Budget Monitoring Period 9 (2024/25)

Subject:	Budget Monitoring Period 9 (2024/25)
Corporate Director(s)/Director(s):	Stuart Fair, Interim Director of Finance and Resources (Section 151 Officer)
Executive Member(s):	Councillor Linda Woodings, Executive Member for Finance and Resources
Report author and contact details:	Clare Williams, Interim Director for Strategic Finance (Deputy Section 151) Lucy Salim, Interim Assistant Director for Finance Business Partnering Parmjeet Jassal, Interim Financial Planning & Monitoring Accountant
Other colleagues who have provided input:	Corporate Leadership Team Colleagues within respective departmental leadership teams Transformation Team Colleagues within Finance Business Partnering, Technical and Strategic Finance teams

Subject to call-in: ☒ Yes ☐ No

Key Decision: ☒Yes ☐ No

Criteria for Key Decision:

☒ Expenditure Income☒ ☐ Savings of £750,000 or more taking account of the overall impact of the decision

and/or

Significant impact on communities living or working in two or more wards in the City

☐ Yes ☐ No

Type of expenditure: ☒ Revenue ☒ Capital

If Capital, provide the date considered by Capital Board

Date: Capital budget approved 04/09/2024

Total value of the decision: None

Section 151 Officer expenditure approval

Has the spend been approved by the Section 151 Officer? ☐ Yes /☐ No ☒ N/a

Spend Control Board approval reference number: n/a

Commissioner Consideration

Has this report been shared with the Commissioners' Office? ☒ Yes ☐ No

Any comments the Commissioners wish to provide are listed below.

Wards affected: All

Date of consultation with Executive Member(s):

Relevant Council Plan Key Outcome:

Clean, Green and Connected Communities	☒
Keeping Nottingham Working	☒
Carbon Neutral by 2028	☒
Safer Nottingham	☒
Child-Friendly Nottingham	☒
Living Well in Our Communities	☒
Keeping Nottingham Moving	☒
Improve the City Centre	☒
Better Housing	☒
Serving People Well	☒

Summary of issues (including benefits to citizens/service users):

This report provides the Council's 2024/25 forecast outturn for the General Fund, Housing Revenue Account and Capital Programme, based on activity to the end of the Period 9 (31 December 2024).

The Council, like many local authorities, is facing financial pressures. These include:

- **Escalating Costs:** Rising inflation and increased demand for adult and children's social care services are significantly increasing operational expenses.
- **Diminishing Revenue:** The recent cost of living crisis has impacted the Council's income streams.
- **Reduced Health Funding Contributions:** The withdrawal of health funding contributions towards the cost of care further exacerbates the Council's financial strain.

The Council continues to operate within a challenging financial environment. Financial pressures are primarily driven by a number of factors, including significant demographic pressures, increasing service complexity, and inflationary pressures. To manage the budget pressures the Council implemented a Financial Intervention Strategy which encompassed a range of measures alongside departmental management actions intended to mitigate the Council's in-year pressure.

The Council is forecasting a General Fund overspend of £12.984m which has been mitigated through £11.907m of management actions reducing the overspend to £1.077m (0.3%) at Period 9.

The approved budget for the 2024/25 financial year included £41 million in Exceptional Financial Support to balance the budget, the budget pressures reported of £12.984m before mitigating actions are in addition to the £41m of ESF. Proactive measure to reduce the budget pressure continues to balance at or within the approved budget.

The Council's comprehensive Savings Programme, which is currently in its third year, is projected to achieve significant budgetary efficiencies, with 2024/25 savings totalling £38.877m (79.7%) are either delivered or on track to be delivered in 2024/25.

The HRA forecast at Period 9 for 2024/25 is reporting a net underspend of £0.296m. This will increase the contribution to HRA reserves to £8.827m.

The revised Capital Programme is reporting an underspend of £19.370m of which £12.502m is within City and Growth development.

Budget overspends are shown as a positive numbers and underspends as negative number through the report.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

1) To **note** the **General Fund forecast gross overspend** for 2024/25 at Period 9 of **£12.984m** reduced by (£11.907m) following application of mitigating actions reducing **the net overspend to £1.077m** against approved budget of £356.800m (Section 4) and the **risks** set out in Section 9.

2) To **note** that the **Corporate Leadership Team** in consultation with the Section 151 Officer has **developed a mitigation strategy and plan** to bring the forecasted spend back in line with approved budget (section 3).

3) To **note** the General Fund budget includes the **Exceptional Financial Support flexibility of £41.024m** for 2024/25, which will be deployed through a combination of capital receipts and short-term borrowing (section 3).
4) To **note** the **progress** of the **approved savings** over the Medium-Term Financial Plan (2024/25 – 2027/28) period of £88.335m, with **£65.176m (73.8%) either delivered or on track to be delivered** of which: • £3.072m relate to undelivered 2023/24 savings brought forward • £35.805m relate to 2024/25 savings • £26.299m relate to savings over the MTFP period 2025/26 to 2027/28 See section 5 and Appendix 1 for further details.
5) To **note** the **HRA forecast net underspend** for 2024/25 at Period 9 of **(£0.296)** (section 6- Table 7).
6) To **approve** the **2024/25 Capital** Programme **net slippage of (£19.180m)** and **net underspend of (£0.190m)** with regards to the following (Table 9) as approved by Executive Board in February. Please note a revised Capital position with be incorporated into the period 10 position. • General Fund (£16.511m), HRA (£1.198m) and Accountable Body (£0.751m) net slippage to be carried forward and reprofiled across the medium-term financial plan. Note (£0.190m) net underspend, for which budget amendments will be incepted into the capital programme. Further details in relation to slippage and net overspend are contained in Appendix 2
7) To approve net departmental General Fund net budget changes as summarised in paragraph 5.4 and Appendix 3.

1. Reasons for recommendations

1.1. This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2024/25 budget.

1.2. As set out in the Financial Regulations and Financial Accountabilities Framework, the Chief Finance Officer is responsible for reporting the performance of the budget to Executive Board.

1.3. Budget reporting to councillors is essential for informed decision-making, transparency, and effective governance in local authorities, ensuring accountability and sound financial management.

2. Background

2.1. Councils are required by law to ensure their budgets are balanced each year. This highlights the critical need for consistent reporting and diligent oversight of budgets that enables sound financial governance.

2.2. At the conclusion of the 2023/24 financial year, the Council reported a provisional overspend of £17.568 million to the June 2024 Executive Board. This overspend was fully funded through the Exceptional Financial Support flexibility. While the 2024/25 budget and Medium-Term Financial Plan (MTFP) incorporate service growth to address recurring pressures, the Council continues to face increased service demands.

2.3. The Corporate Leadership Team maintain vigilant oversight of the Council's financial health on a monthly basis to ensure actions are taken to delivered at or within budget.

2.4. The Council faced a significant challenge in setting a balanced budget for 2024/25, necessitating the utilisation of approximately £41m from Exceptional Financial Support to address a substantial budget gap and structural deficit. Reliance on Exceptional Financial Support is a temporary measure and therefore the Council must deliver the savings targets within the current financial year to reduce the reliance of EFS over the medium term.

2.5. In response to the in-year financial challenge, the Council has identified and incorporated mitigating actions valued at £11.907m within the forecast, which has reduced the forecast overspend to £1.077m. Corporate Directors continue to actively work to control expenditure within the approved 2024/25 budget, as well as concurrently seeking to enhance financial management and forecasting practices with the support of the Finance team.

2.6. The Corporate Leadership Team is committed to implementing stringent financial management measures, alongside fostering a culture of financial responsibility and sustainability across all departments. This approach aims to effectively manage any departmental overspends and ensure the Council's short to medium-term financial stability.

3. Exceptional Financial Support (EFS)

3.1. The granting of Exceptional Financial Support (EFS) by the Government allows the Council to utilise its capital resources to finance revenue expenditure. This flexibility deviates from the standard practice where capital resources are typically restricted to capital investments.

3.2. In February 2024, the Council gained approval to utilise EFS flexibility of up to £65m. At provisional outturn 2023/24, £17.568m was utilised. £41m was allocated to 2024/25 to ensure a balanced budget position.

3.3. In 2023/24, the EFS was fully funded from capital receipts, therefore no borrowing took place to fund the revenue budget gap. The report sets out in table 10 the forecast capital receipts and reports a shortfall of £6.5m in 2024/25 which means there will be a need to borrow if all the ESF £41m required for 2024/25 is required. Borrowing costs impact on the General Fund through the need to set aside Minimum Revenue provision MRP and pay interest, so it is important that EFS utilisation is kept to a minimum.

3.4. The Council is committed to reducing the utilisation of EFS through early identification and delivery of additional savings in-year.

3.5. The budget includes a contingency of £4m which has not yet been utilised at Period 9, and no forecast use of the contingency by the year end. If the budget outturn result in no use of the contingency and the budget is brought back into balance, there will not be a requirement to use all off of the ESF budgeted in 2024/25. The table below sets the EFS requirement for 2024/25.

Table 1: 2024/25 Exceptional Financial Support Forecast

	Budget 2024/25 £m	Period 9 Forecast £m	Period 9 Net Variance (under) / overspend £m	Period 7 Net Variance (under) / overspend £m
General Fund Revenue Budget Use of EFS	41.024	41.024	0.000	0.000
Capital Receipts	25.200	25.200	0.000	0.000
Borrowing	15.824	15.824	0.000	0.000
Capital Financing Resource for EFS	**41.024**	**41.024**	**0.000**	**0.000**
Interest	0.664	0.664	0.000	0.000
MRP	0.185	0.000	(0.185)	(0.185)
Revenue Impact of EFS	**0.849**	**0.664**	**(0.185)**	**(0.185)**

3.6. Whilst Table 11 below (paragraph 7.20.3) is currently forecasting capital receipt shortfall of £8.966m in 2024/25, if this position holds true or gets worse, the Council will be required to undertake temporary borrowing of the same value for the EFS, which will have an impact on the General Fund revenue budget with regards to interest payment in 2024/25 and MRP in 2025/26. Work is on-going within the Asset Transformation Programme to identify assets for disposal and therefore it is currently too early to quantify the actual level of capital receipt shortfall. This is being closely monitored with updates planned to be provided to the Executive, Corporate Leadership Team, and Capital Board as part of the monitoring process.

3.7. As set out in the '2025/26 Budget Strategy' report to the Executive Board in June 2024, the Council is faced with a significant budget gap over the period covered by the MTFP. Consistent with an emerging pattern across most large urban unitary authorities, the largest pressure on keeping within budget has emerged within our demand led care services. Within the remaining period of 2024/25 every effort will be made by Corporate Directors to bring any such pressures within our approved budget position. Most Core Cities are facing substantially higher in-year overspends principally influenced by the common theme of rapidly increasing demand and cost of care pressures.

