Commentary on Service Revenue Outturn Variances

This Appendix provides commentary on the service revenue forecasts shown in Section 3 of the main report.

1. Communities Directorate

Economy & Place – (£0.635m overspend; +2.5%)
Explanation of the Investment Funds (£0.201m underspend)
There are underspends forecast on investment funds of £0.270m across 3 projects: • £0.116m on Project Warwickshire programme for the tourism, leisure & hospitality sector which was agreed by Cabinet in April 2021. The funding is spent on salaries of those supporting businesses as well as other costs like marketing and venue hire. Due to the fact that since making the RIF allocation funding has been secured from the new UK Shared Prosperity fund (UKSPF) meaning that the RIF element will have an in-year underspend which will be required for carry forward into 2024/25 to extend the programme for another year supported by the UKSPF. • £0.068m for the Active Travel plan which has now been funded via external grant. • £0.017m on the Art Challenge project which is a 3-year project to fund art installations across the County. It is anticipated that the £0.017m will be required for 24/25.
Explanation of the Earmarked Reserves (£0.031m)
• The forecast drawdown from reserves is for Speed Awareness workshops.
Explanation of the Remaining Service net overspend (£0.805m)
The remaining service overspend is largely made up of the following: • An overspend of £1.276m within Transport & Highways largely because of the income target on car parking not being achieved. This is in part due to increased costs associated with the parking enforcement contractors. • There is an overspend of £0.232m on the Traffic Model Revenue Fund because of the need to utilise external consultants to update the full suite of models following the pandemic. • Country Parks have overspent by £0.389m mostly because of not being able to achieve income targets for parking. These overspends are partially offset by the following: • An underspend of £0.623m within Waste Services. This is largely due to a change within the Staffordshire Waste to Recovery energy project and the additional income received on our share of the sale of electricity. • Within Economy and Skills there was an underspend of £0.241m due to a reduction in the cost of the Apprenticeship Fund and external contributions being secured to offset some of the in-year staff costs. • Across the Management area and Place, Projects & Partnerships there was an underspend of £0.187m because of in year vacancies which had not been recruited to and reductions in spend eg. allocating grants and directorate projects.
Change in the Remaining Service position since the position reported at Quarter 3 (increased overspend of £0.560m)
The movement in the remaining service overspend is largely made up of the following: • An increased overspend of £0.300m within the Traffic Model Revenue Fund from the consultancy costs for updating the full suite of models. The costs of which has not been forecast to be at this level.

- Within Traffic & Parking the levels of under achieved income were increased based upon the actual amounts received to date coupled with increased contractor costs which lead to an increased overspend of £0.202m.
- There was a reduction in the Waste Services anticipated underspend of £0.145m which was as a result of increased demand meaning that waste arisings were higher at the end of the year than had been anticipated. This was in part due to the Easter holidays being earlier in the year which generated more waste.

The movement in overspend was partially offset by a movement in the underspend within Economy and Skills of £0.126m where payments to third parties were lower than anticipated and additional grant income was received in March that had not been forecast.

Impact of MTFS *(E.g. Risk of Savings* ***Not*** *being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*

Though the MTFS, Waste Services have received an additional £0.300m in the 2024/25 budget to meet additional costs related to population growth across the County.

There are also savings to be generated from increased income in Country Parks of £0.025m, which are anticipated to be achieved. Income from parking remains below target due to reduced activity in our town centres and increased operational costs. A detailed plan of options to close this gap is being developed for consideration within the MTFS process, and the first step has already been taken through an increase in Pay & Display charges that came into effect on 1st March which alone should generate an additional £0.600m helping to partially mitigate the shortfall.

Environment, Planning & Transport - (£8.584m overspend; +13.9%)

Explanation of the Investment Funds (£0.057m)

The underspends on investment funds are from
- Trading Standards Data Cleanse and Business Process review project (£0.034m)
- Tree Nursery project (£0.023m)

Explanation of the Earmarked Reserves (£0.301m)

There are 3 drawdowns from reserves anticipated:
- £0.205m from the s38 reserve
- £0.090m from Community Safety reserve
- £0.025m from the Domestic Homicide Review reserve

These are offset by a contribution to the Proceeds of Crime Act (POCA) reserve of £0.019m.

Explanation of the Remaining Service net overspend (£8.340m)

The remaining net service overspend predominantly comprises of:
- Home to School Transport has an overspend of £7.372m which is made up of £3.814m on Mainstream Transport and £3.558m SEND. The cause of the overspends in both areas is the increasing demand for services, the distance individuals are being transported due to the lack of school places in local areas, interim transport costs for excluded pupils driven initially by schools directly approaching transport providers and increasing contract prices when they have been re-negotiated.
- There was also an overspend of £0.720m on the school transport costs of children in care, the budget for which was transferred into Transport Operations part way through the year.
- An overspend within Traffic Signals of £0.468m which arises from the increased cost of energy.
- Planning Delivery overspent by £0.158m due to an under achievement of income within Environmental Landscape Services as a result of project delays and an increase in Legal fees due to a specific case in the Planning Team.

These overspends are partially offset by underspends of £0.389m due to staff vacancies within Trading Standards and the management area not utilising project funds to mitigate the overspends across the service.
Change in the Remaining Service position since the position reported at Quarter 3 (increased overspend of £2.136m)

Increased forecasts within Home to School transport of £1.479m, consisting of:
• An increased forecast of £1.214m on Mainstream school transport.
    o Increased costs for Area Based Partnerships (ABP) and Fair Access Protocol (FAP) of £0.475m where the number of contracts since April 2023 has doubled.
    o £0.223m for the transportation of children who are in the County due to resettlement programmes.
    o £0.050m forecast for direct travel payments. It had previously been assumed that spend would be in line with budget, however with the final termly payments to be resulted in a higher outturn position than forecast.
    o The remaining £0.466m increase in forecast arises mostly from new bus and taxi contracts and an increase in the issue of bus passes.
• An increased overspend of £0.265m on SEN school transport mainly as a result of a greater number than forecast of new contracts, that started after the Q3 forecast coupled with increases in the cost of direct travel payments.
• Following the movement of the budget for Children in Care school transport there was also an increase in the overspend of £0.720m. A detailed review has taken place and the forecast spend will be modelled in the same way as the rest of Home to School transport going forwards. The reason for the higher costs has been the increased demand on the service.

Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
An allocation of £9.608m was made through the MTFS process for Home to School transport to help with the catch up on increased inflationary costs seen in previous years, fund current inflationary increases as contracts are re-tendered and to meet some of the increased demands across the service. This was offset with a savings requirement of £1.024m in SEND home to school transport following the positive impact of the SEND Change and Inclusion Programme on both demand and length of journeys. The net increase in the Home to School transport budget for 2024/25 is £8.584m which has exceeded the amount of overspend seen in 2023/24.

Strategic Infrastructure & Climate Change - (£0.272m underspend; -0.13%)
Explanation of the Investment Funds (£0.235m)
There is an underspend of £0.235m on the Green Shoots Community Climate Change fund which will be required for 2024/25 due to some projects having been delayed and some been multi-year.
Explanation of the Earmarked Reserves (£0.000m)
There are no movements on Earmarked Reserves.
Explanation of the Remaining Service net underspend (£0.037m)
There is no significant variance.
Change in the Remaining Service position since the position reported at Quarter 3 (increased underspend of £0.033m)
There was no significant change to the Quarter 3 reported variance.
Change in the Remaining Service position since the position reported at Period 10 (reduced underspend of £0.35m)
There was no significant change to the Period 10 reported variance.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
There are no issues highlighted that impact the MTFS.

