

Annex 1 – Directorate Financial Summaries

Children’s Social Care

- 1 The outturn position for Children’s is a net overspend of £4,669k, an improvement of £2m from the Monitor 3 position. The number of Children Looked After (CLA) in York was consistently at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 281 and as at the end of March it was 267. Out of city placements and CYC fostering placements have increased since April.
- 2 The placement budgets were overspent by a total of £4,551k in 2022/23. This figure is made up of variances of £611k on IFAs, £2,673k on Out of City Placements, £695k on local fostering placements and £467k on Leaving Care placements and adoption/CAO allowances. The pressure on this budget is partly due to the limited market for children’s placements and the statutory requirements placed on local authorities to meet children’s needs, coupled with inflationary pressures which could continue to worsen the position. There was an additional contribution to the out of city placements from the DSG at the year end of £1.1m which reduced the overspend.
- 3 In addition, there was an overspend in the Corporate Parenting staffing teams of £371k due to additional Working With York and agency staff.
- 4 Safeguarding Interventions overspent by £331k. This area now has 5 budgeted teams to provide additional capacity to assist in the improvement journey being undertaken. This is to deal with the continued higher number of cases and still requires some WWY and agency staff to cover vacancies. In addition, Legal fees overspent by £218k.
- 5 Staffing budgets within Children’s Social Work Services have overspent by £129k, a reduction from the £241k forecast at Monitor 3. This is mainly due to temporary staffing across the service, which the directorate is working to eliminate with permanent appointments. Significant progress has been made and the number of agency appointments across children’s social care has more than halved.
- 6 An overspend in Disabled Children’s Services of £854k is mainly overspends on short breaks and direct payments £446k, again due to the CLA numbers being above the budgeted level.

- 7 Innovation and Children`s Champion is a new area following the restructure and this produced an underspend of £76k. This was due to the income received from the family hubs grant which wasn't previously forecast.
- 8 There are two significant variations in Education and Skills. The first is the Home to School Transport budget, which was already in an historic overspend position due to increase in numbers for post 16/19 and the increasing trend of trying to provide more specialist education provision for this group of students more locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to establishment such as York College, Askham Bryan, Choose 2 and Blueberry Academy.
- 9 The change in legislation to allow EHCPs up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased our transport spend.
- 10 The outturn position now shows a General Fund overspend of £266k. This figure includes the effect of the new taxi contracts implemented from the new academic year. This position however includes the charging of £244k of costs for the 2021/22 academic year to the DSG prior to all Home to School Transport being charged to the General Fund. The recurring General Fund pressure is therefore £510k. It is likely that the taxi contract increase would have been much higher if the work of the new transport team had not begun to identify route efficiencies. It is also expected that the increased scrutiny provided by this team will control and hopefully drive costs down further, working in partnership with the contractor.
- 11 Staff resourcing issues in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a significant number of agency staff being appointed into this team over the period from April to date. The majority of the roles have now been permanently filled but the result is an overspend in 2022/23 of £405k.
- 12 The Effectiveness and Achievement service underspent by £151k, mainly due to the use of a reserve that was no longer needed being used in the year as part of the directorate's overspend mitigations.
- 13 Underspends were also achieved within the Virtual School and Inclusion Teams.

Dedicated Schools Grant

- 14 The Dedicated Schools Grant (DSG) is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.
- 15 The main pressure continues to be experienced within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements.
- 16 The brought forward balance on the DSG at 1 April 2022 was a deficit of £5,843k, following the first payment of additional funding under the Safety Valve agreement in March 2022. The net position in 2022/23 would have been an overspend of £1,380k, however a further £4,500k of additional DSG was paid during the year as the LA successfully met the targets set out in year one of the agreed management plan. The result is a revised cumulative deficit of £2,723k to carry forward to 2023/24.
- 17 The Safety Valve agreement commits the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.
- 18 The Office of the Director and Central budgets underspent by £2,164k in total as this is where identified mitigations were held during the year.

Adult Social Care

- 19 The outturn position for Adult Social Care is an overspend of £3,312k, very close to the projected position at Monitor 3 of £3,322k.
- 20 Whilst the outturn is close to that forecast, there have been some variations within the overall position since Monitor 3. These include £961k of mitigations expected at Monitor 3 that were not achieved by the year end, together with increased overspends on Older Person's Community Support (OP CSB), Learning Disability Direct Payments (LD DP) Personal Support Services (PSS) and Be Independent. This has been offset by additional income from Health.