3.8. The Council is actively working to reduce the anticipated budget gap for 2025/26, aiming to bring it below the £41 million experienced in 2024/25. This work is ongoing in conjunction with the development of the Medium-Term Financial Strategy (MTFS), following the release of the Provisional Local Government Finance Settlement for 2025/26 on December 18th, 2024. The Council's overarching objective is to achieve financial balance between income and expenditure within the next three years. To this end, it may be necessary to utilise additional Exceptional Finance Support (EFS) flexibility in the interim to maintain a balanced budget over the medium term, prior to the complete elimination of the structural deficit by the 2027/28 financial year.

4. 2024/25 General Fund Revenue Forecast

4.1. Table 2 below summarises the gross General Fund overspend variation of £12.984m (3.6%) which is reduced to a net overspend by £1.077m (0.3%) following application of forecasted management and mitigating actions of (£11.907m) against the General Fund budget of c£357m.

4.2. Corporate Directors are implementing mitigating actions to contain expenditure within their respective approved budget allocations. The Corporate Leadership Team will also conduct a thorough review and, where necessary, refine the existing Financial Intervention Strategy to effectively manage budgetary pressures within the overall approved General Fund Budget for the Council.

Table 2: 2024/25 General Fund Revenue Forecast

Directorate	Current Budget	Year to Date Actuals	Period 09 Forecast	Net Forecast under(-) / over(+) spend (Period 09)	Management and Mitigating Action	Period 07 Net Variance under (-) / over (+) spend - Final Executive Board Report	Movement between Period 09 and Period 07 Variances
	£m	£m	£m	£m	£m	£m	£m
Adults	89.446	110.096	96.848	7.403	(6.193)	5.568	1.834
Commissioning	2.837	3.250	2.377	(0.461)	0.000	(0.031)	(0.430)
Public Health	0.000	(11.370)	0.000	0.000	0.000	0.000	0.000
Adults & Public Health Subtotal	92.283	101.976	99.225	6.942	(6.193)	5.538	1.404
Children's	86.207	63.052	88.321	2.115	(1.170)	2.957	(0.842)
Education	3.800	29.605	3.924	0.123	(1.058)	(0.280)	0.404
Schools	0.029	(37.083)	0.029	0.000	0.000	0.000	0.000
Children's & Education Subtotal	90.036	55.573	92.274	2.238	(2.228)	2.676	(0.438)
Communities Environment and Resident Services	46.429	(11.030)	41.424	(5.005)	(2.937)	(1.948)	(3.058)
Growth & City Development	4.358	(7.418)	3.433	(0.926)	(0.244)	(0.474)	(0.451)
Finance & Resources	44.512	24.181	44.645	0.133	(0.305)	0.908	(0.775)
Chief Executive	(6.151)	(5.005)	(6.896)	(0.746)	0.000	(0.616)	(0.129)
Companies	0.576	(0.506)	0.576	0.000	0.000	0.000	0.000
Total Departments	**272.044**	**157.771**	**274.681**	**2.637**	**(11.907)**	**6.084**	**(3.448)**
Corporate	84.755	(7.844)	83.195	(1.560)	0.000	(1.398)	(0.163)
Total	**356.800**	**149.926**	**357.877**	**1.077**	**(11.907)**	**4.687**	**(3.610)**

4.3 The Council currently holds a revenue budget contingency of £4m which is held within the corporate budget. For Period 9 there has been no request for its use, however it would be premature to assume no use of this contingency until the financial year end.

4.4 The overspend is largely due to a combination of increased demand across adult social care placements that have exceeded the growth estimate, compounded by increased demand and complexity of need in children's social care placements. Continued efforts to reach ambitious savings goals through the Savings Programme are creating added financial challenges especially across Adult's programme who are reporting £7.224m of savings at risk or non-delivery in 2024/25 (refer to section 5).

4.5 Corporate Directors are actively working to manage 2024/25 expenditure and achieve a balanced budget by the end of the financial. The forecast overspend has decreased from Period 7 to Period 9 by £3.610m.

4.6 A number of virements were actioned between Period 7 and Period 9 which mainly relate to technical adjustments, change in management structures, budget realignments with regards to previously approved savings and decisions. These are summarised in Appendix 3 and are reflected in the current budget.

4.7 Explanations for the significant overspends and underspends for directorates are set out below.

5. Adults and Public Health

Adults & Public Health	Current Budget £m	Year to Date Actuals (Period 09) £m	Period 09 Forecast £m	Net Forecast under(-) / over(+) spend (Period 09) £m	Management and Mitigating Action £m
Adults	89.446	110.096	96.848	7.403	(6.193)
Commissioning	2.837	3.250	2.377	(0.461)	0.000
Public Health	0.000	(11.370)	0.000	0.000	0.000
Adults & Public Health	92.283	101.976	99.225	6.942	(6.193)

Overview:

5.1 At period 9, the Adults and Public Health Directorate is reporting a gross overspend of £13.135m (14.23%) against a net budget of £92.283m.

5.2. A combination of one-off and recurring mitigating actions taken by management in Adult's service totalling (£6.193m) is forecast to reduce the net overspend to £6.942m (7.52%)

5.3 This represents an adverse movement of £1.405m to the forecast net overspend position reported at period 7 of £5.537m.

Forecast Variance Summary:

5.4 One-off and recurring mitigating actions identified by management totalling (£6.193m) have reduced the net forecast overspend to £6.942m and the key drivers behind the period 7 forecast net overspend are outlined below:

- **Access & Prevention/Mental Health & Whole Life Disability –** The current forecast is a net overspend of £9.991m against a budget of £122.949m (8.13%), an adverse movement of £1.6m since the P7 reported position of £8.331m. The key areas consist of:
  - A favourable variance of (£0.868m) on employees due to vacancies being held across the service, a favourable movement of (£0.139m) since the P7 reported position of (£0.729m) underspend due to further vacancy savings identified which have been partly offset by an increase in agency spend.
  - An adverse variance of £1.418m against ICB income budget due to the reduction in joint funded care package income following the recent reviews being undertaken by ICB. The total in year pressure is forecast as £3.1m based on reviews undertaken to date and the forecast for the remaining reviews to take place. There has been an adverse movement of £0.211m since the P7 reported position of £1.207m overspend.
  - An adverse variance of £0.104m against Direct Payment Recoveries, a favourable movement of (£0.996m) since the P7 reported position of £1.1m

overspend due to targeted work undertaken by the service in November to review and progress this workstream.

- An adverse variance of £7.724m on gross external care (primarily due to 2023/24 undelivered savings of £2.329m and 2024/25 undelivered savings of £4.602m mainly arising from the Strength Based Review Programme. There has been a favourable movement of (£0.209m) since the P7 reported position of £7.933m overspend.

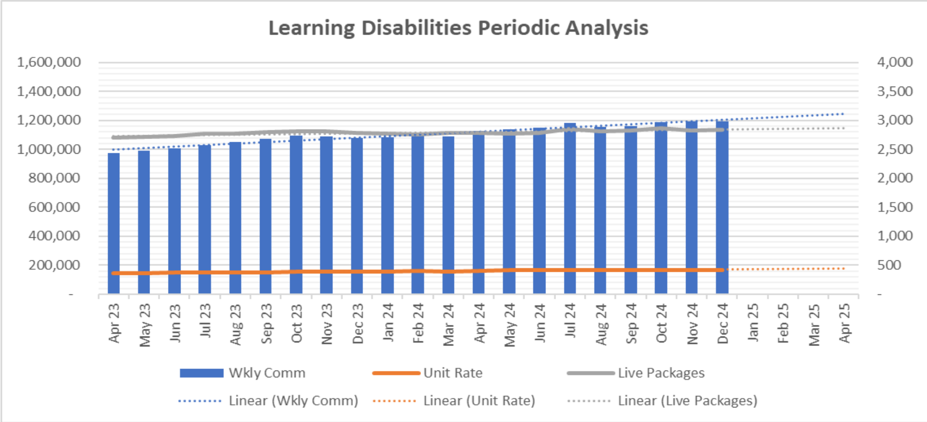
  The table below shows the gross external care budget, forecast and variance by PSas well as the movement in forecast variance between P7 and P9:

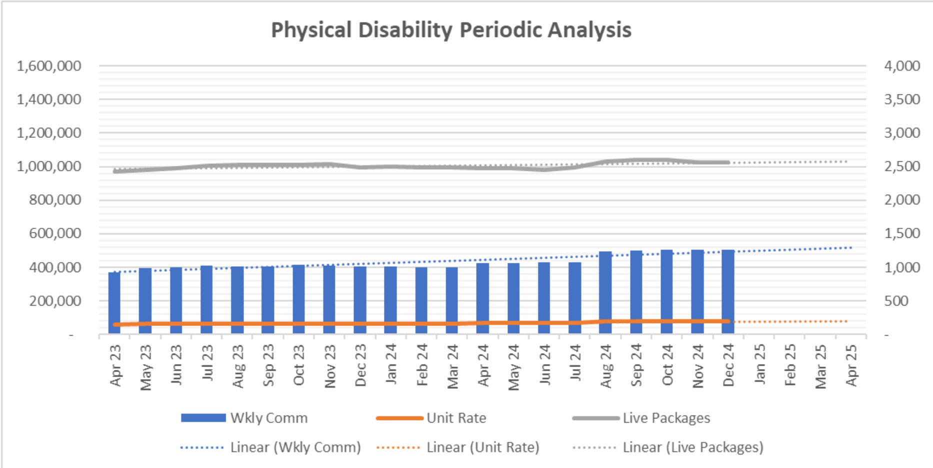
	Period 7 - £m				**Period 9 - £m**			**Movement in variance P7 to P9 £m**
PSR	**Budget**	**Forecast**	**Variance**		**Budget**	**Forecast**	**Variance**	
ASC - LD	56.565	61.044	4.479		56.565	60.694	4.130	(0.349)
ASC - MH	24.934	27.417	2.483		24.934	26.903	1.969	(0.514)
ASC - 18-64	28.605	26.872	(1.733)		28.605	25.955	(2.651)	(0.918)
ASC - 65+	54.112	56.815	2.704		54.112	58.388	4.277	1.573
Total	**164.215**	**172.148**	**7.933**		**164.215**	**171.940**	**7.724**	**(0.209)**

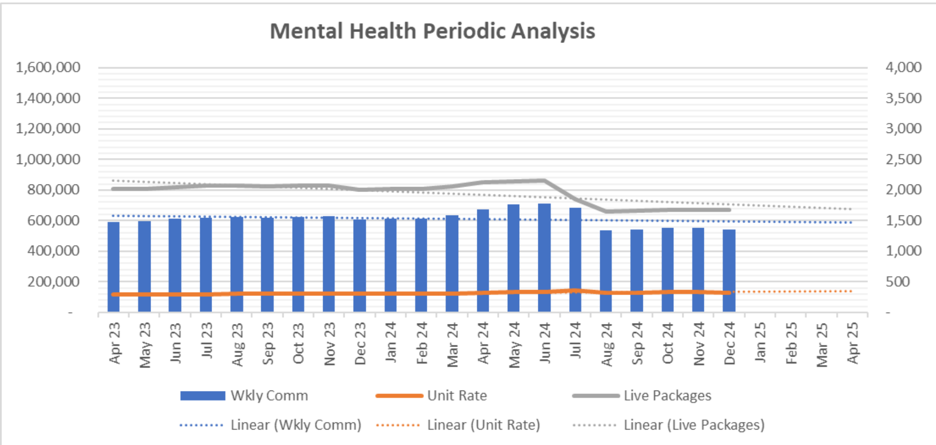
The table below highlights the number of CPLI's (care package line items) and weekly commitment cost by PSR as well as the movement between P7 and P9, taken from ContrOCC commitment data for live packages:

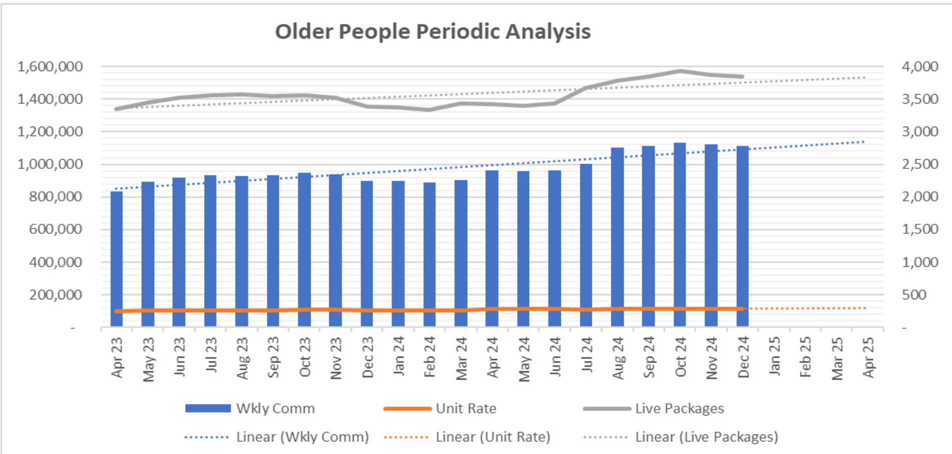
	Number of Live CPLI's				**Weekly Gross Commitment Value - £m**		
PSR	**P7**	**P9**	**Movement between P7 and P9**		**P7**	**P9**	**Movement between P7 and P9 £m**
ASC - LD	2,864	2,835	(29)		1.189	1.192	0.003
ASC - MH	1,670	1,679	9		0.553	0.542	(0.011)
ASC - 18-64	2,602	2,561	(41)		0.506	0.506	(0.000)
ASC - 65+	3,927	3,844	(83)		1.131	1.110	(0.020)
Total	**11,063**	**10,919**	**(144)**		**3.379**	**3.350**	**(0.029)**

The below graphs highlight the trend over the year in the external care gross commitment and number of live CPLI's, taken from ContrOCC.

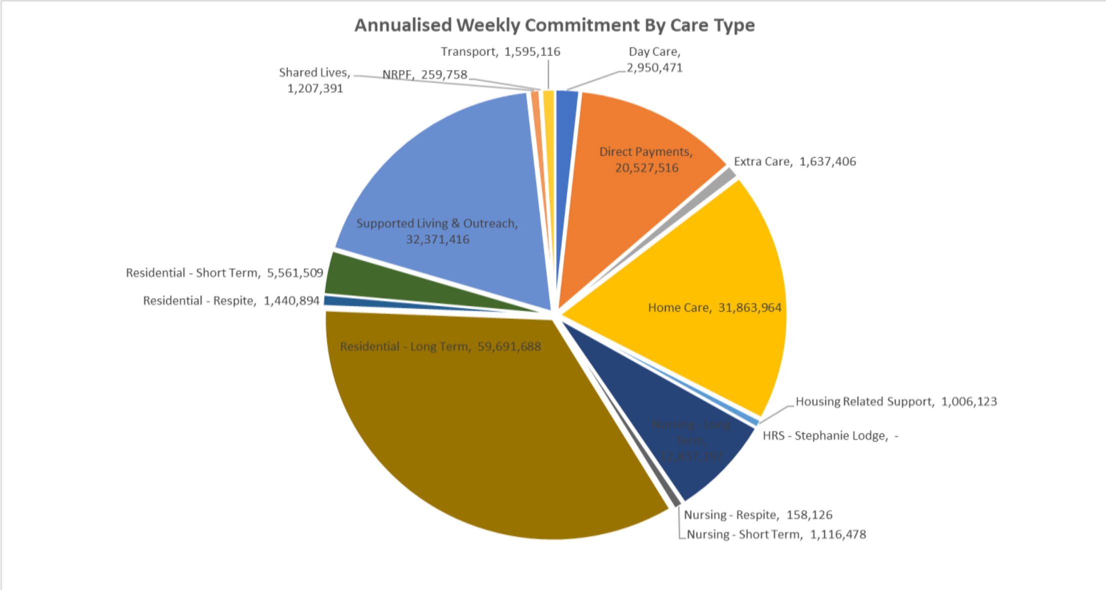


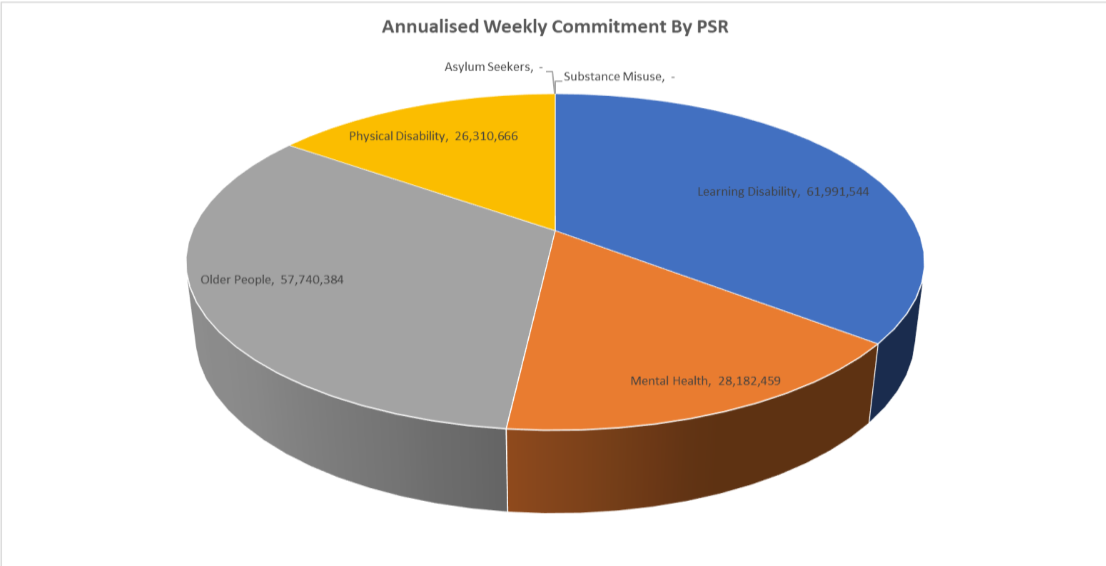






The pie charts below highlight the period 9 weekly commitment annualised, by care type and PSR:





- **ASC Directorate** - The current forecast is a net underspend of (£0.780m) against a budget of £45.209m (1.73%), an adverse movement of £0.199m since the P7 reported position of (£0.979m) underspend.
    - Underspend primarily relates to vacancy savings due to slippage in recruitment plans and posts being held.
    - The adverse movement from P7 position relates to the revised forecast for the ASC management structure taking into account the temporary additional posts.

- **Adult Social Care Provision** – The current forecast is a net underspend of (£1.600m) against a budget of £9.447m (16.94%), an adverse movement of £0.190m since the P7 reported position of (£1.790m) underspend.
    - Underspend primarily due to favourable variances totalling (£1.529m) on employee costs due to vacancies across the service, with (£1.144m) on Prevention Reablement & Support of which (£0.901m) is attributable to the closure of the Jackdawe service.
    - The adverse movement from the reported P7 position relates to the revised staffing forecasts following detailed review meetings with Budget Managers.

- **Safeguarding & Quality Assurance -** The current forecast is a net underspend of (£0.220m) against a budget of £2.259m (9.75%), a favourable movement of (£0.037m) since the P7 reported position of (£0.184m) underspend.
    - Underspend relates to staffing and training cost underspends across the service.
    - The favourable movement from the reported P7 position relates to further slippage against the recruitment/training plan.

- **Commissioning** – The current forecast is a net underspend of (£0.461m) against a budget of £2.837m (16.23%), a favourable movement of (£0.430m) since the P7 reported position of (£0.031m) underspend.
    - Underspend relates to staffing underspend arising from slippage in recruitment against plans.
    - The favourable movement from the reported P7 position relates to further slippage in recruitment against plans. Grant funding forecast within this service is now to be realigned against other eligible expenditure across the Directorate, in line with grant conditions. This will result in a movement in variance in future months once transacted.

- **Public Health** – The current forecast is a net nil position, with the budget fully funded from grant.

5.5 **Key Risks:**

Adult Social Care continues to face ongoing considerable pressures on its budget, capacity and ability to respond to the increasing demand for services due to the ageing population and citizens presenting with more complex needs. There are several key risks which require robust monitoring:

- One off mitigation ceasing in 2024/25 – recurring mitigation will need to be identified across the Adults and Health Directorate to mitigate current budget pressures rolling over to 2025/26+ where no growth funding has been identified.
- External funding:
    - **Reduction in income from ICB for external care placements which are jointly funded** due to assessments/eligibility reviews currently being undertaken by ICB.
    - **ICB review of partnership budget arrangements** including Better Care Fund (BCF).
    - **External grant funding** – reliance upon temporary grant funding across the Directorate. Strategy required to ensure grants are utilised effectively whilst ensuring expenditure plans/risks (including exit plans) are managed appropriately.
- Transformation savings programme – ensuring continued robust monitoring via the established ASC Programme Board with mitigation plans to be established and enacted swiftly if programmes indicate slippage against the approved savings target.
- Demand in external care placements – close monitoring of demand in line with growth assumptions, ensuring external care placement budgets are managed within available resources.
- External care placement costs – close monitoring of external care placement costs in line with growth assumptions, ensuring external care placement budgets are

managed within available resources. This is an increased risk due to the fragility of the current external provider market.

- **National Living Wage** - the planned rise in the National Living Wage (from £11.44 to £12.21 p/h in April 2025) will significantly increase payroll costs for providers. Many external providers already operate on tight margins and may struggle to absorb these additional costs resulting in a risk to the authority of requests for care fee increases over and above those already agreed/consulted on.
- **Inflationary Pressures** - rising costs of utilities, food and other operational expenses exacerbate financial challenges for external providers.
- **Provider Exits** - Financial challenges or unsustainable business models can lead to closures, disrupting care for individuals and increasing pressure on the remaining providers.

5.6 There is a risk that these could materialise as further in year/future year budget pressures, if that was the case, mitigating action would need to be identified within the Adults and Health Directorate to manage the budget within the available financial resources, in line with that approved in the Medium-Term Financial Plan (MTFP).