Fire and Rescue - (£0.048m underspend; -0.2%)
Explanation of the Investment Funds (£0.000m)
There is no variance forecast on investment funds.
Explanation of the Earmarked Reserves (£0.055m)
There are some contributions from reserves which will be required for the following: • £0.019m for the Local Resilience Forum • £0.066m for Pensions due to Ill Health retirements • £0.038m from the Emergency Services Network reserve This is offset by a contribution to reserves for: • £0.068m Hospital to Home
Explanation of the Remaining Service net underspend (£0.103m)
• The Fire Workforce budget has an underspend of £0.640m due to being a new structure within the year and a high level of staff vacancies, particularly within the On-Call area. • This underspend is partly offset by an overspend of £0.537m within Response and Prevention because of spend exceeding the budget for the Crewing Pool coupled with the inflationary pressures in Technical Support and Transport.
Change in the Remaining Service position since the position reported at Quarter 3 (increased underspend of £0.024m)
There was no significant change to the Quarter 3 forecast position.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
There are no issues highlighted that impact the MTFS

2. People Directorate

Social Care & Support Service – (£11.454m overspend, +5.4%)
Explanation of the Investment Funds (£0.053m)
The in-year underspend on the Integrated Care Record project is needed for 2024/25, there is no variance on the total overall allocation for the project.
Explanation of the net transfer from Earmarked Reserves (£2.556m)
£3.398m is the Market Sustainability & Improvement Fund – Workforce grant to be internally transferred to Social Care & Support at year end. £0.744m ICB contribution to costs of the Community Recovery Service in 2024/25 and £0.098m underspend of partnership funding for the Safeguarding Board.
Explanation of the Remaining Service net overspend (£8.951m, 4.3%)
The 2022/23 financial pressure on Social Care & Support has continued to grow in to 2023/24. This pressure is attributed to the increase in the unit cost of support, the increase in the number of residents requiring support and the increased acuity of residents requiring support funded by the Council. The increased spending in Adult Social Care since the start of the financial year is driven primarily by increases in cost of 65% with the increase in the volume of packages of care accounting for 35% of the increase. **Older People** The Older People Service has an overspend of £8.811m, 15% above budget, driven by rising unit costs across residential and nursing care and also due to volumes in domiciliary care, after being substantially offset by closely correlated increased client contributions. The overspend can be substantially explained by residential costs which are 22% over budget. This is due to the use of costly placements due to difficulties in sourcing packages of care at WCC standard framework rates with providers citing the complexity of care needs, with placements at individually negotiated rates accounting for 77% of all residential placements which are on average 38% more expensive than framework rates. Nursing presents a similar picture with placements at individually negotiated rates accounting for 91% of all placements and being 44% more expensive than framework. Domiciliary care overspend of £2.693m is due to the complexity and volume. Despite standard rates, the average weekly cost of a care package has increased by 5% since April 2023 and the number of packages of care has increased by 6%. This overspend is offset by over-recovery of the client contributions budget, thus the net domiciliary care overspend is £1.145m. Driving the increased volumes and intensity of packages of care will include the Community Recovery Service and the continuation of the discharge to assess process, contributions to these costs are held in the Director's area for centralised budgets. **Disabilities 25+** Disabilities 25+ have an overspend of £6.409m, 7% above budget, this is across a range of areas with pressures greatest in supported living, residential colleges and residential care. The pressures in these three key areas are due to: • An increase in budgeted client numbers of 82 which is 13% higher than the number budgeted for supported living, and unit costs rising 5% above the rate of inflation provided for supported living.

- An increase in budgeted client numbers of 6 which is 2% higher than the number budgeted for residential care, and unit costs rising 7% above the rate of inflation provided for residential care.
- An increase in budgeted client numbers of 14 which is 108% higher than the number budgeted for residential colleges, increased needs for some clients and extensions to the time spent at college.

The average duration of care is increasing and linked to this, the needs for care increase with age, therefore the drivers are a combination of the complexity of care as well as the cost per unit and the volume of clients.

Overspends in nursing and night support are driven by an increased number of clients.

Whilst there is an offsetting underspend in staffing and direct payments there is also an issue of reduced Continued Healthcare (CHC) Income. This year CHC income is c£0.6m lower than the average of the last three years and £0.838m less than budget, this is due to focused activity by the ICB on conducting reviews in this area.

Mental Health
Mental Health have an overspend of £2.129m, 13% above budget, this is across residential care and supported living partially offset by an underspend in staffing and increased client contribution income.

The pressures in residential and supported living are due to:
- An increase in budgeted client numbers of 44 which is 42% higher than the number budgeted for and unit costs rising 8% above the rate of inflation provided for residential care.
- An increase in budgeted client numbers of 97 which is 59% higher than the number budgeted for supported living.

High-cost transition packages are contributing to the overspend with a number of younger people requiring intensive care; the average number of hours support required has increased by 2 hours per week, which equates to 5%, in six months.

A contributing factor to the overspend is an increased proportion of new packages of care that do not have Section 117 funding meaning WCC is bearing the full cost due to ICB restricting their health contribution. In order to mitigate, and with reference to the Memorandum of Understanding, management are having discussions with the ICB to streamline processes to agree S117 funding arrangements and also agree arrangements for funding non-Section 117 clients.

Other budget areas
Adults Practice & Safeguarding has an overspend of £0.385m due to continuing high costs of adults' transport.

The underspend of £6.013m for Director - Social Care & Support is explained by income held in the Director area for centralised budgets with the incurred expenditure elsewhere. This is in relation to:
- Adult Social Care Discharge funding – both WCC and ICB contribution towards the ongoing financial impact upon WCC of the ongoing Discharge to Assess process.
- A release of funding from reserves due to a change in the policy for Adult Social Care Aged Debt.

- Funding assigned to manage the impact of the Working Age Adults tender
- An underspend on assessment of Mental Health Deprivation of Liberty Safeguards and on the review of social care needs for those with Disabilities aged 25+.

- Disabilities 0-25 have an underspend of £1.357m due to difficulties in placing some young people in residential accommodation. Less significant contributors to the underspend include foster care, supported living and direct payments.

Integrated Care Services has an underspend of £1.413m of which 74% is staffing related due to ongoing difficulties in recruitment and the balance a result of reduced demand for community and assistive technology equipment.

Change in the Remaining Service position since the position reported at Quarter 3 (increased overspend of £0.784m)
This is an increase in the overspend since Quarter 3 of £0.784m due to: ▪ Increased overspend in Disabilities 25+ across a range of types of care but supported living in particular. There has been: ○ A 2% increase in clients in the quarter (13) compared to forecast ○ Financial impact of the Working Age Adults contract (funding for which is held in the Director area) which became effective December 2023 ○ Several late confirmations regarding the proportional split of funding between the Council and Health. ○ Further forecasting is based on an adjustment to commissioned supported living as the actual amount delivered is historically less; the final quarter of 2023/24 shows a decrease in this variation meaning the actual supported living care delivered has been closer to commissioned than historically (1% versus 3% in previous year), further increasing the overspend. • Reduced underspend in the Director's centralised area due to allocation of iBCF funding to the Community Recovery Service and increased legal costs. Substantially offset by: • Reduced overspend in Older People due to increased levels of client contributions towards the cost of care • Increased underspend in Disabilities 0-25 due a forecast residential placement not coming to fruition • Reduced overspend in Mental Health supported living
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
Management attention is increasingly focused on the cost of residential care placements, as the key factor in the overspend. Achievement of 2024/25 MTFS savings has been prioritised and considered as part of the budget setting process. 2024/25 MTFS pressure bids were £26.047m, less savings of £6.216m, resulting in a net increase in Social Care & Support budget of £19.831m.