- 21 In addition, Adult Social Care still needs to address a number of other budget pressures expected in 2023/24. It is estimated that, after growth has been allocated, there will remain a budget pressure of some £5m on external care as well as delivering a savings programme of over £2.6m in what are still very testing times for the workforce and sector. The service will be looking to mitigate these pressures through commissioning a fixed contract price and a framework. This should go live in the summer of 2023.
- 22 £357k of the Older People's Accommodation Programme was held back against the overspend this year. In addition, the budget for Preparing for Adulthood customers was not fully spent (£150k).
- 23 There is some slippage in the ASC reform budget largely due to a delay in recruitment to some of the posts funded by this growth (£138k). This is fully committed in 2023/24.
- 24 Additional discharge funding of £387k was received from health.
- 25 There is an overspend of £597k on the Better Care Fund (BCF) and Winter Pressures budget. This is offset by underspends on the Commissioning Team and Brokerage Hub Team due to vacancies throughout the year totalling £241k.
- 26 The Community Care budget has overspent by £216k in 2022/23. The Council insourced a failing provider in 21/22; maintaining the staffing complement needed to deliver the hours of home care has been challenging and has necessitated significant spend on agency staff.
- 27 The Personal Support Service team budget has overspent by £513k. Staffing has overspent by £258k largely due to difficulty in recruiting new care staff which has necessitated an increased use of more expensive agency staff.
- 28 In addition, the saving arising from a review of in house services has not been achieved this year (£199k) as the manager responsible for the saving was required to support gaps in management capacity elsewhere in the service.
- 29 Yorkcraft has overspent by £102k due to an underachievement of income (£90k), failure to achieve a previous year's saving (£93k), and other minor overspends across the service, offset by an underspend on staff due to vacancies (£97k).
- 30 It has already been agreed to incorporate Yorkcraft as part of a pathway offer for young people and adults. This redesign will result in

significant saving through reductions in the cost of placing people in the external market.

- 31 There has been an underspend of £330k across the Small Day Services budgets. This is largely due to vacancies at The Bungalow and Pine Trees as the service has been running at a reduced capacity following Covid alongside the Service Manager post being vacant for much of the year. This service is currently being remodelled.
- 32 Be Independent has overspent by £373k. There is still a budget gap of £180k which needs to be addressed from when the service was originally insourced. In addition, equipment spend has been £121k more than budget this year, spend on vehicle hire has been £62k more and there is an underachievement on the sales income budget as no further equipment sales are expected to be made (£49k). This is offset by additional income arising from Mediquip moving into the site at James Street.
- 33 Older People permanent residential care has overspent by £229k. This is largely due to the average weekly cost per customer being £61 a week higher than in the budget, due to the rising costs of care and there are also 4 more customers than budgeted for. This is offset by additional one off BCF income of £582k.
- 34 Permanent Nursing Care has overspent by £229k. The average weekly cost per customer is £166 more than in the budget (£900k), and there are currently 2 fewer health funded customers (£85k) and the average weekly health funding received per customer is £135 less per week than in the budget (£237k). This is partially offset by having 9 fewer customers in placement (£379k) and by additional one off BCF income (£624k).
- 35 The Older People Community Support Budget has underspent by £172k. The average weekly hours of homecare provided are more than budgeted and more customers are on exception contracts. The average weekly cost of an exception placement is £154 per week more than budgeted. These costs have been offset by additional BCF and other one off health income of £1,048k.
- 36 The Older People Direct Payments budget has overspent by £154k, largely due to the average weekly cost per customer being higher than in the budget.
- 37 The Physical & Sensory Impairment (P&SI) Direct Payment budget has overspent by £170k largely due to the average weekly cost per customer being £63 more than in the budget.

