Report To:	**JOINT MEETING EXECUTIVE CABINET / OVERVIEW PANEL**
Date:	14 February 2024
Executive Member / Reporting Officer:	Cllr Jacqueline North – First Deputy (Finance, Resources & Transformation) Ashley Hughes – Director of Resources
Subject:	Period 9 2023/24 Forecast Outturn – Revenue and Capital.

Report Summary:

This is the Period 9 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 £10.370m at Period 9. The movement from month 8, where the overspend was £11.996m, is as a result of the implementation of recovery plan actions and the additional demand identified in key demand areas, as shown in the table below:

Movement between months	£m
Month 8 underlying position	11.996
Recovery plan actions implemented	(2.825)
Additional demand within Services	1.250
Minor improvements in Directorates	-0.051
Month 9 underlying position	10.370

The remaining recovery plan actions to be implemented in Quarter 4 of the year total £3.028m, resulting in a residual overspend of £7.342m at month 9.

There is a forecast overspend on the DSG of £4.731m, which is a slight adverse movement of £0.013m from the Period 8 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 extension of four posts within the Adult Services Moving with Dignity team (two manual handling practitioners, a senior practitioner and an occupational therapy assistant), for a further three-year period, 1 April 2024 to 31 March 2027 funded through the Disabled Facilities Capital grant.
2) Drawdown of £0.706m from the Complex Placements Reserve to support high cost high need placements in the Children's directorate.
3) The acceptance of £0.050m ABEN Warm Winter Fund from GMCA which aims to provide enhanced capacity during the

period 1 November 2023 to 31 March 2024 to support the delivery of the ‘A Bed Every Night’ grant funding programme within Homelessness.

4) Draw down of £113k from the IT investment fund to commission SoCITM to undertake a digital maturity assessment, review and update the digital strategy, develop a digital roadmap and develop a Target Operating Model for the ICT service.

That Executive Cabinet is recommended to note:

5) The forecast General Fund revenue budget position of an overspend of £10.370m, prior to any remaining recovery plan actions
6) The update on the production of recovery plans to mitigate the shortfall in budgets, with total mitigations of £7.014m identified, of which £3.028m is due to be delivered in quarter 4, with the remainder included in the month 9 overspend.
7) That there is a projected General Fund overspend for the Council of £7.342m, following the application of actions within draft recovery plans and the identification of additional pressures.
8) The forecast deficit on the DSG of £4.731m, which is a slight adverse movement of £0.013m on the month 8 position.
9) 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 £10.370m 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 December 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 £10.370m on the underlying position within the General Fund. 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 8, recovery plans were presented to Board, which included actions totalling £9.335m. Reviews of proposed actions have been undertaken by service areas in conjunction with Finance in the period between Month 8 and Month 9 reporting to ensure that actions can be delivered as planned. This has resulted in a reduction in the total value of plans of £2.321m, to £7.014m. This decrease in deliverable actions has increased the residual overspend from £3.824m at month 8 to £7.342m at month 9.

1.6 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 £4.731m 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 had increased slightly to 4%, from 3.9% in November, which, despite the slight increase this month, represents a significant reduction over the course of the year. 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 for the foreseeable future, rather than increasing as had been previously projected. Although the rate of inflation is significantly lower than in previous months, 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. These reserves should be used to support invest to save proposals to create sustainable change and efficiencies across the Council, to support the Council's ongoing financial position.

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 through reporting to 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 9

2.1 The underlying Month 9 position is an overspend of £10.370m. This includes the implementation of £2.825m of recovery plan actions, without which, the overspend would be £13.195m. The underlying month 8 position was an overspend of £11.996m and the table below shows the movement in the position between months:

Movement between months	£m
Month 8 underlying position	11.996
Recovery plan actions implemented	(2.825)
Additional pressures within Services	1.250
Minor improvements in Directorates	-0.051
Month 9 underlying position	10.370

2.2 These additional pressures identified, have reduced the impact of the implemented recovery plan actions on the residual overspend.

2.3 Reviews of recovery plan actions between Month 8 and Month 9 reporting, highlighted potential risks within the proposals. This has resulted in a reduction in deliverable action from £9.335m to £7.014m, of which £3.986m has been delivered (£2.825m in month 9). Outstanding actions to be implemented total £3,028m, which takes the net overspend to £7.342m at month 9, an adverse movement of £3.519m from month 8.

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 9, and is shown in comparison to the month 8 position. The figures within the tables in the report are subject to rounding.