6. Children's and Education Service

Children's & Education	Current Budget	Year to Date Actuals (Period 09)	Period 09 Forecast	Net Forecast under(-) / over(+) spend (Period 09)	Management and Mitigating Action
	£m	£m	£m	£m	£m
Children's	86.207	63.052	88.321	2.115	(1.170)
Education	3.800	29.605	3.924	0.123	(1.058)
Schools	0.029	(37.083)	0.029	0.000	0.000
Children's & Education	90.036	55.573	92.274	2.238	(2.228)

6.1 Overall, the Children's and Education Service is reporting a gross overspend of £4.466m (4.96%) against a budget of £90.032m. One off mitigating actions taken by management in the Children's department are predicted to reduce the overspend to £2.238m (2.49%).

The Year-to-date actuals within Education and Schools relate to costs within the Early Years settings and High Needs which are still waiting for transfer of Dedicated Schools Grant (DSG) adjustments that will be posted to the ledger as part of the year end process in March/April 2025. This will ensure profiling is in line with the annual current budget.

The following breakdown highlights the main variances, risks and opportunities.

6.2 **Children's** - the current forecast is a gross overspend of £3.285m (3.81%) against a net budget of £86.206m. Through one-off mitigating actions by management, the overspend is reduced to £2.115m (2.45%). The key drivers and risks are set out below:

- The main pressure for Children's Social Care is the Children in Care budget which is forecasting a gross overspend of £7.116m at period 9 (£7.385m at Period 7) on External provision. The gross pressure is broken down into £6.197m for external placements, mainly external residential placements and a £1.515m pressure for unregistered provision. The balance of variance is split across Independent Fostering Agency, supported accommodation, Secure and Parent & Child provision. The movement in variance is due to a reduction in costs on overall external provision types.

- During 2023/24, the transformation programme was successful in a steady reduction in the number of children in care from 732 on 1 April 2023 to 676 on 31 March 2024. The safe reduction of children in care has continued during this year meaning that on 30 December 2024 there were 653 children in care. Our rate of children in care per 10,000 is nearing the rate of our statistical neighbour authorities where the average is 94.4 per 10,000. As of 30 December 2024, Nottingham's rate per 10,000 of children in care was 99.1, this is set against a rate of 109.2 per 10,000 at our highest point in 2022/23.

- The issue continuing to impact on the Council is the mix and profile of children placed in external residential and unregistered placements. The complexity and need of children in unregulated and residential placements are the reason for this reported overspend.

- Currently there are 8 children placed in unregistered placements (9 at month 7) where the highest weekly cost is £21,349, most of the children in receipt of these care packages have substantial needs and require a high staffing ratio. The average cost for these 8 children is £14,310 per week. The cost of these placements may not significantly decrease when initially moved to a registered placement due to level of complex needs. The Medium-Term Financial Plan growth assumptions do not reflect the current profile mix of children and assumed a smaller number of children on average being placed within this provision type over a year.

- A shortfall in the Integrated Care Board (ICB) funding for jointly funded places is anticipated to be £0.350m (£0.350m at P8) due to eligibility reviews by the ICB. The ICB shortfall is still at £0.350m pressure as we are still awaiting a further update of expected provision – quarter 3 is due in January 2025.

- The external placement pressure is also offset by the in-house fostering services underspending particularly on fostering allowances. This is forecast as (£1.776m) underspend and is due to difficulties in recruiting foster carers which is a national trend.

- Staffing vacancies are currently reducing because of the increasing number of permanent staff recruited while ensuring that there are still manageable caseloads across the service. However, due to the pace of recruitment, agency workers have been employed in the short term within the Children in Care teams leading to an overall staffing overspend reported as £0.354m for Period 9.

- The staffing vacancy mitigation across the area as at Period 9 is (£1.170m) being across Early Help (£0.308m), Fieldwork Services (£0.233m), First Response (£0.093m), Strategy and Improvement (£0.019m) and Fostering Teams (£0.442m), Safeguarding & Quality (£0.074m) due to various factors including skills gap and the uptake of suitable applicants through recruitment process.

6.3 **Education** – the current forecast is a gross overspend of £1.181m (31.08%) against a net budget of £3.800m. Through one-off mitigating actions by management, the current forecast is a net overspend of £0.123m. (3.24%) (at period 7 the forecast was a net underspend of £0.280m) against a net budget of £3.800m, which is mainly due to:

- **Education Psychology (EP) Service:** There has been a shortage of workers nationally and ongoing delays in getting approval to recruit staff as EP locums (s114). However, the service has moved forward within these constraints and have recently cleared a backlog of approximately 100 statutory assessments that needed to be undertaken; Plans are in place to address and complete further statutory assessments each month leading up to financial year end. This process to address the backlog has resulted in an additional cost being included in the forecast of approximately £0.300m for agency locums.
- **SEND Transport:** The SEND transport overspend is driven by an unachievable savings target of £0.395m. This is being considered as part of the MTFP refresh FY25/26, as part of the budget process. Compared to prior month, there has also been a slight increase in the SEND transport forecast of £0.100m due to increased demand.
- **Education Partnership** vacancy savings is offset by an unachieved savings target included in a closed adventure centre £0.095m- (Close Colwick Park Activity Centre).
- Compared to prior month, included within the forecast is an additional year end stock adjustment for Nottingham catering resulting in an adverse £0.105m movement.
- The staffing **vacancy** mitigation across the area at month 9 amounts to (£1.058m) and is broken down as follows: Contract cleaning –schools _ (£0.229m), Education Partnerships (£0.344m) and Nottingham catering (£0.483m).

6.4 **Key risks**

- **Ofsted:** A full Improvement Plan is in progress in the service as a result of the latest Ofsted inspection judgement which indicated an Inadequate rating in 2022. The next full inspection is anticipated during 2025. Whilst positive progress has been made there remain some vulnerabilities in particular relating to children in care services.

- **External placements:** There continues to be high use of external residential and independent fostering placements which are more costly provision than in internal fostering. There is also still some unregulated external provision, although recent movements have seen step-down into regulated provision (at month 9 there are 8 children in unregulated provision). There is still a risk of higher forecast placement spend going forward should children have to be placed in such provision as weekly costs are considerably higher than the average cost of approx. £6k per week.

- **Integrated Care Board Income** is received on quarterly data therefore there are some short-term fluctuations in finalising actual income.

- **Special Education Needs School Transport –** demand pressure continues to be experienced with associated pressure within city suitable school places with potential impact on longer/more expensive journey times.

- **Traded Services to Schools –** increasing numbers of schools and academies reporting a deficit budget position leading to reviews of purchasing/demand for lower cost provision – which may impact by loss of contracts for traded services/need to offer more competitive terms. The cost-of-living crises continues to affect traded income receipts for the catering service

7. Communities Environment and Resident Services –

Communities Environment and Resident Services	Current Budget £m	Year to Date Actuals (Period 09) £m	Period 09 Forecast £m	Net Forecast under(-) / over(+) spend (Period 09) £m	Management and Mitigating Action £m
Communities	13.845	(15.510)	11.586	(2.259)	(1.046)
Resident Services	31.093	23.943	28.134	(2.959)	(1.891)
CERS Directorate	0.540	0.643	0.802	0.262	0.000
Environment and Sustainability	0.952	(20.105)	0.903	(0.049)	0.000
Communities Environment and Resident Services	46.429	(11.030)	41.424	(5.005)	(2.937)

Are reporting a forecast underspend of (£2.069m) against a budget of £46.429m. One off mitigating actions taken by management are predicted to increase the net underspend to (£5.005m) (10.78%) to support the overall Council's position. The main variances are set out below.

1 **Communities** – a net underspend of (£2.259m) is forecast as at Period 9.

- **Sports and Leisure** – a net underspend of (£0.861m) due to an improvement in the income from leisure which is better-than-expected due to service users returning to use the facilities quicker than predicted, and some savings on running costs. Underspend in anticipation of budget reductions in 2025/26.
- **Community Development and Uniformed Services** – a net underspend of (£0.729m) which is largely due to the service maintaining staff vacancies whilst the new Neighbourhood Safety Team is established. There has also been additional Anti-Social Behaviour Hotspots income received from the police and some staff related recharges to the Ukraine grant funded scheme.
- **Theatre & Royal Concert Hall** – a net underspend of (£0.445m) mainly due to stronger tickets sales for shows in the last two quarters of the year, a reduction in marketing and running costs, and increased income from booking fees for this year and next year.
- **Environmental Health and Licencing** – a net underspend of (£0.299m) which mainly relates to employee underspends within Trading Standards and Safer Places.
- **Museums** - a net underspend of (£0.345m) is mainly due to improved income and cost reductions in anticipation of budget reductions in 2025/26.
- **Community Safety and Logistics** - a net underspend of (£0.109m) due to additional partner income and staff vacancies.

- **Security Services -** a net underspend (£0.193m) mainly from alternative methods of providing security for Broad Mash Car Park, higher income due to requests for guarding and some staff vacancies due to recruitment delays.
- **Community Centres** – a net overspend of £0.135m is due to non-delivery of savings. The approved saving was to reduce the contribution from the general fund to Community Centres through delivering the service through alternative delivery models.
- **Markets** - a net overspend of £0.194m relates to reduced income, mainly due to a reduction in the number of stallholders within Victoria Market.
- **Libraries' service** – a net overspend of £0.383m in relation to slippage in the delivery of savings due to a revised start date of libraries consultation following informal stakeholder engagement which ended on 19 August 2024. This shortfall in savings for this year will be met by one-off savings in Sports and Leisure.

7.2 **Resident Services** – a net underspend of (£2.959m) is forecast as at Period 9.

- **Enviroenergy** – a net underspend of (£1.483m) relating to vacant posts (£0.355m), the District Heating tariff increase and increased actual heat sales due to colder weather (£0.281m), income from electricity exports have increased due to improved turbine performance created by better system efficiency (£0.142m), and this has also generated additional income from selling Renewable Obligation Certificates (ROCs) (£0.649m). The Council has seen a significant uplift in the volume of ROC's issued this year due to improvements in both the Qualifying and Total Power Outputs, brought about by improved system performance in processing steam energy into useful heat and power, enabling higher volumes of electricity to be generated whilst also maintaining sufficient heat production to meet the demand of customers.

- **Waste and Street Cleansing** – a net underspend of (£1.391m) predominantly for income generation and savings on staffing in the Waste and Street Cleansing department for; Domestic Waste staff vacancies (£0.263m), lower recycling costs in Waste Disposal (£0.252m), staff vacancies and a reduction in disposal costs for Commercial Waste (£0.368m), and additional uptake of Garden Waste collections (£0.480m).

- **Grounds Maintenance Operations** – a net underspend of (£0.296m) as agreements have been reached to recharge the HRA for works carried out on their properties.

- **Utilities** – a net overspend of £0.337m due to increased costs from energy usage at Loxley House and Broad Marsh Car Park.

7.3 **CERS Directorate** – a net overspend of £0.262m is forecast as at Period 9 which is mainly due to the Management Restructure savings which are being offset by vacancy savings within Communities. The overall savings target is forecast to be delivered.