- 38 P&SI Residential Care has overspent by £268k largely due to 4 additional customers compared to budget.
- 39 Spend on Step Up Step Down (SUSD) beds has been £337k less than assumed in the budget this year. The number of customers placed in SUSD beds has been lower than in previous years and there has been around £95k of refunds in 2022/23 relating to costs incurred in 2021/22
- 40 P&SI Community Support has overspent by £215k due to the average weekly cost of an exception customer increasing by £176 compared to the budget.
- 41 P&SI Supported Living schemes have overspent by £215k due to the average cost per customer being £115 a week more than in the budget (£329k) and there being 5 more customers in placement than was assumed when the budget was set (£239k). In addition, the number of customers receiving health funding has fallen.
- 42 There has been an overspend on staffing across the Hospital Discharge Team, ASC Community Team and ISS Team budgets of £292k largely due to the use of agency staff to cover vacancies, sickness and maternity leave.
- 43 The Safeguarding Team has overspent by £155k due to the use of agency staff, partly to cover vacancies, but also some of the agency hours are above the establishment of the team. There has been a significant increase in the number of referrals to the Safeguarding Team which all require investigation.
- 44 The Mental Health residential care budgets have overspent by £166k, largely due to there being 2 more customers in placement than was assumed when the budget was set.
- 45 The Mental Health Community Support Budget has overspent by £249k in 2022/23, due to having 4 more homecare customers than in the budget (£129k) and the average weekly cost of homecare being £245 more (£154k). This is offset by having one more health funded customer
- 46 There has been an overspend of £395k on the Learning Disability Community Support budget due to the average weekly cost of a homecare placement being £159 a week more than in the budget (£99k) and the average cost of a day support customer being £15 per week more than set in the budget (£114k), together with having 3 more homecare customers (£46k). In addition, the average health funding

received per customer is £165 per week less than that was assumed when the budget was set (£147k).

- 47 The Preparing for Adulthood (PFA) community support budget has overspent by £134k due to having 7 more homecare customers than in the budget (£85k) and the average weekly cost of a homecare customer being £87 higher. We need to work closely with Children's colleagues to further understand the work of Safety Valve and the move to vocational support that will impact growth in PFA.
- 48 Learning Disability direct payments have overspent by £730k. This is due to the average cost per customer being around £122 a week more than in the budget (£810k) and having a higher number of customers during the year. This is offset by an increase in the value of direct payment reclaims made in the year.
- 49 The Learning Disability nursing care budgets have overspent by £178k. This is due to the average cost per customer in working age placements being £594 per week more than budget and there were 2 customers whose costs, after taking health income into account, were over £100k p.a. each.
- 50 The budget for Learning Disability permanent residential placements has overspent by £779k. The average weekly cost of a working age placement is £211 per week more than in the budget (£681k) and the average rate of health funding received per customer is £36 per week less (£98k).
- 51 Work is underway regarding reviewing all placements to tackle increased costs. Work is also underway with health colleagues regarding Continuing Health Care and s117. A workshop has been arranged in June to highlight the duty of Health in funding such customers.

Place

- 52 The Directorate outturn position is an underspend totalling £1,232k (including commercial portfolio). This compares to an assumption of being within budget at Monitor 3.
- 53 The primary reasons for the underspend have arisen due to the Directorate experiencing very strong income levels from car parking within the city centre as well as high levels of recycling income across waste disposal.

- 54 It should be noted that the Directorate has faced significant unbudgeted inflationary pressures across energy and fuel totalling £1.6m which have been absorbed within the outturn number.
- 55 There is an underspend across waste disposal mainly due to recycle sales which have been at levels above budget due to high commodity prices and outturned £803k higher than budget (134%). There was also income above budgeted levels from household waste sites (£37k), power generation royalties (£45k) and bulky waste collections (£29k).
- 56 The Allerton Waste Recovery Plant provided an underspend of £413k as tonnage levels by provided by City of York and North Yorkshire County Council were lower than forecast allowing Yorwaste to provide further tonnages into the plant which gives the council an additional income stream of £300k. The council also benefitted from a rebate due to lower than budgeted insurance costs by the operator of the plant.
- 57 There was an overspend across Highways of £880k. The prime reason related to the increased energy costs within street lighting service (£434k) and also fuel costs for vehicles (£55k). There were also additional costs of implementing the Highways Asset system (£100k) and overspend of street markings budget £100k). The winter maintenance budget overspent by £78k due to the increased cost of salt as well as the long cold weather that was experienced in December 2022.
- 58 There was an underspend in Transport of £552k. There are a number of variations but the main saving is against the Concessionary Fares payments (£775k) as passenger numbers remained lower than budget assumptions.
- 59 Parking income at both on-street and off-street car parks remained strong across the financial year. Total income for the year was 15% higher than income in 2021/22 and 25% higher than budget for the year. The total value was £1.5m additional revenue. This was offset by reduced Respark income of £125k and additional costs of operating the car parks of c £100k.
- 60 There is a shortfall in planning fees of £440k across the year. There were a smaller number of major applications over the year partly due to the status of the Local Plan.
- 61 There was expenditure of £1,200k in relation to the Local Plan. This related to the costs of the examinations that were held in 2022/23, the cost of staffing £133k, Barristers £617k, Planning Inspector £125k, technical consultants £295k. These costs as detailed in the 2022/23

budget report have been funded from the Waste and Local Plan reserve.