Table 1: Month 9 forecast monitoring position

Forecast Position	Revenue Budget	Month 9 Forecast	Underlying Variance	Recovery Plan Actions outstanding	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Adults	44.139	47.241	3.102	0	3.102	0.390	2.712
Children's Social Care	55.837	60.695	4.859	(0.978)	3.881	3.804	0.077
Education	8.786	9.484	0.698	(0.595)	0.103	0.000	0.103
Population Health	14.352	13.821	(0.531)	0.000	(0.531)	(0.548)	0.017
Place	32.409	36.852	4.444	(1.455)	2.989	2.311	0.678
Governance	14.175	13.927	(0.248)	0.000	(0.248)	(0.225)	(0.023)
Resources	51.699	49.745	(1.954)	0.000	(1.954)	(1.909)	(0.045)
Totals	**221.397**	**231.765**	**10.370**	**(3.028)**	**7.342**	**3.823**	**3.519**

2.5 To provide further detail to the table above, the following table shows the movement in the underlying position for month 9 compared to month 8, which is then described in more detail for each Directorate in sections following the table.

Table 2: Month 9 movement in underlying position

Forecast Position	Month 8 Underlying Variance	Recovery plan actions achieved	Additional pressures identified	Month 9 Underlying Variance	Change in Variance
	£m	£m	£m	£m	£m
Adults	2.797	(0.291)	0.596	3.102	0.305
Children's Social Care	6.009	(1.227)	0.077	4.859	(1.150)
Education	0.756	(0.077)	0.019	0.698	(0.058)
Population Health	(0.548)	0	0	(0.531)	0.017
Place	5.116	(1.230)	0.558	4.444	(0.672)
Governance	(0.225)	0	0	(0.248)	(0.023)
Resources	(1.909)	0	0	(1.954)	(0.045)
Totals	**11.996**	**(2.825)**	**1.250**	**10.370**	**(1.626)**

Recovery Plans

2.6 All Directors have submitted draft recovery plans, which require sign off from the Director of Resources in line with the Financial Regulations and work is continuing to develop plans to meet the shortfall. At month 9, there are no recovery plans which bring the Directorate to a balanced position, and as such, no plans have been signed off by the Director of Resources.

2.7 The table overleaf shows a summary of the £7.014m included within Directorate recovery plan, split into months, of which £3.986m has been delivered and £3.028m is expected to be delivered between January and March:

Table 3: summary of recovery plan actions by Directorate

Recovery plan actions	P7	P8	P9	P10	P11	P12	
	October	November	December	January	February	March	Total
Directorate	£m	£m	£m	£m	£m	£m	£m
Adults Social Care	0	-1.162	-0.292	0	0	0	**(1.454)**
Children's Social Care	0	-0.037	-1.19	-0.221	-0.188	-0.569	**(2.204)**
Education	0	0	-0.077	-0.137	-0.041	-0.417	**(0.672)**
Place	-0.673	-0.07	-0.486	-0.26	-0.166	-1.028	**(2.684)**
Total	**(0.673)**	**(1.269)**	**(2.045)**	**(0.618)**	**(0.395)**	**(2.014)**	**(7.014)**

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 £3.102m, adverse movement of £0.305m from month 8
Remaining recovery plan action of £0
Residual overspend: adverse movement of £2.712m

Forecast Position Adults	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Mental Health 18-64	0.955	1.964	1.009	0.000	1.009	0.927	0.082
Learning Disability 18-64	1.604	2.278	0.674	0.000	0.674	0.687	(0.014)
Physical Disability 18-64	1.756	1.565	(0.191)	0.000	(0.191)	(0.472)	0.281
Older People 18-64	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mental Health 65+	0.532	1.583	1.051	0.000	1.051	0.978	0.073
Learning Disability 65+	0.118	0.429	0.311	0.000	0.311	0.300	0.011
Older People 65+	5.054	9.033	3.980	0.000	3.980	1.392	2.587
Adult Services	34.120	30.389	(3.731)	0.000	(3.731)	(3.422)	(0.309)
Totals	**44.139**	**47.241**	**3.102**	**0.000**	**3.102**	**0.390**	**2.712**

2.9 The Adults Services Directorate has a forecast underlying overspend against budget in 2023/24 of £3.102m. The total recovery plan actions are £1.454m, which are fully delivered. There are no further recovery plan actions expected to be achieved in quarter 4. This is an adverse movement of £2.712m on the period 8 forecast, which included recovery plan proposals to deliver a balanced budget by 31 March 2024.

2.10 Adult services is currently seeing increased demand and requests for support which can be demonstrated through a snapshot taken on 12 January 2024. We had 181 new contacts awaiting assessment and 250 requests to duty awaiting re assessment. A request for support is initially triaged to ensure that any diversion to other services or self-help has already been offered. Therefore, those progressed to full assessment or reassessment it is a reasonable assumption that most will result in care and support being offered resulting in an adverse impact on the budget.

