

## Appendix A1: Outturn Revenue Budget Variances by Service Area 2023/24

1. The projected outturn for each directorate is shown in the tables and narrative below.

### Wellbeing – outturn positive variance of £11.4m (9%)

2. The Wellbeing directorate includes adult social care, public health services, commissioning teams for adults and corporate procurement, plus housing and community services. The £5.8m increase from quarter three is largely due to care packages for adults with learning disabilities and mental health issues not materialising as anticipated by the service.

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
	<b>Adult Social Care</b>			
<b>10,219</b>	Care – Long Term Conditions	92,574	102,833	<b>10,259</b>
<b>(4,938)</b>	Care – Learning Disabilities & Mental Health	70,762	61,187	<b>(9,575)</b>
<b>(297)</b>	Employees	24,791	24,255	<b>(536)</b>
<b>(4,984)</b>	Client Contributions	(24,634)	(29,416)	<b>(4,782)</b>
<b>(1,276)</b>	CHC, Joint Funding & Sec 117 Mental Health	(12,574)	(14,554)	<b>(1,980)</b>
<b>(3,162)</b>	Section 256 NHS funding	0	(3,692)	<b>(3,692)</b>
<b>33</b>	Other Funding: grants, other authorities, Health.	(23,585)	(23,552)	<b>33</b>
<b>(7)</b>	Other services: training, running costs, etc.	550	568	<b>18</b>
<b>(4,412)</b>	<b>Total Adult Social Care Net budget:</b>	<b>127,884</b>	<b>117,629</b>	<b>(10,255)</b>
	<b>Commissioning</b>			
<b>286</b>	ASC: Care and contracts (including Tricuro)	26,557	29,172	<b>2,615</b>
<b>208</b>	ASC: Employees	2,490	2,577	<b>87</b>
<b>67</b>	ASC: Client contributions	(1,624)	(1,711)	<b>(87)</b>
<b>(1,282)</b>	ASC: Income from NHS (Section 256)	(4,392)	(7,924)	<b>(3,532)</b>
<b>(38)</b>	ASC: Specific grants & government funding	(27,924)	(27,963)	<b>(39)</b>
<b>541</b>	ASC: Other services, voluntary sector, projects.	410	818	<b>408</b>
<b>(236)</b>	Corporate Procurement	1,218	996	<b>(222)</b>
<b>(454)</b>	<b>Total Commissioning Net budget:</b>	<b>(3,265)</b>	<b>(4,035)</b>	<b>(770)</b>
	<b>Housing</b>			
<b>(7)</b>	Housing Options and Partnerships	5,629	5,790	<b>161</b>
<b>(316)</b>	Neighbourhood Services	(2,215)	(2,523)	<b>(308)</b>
<b>(82)</b>	Risk and Improvement	363	120	<b>(243)</b>
<b>(405)</b>	<b>Housing Total</b>	<b>3,777</b>	<b>3,387</b>	<b>(390)</b>
	<b>Communities</b>			
<b>(321)</b>	Community Engagement	685	600	<b>(85)</b>
<b>20</b>	Regulatory Services	2859	2747	<b>(112)</b>
<b>39</b>	Safer Communities	835	1188	<b>353</b>
<b>0</b>	Service Management	318	254	<b>(64)</b>
<b>(22)</b>	Strategic Community Safety	575	499	<b>(76)</b>
<b>(284)</b>	<b>Communities Total</b>	<b>5271</b>	<b>5287</b>	<b>16</b>
<b>(689)</b>	<b>Housing &amp; Communities Total</b>	<b>9,048</b>	<b>8,674</b>	<b>(374)</b>
	<b>Public Health (fully funded by government grant)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(5,555)</b>	<b>Wellbeing Total</b>	<b>133,669</b>	<b>122,270</b>	<b>(11,399)</b>

