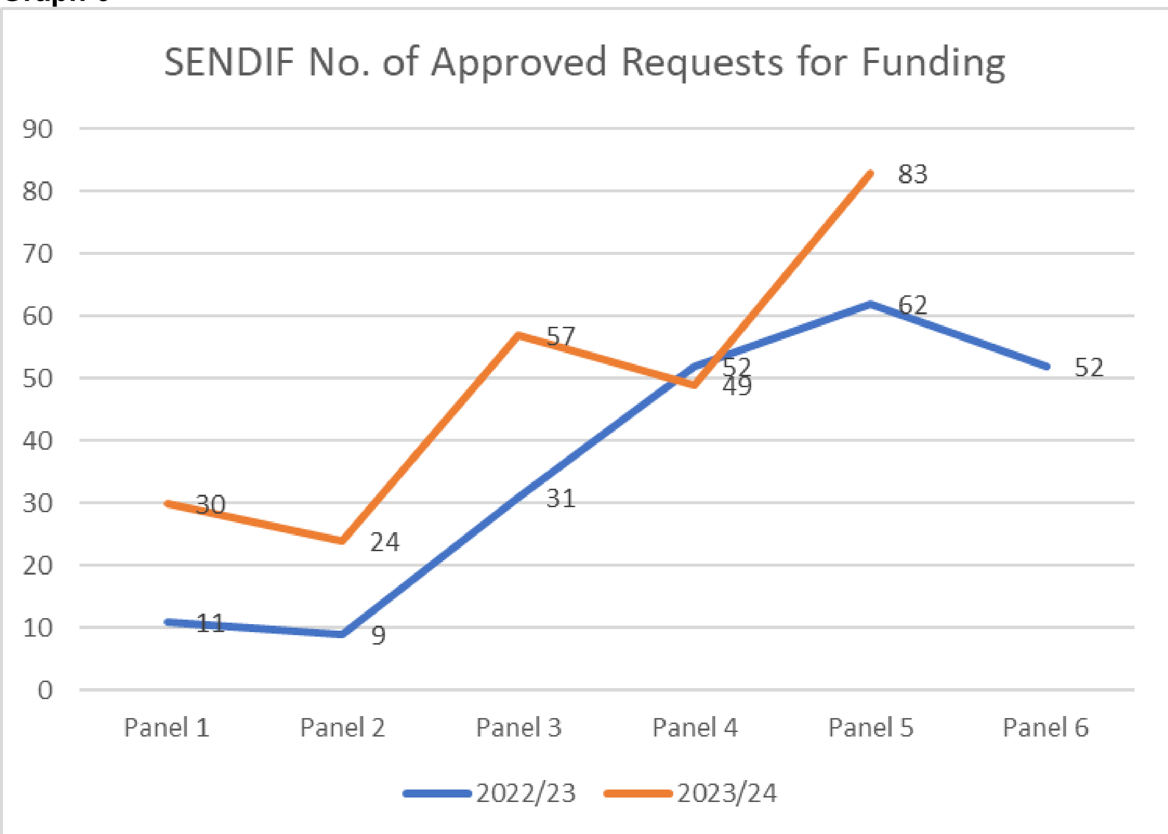
DSG Funding Blocks	DSG Settlement 2023-24 at July 2023 £m	Block Transfer 2023-24 £m	Revised DSG 2023-24 £m	Forecast Distribution /Expenditure 2023-24 £m	Forecast (Surplus) / Deficit £m
Schools Block	(201.052)	0.694	(200.358)	200.349	(0.010)
Central School Services Block	(1.249)	0	(1.249)	1.249	0
High Needs Block	(36.910)	(0.694)	(37.604)	42.823	5.219
Early Years Block	(18.062)	0	(18.062)	17.570	(0.492)
Total	**(257.273)**	**0**	**(257.273)**	**261.991**	**4.718**

4.2 The high needs budget continues to be under significant pressure and the forecast position last reported was an in-year deficit of £5.876m. A further analysis of the Growth forecast has shown a favourable movement of £0.657m is projected by the end of the year. This would reduce the in-year deficit on high needs block to £5.219m.

4.3 As expected the majority of growth in the High Needs block is across the mainstream and independent sector. However, based on current costs to date there is likely to be savings in both these sectors along with a reduction in expenditure in the Post 16 sector due to leavers and ceasing plans of £0.757m. It is anticipated there may be a further expenditure on the high needs block in relation to the education costs relating to Children's Social Care (CSC) placements. The DSG already funds the educational costs for a number of CSC placements' but a review is underway which will look to ensure all partner contributions, including Health, Education and Social Care are applied fairly and in accordance with the specific individual placement requirements. This may identify additional contributions required from the high needs block and an estimate of £0.100m has been included at this stage. Once the review is complete further information will be provided.

4.4 There is an adverse movement of £0.058m in the Early Years Block relating to the SEN Inclusion Fund. This is based on the actual funding allocated to providers for the summer term and estimates for the autumn and spring terms. Graph 6 below provides information on the number of approved requests for funding within the financial year 2022/23 and 2023/24 up to December 2023. The latest panel information, panel 5, is not currently reflected in the forecast as the financial implications of this are still being updated. However, the number of approvals is significantly above the 2022/23 approved applications and it is likely this will increase the pressure on the SEN Inclusion fund. A further update will be provided in the Period 9 report.

Graph 6



4.5 Early Years Supplementary Grant (EYSG) was announced from September 2023. Although this is separate to the DSG, it is allocated on the same basis as the Early Years free entitlement funding. The allocation for Tameside is £0.989m and Table 12 provides details of the breakdown of the allocation and the estimated distribution of the grant.