2.11 Residential and nursing care home placements net costs in each of the categories above have increased by £0.614m. The increase in cost is driven by a continuing demand increase in Older People 65+ placements of £0.180m and by an increase in cost for Physical and Learning Disability placements of £0.278m. £0.210m of the increase relates to a realignment of a supported accommodation placement, which is a reduction in the Adult Services row. For context, the period 8 position reported a volume of 849 permanent placements in October 2023, the November volume was 869, an increase of 2%. The largest increase is within permanent residential placements for older people, with an increase of 16 placements since period 8.

2.12 Although additional demand costs for winter pressures are evident, the resulting pressure will not be known until the end of February 2024, when the pressure is expected to reduce.

2.13 The Adult Service row in the table above includes all other services except permanent care home placements. This includes costs such as staffing, supported accommodation, commissioning contracts, homecare, direct payments and shared lives.

2.14 Staffing cost forecasts across the directorate have increased by £0.334m. £0.200m of this relates to pay uplifts for overtime and casual works in the directorate, such as the homemakers service to cover vacant posts ensuring 24 hour care provided. There has also been a £0.096m increase due to the 2023/24 pay award on grant funded posts. This includes posts funded by Improved Better Care Fund and Adult Social Care Grant.

2.15 Supported accommodation costs have reduced by £0.210m due to the realignment of a placement into a Care Home Physical Disability placement as stated in point 2.10 above.

2.16 Home care and support at home care provision has decreased slightly since period 8. The forecast has reduced by £0.068m due to a decrease in hours delivered each week.

Recovery Plan update

2.17 Within the Adults Social Care recovery plan, actions totalling £1.162m were implemented at period 8 relating to 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 and 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.

2.18 Furtheractions of £0.292m were implemented at period 9 to reflect a pause on non-contract spend of £0.133m until 1 April 2024 at the earliest, removal of historic charges totalling £0.105m and full cost recovery on Homecare / Support at Home charges of £0.054m, which was approved at Executive Cabinet on 20 December 2023 and is effective from 1 February 2024.

2.19 Within the originally presented recovery plan, further actions of £2.116m were included to be implemented by 31 March 2024, relating to the following:

- Increase the numbers of assessments being considered for Continuing Healthcare funding from Integrated Care Board (ICB) £1.314m
- Contribution from the ICB towards the Support at Home Model £0.560m
- Reduction of further demand for Care Home placements of £0.242m

2.20 These actions are now considered to not be achievable in year and further information is included in the sections below:

2.20.1 A review of CHC contributions against boroughs with a similar demographic has shown that Tameside currently achieves £1.314m lower contribution from health than peers. However, it should be noted that CHC is determined based on a national eligibility criteria assessed on individual need. Every person who receives a care act assessment in Tameside is also screened against the national eligibility criteria for CHC and therefore it is unlikely that an in-year increase in CHC will be achieved. In addition, Greater Manchester ICB are also reviewing CHC as a whole, the outcome of which is still awaited, to inform Tameside's local response. In the meantime, re-screening will continue for all those who are due a care act review against the CHC checklist.

2.20.2 The Council pays £1.64 per hour more than standard home care for the Support at Home service, which delivers the care worker blended role, supporting some low level health tasks such as insulin administration, a trusted assessor function and a blended care and support offer of traditional care visits and community activity. This approach means that on average a package of care is 6 hours per week less than standard home care and results in an average cost avoidance of £100.09 per package of care. Funding to develop this model of care was initially provided through the Tameside GM health and social care transformation fund, with a view it would release income from health to support the ongoing delivery on the model in the longer term. Further conversations with the ICB will be undertaken in terms of ongoing funding arrangements, but this is unlikely to have an impact in the current financial year.

2.20.3 In 2023 there were 9 care homes (up to 329 beds) that did not accept the Council's usual rate, with the increased rate either being paid via a third party top-up or the Council (if the home is identified as the only home that can meet need). From April 2024 this is due to increase to 21 care homes (up to 646 beds). Tameside's largest provider has historically resisted charging top-up fees in Tameside however, due to the increased complexity of residents, will be charging additional fees for the majority of their beds. It was anticipated that this would take effect within the current financial year, however, will now be

2.21 These factors have resulted in an adverse impact on Adult Services in year financial position and a period 9 pressure of £3.102m reported.

2.22 The Directorate has outlined a number of efficiency projects for delivery from 2024-26 which if successful will achieve c £3.0m saving and also strengthen our approach to prevention and diversion from high cost services. Furthermore, the service is due to complete implementation of upgrades to its case management and social care finance system which will enable the service to better forecast budgets based on activity and trends.