- 62 Within Housing, Economy & Regeneration there was an overspend of £640k primarily relating to the operating costs of the council's properties. Within the administrative accommodation there were additional energy costs totalling £456k (126%), and a lower than budgeted rental from partners as rent free arrangements were completed. Across the Commercial Portfolio there was a shortfall totalling £260k of which there were additional costs of leasing an empty commercial unit at the stadium (£120k) and reduced rents payable at the racecourse.

Housing Revenue Account

- 63 The HRA budget for 2022/23 was a deficit of £347k. The actual outturn was a deficit of £141k and therefore an underspend of £206k. However, this position includes £1,590k underspend relating to capital financing that has slipped into 2023/24 which means that the adjusted year end position is therefore a deficit of £1,731k giving an overspend of £1,384k compared to budget.
- 64 There was an overspend on general repairs and maintenance totalling £608k primarily due to inflationary pressure that resulted in increased labour costs, material costs and subcontractors.
- 65 There was an underspend of £720k within General Management primarily due to the service having several vacancies across the year (£166k) as well as court admin costs (£74k).
- 66 The loss of rental income for general needs properties, hostels and shared ownership properties remained high throughout the year. There was with an overall loss of income of £491k below budget. A third of these properties are long term voids, such as Glen Lodge and Bell Farm, where the properties are awaiting large scale capital works, this programme of works is expected to take place in 2023/24.
- 67 The cost of gas and electric have increased far higher than the original forecast and continues to be a pressure on the budgets of the Independent Living Schemes and Hostels. The additional costs in the year were £513k (159% increase on budget).
- 68 The revenue contribution to capital has underspent by £1.59m due to the slippage of capital expenditure primarily related to energy efficiency

schemes. These funds will be carried forward to 2023/24 to fund the slippage.

- 69 The council has undertaken a revaluation of the council stock and given increases in house prices over recent years, this has led to an increase in the overall value of the housing assets. With that increase it also leads to an increased depreciation charge into the account. The actual charge of £10.4m was £1.4m higher than 2022/23 and £1.2m above budget. This additional depreciation is recycled into funding capital maintenance but does provide a revenue pressure.
- 70 The high level of cash balances across the HRA both in terms of general reserve as well as income from right to buy sales and market sales / shared ownership accompanied with a higher level of interest rates during the year has led to interest earned by HRA being £970k above budget
- 71 The budget for 2023/34 included a higher depreciation figure and combined with the additional interest income can be contained within the set budget.
- 72 The working balance position at 31 March 2022 was £29.57m. The projected outturn position outlined in paragraph 12 means the working balance reduced to £29.4m at 31 March 2023. This compares to the balance forecast within the latest business plan of £27.2m.
- 73 There are a number of ongoing implications of the outturn position into 2023/24. It is necessary to reprofile the revenue contributions funding the capital programme slippage of £1,589k into 2023/24. It is also proposed to increase the Tenant Engagement budget by £22k in 2023/24 to reflect a new burdens grant that was received late in the year. This will be used to support a range of projects in order to improve how we engage and work with tenants.
- 74 This adjustment means that the adjusted overspend on the HRA totalled £1,406k which is slightly lower than forecast through much of the year. It is proposed that the overspend is funded from reserves. The 2023/24 budget included many of the budget pressures around inflation and left a small budgeted surplus for the year.

Corporate Services, including Customers & Communities and Public Health

- 75 Overall the remaining Council services have overspent by £535k.

76 Internal Business Support has overspent by £257k due to reduced income from schools for payroll services and not achieving the budgeted vacancy factor. Other variations include an overspend of £103k on Bereavement & Registrars due to an underachievement of income and increased cost of utilities. There is continued pressure on Housing Benefit overpayments (£569k) as outlined in the 2021/22 outturn report. Legal services has overspent by £161k due to a shortfall in the costs that could be charged to the capital programme. The coroner has overspent by £109k, although we have no control over these costs and the decisions made by the Coroner. Further overspends include £100k unachieved saving on printing and £168k due to the cost of inflation on the Explore contract. These overspends are offset by underspends in policy & strategy (£220k), finance and procurement (£73k) and Benefits and Transactional Services (£349k) due to staff vacancies. Delays in the ICT restructure have resulted in year end savings of £168k and Ward Committee budgets have underspend by £126k.

Corporate Budgets

77 These budgets include Treasury Management and other corporately held funds. A net underspend has been achieved due to the early and increased delivery of a corporate saving. In addition, due to slippage on the capital programme, there has been a saving on interest and the cost of borrowing.