People Strategy and Commissioning Service – (£0.249m underspend, -0.7%)
Explanation of the Investment Funds (£0.026m)
Children and Families Tackling Inequality will complete in 2024/25 and requires a £0.026m drawdown.
Explanation of the net transfer from Earmarked Reserves (£0.860m)

£0.209m to be drawn down from Social Care and Health Partnerships Reserve in relation to partnership funded delivery of Learning Disability and Autism (LD&A) projects. £0.651m of COMF related activity to be drawn down from the Covid reserve: • £0.538m School air quality assessment and ventilation improvements • £0.073m Covid related Staffing • £0.024m Temporary Community Testing • £0.012m Creation of Health Protection Dashboard • £0.004m is for Covid Case Management System
Explanation of the Remaining Service net underspend (£1.135m, -3.0%)
The underspend is due to: • £0.302m staffing • £0.288m reduced use of Drug and Alcohol rehabilitation • £0.234m unspent water fluoridisation budget as this is a Dept. of Health responsibility • £0.196m delays in delivering the supporting people programme aimed at young people with housing issues • £0.139m early delivery of savings in relation to the Meals on Wheels service • £0.085m Health Check and Smoking Cessation demand below budget • £0.032m other immaterial variances Partly offset by: • £0.140m overspend due to increased demand for sexual health services
Change in the Remaining Service position since the position reported at Q3 (increased underspend of £0.407m)
There is an increase in the underspend since Quarter 3 of £0.407m due to: • £0.190m staffing • £0.152m reduced demand for Health Checks and Smoking Cessation • £0.089m delays in delivering the supporting people programme aimed at young people with housing issues Partly offset by: • Offset by £0.024m net increased spend on small immaterial balances
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
Of the £1.135m underspend, £0.314m is early delivery of MTFS savings in relation to the Meals on Wheels Service, the water fluoridisation component of the Health, Wellbeing and Self Care saving and staffing efficiencies. £0.302m is due to staffing underspends (of which £0.075m is a saving included above) related to recruitment challenges with a similar level of underspend experienced in 2022/23. A higher vacancy factor has been built into years 4 and 5 of the MTFS at a value of £0.470m. A similar value of the underspend (£0.288m) is due to reduced Drug and Alcohol rehabilitation and prescribing; work is underway to establish the root cause, bearing in mind we had a similar level of underspend in 2022/23. Grant income funds a significant proportion of this budget and we therefore need to exercise caution prior to assuming this may be recurrent.

3. Children & Young People Directorate

Children & Families – (£11.807m overspend; +14.4%)
Explanation of the Investment Funds overspend (£0.138m)

There is a net £0.138m Continuous Improvement Plan (CIP) expenditure to be funded by an investment (and earmarked) reserve. The draft plan has 29 work areas, with 17 of them funded by this reserve, the remaining funded by BAU, and will be reviewed by Corporate Board. The CIP is provisionally a 24-month plan which will stretch over 3 financial years and due to the nature of proposals may be subject to change and inevitable timing changes. Since Q3 a decision to delay one large element (market forces) from 2023/24 to 2024/25 has resulted in a large reduction in anticipated spend in 2023/24.
Explanation of the Earmarked Reserves underspend (£0.309m)
The overall net contribution to reserves consists of: The Priority Families (Supporting Families Grant funded service) was forecasting additional planned allocations/spend of £0.216m above the original 2023/24 plan (to be funded by the Earmarked Reserve), however this has moved to a position of underspending at outturn of £0.153m. This is due to positive progress on the data maturity to ensure final claims were maximised which resulted in sound achievement of 72% of the pay by results grant compared to the 59% that was expected. Note that most other LAs are also in the same position in meeting these challenges and are unlikely to achieve 100% of payment by results funding. Within the Adoption Central England (ACE) service, there was a forecast gross overspend position of £0.434m of the Service for the 5 partner local authorities, however this reduced to £0.382m by preliminary closedown. As agreed by all 5 partners this overspend was "shared" between the partners and further contributions were paid by the partners (WCC's was £0.097m) resulting in a small net underspend of £0.012m. The additional gross spend was due to increased demand and the need to utilise some external agency adoptions, these are a very erratic / demand led budget, where predicting with any degree of certainty is very difficult and is also subject to availability in the market. With regard to Youth Justice Remand placements, there has been a £0.174m overspend on the revenue budget in part from not achieving the £0.100m MTFS savings on this externally demand led budget reduction. The MTFS saving was predicated on the fact that over the last few years the budget had underspent at year end. However, this year's expenditure has exceeded the budget with greater than normal incidences / severity of charges. There has also been the welcomed DfE notification for additional grant funding for the rise in settling in allowances for Leaving care children and the regulation of Supported Accommodation. This grant has been given in anticipation of the increased financial costs of registration, but this will not impact the accounts until next financial year, therefore this grant will be held in reserves to be fully utilised next financial year. The remaining earmarked unspent grant for use in future years is £0.319m.
Explanation of the Remaining Service net overspend (£11.978m, +14.57%)
This overspend consists mainly of: **Residential Placements & Extra Care** – (£4.805m & £4.749m overspend respectively). This is predominantly due to unprecedented market price rises and increased needs of the children. For Standard residential the weeks purchased were 154 more than 2022/23 but the average weekly cost has risen by £1,086, giving rise to a 2023/24 full year equivalent for one placement of £5,919 per week, an increase since 2022/23 of 22%. The " Extra Care" overspend of £4.749m is a £0.935m increase since Q3 and represents the cost for hard to place / high support needs of some children. These children are temporarily unable to be accommodated by the external market and so high costs are to meet their short-term needs with packages costing up to £30,000 a week per child. There have been delays in stepping down such placements into less costly types of placements due to external placement availability and delays in opening (and matching

children) within WCC Homes. The service has also not been able to move as many children as they would have hoped, as quickly as they have wanted, to the one open internal home because of challenges around matching. However, at present there are plans with end dates for all these packages in 2024/25. Establishment staff (£0.162m overspend) & Agency staff (£3.658m overspend) - Some teams are struggling to discharge their statutory obligations and assurance duties, across teams this can be due to increasing caseload numbers, difficult to recruit posts, sickness and maternity. Cover has also had to be arranged where there are pockets of long-term sickness and maternity leave. There are also roles which nationally are difficult to recruit to and we have seen a significant turnover both in permanent and agency workers. With those staff that do stay, many staff are at the top of scale while budget is set across the Children & Families service at mid-point along with a historic 7% vacancy factor. Warwickshire Children's Homes (a, b, c & c(a) - £0.496m overspend). This is a mixture of post opening cost increases (staff regrading / child related support for home A and pre-opening costs for the other homes securing staff). With Home (a) - it is hoped that there will be a speedy increase in numbers of children placed, (currently 3) and there are full time staff vacancies, but once recruited the Home will look to increase numbers to full capacity. For Homes (b) and (c) & (c(a)) planning permission and building work is still to be completed and they are unlikely to be operational until into the new financial year Q1. The Children & Families expenditure on the internally traded Legal services advice was £2.935m, £0.500m overspent due to increasing complexity of cases as well as inflationary increase to charges.
Change in the Remaining Service position since the position reported at Q3 (decrease of £0.456m)
The decreased forecast compared to Q3 is predominantly due to the Children in Care Transport service budgets being transferred and reported now within the Communities Directorate. However, this decrease was offset by a large increase in Extra Care Residential Placements £0.935m, which was itself offset by reduced spend on Establishment staff of £0.764m. There was also increased demand and charges for the WCC internally traded legal service with a £0.500m overspend. Due to delays in the WCC Homes becoming operational there was also the ability to reduce pre-opening costs by £0.349m.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
Unless lasting reductions in the overspends occur these will add to the MTFS pressures. The vast majority of the MTFS savings for 2024/25 are predicated on savings related to staffing and Placements (including increased occupation of WCC Homes). As a service it has received (net of savings) £2.959m additional permanent and £1.950m one off budget for 2024/25.