Children's Social Care
Underlying overspend £4.859m, improvement of £1.150m from month 8
Remaining recovery plan action of £0.978m
Reported position: £0.077m adverse movement

Forecast Position Children's Social Care	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Child Protection & Children In Need	8.276	8.561	0.285	0.000	0.285	0.483	(0.198)
Children's Social Care Safeguarding & Quality Assurance	2.162	2.093	(0.069)	0.000	(0.069)	(0.038)	(0.031)
Children's Social Care Senior Management	(7.465)	(7.191)	0.273	0.000	0.273	(0.095)	0.368
Adolescent Services	3.005	2.898	(0.106)	0.000	(0.106)	(0.062)	(0.044)
Early Help, Early Years & Neighbourhoods	3.848	2.473	(1.375)	(0.454)	(1.829)	(2.073)	0.244
Cared for Children	45.728	51.599	5.871	(0.524)	5.347	5.607	(0.260)
Commissioning	0.282	0.262	(0.020)	0.000	(0.020)	(0.017)	(0.003)
Totals	**55.837**	**60.695**	**4.859**	**(0.978)**	**3.881**	**3.805**	**0.076**

2.23 The Children's Social Care Directorate has a forecast underlying overspend against budget in 2023/24 of £4.859m. The total recovery plan actions are £2.204m, of which £1.227m has been delivered, with remaining £0.978m to be delivered in quarter 4. This is a favourable movement of £1.150m compared to £6.009 reported in period 8 as a result of the implementation of recovery plan actions. The underlying overspend is subject to mitigation by recovery plan actions currently forecast at £0.978m, resulting in a reported net forecast variance of £3.881m.

2.24 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.

2.25 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 £5.871m. This relates both to the overall number and the increasing cost of each placement, with external residential placement numbers currently at 79, compared to

67 at the start of the financial year.

2.26 The forecast also continues to be affected by the usage of additional Social Workers supporting caseload requirements and other additionality supporting the departmental improvement priorities, which is being funded from the Children's Services transformation reserve (£0.772m) pending formal approval.

2.27 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 and drive recruitment and retention, including training social workers which will deliver savings as newly qualified social workers on lower spinal points replace agency social workers.

Recovery Plan

2.28 The total of the actions identified within the recovery plan is £2.204m, which does not fully balance the budget. Of the recovery plan actions, £1.230m has been implemented and reported within the underlying position. Overall, £0.974m is outstanding as at Month 9 and currently forecast to be fully delivered by the end of the financial year.

2.29 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 at Period 8 of £0.120m has increased the full year impact of this recovery action to £0.140m.

2.30 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, £1.094m of grant maximisation was actioned at Period 9, with a further £0.4554m expected to be achieved by year end. This includes applying reasonable overheads to grant activity and, where allowable with grant conditions, utilising grant to support other activity.

2.31 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 this is now feeding into the IMPOWER Children's Social Care financial sustainability work in 2024/25. The re-profiling of this recovery plan has been offset by grant maximisation work referred to in 2.7. We have a discharge to home project realising a number of positive outcomes and will improve the deliverability of the savings in 2024/25.

Education
Underlying overspend of £0.698m, favourable movement of £0.059m
Remaining recovery plan action of £0.595m
Residual overspend position: £0.103m adverse movement

Forecast Position Education	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Access Services	5.323	5.716	0.393	(0.206)	0.187	0.089	0.098
Assistant Executive Director – Education	(0.144)	0.091	0.235	0.000	0.235	0.234	0.001
Education Improvement and Partnerships	0.442	0.355	(0.087)	(0.199)	(0.286)	(0.285)	(0.001)
Schools Centrally Managed	1.527	1.593	0.066	(0.066)	0.000	0.000	0.000

Special Educational Needs and Disabilities	1.633	1.724	0.091	0.000	0.091	0.086	0.005
Virtual School and College	0.006	0.005	(0.001)	(0.124)	(0.125)	(0.125)	0.000
Totals	**8.786**	**9.484**	**0.698**	**(0.595)**	**0.103**	**0.000**	**0.103**

2.32 The Education Directorate has a forecast underlying overspend against budget in 2023/24 of £0.698m which is a favourable movement of £0.058m from Period 8. The total recovery plan actions are £0.678m, of which £0.077m has been delivered, with a further £0.595m expected to be delivered in quarter 4. Delivery of the recovery plan actions will leave a net overspend of £0.103m.

2.33 The improvement from recovery plans being implemented in December 23 has been partly offset by an adverse movement of £0.019m relating to backdated incremental pay awards. The recovery plan in this area has been updated to remove the vacancy savings identified and reduced demand on Teachers Pensions, leading to an adverse movement of £0.103m on the residual overspend position.

2.34 The overspend on Special Education Needs and Disability (SEND) Transport remains to be £0.390m. The recovery plan includes a review of the eligibility for transport which seeks to provide cost reductions in year. This action has reduced by £0.082m due to increased lead implemented timeframes. This will be completed along with the longer-term plans to increase the use of personal budgets, increasing travel training and varying commissioning arrangements.