## **Adult Social Care and Commissioning**

3. Care cost pressures for people with long term conditions is £10.3m above budget, this includes complex packages for people discharged from hospital prior to their Care Act assessment. Additional £3.7m one-off Section 256 transfers from Health has been used towards the cost of new hospital discharge procedures. During quarter four demand for care home placements averaged at 1,067 beds per week (7% above budget) with an average weekly fee of £1,123 (4% above budget). During the same period, demand for home care packages averaged 18,410 hours per week (11% above budget), although this pressure is partially mitigated by lower take up of direct payments.
4. Due to financial pressures in the health system, the previous funding towards hospital discharge related costs has reduced significantly, and the council will be faced with higher unfunded pressures for people with long term conditions in 2024/25.
5. Expenditure for people with learning disabilities (LD) and mental health (MH) is underspent by £9.6m, an increase of £4.6m since quarter three. This is due to a combination of factors including delayed demand for care, lower needs than previously anticipated, delays from mental health hospital discharges, robust contract negotiations with providers and revised, lower cost, contracts.
6. It is important to note that the Integrated Care Board (ICB) are looking at the LD and MH services in some depth. There has been improved demand management, quality assurance and scrutiny processes, using a strengths-based approach. Good outcomes have been achieved for continuing health care (CHC) / joint funding arrangements with budgeted savings being exceeded. Sadly, we have also seen a slightly higher number of deaths this year but on a positive note, more young people are able to stay supported at home for longer, and lower cost options than anticipated have been found for young people needing care. Robust reviews have also led to reductions in the need for one-to-one support packages.
7. Unlike for people with long term conditions, general demographic trends are less relevant for adults with LD and MH, and the budget is based on support for largely already known individuals, but budget requirement overall can still be difficult to predict. Cost projections include young people when it is anticipated that they will finish education, but education health and care plans (EHCPs) can be extended, and often the need for services can be delayed for another year. Where people are in an acute hospital for a length of time, payments to the home care provider stop and these cannot be predicted. Engagement with families provide indications of when a person is likely to move out of the home, and it can be difficult to source provision at that time, or stability can be achieved by further interventions to be able to continue living at home. Also, people can change location and come in or out of the council's responsibility to provide care.
8. Delay in LD demand and mental health discharges can also be due to other services not being available, for example, housing, supported living, and specialist care. Commissioning and housing services are working on improving the areas within the council's control.
9. In addition to the issues noted above, data systems used in forecasting have inconsistencies with the dates for periods of care payments and it is likely that the quarter three forecast was overstated, with the change between quarters greater by assuming a longer lag in payments to providers in the earlier estimates. Work is ongoing to develop different reporting mechanisms to address this in future.
10. Employees savings of £0.5m (an increase of £0.2m since quarter three) is due to ongoing vacancies from expenditure control measures and some recruiting difficulties. Uncertainty around the pay and reward outcome has seen several staff leave and due to the national shortage of social work and occupational therapists, there are delays for

assessments and new case work. The current backlog for care assessments and reviews is circa 2,800 and for deprivation of liberty (DOLs) there are 1,200 cases outstanding. Future spending plans for care services will need to consider how this currently suppressed demand will impact.

11. Additional client contributions and deferred payments provided a budget surplus of £4.8m and is linked with the additional caseload for people with long term conditions. It was already anticipated last quarter and a proportion is likely to be ongoing and the approved 2024/25 budget has been increased accordingly.
12. Additional income from the NHS for CHC eligibility of nearly £2m (an increase of £0.7m since quarter three) is again linked to the additional caseload. During the 2024/25 budget preparation, it was expected that a proportion could be considered as ongoing additional recoupment with the 2024/25 budget increased accordingly. However, the NHS has since indicated that they are high outliers in their CHC spend and are planning to review the approach to reduce their spend in CHC and joint funding. This places a significant increased risk in achieving the 2024/25 budget expectations for CHC and joint funding refunds.
13. The Commissioning directorate is experiencing variances of a smaller order with the largest being NHS funding from CHC eligibility recoupment and use of one-off Section 256 transfers for care arrangements commissioned in block that have joint benefit.
14. Corporate procurement has achieved a saving of £0.2m mainly due to expenditure control, employee vacancies and reduced spend on stationery purchased centrally.