Education Services Non DSG – (£0.483m underspend; +4.5%)
Explanation of the Investment Funds underspend (£0.542m)
This variance reflects a hold on some of the Send & Inclusion Change Programme (SICP). Current governance is being reviewed as well as what change aspects should be in projects and what should be business as usual. A plan for the "wider" Education Transformation Programme is also in progress and will be fully considered by Corporate Board.
Explanation of the Earmarked Reserves Expenditure of £0.311m
There was expenditure for Schools in Financial Difficulty (£0.119m) which is double the spend in 2022/23 and relates to the required capacity for school improvement activity and reviews within schools. The spend is covered by an earmarked reserve as the required expenditure each year can be unpredictable. There has also been as previously forecasted £0.122m spend in the school improvement monitoring service which relies on the earmarked reserve, and a revised plan is expected for

the medium-term usage of the reserve. In order to facilitate smooth transition from one off to permanent funding there has been the residual use of the £0.070m management information system reserve for Synergy.
Explanation of the Remaining Service net underspend (£0.252m, +2.36%)
The remaining service variance includes: The SENDAR service where the key pressures were legal costs (£0.058m overspend) as well as mediation costs (£0.204m overspend). The Education Psychology service experienced a late swing in expenditure when, in order to relieve waiting lists more associate consultants were commissioned, which resulted in an overspend of £0.097m. For the Specialist Teaching Service there were a number of 'one off' favourable issues contributing to an overall underspend of £0.143m including one of the managers' costs being transferred to the Ethnic Minority & Traveller Achievement (EMTAS) service due to demand from Ukraine Children, as well as general maintained & Academy sales being higher than anticipated. This underspend also is the result of the final part year of trading (in its current format) for the Attendance service with costs of the full year core budget being covered by part year trading as well as some significant staff vacancies at the start of the year. Another element is the increasingly successful post-COVID recovery of the Music Service with an overall surplus (over their gross surplus target) of £0.136m. This increased surplus is not guaranteed going forward since future pressure on school and parent budgets could reduce trading as well as significant increase from 1/4/2024 of the Employers' Teacher pension contributions.
Change in the Remaining Service position since the position reported at Q3 (decrease of £0.299m)
The main change since Q3 is the better-than-expected trading positions of the Specialist Teaching Service and Music Service but offset with increased expenditure on associates/ Agency consultants for the Education Psychology.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
There are risks that unless the overspend in SENDAR is not brought under control then overspends will continue into 2024/25. However, with the one-off funding allocated for 2024/25 it is hoped that the service can reach a balanced budget position in the first part of the MTFS.

Education Services DSG – (£17.117m overspend: +6.62% of gross grant
Explanation of the DSG net overspend
The main variances by block are: An underspend on the Early Years Block (EYB) of £1.277m is caused by the funding being based on census data at single points in time while payments are made to all providers based on actual usage throughout the year. The underspend equates to circa 3% of the Early Years Block DSG grant received. Currently WCC is earmarking 96% of the funding received for providers. A minor, non-recurrent £0.117m overspend on the **Central Services block (CSSB)** was a planned (and agreed by School Forum) over-allocation ensuring sufficient budgets for all the elements paid from the CSSB at the start of 2023/24.

Education Services DSG – (£17.117m overspend: +6.62% of gross grant
There is also an underspend of £0.795m on the Schools Block (SB), which relates to, in the most part, reduced spend in the School exceptional pupils numbers budget (also known as the "Growth Fund"). The £0.607m underspend in this area is due to planned in-year classes not materialising or being delayed into 2024/25 due to uncompleted agreement from schools. The main material variance continues to be the **High Needs Block (HNB)** which has a final 2023/24 overspend of £19.072m:

a) £4.888m on Maintained Schools. This overspend is due to a 53% higher than budgeted unit cost which is being partly offset by a lower volume of pupils.

b) £2.737m on Special Schools. This is due to an increase in volume and unit cost. £1.337m of the overspend is a result of the cost increase of special school funding in order to comply with a DfE requirement to provide a 3.4% increase to special schools, which was not reflected in the funding received by the council.

c) £9.628m on Independent Schools. £3.577m of this is due to an increase in volume and unit cost. This has resulted in £6.263m of planned savings not being delivered.

d) £1.381m on Resource Provisions. A greater number of Specialist Resource Provisions have been opened than was originally envisaged. These new places will consume 'ghost' funding to make them viable along with place funding during the years of the establishment. This makes them financially viable whilst the place numbers are filled.

e) £0.619m on Post 16. This is due to increase of £0.321m for volume and £0.298m for unit cost.

The following table compares forecasted expenditure, FTE and Unit cost between final outturn positions of 2023/24 and 2022/23.

2022/23			2023/24				Change since 2022/23		
Actual (£)	Places (Full year equivalent)	Raw Average Unit Cost (£/ place)	Service	Actual Expenditure (£)	Places (Full year equivalent)	Raw Average Unit Cost (£/ place)	Expenditure (£)	Places	Unit cost (£/place)
10,336,964	1,899	5,443	Mainstream School	18,243,677	1,397	12,804	7,906,713	- 502	7,361
16,847,265	1,508	11,169	Special School	23,549,089	1,652	14,058	6,701,824	144	2,889
15,022,209	277	54,199	Independent School	25,794,520	390	65,403	10,772,311	113	11,204
1,074,183	116	9,300	Resource Provision	2,791,724	180	11,832	1,717,541	64	2,532
7,241,521	548	13,227	Post 16	10,019,646	633	15,851	2,778,125	85	2,624

The increased expenditure is due to the mix of FTE and Unit cost rises. Extrapolating from this data, the ratio of the cause of the increased expenditure is as follows:

Service	Ratio of reason for expenditure raise	
	Unit cost	Places (full year)
Mainstream School	136%	-36%
Special School	75%	25%
Independent School	42%	58%
Resource Provision	43%	57%
Post 16	59%	41%
Overall	76%	24%

Change in the Remaining Service position since the position reported at Q3 (increase of £0.743m)
This movement consists of a £1.558m increase in the High Needs Block offset by a reduction of £0.676m in the Schools Block and a decrease of £0.139m for the Early Years block.

Overall, for the HNB, the expenditure has seen a concerning, large (upward) change since Q2 which has continued since Q3. This is mainly the result of changes in demand from lower cost education placements (EHCP top up funds for maintained Schools) to more costly packages in Special School EHCP top ups and the independent sector as well as unprecedented increases in children being assessed and requiring an EHC Plan. The increased underspend of £0.680m to £0.795m on the Schools Block (SB), relates to, in the most part, reduced spend in the School exceptional pupils numbers budget (also known as the "Growth Fund"). The £0.607m underspend in this area is due to planned in year classes not materialising or being delayed into 2024/25 due to uncompleted agreement from schools.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
This overall size of the High Needs DSG overspend has increased significantly throughout the year and is above the MTFS expected overspend of £4.855m (i.e., the amount allocated to the DSG offset reserve in the MTFS for 2023/24) and will impact on the overall recovery plan and the contributions from the MTFS to cover the cumulative deficit. At present the cumulative deficit for the HNB following 2023/24 outturn is £39.488m. As part of the 2023/24 closedown appropriations to reserves, an element of the Corporate Services underspend will be allocated to the DSG offset reserve so that its matches the HNB overdrawn reserve. In the 2024/25 budget, £18.000m has been allocated to fund the DSG HNB deficit based on the Delivering Better Value / Service projections. With no further MTFS allocations planned to the offset reserve any increase to the position from the £18m forecast will represent a key risk to the delivery of the 2024/25 budget.