2.35 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 increased demand was not reflected in the budget and although work is underway to reduce the number of EHCPs, there is still an increased demand on this service. 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.

Recovery plans

2.36 The updated recovery plan identifies actions of £0.675m, a reduction of £0.162m on the month 8 position. This leaves a residual overspend position of £0.103m in the Education Directorate.

2.37 Since Period 8, £0.077m of recovery plan actions have been actioned in the underlying position. Vacancy savings of £0.063m and reduced demand on Teachers Pension early retirement costs of £0.014m have been reflected. £0.082m of recovery plan actions relating to SEN transport eligibility has been removed due to delays in reviews of plans taking place.

Place
Underlying overspend of £4.444m, £0.672m favourable movement.
Remaining recovery plan action of £1.455m
Residual overspend position: £2.989m, £0.678m adverse movement.

Forecast Position Place	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Operations and Neighbourhoods	18.801	18.787	(0.013)	(0.507)	(0.520)	2.391	(2.912)
Place Management	0.163	0.231	0.068	(0.443)	(0.375)	0.071	(0.446)
Investment, Development and Housing	4.856	6.700	1.844	(0.443)	1.401	(0.207)	1.608

Planning and Transportation	0.782	0.754	(0.028)	0.000	(0.028)	(0.002)	(0.026)
Strategic Property	7.807	10.380	2.573	(0.062)	2.511	2.862	(0.351)
Recovery Plan Actions @ M08	0.000	0.000	0.000	0.000	0.000	(2.805)	2.805
Totals	**32.409**	**36.852**	**4.444**	**(1.455)**	**2.989**	**2.311**	**0.678**

2.38 The Place Directorate has a forecast underlying overspend against budget in 2023/24 of £4.444m. The total recovery plan actions are £2.684m, of which £1.230m has been delivered, with the remaining £1.454m to be delivered in quarter 4. This represents an adverse movement of £0.678m since period 8. The underlying overspend is subject to mitigation by recovery plan actions currently forecast at £1.454m, resulting in a reported net forecast variance of £2.989m.

2.39 The overspend of £2.989m for the Place Directorate relates to overspends on the Facilities Management contract and reactive maintenance within the Strategic Property function and increased demand on Temporary Accommodation.

2.40 Since month 8, the Homelessness service has transferred from Operations & Neighbourhoods to Investment, Development & Housing, resulting in a change in position in both areas of £2.078m (favourable for Operations & Neighbourhoods and adverse for Investment, Development & Housing). This variation is a combination of the forecast overspend against Temporary Accommodation of £2.707m, detailed below, partially offset by the use of grant funding to support core costs within the service.

2.41 Of the remaining movements in variation, the majority are due to the revision of pay forecasts; as part of the recovery plan some services, e.g. those within Strategic Property, committed to holding certain vacancies until the new financial year. This has now been built into the underlying position. For other services, a detailed review of pay forecasts to ensure they are up to date and accurate has resulted in an improvement to the position.

2.42 Aside from movements in forecast variations due to recovery plan actions and updates to pay forecasts, there are key changes within those areas identified in previous reports as those facing financial challenges: Corporate Landlord, Homelessness and Waste & Fleet. These areas are all reporting overspends which are driven by cost and demand pressures, non-delivery of prior year savings and the partial non-delivery of savings in 2023/24. At period 9, Homelessness are reporting a worsened position, whilst Corporate Landlord and Waste & Fleet are reporting improvements, as detailed below.

Waste & Fleet Management £0.330m forecast overspend, favourable movement of £0.288m.

2.43 Staffing costs exceed the net budget due to vacancy factor (£0.406m) not being delivered in full. It should be noted however that £0.148m of this is now forecast as deliverable within the current year, contributing towards the reported favourable movement. The use of agency staff to cover sickness and other absences remains significant with a current year forecast of £0.291m (£0.097m in excess of the available budget).

2.44 The previously reported overspend on vehicle repairs and maintenance and additional hire has now been reduced in line with the profile of spend incurred to date, resulting in further favourable movement of £0.140m. 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.

Corporate Landlord £2.619m forecast overspend, favourable movement of £0.204m.

2.45 Within Facilities Management, contingency budget of £0.642m has been allocated to support inflationary increases on the core contract, thereby reducing the forecast overspend on this contract to £1.034m. However, reactive maintenance costs across the corporate estate are significant and are now expected to exceed budget by £0.500m. There is an assumption within the position that a level of costs already incurred that can be capitalised and work is underway to assess the total value of this. This has resulted in a net favourable movement of £0.142m with the further improvement of £0.062m linked to management actions set out in the recovery plan.