- **Environment and Sustainability –**no significant variances identified within this area.

7.4 **Key risks:**

- There are no material risks identified in the latest forecast.

8. Growth and City Development

Growth & City Development	Current Budget £m	Year to Date Actuals (Period 09) £m	Period 09 Forecast £m	Net Forecast under(-) / over(+) spend (Period 09) £m	Management and Mitigating Action £m
Economic Development	1.409	(2.001)	1.471	0.063	0.000
Strategic Asset & Property	(14.098)	(14.676)	(13.721)	0.377	(0.244)
Planning and Building Control	0.576	0.622	1.069	0.493	0.000
Parking and Traffic	(16.945)	(19.647)	(18.160)	(1.215)	0.000
Transport	11.223	8.229	10.890	(0.333)	0.000
Housing	14.680	12.311	12.831	(1.849)	0.000
FM Services	7.299	7.556	8.837	1.538	0.000
Growth & City Development Directorate	0.215	0.188	0.215	0.000	0.000
Growth & City Development	4.358	(7.418)	3.433	(0.926)	(0.244)

Forecasting a net underspend of (£0.926m). The main variances, risks, and opportunities are set out below.

8.1 **Economic Development** – net overspend of £0.063m reduced from an original £0.322m relates to revenue costs associated with the Local Transport Plan (LTP) that cannot be funded from LTP capital grant in the current year. The original LTP pressure of £0.322m has been reduced over the months by not recruiting to vacant posts, staff working on external funded projects and putting a freeze on general fund spending where possible. This has reduced our in-year pressure to £0.063m. Variance includes reserve movements of £0.589m.

8.2 **Strategic Assets & Property** – net overspend of £0.377m against a budget of £14.098m which is a 2.67% variance. The reasons for this overspend includes £0.428m from voids within the Regeneration and Development Schemes, £0.863m due to overspend on holding costs of vacant properties which is partially offset by forecast capital receipt fee income of (£1.170m). There is a lower than forecast income contribution expected from Bridge Estate of £0.193m. These overspends are currently being mitigated by surpluses within the Broadmarsh Redevelopment of (£0.194m) due to lower holding cost of the Broadmarsh Shopping Centre. A reduction in costs for Operational Buildings of (£0.174m) is also being forecast due to extension of the debt period on Broad Marsh Car Park (BMCP) and cleaning contingency no longer required. The Property Trading Account and Business Centres are also recognising underspends of (£0.119m) due to higher achieved rents on lease events. Following the operational assets transfer to Corporate Landlord reduced building costs are being forecast of (£0.085m).

8.3 **Housing** – net underspend of £1.849m against a budget of £14.680m (12.6%) key drivers and risk include:

- There is a saving on temporary accommodation of (£1.247m) which is due to the success of the Housing Solutions team working with landlords and tenants on preventing homelessness, moving people out of temporary accommodation and reduced demand on services. Also, the successful use of block booking, which has seen a reduction in the overall nightly rates.

- There is (£0.602m) underspend across other areas of which (£0.366m) relates to staff vacancy savings from Housing Solutions during the recruitment process and (£0.236m) predominantly staff savings across the remaining Housing Services.

8.4 FM & Building Services - is forecasting a net overspend of £1.538m which is largely due to unachievable income of £2.005m. The income relates to Facilities Management and Building Services of £1.011m, Mechanical & Electrical Services of £0.642m and other income of £0.262m. There is also a forecast pressure of £0.092m due to cost increases on cleaning materials. These are partially offset by underspends of (£0.458m) due to vacancies and timing of recruitment.

8.5 Planning and Building Control - a net overspend of £0.493m against a budget of £0.576m which is mainly in relation to:

- Overspend of £0.322m due to reduction in planning application fee income, particularly fewer major developments. We are at a low period in the development cycle and uncertain national and local economic conditions are meaning planning fees are lower this year following a period of overachieved income levels. Staffing levels are set at a mid-cycle level. There remains potential for some major applications to be submitted this financial year and for the government to increase planning fee levels to help support the enhanced expectations of government of the planning system. This would help mitigate the current reduced performance against income target but do not now expect this to mitigate in full before end of financial year.

- Building control overspend is more structural following uncertainties created by new Building Safety Regulator (BSR) and requirement for additional staffing capacity/capability. £0.142m forecast pressure will be monitored closely and any opportunities to win work via BSR following successful accreditation of senior officers will be used to grow income share.

8.6 Parking and Traffic – a net underspend of (£1.215m)
- Traffic - (£0.668m). The underspend is due to vacancies, training and a reduced level of urgent highway repairs required.
- Broadmarsh Car Park (BMCP) - (£0.621m) underspend due to overachieving the original BMCP business case income expectations, income due to be rebased in 2025-26.

8.7 Key risks

- **Strategic Assets & Property** are completing management reviews on assets which may impact revenue income – the full impact is dependent on the management actions undertaken.

- **Volatility** of the demand for **Homelessness** could impact budgets and therefore the forecast position.

- Risk around the required level of **capital receipts** being achieved by the end of the financial year and the associated level of income for fee's being met.

9. Finance and Resources -

Finance & Resources	Current Budget £m	Year to Date Actuals (Period 09) £m	Period 09 Forecast £m	Net Forecast under(-) / over(+) spend (Period 09) £m	Management and Mitigating Action £m
Procurement	0.901	1.601	1.814	0.913	(0.055)
Customer Services	12.878	18.117	12.977	0.099	0.000
Human Resources	3.869	3.044	3.461	(0.408)	0.000
Legal & Governance	4.256	3.975	4.325	0.070	(0.250)
Audit & Risk	4.472	2.674	4.415	(0.057)	0.000
IT	4.945	6.772	4.462	(0.483)	0.000
Finance	11.640	8.129	11.640	0.000	0.000
Housing Subsidy	1.551	(20.132)	1.551	0.000	0.000
Finance & Resources	44.512	24.181	44.645	0.133	(0.305)

A net overspend of £0.133m, is reported for period 9 which is 0.3% of the total budget of £44.510m. The key variances, risks, and opportunities are set out below.

9.1 **Commercial and Procurement** - a net overspend of £0.913m is currently forecast which mainly relates to non-delivery of savings in Procurement Transformation of £1.2m, this is being offset by underspends on staff costs.

9.2 **Customer Services** – are reporting net overspend of £0.099m which is small overspends across several cost centres. The service is on track in delivering total savings of (c£2.9m).

9.3 **Human Resources** – a net underspend of (£0.408m) is being reported mainly driven by vacancy management across the service.

9.4 **Legal & Governance** - a net overspend of £0.070m mainly relating to additional work for housing disrepairs and overspend on staffing.

9.5 **Audit and Risk** - a net underspend of (£0.057m) mainly relating to staffing.

9.6 **IT** - a net underspend of (£0.483m) due to review of spend on IT Infrastructure, reduction in telephone and data connection costs and delays in delivering projects by the end of the year.

9.7 **Finance** – finance is a reporting a balanced position however the service is supported by reserves to fund the cost of agency staff.

9.8 Key risks

- Resignation of colleagues with key skills requiring posts to be filled by contract staff whilst recruitment to permanent roles is made within IT.

10. Chief Executive

Chief Executive	Current Budget £m	Year to Date Actuals (Period 09) £m	Period 09 Forecast £m	Forecast under(-) / over(+) spend (Period 09) £m	Management and Mitigating Action £m
Strategy & Policy	1.155	1.259	1.008	(0.147)	0.000
Comms & Marketing	0.602	0.274	0.290	(0.312)	0.000
Transformation	0.702	2.058	0.349	(0.353)	0.000
Major Projects	(10.246)	(9.393)	(10.266)	(0.021)	0.000
Chief Executive's Office	1.636	0.798	1.722	0.087	0.000
Chief Executive	(6.151)	(5.005)	(6.896)	(0.746)	0.000

A net underspend of (£0.746m), the following highlights key variances, risks, and opportunities.

10.1 Strategy & Policy- a net underspend of (£0.147m) is currently forecast due to savings on salary costs (long term sickness and vacancy) and funding relating to Early Help Services support.

10.2 Comms & Marketing and others - a net underspend of (£0.225) in Comms & Marketing mainly due to staff vacancy pending a management re-structure.

10.3 Transformation & Major Projects – Transformation is reporting an underspend of (£0.373m), due to a reduced Children's base budget Transformation investment requirement, which may still be required if a further call on this budget occurs before the year-end. There are several small underspends elsewhere between Transformation and Major Projects on areas including agency costs that bring the net underspend to (£0.373m).

11. Corporate

Corporate	Current Budget £m	Year to Date Actuals (Period 09) £m	Period 09 Forecast £m	Forecast under(-) / over(+) spend (Period 09) £m	Management and Mitigating Action £m
Corporate	84.755	(7.844)	83.195	(1.560)	0.000
Corporate	84.755	(7.844)	83.195	(1.560)	0.000

A net underspend of (£1.560m) is forecast. The following highlights the key variances.

- There is additional income of (£1.220m). This relates to the non-general fund element of the Pension Fund Deficit payment that is recharged to HRA along with schools and grants to reflect their proportion of the deficit and higher than anticipated

Home Office grant income. The contributions arising from the recharges have not been reflected in the General Fund budget for 24/25.

- Treasury Management is underspending by (£0.388m) due to a lower MRP than budgeted due to Capital slippage and overachieving its interest received due to interest rates being more favourable than anticipated when the budget was set.

12. Savings Programme

12.1 The total approved savings programme being monitored across the current Medium-Term Financial Plan (MTFP) period 2024/25 to 2027/28 is £88.335m. This figure includes the carry forward of undelivered savings 2023/24 at year end of £6.353m and excludes a reversal of £8.175m corporate saving as it is one-off. The savings are “front loaded” with around £48.752m (55%) profiled in the current financial year to deliver and £39.583m for the remainder of the (MTFP).

12.2 The savings proposals for 2025/26 onwards, which are being consulted on as part of the current budget setting process, will be added to the savings programme following approval in March 2025.

12.3 2024/25 Savings Programme Delivery

The savings programme delivery tracks the overall in-year actual cashable benefit that each programme has either delivered (blue), is on track for delivery (green), requires further activity to realise including opportunities to convert non-cashable to cashable savings (amber) or is at risk of non-delivery (red).

12.4 The total savings target for 2024/25 is £42.398m Table 3 below summarises the performance of each directorate for 2024/25 savings, at Period 9, with £35.805m (84.4%) of savings either delivered (blue) or on track to be delivered (green), a slight improvement compared to (83.1%) period 7.

12.5 Savings that are either at risk of delivery (amber) or is at risk of non-delivery (red) total £6.593m (15.6%) with those in RAG rated Red reflected as pressures in the directorate General Fund position above.