Resources Directorate

Enabling Services - (£4.100m overspend; +14.3%)
Explanation of the Investment Funds (£1.069m)
The investment funding net overspend is made up of: • £1.425m - Digital Roadmap project where spend has been granted approval. Note that there is £1.708m available to be drawn down for this stage of the project. This overspend is offset by the following project underspends: • £0.082m - Reusable Components - project dependant on the output of the automation investigation and clarity is expected in September. • £0.197m - Cloud Migration (Data Centre) - underspend expected on the transfer of the contact centre telephony systems to the Cloud. • £0.063m - Data and Analytics project. This project was to take place over two years and the underspend is the forecast of what will need to be spent in 24/25. • £0.014m - Modern Government - funding no longer required and will be returned.
Explanation of the Earmarked Reserves (£0.088m)
The expected drawdowns on reserves are as follows: • £0.193m from the ICT sinking fund to cover some of the overspend on the SurfacePro replacement programme. • £0.089m from One Public Estate to fund the appointment of CBRE to work on the Rugby Town Centre project (£0.070m) and for feasibility costs for George Eliot Hospital (£0.019m). • £0.044m - Synergy Application Support team recently transferred from the Children & Families Directorate - this will be funded by a specific reserve These are offset by a contribution to reserves as follows:

• £0.238m to the Local Welfare Scheme reserve comprising of allocations specific to the Household Support Fund (£0.139m) and underspend within the local welfare scheme (£0.099m).
Explanation of the Remaining Service net overspend (£2.943m)
The remaining service overspend is predominantly as a result of the following: • £1.494m within Property Services. This largely arises from utility costs which overspent by £1.228m coupled with an overspend on rates of £0.314m following a rates review. • £0.460m under recovery of income within the Schools ICT service as a result of high inflation on both pay and non-pay significantly exceeding the increased income due from subscription services. • £0.356m overspend across the Property Services delegated budgets due to inflationary rises on maintenance costs; £0.171m relates to the indemnity scheme provided to maintained schools in Warwickshire which is charged on a subscription basis and £0.185m relates to Landlord maintenance costs. • £0.350m overspend in the ICT and Digital End User Devices and Data Centre Service from the increased number of users in the organisation requiring devices and associated software compounded with the roll out of the new Surface Pro devices. • £0.221m overspend on delegated building maintenance due to the early recharging deadline for internal schools meaning that Property Services incurred costs of large invoices being paid late in the financial year which cannot be recharged until 2024/25. To mitigate this type of future movement the possibility of creating an equalisation reserve is being investigated. • £0.185m under achievement of internal income in ICT and Digital Network and Communication due to less recharges than forecast. • £0.119m overspend on ICT and Digital Operations salaries due to the use of agency staff to cover permanent vacancies in light of recruitment and retention challenges. The overspend is partially offset by the following underspends: • £0.177m in the Customer Service Centres due to some of the salaries being recharged to the Household Support Fund. • £0.111m in the Director's cost centre which was planned to be spent on one off projects but was instead held to support the service overspend.
Change in the Remaining Service position since the position reported at Quarter 3 (increased overspend of £1.748m)
The forecast overspend has increased by £1.748m since Q3 mainly due to the following: • In Schools ICT (traded) there has been an increased overspend of £0.453m largely because of an underachievement on income as inflationary increases and salary costs have exceeded the expected income. • £0.338m increased overspend in the End User Devices and Data Centre Service. This is due to the increased number of users in the organisation requiring devices and associated software alongside the roll out of the new surface pro devices. There were also inflationary increase in software licences costs. • £0.140m higher overspend on ICT and Digital Operations salaries due to the use of agency staff to cover permanent vacancies. • £0.408m increase in County Buildings due to an under-recovery of income including recharges. Work will be carried out in the new financial year to ensure such variances will be mitigated. These were coupled with unexpected repair costs in the latter part of the year. • £0.283m increased overspend on delegated building maintenance due to the early recharging deadline for internal schools meaning that Property Services incurred costs of large invoices being paid late in the financial year which cannot be recharged until 2024/25. The under recovery of subscription income to cover the cost of the indemnity scheme provided to maintained schools in Warwickshire also contributed to the increased overspend. • £0.126m increase in the Director's cost centre due to an increase in bad debt provision.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*

A time limited allocation of £1.400m for 2024/25 has been given to meet the higher utility costs. As the overspend for 2023/24 was £1.494m this will need careful monitoring. Provided that supplier prices remain reasonably stable this should be manageable within the 2024/25 budget. Additionally, there may be pressures faced in traded services – particularly Schools ICT.

Finance Service – (£0.028m underspend; -2.0%)
Explanation of the Investment Funds (£0.257m)
• £0.294m System Replacement Funding agreed to support the Unit4 project. This is offset by underspends on: • £0.022m on the Digital Post room project which is requested for carry forward for essential licence fees. • £0.015m on the Pensions McCloud project which is requested for carry forward to support HR work needed which cannot be charged to the pension fund.
Explanation of the Earmarked Reserves (£0.058m)
The contribution to the reserve of £0.058m is in relation to the Schools Absence Insurance Scheme.
Explanation of the Remaining Service net underspend (£0.170m)
There were underspends in the following areas: • £0.221m within Commercial and Contracts. This was mostly in relation to a one-off budget that was carried forward to support temporary posts to assist with the delivery of future savings, however, the posts have not been able to be fully recruited to. As such, £0.140m has been requested as a carry forward to support the implementation of the new Procurement Act in 2024/25. • £0.280m underspend from vacancies within finance. • £0.091m in the Education Finance Team from over achievement of income, partly due to delays to academisation. The underspends were in part offset with the following overspends: • £0.299m in the Business Support Social Care & Support area due to increased demand resulting in additional staffing costs. • £0.114m overspend on the Unit4 project from higher than anticipated staffing/consultancy costs
Change in the Remaining Service position since the position reported at Quarter 3 (reduced underspend of £0.363m)
The reduced underspend since the Quarter 3 forecast is mainly as a result of the following increased overspends: • £0.269m from Business Support which mostly relates to an increase in staffing costs which had not been forecast at Quarter 3, and work will be undertaken in the new financial year to improve the timing of reviews of salary forecasts. • £0.192m movement in overspend within Finance Transformation mainly as a result of the additional support needed for the Unit 4 project. These increased overspends were offset with increased underspends of £0.090m across other areas of Finance largely as a result of in year staff vacancies.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
There are no issues highlighted that impact the MTFS.

Strategy, Planning & Governance – (£0.404m overspend; +6.5%)
Explanation of the Investment Funds (£0.991m)

The overspend of £0.991m is in relation to the Cost of Living projects and Social Impact Fund in Community Partnerships. This spend has already been granted approval and there is a total of £1.883m available to be drawn down for this purpose across both funds.
Explanation of the Earmarked Reserves (£0.376m)
The transfer to reserves of £0.376m is to increase the Commercial Risk Reserve, to assist with the achievement of future MTFS savings planned. This is because the over achievement of income is expected to be front loaded during the MTFS period as more of the organisations that are supported are looking to bring services back in house to reduce their own costs.
Explanation of the Remaining Service underspend (£0.211m)
The forecast service underspend is mainly as a result of: • £0.378m underspend in Legal Services due to over recovery of income as a result of the service managing down costs with the expectation of reduced income this year. • Within Corporate Policy an underspend of £0.120m due to in year salary underspends as graduate post holders have secured permanent roles. These underspends are partially offset by: • £0.218m overspend in Legal Core due to the additional costs of demand for Corporate, HR, Property and Legal work for the Council • £0.074m overspend within Records Management due to contract exit fees
Change in the Remaining Service position since the position reported at Quarter 3 (reduced underspend of £0.294m)
The reduced underspend compared to Quarter 3 is predominantly due to: • The £0.376m transfer to reserve not being included in forecasts as it was not finalised and agreed until later in the year. This movement was partially offset by reductions in staffing costs due to delays in recruitment to some of the vacancies.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
There are no issues highlighted that impact the MTFS.