2.46 As previously reported, 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.

Temporary Accommodation (TA) £2.707m forecast overspend, adverse movement of £0.146m–

2.47 New placements in TA have continued to increase, with 209 households in nightly paid temporary accommodation, an increase from 187 at month 8. The numbers of households moving on from TA has also slowed, with 48 households moving out of TA placements, compared to 57 during November. This has resulted in an overall increase of households in nightly paid TA.

2.48 The average length of stay in TA continues to remain stable, however, the number of open cases (nightly paid TA) has continued to increase from May 2023. 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 TA costs the Authority £0.007m (net cost after receipt of Housing Benefit Subsidy).

2.49 As expected, following review of seasonal trend data, Tameside has seen a continued increase in numbers of households in TA. This is expected to continue into the final quarter of 23/24 and an increased forecast of £0.146m is now being forecast. This accounts for the net increase in TA numbers since month 6 and further growth in demand to the end of the financial year, equating to a net increase of 38 households in TA.

2.50 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 TA, as well as reducing the numbers entering the system. Work is underway to progress this recruitment but until these are in post, reductions to costs will be limited.

Recovery Plan

2.51 The Directorate had previously identified £2.805m of mitigating actions as part of its recovery plan, of which £1.230m has been delivered. However, it should be noted that the overall value of the recovery plan has reduced by £0.121m due to in-year proposals within Waste and Homelessness services no longer being deliverable within the timescales previously envisaged. This is due to public consultation requirements for the Waste Services proposal and a delay in recruiting prevention officers in Homelessness. The delay in recruitment to prevention officers will continue to pose a risk to the deliverability, until people are in post, which has reduced the proposed mitigation from £0.217m to £0.159m.

Therefore, remaining actions to be delivered total £1.454m and are made up of

Population Health

Underlying underspend of £0.531m, adverse movement of £0.017m

2.52 Population Health has an underlying forecast underspend of £0.531m, which represents an adverse movement of £0.017m on the month 7 position. There are no major variations to report at period 9.

Forecast Position Population Health	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Population Health	14.352	13.821	(0.531)	0.000	(0.531)	(0.548)	0.017
Totals	**14.352**	**13.821**	**(0.531)**	**0.000**	**(0.531)**	**(0.548)**	**0.017**

Resources

Underlying underspend £1.954m, £0.045m favourable movement

2.53 Resources has an underlying forecast underspend of £1.954m, which represents a favourable movement of £0.045m on the month 8 position.

2.54 There are no significant variations to report during this period with the improvement primarily relating to adjustments to the recruitment of vacant posts within services across the Directorate during the final quarter.

Forecast Position Resources	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Exchequer	1.456	2.522	1.066	0.000	1.066	1.083	(0.017)
Financial Management	3.546	3.764	0.217	0.000	0.217	0.222	(0.005)
Assurance	1.889	1.884	(0.005)	0.000	(0.005)	(0.006)	0.002
Digital Tameside	4.774	4.630	(0.144)	0.000	(0.144)	(0.119)	(0.025)
Levies	31.796	31.451	(0.344)	0.000	(0.344)	(0.344)	0.000
Contingency	4.914	4.914	0.000	0.000	0.000	0.000	0.000
Investment and Financing	3.324	0.580	(2.744)	0.000	(2.744)	(2.744)	0.000
Totals	**51.699**	**49.745**	**(1.954)**	**0.000**	**(1.954)**	**(1.909)**	**(0.045)**

Governance

Underlying underspend £0.248m, £0.023m favourable movement

2.55 Governance has an underlying forecast underspend of £0.248m, which represents a favourable movement of £0.023m on the month 8 position.

2.56 As per month 8 there are again no significant variations to report during this period with the improvement relating to adjustments to pay forecasts within services.

Forecast Position Governance	Revenue Budget	Month 9 Forecast	Month 9 Underlying Variance	Recovery Plan Actions	Net Variance	Net Variance Month 8	Change in Variance
	£m	£m	£m	£m	£m	£m	£m
Governance	4.388	4.337	(0.051)	0.000	(0.051)	(0.048)	(0.003)
Policy, Performance and Communications	1.655	1.585	(0.070)	0.000	(0.070)	(0.091)	0.021
People and Workforce Dev	2.895	2.827	(0.068)	0.000	(0.068)	(0.031)	(0.036)
Transformation	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Corporate Costs	5.238	5.179	(0.059)	0.000	(0.059)	(0.054)	(0.005)
Totals	**14.175**	**13.927**	**(0.248)**	**0.000**	**(0.248)**	**(0.225)**	**(0.023)**

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 below:

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

2023/24 Budget Reductions	Opening Target £m	Red £m	Amber £m	Green £m	Achieved £m	% of Red and Amber savings of total
Adults	2.550	0.935	0.143	0.437	1.036	42%
Children's Social Care	3.652	2.097	0.865	0.690	0.000	81%
Education	0.318	0.050	0.129	0.139	0.000	56%
Population Health	0.155	0.000	0.000	0.000	0.155	0%
Place	2.103	0.778	0.339	0.290	0.696	53%
Governance	0.000	0.000	0.000	0.000	0.000	0%
Resources	1.776	0.000	0.000	0.444	1.332	0%
Total	**10.554**	**3.860**	**1.476**	**2.000**	**3.219**	**51%**
%		**36.6%**	**14.0%**	**18.9%**	**30.5%**	

3.2 At month 9, 30.5% of the programme is considered to be achieved, or on track to be delivered, a total of £5.218m. A further £1.476m is classed as Amber, with some issues or delays in delivery with £3.860m or 36.6%, 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.