Table 3: 2024/25 General Fund Approved Savings

Saving Category / Directorate	2024/25 Saving £m	P9 % On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	P7 % On Track or Delivered
Duties & Powers	(1.943)	96.6%	(1.153)	(0.723)	0.000	(0.067)	59.3%
Transformation	(5.681)	19.1%	(0.840)	(0.245)	0.000	(4.596)	19.1%
Other	(1.073)	78.3%	(0.840)	0.000	0.000	(0.233)	93.2%
Adults	**(8.696)**	**43.7%**	**(2.833)**	**(0.968)**	**0.000**	**(4.895)**	**47.4%**
Duties & Powers	(0.355)	100.0%	(0.355)	0.000	0.000	0.000	100.0%
Commissioning	**(0.355)**	**100.0%**	**(0.355)**	**0.000**	**0.000**	**0.000**	**100.0%**
Adult Social Care & Health	**(9.051)**	**45.9%**	**(3.188)**	**(0.968)**	**0.000**	**(4.895)**	**39.7%**
Duties & Powers	(1.269)	100.0%	(1.146)	(0.123)	0.000	0.000	100.0%
Transformation	(4.045)	100.0%	(3.775)	(0.270)	0.000	0.000	98.0%
Children	**(5.313)**	**100.0%**	**(4.921)**	**(0.393)**	**0.000**	**0.000**	**98.5%**
Duties & Powers	(0.902)	47.9%	0.000	(0.432)	0.000	(0.470)	47.9%
Other	(0.246)	87.8%	0.000	(0.216)	(0.030)	0.000	87.8%
Education	**(1.148)**	**56.5%**	**0.000**	**(0.648)**	**(0.030)**	**(0.470)**	**56.5%**
Children & Education Services	**(6.461)**	**92.3%**	**(4.921)**	**(1.041)**	**(0.030)**	**(0.470)**	**91.0%**

Duties & Powers	(10.347)	93.5%	(2.289)	(7.384)	0.000	(0.675)	93.5%
Transformation	(0.163)	100.0%	(0.163)	0.000	0.000	0.000	100.0%
Other	(0.459)	100.0%	(0.410)	(0.049)	0.000	0.000	100.0%
Communities, Environment & Resident Services	**(10.969)**	**93.8%**	**(2.862)**	**(7.432)**	**0.000**	**(0.675)**	**93.8%**
Duties & Powers	(4.209)	99.2%	(1.058)	(3.118)	(0.034)	0.000	99.2%
Transformation	(5.256)	100.0%	(0.006)	(5.250)	0.000	0.000	99.9%
Other	(1.212)	100.0%	(0.050)	(1.162)	0.000	0.000	100.0%
Growth & City Development	**(10.678)**	**99.7%**	**(1.114)**	**(9.530)**	**(0.034)**	**0.000**	**99.6%**
Duties & Powers	(2.498)	96.9%	(0.613)	(1.809)	0.000	(0.076)	100.0%
Transformation	(1.917)	78.4%	0.000	(1.503)	0.000	(0.414)	78.4%
Other	(0.250)	100.0%	0.000	(0.250)	0.000	0.000	100.0%
Finance & Resources	**(4.664)**	**89.5%**	**(0.613)**	**(3.562)**	**0.000**	**(0.490)**	**91.1%**
Duties & Powers	(0.605)	100.0%	(0.338)	(0.268)	0.000	0.000	100.0%
Other (adjustment of one-off saving)	0.030	100.0%	0.030	0.000	0.000	0.000	100.0%
Chief Executive	**(0.575)**	**100.0%**	**(0.308)**	**(0.268)**	**0.000**	**0.000**	**100.0%**
Total[1]	**(42.398)**	**84.4%**	**(13.004)**	**(22.801)**	**(0.064)**	**(6.529)**	**83.1%**
% Overall			30.7%	53.8%	0.1%	15.4%	

[1]2024/25 Savings total excludes reversal of previous one-off corporate savings of +£8.175m

12.6 As shown in Table 3 above, several Directorates are behind target and require remedial activity to provide mitigation plans to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving.

12.7 Adult’s savings programme is behind target (£4.895m), and there are no mitigations identified to manage the pressure in-year and to bring savings back on track.

12.8 The key drivers that have led to the in-year non delivery of savings include conflicting priorities and/or over ambitious assumptions within original delivery plans, which has particularly affected Adults Transformation, Procurement and I.T.

12.9 In addition, several Duties and Powers savings are at risk with the larger value ones being as follows:

- Education: Seek additional funding for Children with Special Educational Needs and Disabilities (DPE 2403 £0.375m) for which alternatives are being considered as part of the MTFP refresh.
- Community, Environment and Resident Services:
  - Review of Community Centres (DPE 2409 £0.307m)
  - Review of Libraries (DPE 2410 £0.368m) delayed implementation which is being mitigated by one-off sport and leisure fees and charges.

12.10 Under-delivery of Savings 2023/24 Brought Forward

12.10.1 The provisional financial outturn 2023/24 reported under-delivery of savings totalling £7.528m. Savings proposals that had no prospect of delivery were provided with growth funding in the 2024/25 medium term financial plan (MTFP) totalling (£1.175m) resulting in net brought forward of adjusted under-delivered savings of £6.353m.

12.10.2 Table 4 below which summarises the performance of each directorate for 2024/25, at Period 9, shows savings delivered (blue) or on track for delivery (green) totalled £3.072m (48.4%) which is an improvement from Period 7 (38.4%). Savings of £3.281m (51.6%) remain at risk of delivery (amber) or non-delivery (red) with those rag rated Red are reflected as pressures in the directorate outturn positions above.

Table 4: Under-delivered 2023/24 Savings (adjusted by £0.05m write-offs of some previous proposals)

Directorate	2023/24 unachieved £m	P9 % On Track or Delivered	Blue – Delivered £m	Green – On Track £m	Amber – At Risk £m	Red – Non-Delivery £m	P7 % On Track or Delivered
Adults	(3.295)	29.3%	(0.854)	(0.111)	0.000	(2.329)	24.9%
Adult Social Care & Health	**(3.295)**	**29.3%**	**(0.854)**	**(0.111)**	**0.000**	**(2.329)**	**24.9%**
Children's	(0.427)	100.0%	(0.427)	0.000	0.000	0.000	100.0%
Education	(0.273)	92.7%	(0.253)	0.000	(0.020)	0.000	4.1%
Children & Education Services	**(0.700)**	**97.1%**	**(0.680)**	**0.000**	**(0.020)**	**0.000**	**62.6%**
Communities, Environment & Resident Services	(0.047)	100.0%	0.000	(0.047)	0.000	0.000	100.0%
Growth & City Development	(1.401)	98.5%	(0.369)	(1.012)	0.000	(0.021)	81.1%
Finance & Resources	(0.911)	0.0%	0.000	0.000	0.000	(0.911)	0.0%
Total	**(6.353)**	**48.4%**	**(1.902)**	**(1.170)**	**(0.020)**	**(3.261)**	**38.4%**
% Overall			30.0%	18.4%	0.3%	51.3%	

12.10.3 As shown in Table 4 above, several directorates are behind target (red and amber) and require remedial activity to provide mitigation plans to bring savings back on track or replacement plans where there is no prospect of delivery against the original saving.

12.10.4 Currently, Adults have a partial replacement recurring saving from strengths-based reviews of existing placements (£0.662m). Finance and Resources - although Procurement has an approach for delivering the council saving, the likelihood of securing the actions required is low. The IT saving related to cloud storage and voice convergence is not implemented and is currently being mitigated by one-off staffing vacancies. These are being considered as part of the current budget setting process.

12.11 Overall Savings Programme Delivery

12.11.1 Appendix 1 details the financial performance, per Directorate, for the approved savings over the MTFP period (2024-25 to 2027-28) including the 2023/24 under-delivered savings. Table 5 below summarises the performance of total savings of £88.335m as at Period 9.

Table 5: Overall Savings Programme Dashboard

Overall Savings Programme Dashboard						
Financial Year	**P9 % On Track or Delivered**	**Blue – Delivered £m**	**Green – On Track £m**	**Amber – At Risk £m**	**Red – Non-Delivery £m**	**Total £m**
2023/24 Unachieved	48.4%	(1.902)	(1.170)	(0.020)	(3.261)	(6.353)

2024/25 MTFP	84.4%	(13.004)	(22.801)	(0.064)	(6.529)	(42.398)
2024/25 Combined Total	**79.7%**	**(14.906)**	**(23.971)**	**(0.084)**	**(9.791)**	**(48.752)**
2025/26 MTFP	63.5%	(1.540)	(15.298)	(0.713)	(8.946)	(26.497)
2026/27 MTFP	71.7%	(0.352)	(8.687)	0.000	(3.564)	(12.603)
2027/28 MTFP	87.3%	0.000	(0.422)	0.000	(0.061)	(0.483)
2025/26+ MTFP	**66.4%**	**(1.892)**	**(24.407)**	**(0.713)**	**(12.571)**	**(39.583)**
Total	**73.8%**	**(16.798)**	**(48.378)**	**(0.797)**	**(22.361)**	**(88.335)**

[1]Excudes reversal of previous one-off corporate savings of +£8.175m from 2024/25

12.11.2 £65.176m (73.8%) of the savings across the MTFP period are shown as being delivered (blue) or on track for delivery (green), a slight improvement from Period 7 of 70.4%. Whilst a significant amount of the savings is showing the right direction of travel, as at Period 9, £23.159m (26.2%) are at risk of delivery (amber) or non-delivery (red).

12.11.3 These relate predominately to the following, the risks of which are being considered as part of the 2025/26 MTFP refresh:

- Adults Transformation - The lack of potential for delivering the Adults Transformation Strengths Based Practice saving and how this could be resolved was discussed at July TCOB.

- Finance and Resources Transformation - Procurement and I.T. (cloud and voice convergence) which are either not deliverable or delayed delivery.

- Children's and Education – which cannot secure additional funding for Children with Special Educational Needs and Disabilities.

- Whilst Homelessness is mainly on track to deliver savings due to pressure funding allocated in 2024/25, it is imperative that the homelessness strategy is implemented in good time so that significant future savings targets, in particular 2025/26 increases, can be secured.

12.11.4 Early intervention is key to improving savings delivery; therefore, it is imperative that robust operational plans are developed, monitored and evidence-based delivery reported by Corporate Directors. Where savings delivery is at risk or there is no prospect of delivery, alternative ongoing mitigations or replacement savings must be identified and presented to Transformation Board. Options are being considered to minimise financial risks, as part of the 2025/26 MTFP refresh, for specific savings that have no prospect for delivery.

12.11.5 Investment of £3.796m is budgeted to deliver the current savings programme which is mainly funded from capital receipts (£3.192m) and the remainder from reserve (£0.234m), children's base budget (£0.274m) and a contribution from the housing revenue account (HRA) (£0.096m). Forecasted expenditure at period 9 is an overall underspend of £0.958m of which £0.174m is on children's base budget contribution due to lower staffing costs and £0.784m mainly due to vacancies in change academy and unused contingency which will result in a corresponding reduced capital receipt drawdown.

13. 2024/25 Housing Revenue Account (HRA) Forecast

13.1 Overall the HRA is reporting a net underspend of £0.296m (0.2%) against a budget £128.578m at period 9 (compared with £3.773m overspend at Period 7). A comparison of forecast income and expenditure with the current budget is set out in Table 6 below.