Table 12: EYSG Allocations and Estimated Distribution

EYSG Sept 23 - Mar 24	Universal entitlement for 3 and 4-year-olds £m	Additional 15 hours entitlement for eligible working parents of 3 and 4-year-olds £m	2-year-old entitlement £m	Early years pupil premium £m	Disability access fund £m	Total £
Allocation	0.364	0.180	0.432	0.009	0.005	0.989
Estimated Distribution	0.356	0.188	0.483	0.010	0.002	1.038
Variation	**(0.008)**	**0.008**	**0.051**	**0.001**	**(0.003)**	**0.049**

4.6 The conditions of grant state: At the end of the 2023 to 2024 financial year, local authorities are permitted to:

- Use any EYSG surplus funding for the purpose of the early years block of the DSG in financial year 2023 to 2024 or carry forward any EYSG underspends and use them in support of all early education funding streams as part of their schools' budget for 2024 to 2025.
- If there is a shortfall in the EYSG, local authorities may use the early years block of the 2023 to 2024 DSG for the purposes of the EYSG to make up the shortfall. The DSG: conditions of grant 2023 to 2024 have been amended to allow this.

4.7 The current forecast shortfall would be met from the forecast underspend on the Early Years Block DSG.

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.

5.2 Actual expenditure to date on capital projects has increased from £12.482m at the last detailed monitoring in month, to £21.557m at month 8, an increase of £9.075m. However, it should be noted that £6.038m of this expenditure relates to the Hawthorns Primary School Project, so expenditure on the remainder of the programme totals only £3.037m.

5.3 The current forecast for capital expenditure is £46.946m. The £21.557m expenditure to date represents less than half of the budgeted programme, despite being two thirds of the way through the financial year. Therefore, unless expenditure accelerates over the remainder of the year, it is likely that these forecasts will be scaled back over the remainder of this year.

Table 13 – Capital Expenditure by Service Area

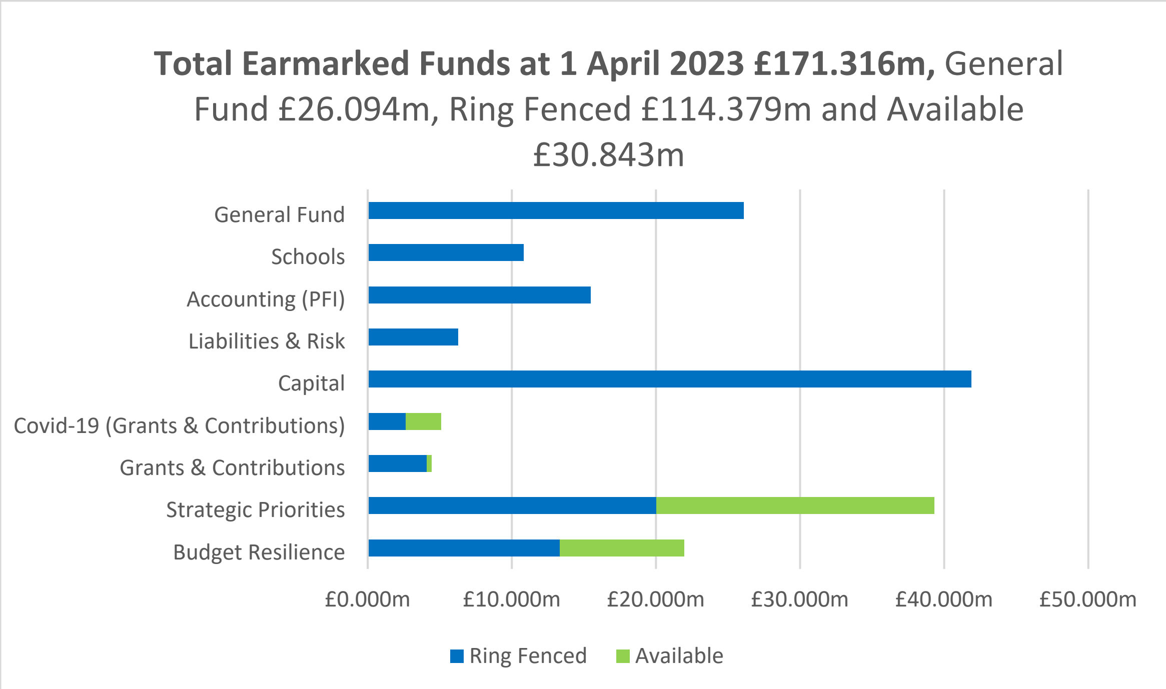
	2023/24 Budget	Actual to Date	Projected Outturn	Projected Outturn Variation	Reprofiling (to) / from future years	Projected Variation after reprofiling
	£m	£m	£m	£m	£m	£m
Place: Property, Development and Planning						
Development & Investment	14.024	2.475	8.502	(5.522)	(1.110)	(4.412)
Corporate Landlord	0.993	0.217	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	1.137	4.248	(0.578)	(0.564)	(0.014)
Ops & Greenspace	1.925	0.389	1.395	(0.530)	(0.562)	0.032
Fleet Replacement	0.000	-	-	-	-	-
Estates	0.008	0.088	0.057	0.049	-	0.049
Children's Social Care						
Education	22.318	15.627	26.377	4.059	3.610	0.449
Children	1.322	0.088	1.234	(0.088)	(0.088)	-
Resources						
Digital Tameside	-	-	-	-	-	-
Adults Social Care						
Adults	4.195	1.403	3.933	(0.262)	(0.262)	-
Governance						
Governance	0.032	0.030	0.032	0.000	0.000	-
Total	**49.818**	**21.557**	**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 7. 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 7: Earmarked reserves balances



8. RECOMMENDATIONS

8.1 As stated on the front cover of the report.