Workforce & Local Services – (£0.307m overspend; +2.8%)
Explanation of the Investment Funds (£0.004m)
• There is an overspend of £0.030m on Cost-of-Living Projects across Libraries and Museums and the funding will be drawn from an allocation that has remained within Strategy, Planning and Governance following the organisational restructure. • This is offset by an underspend of £0.026m in HR Strategy for the HR policy review. This is requested for carry forward into 2024/25 for the final part of the work to be completed which is commissioned for June 2024.
Explanation of the Earmarked Reserves (£0.207m)
The expected drawdown on reserves is as follows: • £0.207m - This is a result of a planned increase of the number of apprenticeships employed - the Going for Growth Apprenticeship Scheme will be used in its entirety and the remaining balance will be met from the Corporate Apprenticeship Fund.
Explanation of the Remaining Service net overspend (£0.097m)
There were overspends in the following areas: • General Registration under recovered £0.076m of income due to salary inflation exceeding income generated. • An increase in the movement on the bad debt provision of £0.076m caused an overspend in the Director's cost centre. The overspends were partly offset by a £0.057m underspend in HR Enabling mainly from vacancies.

Change in the Remaining Service position since the position reported at Quarter 3 (increased underspend of £0.133m)
The main causes of the increased overspend compared to the Quarter 3 forecast were: • The £0.076m bad debt provision which was not forecast. • A change of contracts during the year within the Occupational Health service led to some invoices being received too late in the financial year for recharges to be made to services, resulting in an overspend of £0.044m.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
The pressures seen in registration as salary inflation exceeds the increased income rates could continue to be pressure, as the service is not eligible to receive corporate salary inflation uplifts, and some of the fees and charges are set nationally.

4. Corporate Services and Resourcing

Corporate Services and Resourcing – (£39.657m underspend; -27.6%)
Explanation of the Investment Funds(£0.030m)
• There is a £0.030m underspend relating to the Information and Advice project. The funding is requested to be carried forward to 2024/25 to enable to completion of the project.
Explanation of the Earmarked Reserves (£15.737m)
• £12.983m to be transferred to top up the DSG offset reserves based on the DSG overspend on the High Needs Block. • £3.398m of Market Sustainability & Improvement Fund income will be transferred to earmarked reserves to fund the related expenditure in adult social care. • An underspend of £0.250m will be transferred to the earmarked reserve as the annual contribution to the cost for the quadrennial local elections. • £0.144m will be transferred from the Apprenticeship Levy to fund the forecast overspend arising from the impact of cumulative pay awards. • £0.438m will be transferred from the Commercial Risk Reserve to meet the net deficit of the Warwickshire Investment Fund and the Warwickshire Property and Development Group. • £0.230m will be transferred to the Capital Fund Reserve for upcoming legal fees tied to capital disposals. • £0.250m will be transferred to the Commercial Risk Reserve to support future years' commercial activities. • £0.893 will be transferred from the NNDR Pool Surplus Reserve to reflect the current position of the Coventry and Warwickshire Business Rates Pool. • £0.277m will be transferred from the Insurance Fund to match the insurance cost incurred during the year. • £0.168m will be transferred the Audit Fee Reserve to contribute to increased fees expected in future years. • £0.209m will be transferred to the Oxygen Volatility Reserve following a successful year to mitigate fluctuation in future years' income from the scheme.
Explanation of the Remaining Service net underspend (-£23.890m, -16.6%)
• £18.739m of the variance is due to increased corporate grant income. At the time of setting the budget many government grant allocations had not been announced and budgets were based on prior year allocations. This significant increase in grant income will help to offset the overspend in other areas across the Council. • £16.3m additional income due to improved returns on our investments linked to the recent increases in interest rates. • £1.2m saving on interest payments by using our cash balances to repay some loans early.

£1.7m reduction in Minimum Revenue Provision as a result of delays in the capital programme.   £1.514m overspend forecast as a result of the 2023/24 pay offer. The difference between the 4% pay provision included in the budget and the final pay offer of £1,925 or 3.88% (whichever is higher) is £3m and of course this could end up being higher. The budget contingency of £1.8m will only partially meet the extra cost and this overspend represents the remaining in-year cost.   - A £12.983m allocation to fund the DSG offset reserve which must be topped up to meet the forecast overspend on the DSG High Needs block.
Change in the Remaining Service position since the position reported at Q3 (increased underspend of £4.768m)
The key driver of the change since Q3 is the increased income from our treasury management activities due to interest rates remaining high.
Impact of MTFS *(E.g. Risk of Savings **Not** being delivered or increased pressures not previously identified. What plans does the service have to bring the budget back in line to ensure a balanced MTFS?).*
The MTFS already includes the best estimate of future years' government grant income, including reflecting the additional grants received in 2023/24, although this area remains volatile especially with national elections in the MTFS period. Interest rates are expected to reduce over the medium-term so the additional income should not be treated as an on-going funding source, although some short-term benefit for the next one to two years is expected. On-going funding has been identified for the future year impact of the current year pay award as part of the MTFS approved by Council in February 2024. Though the current MTFS includes provision for the annual increase of the DSG offset reserve to match the expected deficit, if the deficit remains higher than previously forecast these provisions will also need to increase.

APPENDIX B

Commentary on Service Capital Forecasts

The main reasons for the £62.127m delays in the quarter compared to the approved budget are set out below. These changes generally mean the expected benefits of the capital schemes may not be realised to the original time frame, however in some cases the change only relates to the timing of the expected cash flow without any impact on the deliverables of the scheme.

In addition to the £62.127m above there is an additional £1.213m of delays relating to projects funded by Section 278 developer contributions. Also, £10.744m of delays on corporate schemes (Warwickshire Investment Fund and Warwickshire Property and Development Group).

The delay in corporate lending for Warwickshire Investment Fund and Warwickshire Property and Development Group is due to activity not following the anticipated profile of approved business plans. The delay on the Warwickshire Investment Fund is largely due to lending opportunities under the BIG pillar not materialising. £39.600m of funding on this scheme has been reduced (£23.100m of this removed in 2023/24). Development loans to Warwickshire Property and Development Group have been pushed back into 2024/25. The timing of these schemes is largely outside of the control of WCC therefore they are excluded from the analysis below, but details of these schemes can be found in Annexes A to M.

Environment, Planning and Transport – £22.509m:

- A46 Stoneleigh Junction improvements (£4.045m) - Works costs have increased along with unresolved risk items, both costs and risk continued to be monitored closely. Programme and spend reprofiled due to ongoing site issues.
- A444 Corridor Improvements - Phase 2 (£1.836m) - Delays with completing traffic regulation orders will now delay construction. Contractor availability and other on-going local highway works may result in further construction start delays.
- A3400 Birmingham Road Stratford Corridor Improvements (£5.081m) - The project is split into 2 more phases (total 3 phases with Phase 1 completed) in order to deliver works while Phase 3 is being designed. Phase 2 main works have been delayed due to design issues, while enabling and utility works are currently in progress. Phase 2 expected completion is 2024/25 Q2. Phase 3 expected to start late 2024/25 or early 2025/26.
- A46 Stanks Island signalisation and improvement Birmingham Road (£1.387m) – This funding has been moved to the next financial year as the final account with contractors and the administrator is still ongoing and will not be resolved this year. Part 1 construction claims also deferred and Section 2 construction reprogrammed.
- A47 Hinckley Road Corridor Scheme (£0.776m) - The current year anticipated spend has been reprofiled as a result of other works planned in the immediate vicinity of the scheme which is dictating construction timelines and completion of the scheme and its spend profile.
- Hinckley to Nuneaton Cycle Route (£0.685m) - At the request of members this scheme has been put on hold to look at possible alternative design options.
- A452 Kenilworth to Leamington Cycle Route (£1.818m) - The scheme is being delivered in several phases starting with Section 1a at the Leamington Spa end of the route, through to Section 3 concluding in Kenilworth. Due to the engineering, strategic and financial complexities the exact delivery timescales/programme for each phase remain uncertain. For Section 1b it is hoped that the necessary land acquisition and construction will be completed within 2024/25. The remaining phases will follow on in subsequent financial years.