Table 6 – 2024/25 HRA Budget Forecast – Period 9

Housing Revenue Account	2024/25 Budget	Year to Date Actuals	Period 9 Net Forecast	Period 9 Net Variance under (-) / over (+) spend	Period 7 Net Variance under (-) / over (+) spend
	£m	£m	£m	£m	£m
Dwelling Rents	(114.342)	(82.706)	(114.342)	0.000	0.000
Non-Dwelling Rents	(2.746)	(2.191)	(2.967)	(0.221)	0.000
Service Charges	(11.205)	(11.209)	(11.209)	(0.003)	0.000
Other Income	(0.285)	(0.234)	(0.264)	0.022	(0.200)
Total Income	**(128.578)**	**(96.339)**	**(128.781)**	**(0.203)**	**(0.212)**
Repairs & Maintenance	34.684	24.507	37.848	3.165	5.263
Management & Supervision	36.102	15.003	33.666	(2.436)	(1.277)
Depreciation & Amortisation	30.427	22.820	25.113	(5.314)	0.000
Provision for Bad Debt	2.213	1.660	2.213	0.000	0.000
Direct Revenue Financing	7.200	5.400	12.616	5.416	0.000
Total Expenditure	**110.626**	**69.390**	**111.456**	**0.831**	**3.985**
Net Cost of Housing Services	**(17.952)**	**(26.949)**	**(17.324)**	**0.628**	**3.773**
CAPITAL FINANCING CHARGES					
Item 8 Interest Paid	15.279	11.459	14.355	(0.924)	0.000
Item 8 Interest Received	(5.857)	(4.393)	(5.857)	0.000	0.000
Net Deficit/(Surplus)	**(8.530)**	**(19.883)**	**(8.827)**	**(0.296)**	**3.773**
Contribution (from)/to Reserves	8.530	19.883	8.827	0.296	(3.773)
Total Net General Fund Budget	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

13.2 It can be seen from Table 6 that since Period 7 there has been a £4.069m positive variance resulting in a forecast contribution to reserves of £8.827m. The following points highlight the main variances, risks and opportunities.

- **Non-Dwelling Income –** The current forecast is showing additional income of £0.221m compared with the period 7. This is because of additional Fixed Income Tariffs (FIT) arising from PV Solar Panels

- **Other Income –** The current forecast is showing an under-recovery of £0.221m compared with Period 7. This is because the current HRA includes an income budget for the repayment of a loan from the General Fund in respect of PV panels. The HRA does not have any powers to make loans and therefore, it is not anticipated that this loan repayment will take place in 2024/25 and in future years.

- **Repairs & Maintenance -** The current forecast is a net overspend of £3.165m (compared with a £5.263m overspend at Period 7). The main reason for the reduction in the projected key overspends is as follows

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- Increased employee costs due to the pay award - £0.514m
- Higher agency costs, business services voids - £0.097m
- Re-scheduling of the stock condition survey - (£0.692m)
- Reduced income from surveyor fees - £0.173m
- Additional contractor and material costs - £0.264m
- Net increase in fleet rechargeable repairs - £0.102m
- Increased recharges to capital - (£0.402)
- Increase in overhead recharges - (0.076m)
- Increased legal and disrepair cases - £0.308m
- Reduced growth for mould/damp works which will now be required in 25/26 - (£1.500m)
- Reduced growth for boundary fencing which will now be required in 25/26 - (£0.714m)
- Other salary savings - (£0.092m)
- Reduction in periodical electrical testing - £0.080m

- **Supervision & Management –** The current budget forecast is an underspend of £2.436m (compared with £1.277m underspend forecast at Period 7). The main reason for the underspend is due to the allocation of the 2024/25 pay award. When the budget was prepared a provision of £2.136m was made for the pay award and a growth item of £0.435m for former NCH staff adopting NCC terms. The actual cost of the pay award was £1.046m, a saving of £1.090m, which is due to the 126 vacancies within the current establishment. Other reasons for the variance include.

    - Savings in Independent Living costs - (£0.033m)
    - Reduction in communal lighting costs - (£0.117m)
    - Increased Council Tax on voids - £0.117m
    - Reduced costs in the furnished tenancies - (£0.050m)
    - Saving in professional and management fees - (£0.300m)
    - Increased Public Realm recharges - £0.331m
    - Increased in temporary accommodation costs - £0.125m

- **Depreciation & Amortisation -** The current forecast is a net underspend of £5.314m compared to the position at Period 7, This is because the original budget included a direct revenue contribution to the Major Repairs Reserve. Whilst this is permissible under the Item 8 Special Determinations 2017, it lacks transparency because there is also there is another revenue contribution shown elsewhere in the budget. The new forecast is the latest estimate for depreciation only.

- **Direct Revenue Financing (DRF) -** The current forecast is for an overspend of £5.416m compared with the position at Period 7. This is because the provision taken out of the Depreciation and Amortisation budget has been added to the DRF line. In addition, the DRF budget has been adjusted to reflect the changes in the financing of the capital programme as at Period 8

- **Capital Financing Charges (Item 8 Debit Interest) -** the current forecast is for a £0.924m reduction in interest paid on HRA debt compared with the position at Period 7. This is due to the re-profiling of the capital programme at Period 8 compared with the original budget. This means there is no longer any need to borrow to finance the 2024/25 capital programme. Similarly, there is a forecast reduction of 0.001% on the forecast internal borrowing rate.

- **Reserves** – The anticipated net underspend will be a contribution £0.296m to the HRA General reserves.

14. Capital Programme

This section of the report provides an update on the Council's 2024/25 Capital Programme performance against the approved 2024/25 budget.

Approved Capital Programme

14.1 As part of February Executive Board Budget Monitoring Reports, the Capital Programme set out the Period 9 capital budget for 2024/25 at £203.895m for Council General Fund and HRA Capital Schemes and £125.004m where the Council is acting as Accountable Body.

14.2 Since the Period 7 position the Capital Budget has remained the same in 2024/25 and increased by £10.183m over the MTFP, the table below details the breakdown:

Table 7: Capital Programme Summary Movement

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Budget at Period 9					
General Fund Capital Schemes	138.511	89.627	22.340	8.044	**258.522**
General Fund Accountable Body	125.004	0.000	0.000	0.000	**125.004**
HRA Capital Schemes	65.384	63.485	55.379	47.114	**231.362**
Total Budget at Period 9	**328.899**	**153.112**	**77.719**	**55.158**	**614.888**
Budget at Period 7					
General Fund Capital Schemes	138.511	89.627	23.438	7.533	**259.109**
General Fund Accountable Body	125.004	0.000	0.000	0.000	**125.004**
HRA Capital Schemes	65.384	58.998	49.994	46.216	**220.592**
Total Budget at Period 7	**328.899**	**148.625**	**73.432**	**53.749**	**604.705**
Budget movement Period 7 to Period 9					
General Fund Capital Schemes	0.000	0.000	(1.098)	0.511	**(0.587)**
General Fund Accountable Body	0.000	0.000	0.000	0.000	**0.000**
HRA Capital Schemes	0.000	4.487	5.385	0.898	**10.770**
Total Budget Movement	**0.000**	**4.487**	**4.287**	**1.409**	**10.183**

14.3 The revised capital programme reflects approved slippage from Period 7 and budgets incepted for which approval has been sought through the usual process (Executive Board and/or Officer Decision).

2024/25 Capital Programme

14.4 A summary of the profiles capital programme budget for 2024/25 is set out in the table below, showing a net variance of (£19.370m) as at Period 9. Please note a revised forecast will be taken at month 11.

Table 8: Capital Programme Forecast P9						
Directorate	**Approved Budget 2024/25 £m**	**Year to Date Actuals £m**	**Forecast at Period 9 £m**	**Variance £m**	**Net Slippage (-) / Acceleration (+) £m**	**Under (-) / Over (+) spend £m**
Adult Services	2.245	1.477	2.245	0.000	0.000	0.000
subtotal: Adults and Public Health	2.245	1.477	2.245	0.000	0.000	0.000
Children's Services	0.660	0.000	0.604	(0.056)	(0.056)	0.000
Education	6.592	2.056	5.135	(1.457)	(1.457)	0.000
subtotal: Children's and Education	7.252	2.056	5.739	(1.513)	(1.513)	0.000
Community, Environment and Resident Services	16.655	8.881	15.462	(1.193)	(1.232)	0.039
Growth & City Development	63.156	27.105	50.654	(12.502)	(12.456)	(0.046)
Finance & Resources	1.609	(0.049)	1.195	(0.414)	(0.414)	0.000
Chief Executive	0.113	0.113	0.113	0.000	0.000	0.000
Transformation	3.192	0.000	3.192	0.000	0.000	0.000
Exceptional Financial Support (EFS)	41.024	0.000	41.024	0.000	0.000	0.000
Total Council Capital Schemes Approved and Incepted	**135.246**	**39.583**	**119.624**	**(15.622)**	**(15.615)**	**(0.007)**
Planned Schemes	3.265	0.000	2.369	(0.896)	(0.896)	0.000
Total General Fund Approved Council Capital Schemes	**138.511**	**39.583**	**121.993**	**(16.518)**	**(16.511)**	**(0.007)**
HRA - Approved Programme	64.754		63.441	(1.313)	(1.313)	0.000
HRA - Planned Schemes	0.630		0.025	(0.605)	(0.605)	0.000
Total Council Capital Schemes	**203.895**	**39.583**	**185.459**	**(18.436)**	**(18.429)**	**(0.007)**
Midlands Net Zero Hub	94.476	22.836	94.293	(0.183)	0.000	(0.183)
Other Energy Schemes	7.469	0.734	7.469	0.000	0.000	0.000
Transforming Cities	21.592	12.558	20.841	(0.751)	(0.751)	0.000
Future Transport Zone	1.467	1.467	1.467	0.000	0.000	0.000
Total Accountable Body	**125.004**	**37.595**	**124.070**	**(0.934)**	**(0.751)**	**(0.183)**
TOTAL	**328.899**	**77.178**	**309.529**	**(19.370)**	**(19.180)**	**(0.190)**

14.5 The net variance of (£19.370m) relates to the following:

- **Net Slippage / Acceleration – (£19.180m)**
  The net slippage relates to re-profiled Capital Programme budget. All schemes with a slippage of over £0.500m are detailed in Appendix 2.

- **Net Underspend – (£0.190m)**
  The net underspend includes projects which are forecasted to overspend and underspend, Appendix 2 sets out the detail of the movements in forecast.

Capital Receipt Forecast

14.6 At Period 9 the Council has secured receipts less 4% of fees of (£0.100m) since the reported Period 7 position. The below table details the Council's secured General Use Receipts of (£12.207m) and Ringfenced Receipts of (£2.148m). As part of finalising the 2023/24 Statement of Accounts an adjustment to the Capital Receipts carried forward is required due to a correction in 2023/24 capital funding. Please note a revised Capital receipt forecast will be taken with the period 11 forecast next month.