### **Housing & Communities**

15. The Housing service has had significant pressures in year due to the rising cost of temporary accommodation and the number of families being supported. This has been mitigated by use of various resettlement grants and staffing vacancies resulting in an overall underspend across Housing Options and Risk and Improvement.
16. The in-year homelessness prevention grant (HPG) was fully used this year with £0.2m of the reserve drawn down to support expenditure, particularly the housing benefit subsidy costs. A balance of £1.8m will be retained within the reserve, an improvement of £0.1m on the quarter three forecast, to help mitigate pressures in future years. The Housing service are progressing alternative accommodation options to reduce the dependency on bed and breakfast provision going forward and have already seen a reduction in the temporary accommodation costs as a result.
17. Within neighbourhood services income on photovoltaic panels is in line with the quarter three forecast at a £0.3m surplus, some of which is due to income delayed from the previous financial year. It is not anticipated that this surplus will continue in subsequent years.
18. Community engagement has carried forward a large proportion of ringfenced grant income into the next financial year which will be used to deliver specific community related projects going forward. There was also less grant allocated from Homes for Ukraine than originally anticipated reducing the overall underspend.
19. Safer communities incurred £0.2m of unexpected legal costs defending judicial review challenges made relating to public space protection orders and licensing. There is no budget or provision set aside for these costs and a challenge can be made at any time. Although we were aware at quarter three of the challenges being made, it was not known what the financial impact would be until the review had taken place.
20. There were variabilities in salary costs across the Communities service causing fluctuations on the budgets but there are some savings which helped mitigate the impact of the legal costs incurred.

## Children's Services – outturn overspend £3.5m (4%)

21. The overall outturn position for Children's services is £3.5m, a small increase of £0.3m from quarter three.

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
(5,495)	Management & Commissioning	1,726	(4,203)	(5,929)
3,299	Safeguarding & Early Help	13,429	16,704	3,275
5,664	Corporate Parenting & Permanence	45,204	52,233	7,029
385	Quality, Performance Improvement & Governance	4,464	4,387	(77)
(714)	Education & Skills	20,955	19,954	(1,001)
0	Partnerships	2,195	2,358	163
<b>3,139</b>	<b>Children's General Fund Total</b>	<b>87,973</b>	<b>91,433</b>	<b>3,460</b>

22. Childrens Services management incorporates various budgets including the overall service agency budget. This is held centrally as the agency use within individual service units fluctuates based on demand and vacant positions. The forecast variance offsets the staffing overspends shown in all other directorates as described below.
23. Safeguarding & early help has the highest use of agency as the front door teams of multi-agency safeguarding hub (MASH), assessment, children & families first are predominately the most challenging social worker posts to fill permanently. The variance is similar to the quarter three projection as the trend was already established.
24. The agency use within corporate parenting & permanence relates to the children in care teams. The service continues to work to reduce the level of over-establishment agency social workers. It has been necessary to stabilise the service and support quality assurance activities. The service director is working towards removing the agency staff in these areas for the new financial year.
25. Staffing pressure within quality, performance improvement & governance relates to additional independent reviewing officer (IRO) posts required to manage the increased level of demand. The budget position was recovered during the last quarter due to the timing of workforce development training and vacancies unable to be filled.
26. The improved position between quarter three and four within the education and skills directorate reflects continued vacancies within some teams and some efficiencies in school transport costs.
27. The forecast cost of all placements for children in care (CiC) has been examined thoroughly throughout the year. The corporate parenting & permanence directorate incorporates the pressure. The number of CiC has gone up further since quarter three, from 550 to 563. The largest financial challenge is in the residential provision.
28. A demand and mitigation programme has been developed with specific reference to seeking efficiencies within various workstreams relating to care placements. Specifically looking at all placements for those aged over 18 and those with residential placements over 16 and under 12 plus all unregistered placements. An assumption of reduced in year spend was anticipated but due to increased demand the net effect of any mitigations is not seen, and the final cost of placements has increased over the year.
29. The outturn pressure within Partnerships relates, in the majority, to Aspire Adoption, a partnership between BCP and Dorset Council. The pressure relates to the cost of the staff pay award being greater than budget and an income shortfall where inter-agency placements have not been as high as expected.

30. The services are continually reviewing the use of agency staff and with the ongoing recruitment campaign to attract and retain qualified social workers, there is an aspiration to further reduce the cost incurred from high agency premium.
31. It is important to note that various one-off reserves have been included in the forecast and outturn position, the true pressure on care is approximately £7.7m. There is budget for growth as part of the MTFP 2024/25 but currently the existing cost of placements is exceeding the budget for care heading into the new financial year.