- Improvements to the A446 Stonebridge junction Coleshill (£0.786m) - Due to logistical delivery issues spend for design has been reprofiled, construction expected to start next year.
- A452/A46 Developer Improvement scheme (£2.293m) - The project design has been reprofiled and construction expected to start next year. Construction going ahead is dependent on road space availability due to HS2.
- Bermuda Connectivity (£0.257m) - There have been delays relating to unchartered gas apparatus.
- Green Man Coleshill signalised junction (£0.305m) - The scope of this scheme has increased at the request of county highways therefore additional resurfacing will be carried out.
- Casualty Reduction Schemes (£0.791m) - there has been a delay on the Coventry Road scheme due to planning around the avoidance of disruption to the road network. The scheme will now fall into the new financial year.
- Emscote Road Corridor improvements (£0.342m) - Due to the road space not being available for related schemes until 2025, spend has slowed on the design of this project.
- Flood alleviation scheme Fenny Compton (£0.339m) – to date 9 properties have been completed there may be additional modelling required around listed building consent for one of the properties.
- There are a number of other schemes with delays below £0.250m which are detailed in the annexes A to M.

Fire & Rescue - £3.319m:

- Fire & Rescue HQ Leamington Spa (£0.290m) - Leamington Headquarters Refurbishment is currently on hold whilst discussions take place and strategic decisions are made.
- Fire & Rescue Training Programme (2.812m) - approval has been granted to transfer the HQ funding to the training programme and this scheme will now proceed in 2024-25.
- There is another scheme with delays below £0.250m which is detailed in the annexes A to M.

Economy and Place - £5.369m:

- All electric bus initiative (£0.889m) - uncertainty over the future bus service provision caused a delay in determining the electric bus requirements of the service. The requirements have now been defined.
- Land at Crick Road Rugby (£0.572m) – A section of the land currently owned by Rugby Borough Council is required for the implementation of the roundabout. There have been lengthy procedures to allow for this land to be purchased.
- Temple Hill / Lutterworth Road Wolvey Casualty Reduction (£0.316m) – The scheme completed a few months ago and the team are awaiting final costs. The historical delay on this project has related to COVID and engineering design priorities relating to other schemes.
- Road safety casualty reduction (£0.888m) – A number of schemes intended to be funded from the 2023/24 annual maintenance allocation have been reprofiled to future years to match the expected speed of delivery.
- Lawford Road / Addison Road Casualty Reduction (£0.655m) - This scheme has been delayed until 2024-25.
- Improvements to A429 Coventry Road corridor Warwick (£0.385m) – The budget has been reprofiled in line with engineering and design requirements.
- There are a number of other schemes with delays of lower values which are detailed in the Annexes A to M.

Strategic Infrastructure and Climate Change - £2.693m:

- Development of Rural Broadband (£1.147m) - Capital charges were reduced in Q2/Q3 with a corresponding decrease in utilisation of grant contribution, due to BT/Openreach adjustments to the build programme and the superfast voucher programme remaining on hold until finalisation of the Project Gigabit procurement. At Q3 a change request was expected from Openreach which has resulted in further reductions in expenditure in 2023-24. In addition, there has been a reduction of revenue income from consultancy work from BDUK.
- Transforming Nuneaton (£1.292m) - This underspend in year is due to legal delays around the finalisation of an agreement with an external third party.
- Library & Business Centre Nuneaton - (£0.253m) Progress has slowed because of delays in obtaining planning permission. There has been necessary additional work required to value engineer the project to the available funding.

Children & Families - £0.194m:

- Children's Homes (£0.194m) - The works to create the children's homes have been reviewed and pushed back into 2024-25 due to logistical issues around the availability of contractors and various permissions.

Education Services - £22.929m:

- Long Lawford Studio Hall (£0.100m) - Studio Hall practical completion took place on 3rd September 2021. The funding balance has been moved to 2024/25 as it may be required to support Car Park / Drop Off Facility due to inflation pressures.
- Oakley School primary phase temporary solutions (£0.290m) - Work has been delayed at St Margaret's due to costs increasing. The project is being value engineered and a requote from the contractor is anticipated. An overspend is now being forecast; member approval will be sought prior to incurring any expenditure over and above the currently approved capital funding for the project.
- Long Itchington (£0.254m) - This project is school-led and therefore timescales for delivery are out of our control. Delays will be the result of procurement and planning issues - we will not contribute the S106 funding to the school until works are complete.
- Brownsover expansion (£0.269m) – Construction has been completed apart from final snagging and the project is expected to come in under budget. Funding for final accounts has been moved to 2024-25.
- Kingsway Site Changes (£3.105m) - Procurement delays due to significantly increased costs. Contract now awarded and enabling work has begun based on contract price within the allocated funding envelope with main construction work to commence shortly.
- Shipston High School (£4.267m) - Planning delays, issues with drainage and negotiations over Sports Hall validation by Sports England have caused construction timescales to be pushed back. Measures have been put in place to ensure the scheme will still be delivered for September 2024.
- Campion School expansion (£0.451m) - Construction complete but rectification of playing fields rescheduled to take place during school summer holidays.
- The Queen Elizabeth Academy Atherstone (£2.957m) - This is a school-led scheme where we will reimburse the Trust as phases are complete.
- Myton Gardens Primary School (£8.244m) - Delays have resulted from the requirement to relocate a badger sett. This is subject to planning. Quotes for the overall scheme have come in higher than the original estimates. Member approval will be sought in the new financial year to

increase the capital allocation for this scheme if the estimated cost increase cannot be mitigated successfully.

- Oakwood Primary Expansion (£1.877m) - The places at this school are required for September 2024 therefore the main construction is expected in 2024-25.
- There are other schemes with delays of less than £0.250m which are detailed in the Annexes A to M.

Strategic Commissioning for People and Public Health - £0.306m:

- These scheme delays are all below £0.250m and they are therefore detailed in the Annexes A to M.

Workforce & Local Services - £0.164m:

- Delays are below £0.250m and they are therefore detailed in the Annexes A to M.

Enabling Services - £4.644m:

- Strategic Site Planning applications (£0.349m) - Projected costs in meeting legal obligation to provide a serviced site to the DfE. Certain capital works including demolition are underway and are programmed to be completed this financial year. Other works e.g. bovine remediation are now programmed to be undertaken 2024/25.
- Land at Leicester Lane Cubbington (£0.475m) - Land returned back to landowner, we are now waiting for a dilapidation report to agree a way forward.
- Maintaining the smallholdings land bank (£0.391m) - Opportunities for purchasing land in Q4 has been minimal, the budget has therefore been re-profiled into 2024/25.
- Rural Services capital maintenance (£0.323m) - Some of the budget has been reprofiled into the next financial year when works have been scheduled to take place.
- Estate master planning programme (£0.740m) - Deliverables are now on track for 2024-25.
- Non-schools building maintenance 2023-24 (£1.049m) - Some of the budget has been reprofiled into the next financial year when works have been scheduled to take place.
- Schools building maintenance (£0.560m) - Some of the budget has been reprofiled into the next financial year when works have been scheduled to take place.
- There are a number of other schemes with delays of less than £0.250m each which are detailed in Annexes A to M.