Table 9: Capital Receipts Secured at Period 9 2024/25

Detail	**General Use Receipts 2024/25 £m**	**Ringfenced Receipts 2024/25 £m**	**Total £m**
Receipts carried forward from Provisional Capital Outturn	(8.098)	(0.584)	**(8.682)**
Receipts carried forward adjustment	1.962	0.000	**1.962**

Amended Receipt Carried Forward	**(6.136)**	**(0.584)**	**(6.720)**
Secured to Period 7 (Less 4% fees)	(5.971)	(1.564)	**(7.535)**
Previous Reported Position	(12.107)	(2.148)	**(14.255)**
Further Receipts Secured to P9 (Less 4% Fees)	(0.100)	0.000	**(0.100)**
Secured Receipts as at Period 9	**(12.207)**	**(2.148)**	**(14.355)**

14.7 All secured capital receipts are required to be applied in accordance with the capital receipts prioritisation methodology as defined in the approved Capital Strategy.

14.8 The table below provides the current forecast of capital receipts required for the approved General Fund programme over the MTFP period. Although over the MTFP period the capital receipts forecasted will be in surplus by (£13.236m). The current 2024/25 forecast is a shortfall of £8.966m based on approved receipts but £6.532m if all identified properties are included. If these positions hold true or gets worse, the Council could be required to undertake additional temporary borrowing of the same for to fund EFS. This would have an impact on the General Fund revenue budget with regards to interest and MRP.

Table 10: Capital Receipt Requirement and Forecast over the MTFP 2024/25 – 2027/28

Capital Receipt Requirement for Approved General Fund Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Exception Financial Support	25.200	15.824	0.000	0.000	**41.024**
Transformation	3.192	0.000	0.000	0.000	**3.192**
General Fund Capital Programme (P5)	4.595	4.646	0.859	0.245	**10.345**
Budgeted Capital Receipt Requirement	**32.987**	**20.470**	**0.859**	**0.245**	**54.561**
Total General Use Capital Receipts banked as at Period 9	(12.207)	0.000	0.000	0.000	**(12.207)**
Committed Ringfenced Receipts as at Period 9	(0.045)	(0.100)	0.000	0.000	**(0.145)**
Capital Receipt Shortfall (+) / Surplus (-) as at Period	**20.735**	**20.370**	**0.859**	**0.245**	**42.209**
Assets approved for disposal (in process - estimated unsecured receipts risk adjusted)	(11.769)	(13.064)	(5.656)	(0.787)	**(31.276)**
Net estimated shortfall (+) or surplus (-) Approved Capital Receipts required against approved programme	**8.966**	**7.306**	**(4.797)**	**(0.542)**	**10.933**
Assets identified for disposal but not approved i.e. pipeline (estimated unsecured receipts risk adjusted)	(2.434)	(11.979)	(8.458)	(1.298)	**(24.169)**
Net estimated shortfall (+) or surplus (-) Approved & Pipeline Capital Receipts required against approved programme	**6.532**	**(4.673)**	**(13.255)**	**(1.840)**	**(13.236)**
Cumulative Position	**6.532**	**1.859**	**(11.396)**	**(13.236)**	**(13.236)**

14.9 Work is on-going with the Asset Transformation Programme to identify assets for disposal and therefore currently it is too early to quantity the actual level of capital receipt shortfall. This is being closely monitored monthly to ascertain the impact.

15. Other options considered in making recommendations

Not applicable.

16. Consideration of Risk

16.1 The Section 151 Officer is required to provide his statutory advice to Council on the robustness of the budget estimates and adequacy of reserves. More recently the Section 151 Officer's professional opinion was clearly set out in Appendix 1 of the budget report to City Council on 4 March 2024, setting out the risks and conditions for the 2024/25 budget, reasonably based on the best available information and assumptions at the time.

16.2 As set out in the 2025/26 Budget Strategy report presented to Executive Board in June 2024, the significance of the budget gap over the MTFP of c£172m combined with the need to rely on substantial amounts of EFS should not be underestimated. Although c£41m of EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle for 2025/26 with an estimated budget gap of c£69m. The quantum of the financial challenge being faced by the Council alongside and the economic uncertainties over the medium to long term present a high risk to the Council in achieving a balanced budget, the combination of which impact the Council's ability to respond and manage unforeseen financial risks and to achieving a financially sustainable budget over the MTFP. The MTFP will be refreshed to take account of revised growth and pressures and to review budget assumptions which may result in an increase in the overall MTFP budget gap.

16.3 As part of approving the budget both the Executive Board and City Council in February and March 2024 respectively, took into account the conditions upon which the Section 151 Officer provided their statutory statement on robustness of budget estimates. Those relevant to 2024/25 are restated below:

- The Council continuing to assess, learn, report, and respond appropriately at the earliest point to the existing and emerging financial pressures across all aspects of its operations and for Corporate Leadership Team leads to identify and formulate corrective and mitigating actions in managing any pressures from within their service areas.

- A recognition in the medium-term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent contingency planning.

- Executive Leads, Chief Executive, Corporate Directors, and managers not exceeding their cash limits for 2024/25.

- No further calls on reserves other than for those risks that were identified as part of the MTFP, those risks that could not have reasonably been foreseen and cannot be dealt through management or policy actions. The exception to this is where the Section 151 Officer has approved otherwise, as it is not prudent to finance ongoing spending from one-off reserves.

- Where there is a draw-down on reserves, which causes the approved Reserves Policy to be off target, that this is replenished as part of a revised MTFP.

- That the Council has arrangements and resources in place to consider and assess value for money across the delivery of all its services and operations in preparation for future years' budgets.

16.4 As set out in section 3 above, Corporate Leadership Team have implemented a Financial Intervention Strategy to support in identifying and delivering in-year management and mitigating actions that support the Council in achieving a balanced budget in year. As such, Corporate Leadership Team are closely monitoring the interventions to exercise the firm grip required to deliver effective financial management of 2024/25 budgets.

16.5 Given the unique operating context of Nottingham City Council, the following are the most immediate risks which need to be considered alongside the forecast and risks set out within the directive forecast narrative in Section 6 above:

- Organisational ability to deliver:
  - 2024/25 in-year General Fund balanced budget within the approved EFS of c£41m; and
  - the scale of change required in the coming year to both deliver approved savings and further develop saving proposals to minimise the need for EFS in 2024/25 and thereby the unfunded budget gap for the year after.
- Delivery record on approved savings programmes to date
- Likelihood of further variances (overspends) against the approved budget in particular social care placement and temporary accommodation pressures, which continue to be partly mitigated by one-off spend controls and transformational cost reduction programmes which are closely monitored by Leadership and Corporate Leadership Team.
- As set out above in table 2, the likelihood of the forecasted management actions identified through the Financial Intervention Strategy of c£10m fully being realised.
- Council ability to manage the current estimated risks.
- Additional pressures relating to loss of funding from Health with regards to joint funded packages across adults and children's social care.
- Prior year accounts and historic accounting treatments & practice corrections.
- Assumptions regarding debt collection and impact on the collection fund
- Weakness in councils' system and data upon which financial forecast is produced by services.
- Economic factors such as inflation and interest rate environment.
- Major project challenges and failure.
- Capital receipts not being sufficient to meet existing capital obligations.
- Unfunded income loss pressures as a result of the long-term impact of the pandemic and cost of living crisis, particularly in relation to Council Tax and Business rates income.

16.6 Due to the uncertainties of the economic environment, impact of emerging macro-economic challenges and expenditure reductions of a significant scale required, there are inevitably significant risks involved in delivering balanced budgets over the medium term. Key strategic risks will continue to be.

- included in the Corporate Risk Register.
- regularly reported to Audit Committee; and
- reviewed through updated Budget and MTFP Strategy reports to the Executive Board.

17. Best Value Considerations, including consideration of Make or Buy where appropriate

17.1 The Best Value requirement to demonstrate the continued financial sustainability of the Council has been set out in the 2024/25 Budget and Council Tax Resolution report to

City Council on 4 March 2024 and 2024/25 Budget and MTFP report to Executive Board on 13 February 2024.

17.2 Throughout the budget process the Council has taken a proactive and planned approach to delivering best value and financially sustainable services to its communities over the longer term. This will continue as the Council's agreed plans are delivered during 2024/25 and subsequent years.

17.3 Throughout the budget monitoring the Council will take a proactive and planned approach to delivering Best Value.

18. Commissioner comments

Commissioners note the improving position shown at P9 and are content with the report

19. Finance colleague comments (including implications and value for money/VAT)

Finance comments are contained within the main body of the report and in the accompanying appendices.

20. Legal colleague comments

It is a legal requirement for a council to set an annual budget and for that budget to be 'balanced' or fully funded in accordance with the Local Government Finance Act 1992. This report sets out the period 9 position and shows an improving overall position when considered in relation to period 7.

Finance is whole Council responsibility, and the Council must continue to implement the mitigations described in the body of the report to bring the forecasted spend back in line with approved budget. The main considerations are set out in the body of the report.

Beth Brown, Director of Legal and Governance, 24 January 2025

21. Other relevant comments

21.1 **Procurement comments**
Not applicable.

21.2 **HR**
Not applicable.

21.3 **IT**
Not applicable.

21.4 **Strategic Assets and Property**
Not applicable.

21.5 **Crime and Disorder Implications (If Applicable)**
Not applicable.

21.6 **Social value considerations (If Applicable)**
Not applicable.

21.7 **Regard to the NHS Constitution (If Applicable)**

Not applicable.

21.8 **Equality Impact Assessment (EIA)**

Has the equality impact of the proposals in this report been assessed?

No ☒

An EIA is not required because EIAs are tools that help the Council make sure its policies, and the ways it carries out its functions, do what they are intended to do and for everybody. The report is presenting the Council with the financial position for 2024/25 and therefore at this time does not require for an EIA to be completed.

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22. Data Protection Impact Assessment (DPIA)

Has the data protection impact of the proposals in this report been assessed?

No ☒

A DPIA is not required because the report and appendices do not contain information which will subject to DPIA.

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23. Carbon Impact Assessment (CIA)

Has the carbon impact of the proposals in this report been assessed?

No ☒

A CIA is not required because the report and appendices do not contain information which will subject to CIA.

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24. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

Not applicable.

25. Appendices

- Appendix 1 – Savings Dashboard
- Appendix 2 – Capital Programme Further Details
- Appendix 3 – General Fund Revenue Budget Virement Summary

26. Published documents referred to in this report

City Council	
2024/25 Budget and Council Tax Resolution	4 March 2024
Executive Board	
2025/26 Budget Strategy Update	21 January 2025
Budget Monitoring Period 7 (2024/25)	17 December 2024

Budget Savings 2025/26 - 2028/29	17 December 2024
Budget Monitoring Period 4 (2024/25)	17 September 2024
Budget Monitoring Period 2 (2024/25)	16 July 2024
2023/24 Provisional Outturn	18 June 2024
2024/25 Budget and Medium-Term Financial Plan	13 February 2024