#### **Operations – outturn positive variance £0.7m (1%)**

32. On 1 April 2023 Operations underwent restructuring to provide a focus on the more commercial areas, place-shaping and service consolidation. During the year, the work of BCP FuturePlaces Ltd was internalised and a newly constituted directorate for Investment and Development was formed. Effective from 1 April 2024 further restructuring has occurred with infrastructure services now allocated across other service directorates with the retiring director undertaking a temporary role to maintain capacity for part of 2024/25.
33. The 2023/24 outturn position is presented in the new year budget structure in the table below:

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
	<b>Commercial Operations</b>			
346	Leisure and Events	1,641	1,331	(311)
(683)	Seafront	(5,391)	(7,147)	(1,755)
63	Flood & Coastal Erosion	858	863	5
2,005	Parking Services	(17,767)	(16,684)	1,083
1,731	<b>Commercial Operations Total</b>	<b>(20,658)</b>	<b>(21,637)</b>	<b>(978)</b>
	<b>Environment</b>			
(25)	Service Management	764	664	(100)
330	Neighbourhood Services & Grounds	16,112	15,735	(377)
(286)	Passenger Transport	458	147	(311)
1,171	Bereavement & Coroner	42	825	783
(19)	Waste	15,816	15,322	(494)
34	Greenspace	730	453	(277)
(620)	Transport & Operating Centres	5,555	4,798	(757)
585	<b>Environment Total</b>	<b>39,477</b>	<b>37,944</b>	<b>(1,533)</b>
	<b>Planning &amp; Transport</b>			
(188)	Planning Management	339	184	(155)
2,054	Planning Operations	(145)	2,119	2,264
(61)	Strategic Planning	913	970	57
(239)	Transport Policy / Sustainable Travel	11,474	10,550	(924)
1,566	<b>Planning &amp; Transport Total</b>	<b>12,581</b>	<b>13,823</b>	<b>1,242</b>
	<b>Infrastructure</b>			
0	Service Director	215	137	(78)
0	<b>Infrastructure Total</b>	<b>215</b>	<b>137</b>	<b>(78)</b>

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
	<b>Investment and Development</b>			
(66)	Housing Delivery	303	14	(289)
636	Regeneration Delivery	700	847	147
(116)	Smart Places	118	118	(0)
525*	Loss from FuturePlaces Ltd	0	440	440
979*	<b>Investment and Development Total</b>	<b>1,121</b>	<b>1,419</b>	<b>298</b>
50	<b>Operations Strategy Total</b>	<b>1,808</b>	<b>2,121</b>	<b>313</b>
	<b>Customer &amp; Property</b>			
333	Business Support	7,043	7,604	561
(168)	Culture	1,277	1,084	(192)
(106)	Customer Services & Libraries	9,425	8,939	(486)
635	Engineering	5,684	5,398	(286)
442	Facilities Management	7,011	8,066	1,055
(700)	Property Maintenance	(1,201)	(1,544)	(343)
(29)	Telecare	215	(87)	(301)
406	<b>Customer &amp; Property Total</b>	<b>29,454</b>	<b>29,461</b>	<b>7</b>
5,318*	<b>Operations Services</b>	<b>63,997</b>	<b>63,268</b>	<b>(729)</b>

\*Adjusted for the overspend previously shown within corporate budgets

### Commercial Operations

34. There was significant improvement across Commercial Operations with its services reporting an overall outturn underspend of circa £1m compared to an overspend of £1.7m at quarter three (an improvement of £2.7 due to lower expenditure and higher income than projected.)
35. Leisure and events delivered a budget surplus of £0.3m instead of the overspend projected at quarter three. This movement is due to unfilled vacancies, reduced spend on the Bounce Back Festival and pessimistic income projections at quarter three.
36. Seafront service area recorded a significant underspend of £1.8m which resulted primarily from further savings in maintenance costs in the final quarter. Income is £0.2m below budget at outturn (compared with £0.7m below at quarter three) with beach huts and concessions performing better than expected.
37. The parking services overspend reduced to £1.1m over the final quarter as expenditure was less than projected and income higher. The final position was additional expenditure of £2.2m (due to additional transaction costs from the significant move away from cash payments) and an income surplus of £1.1m from greater volumes as price increases had been implemented as planned.