Table 10: Red rated savings at month 9

Directorate	Scheme	Ref No.	Opening Target £m	Red £m
Adults	Non Residential Client Income – Realignment of Fees & Charges for Support at Home	AD1	550	496
Adults	Support individuals in a way that increases independence and reduces reliance on services	AD3	750	439
Education	SEND Transport - Review transport policy and thresholds where possible, consider transport when naming a school, link to GM strategy. Expand the use of Personal Budgets for Post-16. This is not achievable is 2023/24 due to implementation timeframes but will be implemented in 2024/25, linking in with IMPOWER for Post-16 proposal.	CH3	50	50
Children's Social Care	Achieving permanence in children – trajectory is that we are reducing children looked after numbers. This is part of the IMPOWER delivery project for 24/25.	CH10	450	450
Children's Social Care	Remodelling of Early Help Offer - Potential for 5% reduction in costs	CH11	865	665
Children's Social Care	Commissioning local semi-independent provision through maximisation of staying close grant	CH15	702	702
Children's Social Care	Management Review	CH20	280	280

Place	Estates Rationalisation	PL3	920	553
Place	Corporate Building Room Hire Income Review	PL4	10	10
Place	Industrial Estate Unit Rental / Change in Use - Plantation Unit 7	PL6	130	47
Place	FM / TAS Contract Review	PL7	320	30
Place	Street Lighting - reduction in energy consumption (reduce brightness)	PL10	108	108
Place	Reduction in parking enforcement contract costs based on reduced service spec (based on 5% reduction)	PL15	30	30
	Total		**5,165**	**3,860**

4. DEDICATED SCHOOLS GRANT

The in-year forecast position on the overall DSG is a deficit of £4.731m, an adverse movement of £0.013m. Details of the position on each funding block are included in Table 11 below. The deficit predominantly relates to the ongoing pressure on High Needs.

Table 11: Dedicated Service Grant (DSG) 2023/24 Forecast Deficit

DSG Funding Blocks	DSG Settlement incl. Block Transfer £m	Month 9 Forecast Distribution /Expenditure £m	Month 9 Forecast (Surplus) / Deficit £m	Month 8 Forecast (Surplus) / Deficit £m	Change in Forecast (Surplus) / Deficit £m
Schools Block	200.358	200.342	(0.016)	(0.010)	(0.007)
Central School Services Block	1.249	1.249	0.000	0.000	0.000
High Needs Block	37.604	43.088	5.484	5.219	0.265
Early Years Block	18.062	17.325	(0.737)	(0.492)	(0.245)
Total	**257.273**	**262.003**	**4.731**	**4.718**	**0.013**

Note: the above table includes rounding

4.1 The favourable movement on the schools block mainly relates to updated growth funding based on October 2023 census data.

4.2 The high needs budget continues to be under significant pressure and there is an adverse movement of £0.265m. This is following the completion of the autumn term real time exercise and update to the growth forecast to the end of the financial year. As expected, the majority of growth in the High Needs block is across the mainstream and independent sector. There is also an anticipated contribution to children's social care placements.

4.3 There is a favourable movement of £0.245m in the Early Years Block. The updated forecast is based on the actual funding allocated to providers for funded hours for the summer and autumn terms and estimated hours of uptake for the spring term. There has been a reduction in uptake of hours for 3 and 4 year olds, mainly due to falling birth rates which has resulted in a reduction in the forecast expenditure of £0.347m. However, there has been a gradual increase in 2 year old uptake which has led to revised estimates for the spring term an increase the forecast expenditure of £0.097m. There will be a funding adjustment based on the Spring Term census data and if the estimates are accurate, there will be a clawback of funds which will reduce the anticipated surplus.

4.4 The Early Years Supplementary Grant (EYSG) has also been updated for the actual distribution of funding for the Autumn term and estimated distribution, based on estimated participation, for the Spring Term. This has increased the forecast overspend of £0.049m to £0.059m. Any overspend will be met from the forecast underspend on the early years block.

4.5 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 £8.100m. 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.

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 actual expenditure to date along with the projected 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 to £24.228m, having been £21.557m at month 8 and £12.482m at the last detailed monitoring in month 6.