Expected cost increases above currently approved capital funding

Service	Project	2024/25 Forecast above approved capital allocation (£m)	2025/26 Forecast above approved capital allocation (£m)	Total Forecast above approved capital allocation (£m)
Education Services	Myton Gardens School		0.656	0.656
Environment Planning and Transport	Bermuda Connectivity		1.020	1.020
Environment Planning and Transport	A46 Stoneleigh Junction Improvement	3.300		3.300
Total		3.300	1.676	4.976

- Further work is required for Environment Services and Education to either mitigate the cost increases identified or identify funding for the projects which currently expecting shortfalls.
- The team working on the A46 Stoneleigh scheme are currently exploring various options.

Appendix C: Requested Use of the Revenue Investment Fund

A list of the requested use of the Revenue Investment Fund in 2024/25. The list comprises the rephasing of spend originally planned for 2023/24 and the spend originally planned for 2024/25. There are no new schemes requesting approval.

Service	Project	Re-phased spend from 2023/24 to 2024/25 £m	Approved 2024/25 Spend £m	Total budget 2024/25	Estimated completion	Progress Update
Environment, Planning & Transport	Trading Standards Data Cleanse and Business Process Review	0.034	-	0.034	Mar-25	Due to delay in delivering this project the remaining balance of funds is required to be carried forward into 2024/25 to fulfil future years commitments.
Environment, Planning & Transport	Forestry - Tree Nursery	0.023	-	0.023	Mar-25	Due to delay in delivering this project the remaining balance of funds is required to be carried forward into 2024/25 to fulfil future years commitments.
Economy & Place	Art Challenge	0.017	-	0.017	Mar-25	No maintenance issues on site this year therefore lower than planned spend but the remaining funding will still be required in 2024/25.
Economy & Place	Economic Recovery - Tourism & Leisure Business Support	0.114	-	0.114	Mar-25	Underspend due to UK Shared Prosperity Fund funding for 2023/2024 agreed with district and borough councils. It is requested that this underspend is carried forward into 2024/2025 in order to the allow the Project Warwickshire programme for tourism, hospitality & leisure businesses to be extended.
Economy & Place	Zeller for Businesses	0.002	0.040	0.042	Mar-26	This was originally a 3-year project with £25k of expenditure in 2023/24 and £2k to be spent (on marketing) across the 3 years. The project was late starting and the £2k will be needed in 2024/25 and potentially also 2025/26.
Climate Change and Strategic Infrastructure	Community Climate Change Fund - Green Shoots	0.232	-	0.232	Mar-25	WCC awarded small grants of up to £25,000 to community groups and Parish Councils to carry out projects that would save carbon and increase biodiversity. The first tranche saw £622k awarded to 68 projects in October 2021. The second tranche saw £345k awarded to 38 projects in December 2022. There was no stipulated deadline for the community groups to complete projects and request funds, but it was expected that no projects would take longer than 3 years. 56 projects out of the 106 have been completed and nearly all projects have made at least one claim for a portion of their funding. The funding is given in arrears after invoices for eligible elements of the project have been provided. There are still 50 projects in progress. Some continue because they were planned to be 3-year projects and are still in progress. Others expected to be completed

						at this stage but have encountered hurdles like access to vital elements like solar panels, access to qualified tradespeople or adverse weather / ground conditions. In a questionnaire sent to the project groups in December, those that were still in progress all expected to have completed their projects by the end of March 2025.
Climate Change and Strategic Infrastructure	HVO Project	0.003	-	0.003	Mar-25	There were some initial delays due to checking the legalities behind the project, which has resulted in a small underspend in the first year. This is expected to be required as the project progresses into the second year of funding.
Social Care and Support	Integrated Care Records	0.053	0.092	0.145	Mar-25	Due to delay in delivering this project the remaining balance of funds is required to be carried forward into 2024/25 to fulfil future years commitments.
People Strategy and Commissioning	Children and Families Tackling Inequality	-	0.078	0.078	Mar-25	Multi-year project progressing as planned.
Education	Zeller for Schools	-	0.026	0.026	Mar-28	Multi-year project progressing as planned.
Education	SEND and Inclusion Change Programme	0.542*	-	0.542	TBC	The timing of the expenditure is not yet confirmed, at this point no draw down is requested for 2024/25. To be held in reserves until required to deliver approved transformation projects.
Workforce & Local Services	HR Policy Review	0.026		0.026	Mar-25	This funding is required for consultancy costs already committed to in 2024/25 to complete the project.
Enabling Services	Disaster recovery & Cloud migration - Azure data centre annual	0.197	-	0.197	Mar-25	Due to delay in delivering this project the remaining balance of funds is required to be carried forward into 2024/25 to fulfil future years commitments.
Enabling Services	Reusable components	0.082	-	0.082	Mar-25	Due to delay in delivering this project the remaining balance of funds is required to be carried forward into 2024/25 to fulfil future years commitments.
Enabling Services	Cloud - Itelligent-i- Azure	0.032	-	0.032	Mar-25	The remaining allocation is expected to be spent in 2024/25 as planned across the 2-year Data & Analytics Programme.
Enabling Services	Itelligent-i - Business Analytics Platform Phase 2	0.031		0.031	Mar-25	This is expected to be spent in 2024/25 as planned across the 2-year Data & Analytics Programme.
Enabling Services	Library Management System	-	0.090	0.090	Apr-25	Approved project due to be completed in 2024/25.
Finance	McCloud Pensions Remedy	0.015	-	0.015	Mar-25	This is a statutory project to implement a legal remedy for historic age discrimination in public sector pension funds, of which the Fire Pensions element cannot be recharged to LGPS and so requires this funding. Delays are a result of awaiting Government legislation.
Finance	EDRMS - Digital Post room	0.022	-	0.022	Mar-25	Funding required for licencing costs to continue the Incoming Mail solution.

Strategy, Planning and Governance	Social Fabric Fund	-	0.662	0.662	TBC	This money is committed to be transferred to Heart of England Community Foundation/Warwickshire Community and Voluntary Action as agreed in April 2023 by Cabinet.
Strategy, Planning and Governance	Cost of Living Projects	-	0.198	0.198	TBC	We are committed to expenditure in 2024/25 including funding for Citizens Advice telephony service as agreed in October 2022 by Cabinet.
Corporate	Information and Advice	0.030	-	0.030	Mar-25	Due to delay in delivering this project the remaining balance of funds is required to be carried forward into 2024/25 to fulfil future years commitments.
Corporate	Annual contribution to System Replacement Fund	-	(0.500)	(0.500)	n/a	As approved by Council in February 2023 as part of the MTFS.
	Total	0.914	0.684	1.598		

Appendix D – Requested Re-phasing of 2023/24 revenue allocations

Service	Amount Requested £m	Proposed use of the funding
Strategic Infrastructure & Climate Change	0.048	**Transforming Nuneaton –** Surplus arising from rental income from properties purchased using external grant funding and therefore ringfenced to be used against the Transforming Nuneaton project. It allows for cost associated with progressing the schemes (legal, planning) alongside managing the empty buildings currently on site.
Finance	0.140	**Procurement Act** - Funding required to prepare for the new Procurement Act.
Strategy, Planning & Governance	0.004	**Councillor Grants** - Each Councillor is allocated a set amount to support local projects within their area, on occasions there are delays or funding is either fully or partially returned due to no longer being required. The funding is required for those councillors/areas that did not spend the full allocation in 2023/24 but have committed to fulfilling local projects.
Economy & Place	0.035	**Adapt and Diversify** - Funding required to meet existing commitments to conclude the Adapt and Diversify project. The project is supporting local businesses and has been funded from un-ringfenced Covid grants. The outstanding element of the project is meeting several of the Council's objectives and would potentially lead to reputational damage if cancelled at this point.
Total drawdown from Financial Management Reserve	0.227	4 requests