### Environment

38. Environment yielded a net positive variance of £1.5m being an improvement from the projected overspend of £0.6m at quarter three.
39. Within neighbourhood services and grounds maintenance, there was a net underspend of £0.4m. The primary contributors were park operations, with reduced expenditure from the spend freeze on materials, equipment, and repairs, and management costs.
40. The £0.3 million underspend in passenger transport remained consistent with staff vacancies maintained and reduced operational costs.

41. The bereavement and mortuary service overspend is due to income shortfalls for crematoriums (£0.8m) and cemeteries (0.2m) with some offset from higher memorial and coroner income. Expenditure was close to budget across these services. The final income achieved was better than expected at quarter three.
42. Waste services include trade waste, domestic waste collection and recycling. The main variances relate to increased net income from trade waste (£0.5m) and recycling (£0.2m) with some offset from additional costs for domestic waste of £0.3m.
43. Greenspace achieved additional income across most service areas amounting collectively to £0.4m with only heathland mitigation not achieving its budgeted income. These variances are small individually and were not projected at quarter three. Expenditure is only £0.1m more than budgeted.
44. Transport and operating centres in the fourth quarter reported an underspend of £0.7m, largely due to substantial savings realised in fuel costs and hire charges which were below the previously projected figures.

### **Planning & Transport**

45. The planning & transport service area continue to experience pressure in quarter four concluding with a £1.2m overspend.
46. The ongoing pressure in planning services from agency use is as projected at quarter 3 with £2m of additional staff costs due to recruitment challenges and not restructuring to deliver budget savings. This was compounded over quarter four with an income shortfall of £0.2m.
47. Sustainable travel, increased its underspend, ending quarter four with a further £0.7m to £0.9m overall. Concessionary fares underspent by £0.6m. This includes £0.4m for claims allowed for in 2022/23 that did not materialise plus £0.2m saving from lower journey numbers than budgeted in 2023/24.

### **Infrastructure**

48. The restructuring in quarter four ready for 2024/25 service delivery has distributed the services previously included within Infrastructure across other service directorates. Remaining within infrastructure is the service director costs. The small saving reflects an overstated budget for pension costs that still needs to be reallocated following the restructure.

### **Operations Strategy**

49. This directorate now includes cultural grants, destination development, economic development and several grant funded areas alongside the costs for the head of service. The main variances relate to economic development which has not achieved its income target of £0.1m and staff costs for the head of service which were unbudgeted of £0.2m.

### **50. Investment and Development**

51. Housing delivery generated a positive variance of £0.3m from reduced expenditure of £0.2m and additional recharges to the capital programme of £0.1m.
52. Regeneration delivery includes the costs of closure for BCP FuturePlaces Ltd. This brought a staffing pressure of £0.6m into the new directorate for company employees transferring across to the council to continue agreed activities for the period from 1 November 2023. Staff departures and vacancies in the council's regeneration team have reduced this overspend to £0.2m. Additional costs of closure from unrecoverable company expenditure, at quarter three had been projected at £0.5m, net of the provision set aside for losses in 2023/24 (and previously shown in central variances). The final net loss has been established at £0.4m and is included in the table above.



## Customer, Arts, & Property

53. There has been an improvement overall for customer, arts and property with a break-even position overall.
54. Poole Museum is closed for major refurbishment resulting in £0.2m of savings across its budget lines including business rates and supplies and services.
55. Customer services have achieved savings of £0.1m from holding vacancies, and reduced costs from the expenditure control. The libraries service has net savings of £0.4 with additional central staff and IT costs of £0.1m offset by reduced expenditure on buildings and central supplies and services of £0.5m.
56. The engineering service has realised a net saving of £0.3 million across its various divisions. This saving stems from capital recharges exceeding the budgeted projections, and unfilled vacant positions. The Twin Sails additional costs has been balanced by low spend on routine structural maintenance.
57. In facilities management significant pressures remain from the delay in disposing of the former civic centre buildings and with general running costs still being incurred with no budget provision. This has increased more than expected due to general inflationary pressures. The service has also seen increased costs from the cleaning contract and general repairs and maintenance across its various sites.
58. The property maintenance teams include for construction as well as repairs and maintenance. The £0.3m variance relates to the construction teams which were able to exceed their anticipated surplus. The work includes a significant amount of compliance activities.
59. Business support had an ambitious staff saving target which has been difficult to achieve due to lower staff turnover than expected and there is an overspend of £0.5m this financial year. There has been a hold on recruitment and there are many vacancies across the business support teams. The voluntary redundancy process undertaken in the last quarter of 2023/24 will provide the benefit of reduced costs going forward.