5.3 The current forecast for capital expenditure is £46.946m. The £24.228m expenditure to date represents 52% of the budgeted programme, despite being three quarters 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.

Adult Services

5.4 The 'Moving with Dignity' team (two manual handling practitioners, a senior practitioner and an occupational therapy assistant) are currently funded through the Disabled Facilities Capital grant with the aim of training staff within home care providers to 'Move with Dignity' safely using a range of equipment meaning a reduced requirement for dual handed care. These posts are approved to 31 March 2024.

5.5 A subsequent reduction in the cost of individual packages of care is delivered by the programme which is being rolling out to new providers. Approval is required to extend the four posts on the team for a further three year period, 1 April 2024 to 31 March 2027.

5.6 The expenditure relating to the three year extension equates to approximately £0.620m (this includes an assumed inflationary increase for pay awards of 10% over the 3 year period) and will be financed by the annual Disabled Facilities Grant (DFG) awarded to the Council via the Better Care Fund. The 2023/24 grant award to the Council is £3.098m. The DFG award to the Council for 2024/25 is expected to be £2.849m as a minimum. The DFG funding for the annual value of the four posts will be adjusted to equate to the actual cost once annual pay awards are announced.

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	2.585	8.502	(5.522)	(1.110)	(4.412)
Corporate Landlord	0.993	0.228	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

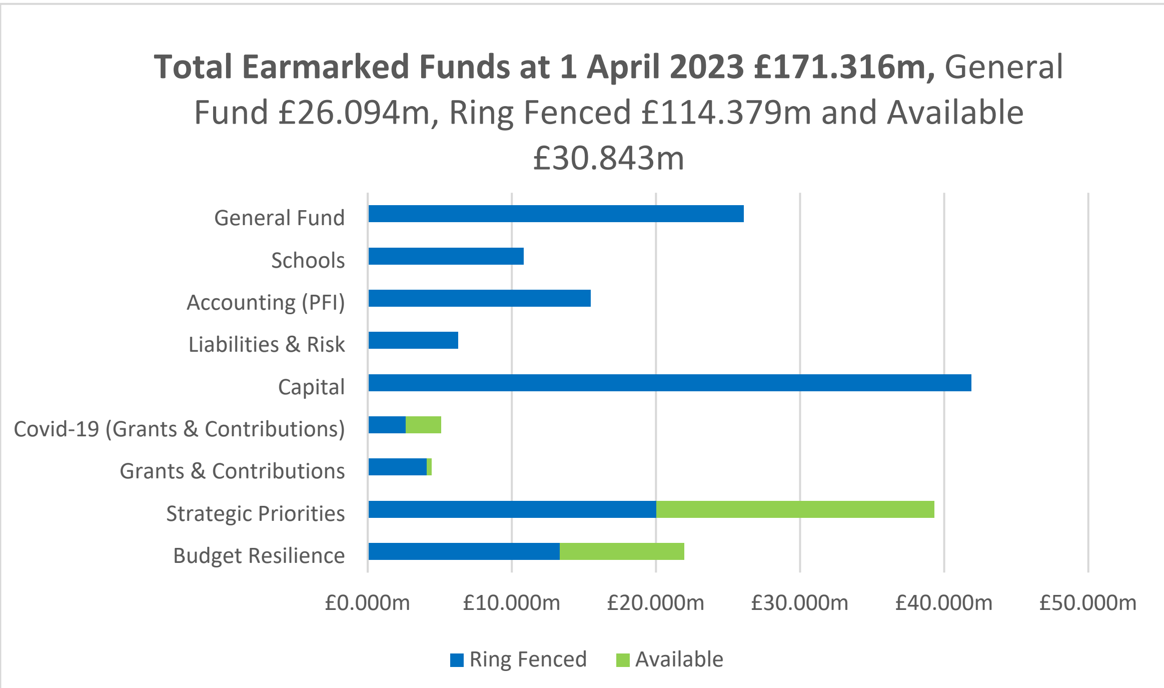
Place: Operations and Neighbourhoods						
Engineers	4.826	1.770	4.248	(0.578)	(0.564)	(0.014)
Ops & Greenspace	1.925	0.409	1.395	(0.530)	(0.562)	0.032
Fleet Replacement	0.000	-	-	-	-	-
Estates	0.008	0.088	0.057	0.049	-	0.049
Children's Social Care						
Education	22.318	17.237	26.377	4.059	3.610	0.449
Children	1.322	0.222	1.234	(0.088)	(0.088)	-
Resources						
Digital Tameside	-	-	-	-	-	-
Adults Social Care						
Adults	4.195	1.565	3.933	(0.262)	(0.262)	-
Governance						
Governance	0.032	0.030	0.032	0.000	0.000	-
Total	**49.818**	**24.228**	**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.