## Executive & Resources – overspend £0.2m (0.6%)

60. Executive and Resources provide professional support services to the council and undertake tax collection and housing benefits administration. The outturn is a £0.2m overspend compared with the projected £0.7m surplus at quarter three. The change is largely due to yearend adjustments to the bad debts provision in the revenues and benefits service within Finance and reserves movements in IT and Programmes and Marketing, Communications and Policy.

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
93	Executive	953	1,081	128
93	<b>Executive Total</b>	<b>953</b>	<b>1,081</b>	<b>128</b>
486	Law and Governance	4,538	4,981	443
(648)	Marketing, Comms and Policy	2,741	2,350	(391)
1	People and Culture	2,151	2,152	1
(561)	Finance	14,703	14,595	(108)
(60)	IT and Programmes	13,644	13,798	154
(782)	<b>Resources Total</b>	<b>37,777</b>	<b>37,875</b>	<b>98</b>
(689)	<b>Executive &amp; Resources Total</b>	<b>38,730</b>	<b>38,956</b>	<b>226</b>



61. Executive have carried some vacancies for part of the year, but this has been offset by agency costs and associated recruitment expenditure resulting in an overall overspend.
62. Law & governance has remained consistent with quarter three. Within Legal there are a significant number of locums due to the difficulties in recruitment of permanent staff. The service has also suffered with a downturn in income. The registrars' service has experienced challenges in achieving its income target as the service has not grown as envisaged to fund additional staff costs. The pressure on land charges stabilised towards the end of the year but was too late to recover from the shortfall already experienced from the ongoing stagnation in the property market.
63. The underspend within marketing, communications & policy has arisen in part from vacancies in the communications and climate teams where recruitment was put on hold pending a restructure. The climate budget has been underutilised this year because of expenditure controls in place and projects not progressing due to lack of staff resource. A reserve of £0.23m has been established at the year end to enable projects to be undertaken in 2024/25 instead, with this being the main change compared with the quarter three projection. The service was able to raise unbudgeted income of £0.1m from advertising income.
64. People and Culture have remained on budget throughout the year making use of transformation funds where required.
65. The underspend previously reported within finance has reduced over quarter four due to the yearend adjustment to increase the bad debt provision relating to courts summons income following a review of outstanding items.
66. IT and programmes have drawn down £0.2m less from reserves to fund project management staff costs than previously anticipated leaving a small overspend overall.

### **Corporate Budgets**

67. Corporate budget variances and one-off items that impact on the outturn for 2023/24 are shown in the table below with a surplus of £5m projected at quarter three reduced to an overspend of £1.5m at outturn.
68. The main movements relate to increased provisions for legal cases and other anticipated losses and not allocating a proportion of staff and other costs (in addition to those directly charged) to the transformation programme following a yearend review.
69. The table below provides a summary of the variances:

Q3 Report Variance	Service	Working budget	Outturn	Outturn Variance
£000's		£000's	£000's	£000's
	<b>Ongoing variances</b>			
<b>2,958</b>	Pay related costs	(2,440)	2,070	<b>4,510</b>
<b>(2,225)</b>	Contingency	2,225	0	<b>(2,225)</b>
<b>0</b>	Interest Payable	3,483	3,523	<b>39</b>
<b>(650)</b>	Investment Income	(2,535)	(3,498)	<b>(963)</b>
<b>(628)</b>	VAT Rebate	0	(628)	<b>(628)</b>
<b>(806)</b>	Pay & grading project	991	212	<b>(779)</b>
<b>200</b>	Website improvements	0	133	<b>133</b>
<b>2,855</b>	Transformation savings remaining unidentified	(382)	0	<b>382</b>
<b>(7,636)</b>	Debt Repayment - MRP & VRP	15,166	9,840	<b>(5,326)</b>
<b>2,365</b>	Transfer of revenue costs to transformation	(3,200)	0	<b>3,200</b>
<b>0</b>	Transformation	4,500	4,477	<b>(22)</b>
<b>0</b>	Housing Benefits	(1,623)	(1,057)	<b>566</b>
<b>0</b>	Contribution from HRA	(1,030)	(1,230)	<b>(200)</b>
<b>0</b>	Investment Properties	(5,034)	(5,069)	<b>(35)</b>
<b>0</b>	Dividend Income	(152)	(310)	<b>(158)</b>
<b>0</b>	Levies	627	635	<b>8</b>
<b>0</b>	Apprentice Levy	622	778	<b>156</b>
<b>0</b>	Parishes / Town Precept / Chartered Trustee	0	1,028	<b>1,028</b>
<b>0</b>	To and (From) Reserves	(28,507)	(28,511)	<b>(4)</b>
<b>0</b>	Pension Backfunding	3,664	3,664	<b>(0)</b>
<b>0</b>	Admin Charged to Grant Income	(762)	(1,301)	<b>(539)</b>
<b>(1,360)</b>	Provisions	0	2,074	<b>2,074</b>
<b>(86)</b>	One off Corporate Items	(61)	178	<b>239</b>
<b>(5,013)</b>	<b>Corporate Items</b>	<b>(14,447)</b>	<b>(12,992)</b>	<b>1,455</b>
	<b>Funding</b>			
<b>0</b>	Council Tax Income	(243,798)	(243,798)	<b>0</b>
<b>0</b>	Parishes / Town Precept / Chartered Trustee	0	(1,028)	<b>(1,028)</b>
<b>0</b>	New Homes Bonus	(344)	(344)	<b>0</b>
<b>0</b>	Revenue Support Grant	(3,937)	(3,937)	<b>0</b>
<b>0</b>	NNDR Net Income	(32,144)	(30,995)	<b>1,149</b>
<b>0</b>	NNDR 31 Grants	(28,057)	(28,172)	<b>(115)</b>
<b>0</b>	Service Grant	(2,215)	(2,221)	<b>(6)</b>
<b>0</b>	Estimated Deficit Collection Fund - NNDR	610	609	<b>(1)</b>
<b>0</b>	Estimated Surplus Collection Fund - CTAX	(36)	(36)	<b>0</b>
<b>(5,013)</b>	<b>Corporate Total</b>	<b>(324,368)</b>	<b>(322,913)</b>	<b>1,455</b>

70. Pay related costs ended the year with a £4.5m outturn. This includes the overall cost of funding the 23/24 pay award which was higher than anticipated in setting the 2023/23 budget.
71. The budget contingency of £2.2m was unused to offset the anticipated net pressures at quarter three.
72. Treasury management income was higher than budget by £1m as the returns on investments is linked to base rate movements and these were higher than anticipated.
73. A VAT rebate of £0.6m has been received following a recent national case for VAT charged on leisure services provided by local authorities.
74. The pay and grading project budgeted to conclude during 2023/24 with a net increase in the council's pay bill was delayed. Agreement with the trade unions was not concluded according to the planned timescale with implementation of harmonised pay across the council not carried out in 2023/24. The additional salary costs allowed in the budget of £0.8m was not incurred but project staff did continue to work on project activity.
75. Budget virements were processed in quarter one to remove budgets from services permanently based on a review of unexpected variances in the fourth quarter of 2022/23. Further reductions were made following budget challenge sessions in October. This has enabled the unidentified transformation savings included in the budget to be reduced from £10.7m to £0.4m.
76. A review of the council's minimum revenue provision has been conducted which identified a saving of £9.2m. This is offset by a voluntary revenue provision assumed of £7.1m. Full details of the change can be found on agenda item 7 of the Audit and Governance Committee held on the 11 January 2024.
77. The budget assumed an amount of £3.2m of revenue costs (mostly salaries) which could be charged to transformation for project support. Quarter three had assumed this would be reduced to £0.9m. The final outturn confirmed that no revenue costs would be charged to transformation.
78. Housing Benefits variance of £0.6m relates to the need to set aside additional monies in bad debt provision in relation to income raised for overpayment of benefits to claimants.
79. Several changes have occurred with provisions in the 2023/24 accounts. A number have been released including most notably the release of the Dolphin Centre provision of £1.1m as set out in the Cabinet report of the 7 February 2024. Monies have also been set aside in relation to a number of legal cases.
80. Business rates for the year performed better than assumed in setting the 2023/24 budget. The retention of business rates is a complex model and due to the intricacies of the system the council has to account for a levy payment of £1.4m. This means future business rates surplus can be released to support future budgets.