

Budget Monitoring Report 2024-25 as at 30th September 2024 (Quarter 2)

		Page(s)
1.	Summary	2
	Service Positions	
2.	Adult Social Care & Health	3 - 5
3.	Assistant Chief Exec's Office	6
4.	Children's Services	6 - 11
5.	Corporate Services	11 - 12
6.	Finance	12 -13
7.	Place	14 -16
8.	Corporate Costs	17
9.	Transformation Fund	17 - 18
10.	Corporate Revenue Funding (Central Financing)	18
11.	Treasury & Investments	19
12.	Housing Revenue Account	19
13.	DSG	20
14.	General Fund & HRA Earmarked Reserves	21
15.	General Fund Savings Summary	21 - 22
16.	Capital Monitoring - General Fund and HRA	23 - 24
17.	Asset Disposals	25

1. SUMMARY

Directorate	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 (including Transfer From Reserves) £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
	A	B	C	D = C - A	E	F = D + E	= F - B
Adult Social Care & Health	55,227	(1,257)	53,886	(1,341)	0	(1,341)	(84)
Assistant Chief Exec's Office	4,113	(162)	3,933	(180)	(96)	(276)	(114)
Children's Services	47,679	1,000	49,358	1,679	(1,145)	534	(466)
Corporate Services	15,369	770	17,347	1,978	(797)	1,181	411
Finance	9,733	635	12,601	2,868	(2,294)	574	(61)
Place	42,938	1,919	46,338	3,400	(1,481)	1,919	0
Corporate Costs	8,487	165	8,618	131	0	131	(34)
Financial Accounting Adjustments - Depreciation	(11,148)	0	(11,148)	0	0	0	0
Total Service Position Quarter 2	172,398	3,070	180,933	8,535	(5,813)	2,722	(348)
Transformation Implementation	0	0	5,246	5,246	(5,246)	0	0
Covid Sales, Fees & Charges (SFC) Repayment	0	1,200	1,200	1,200		1,200	0
Funding set aside for SFC Overpayment	0	(1,200)	(1,200)	(1,200)		(1,200)	0
Contain Outbreak Management Fund Grant (COMF) held in reserves - Homelessness Pressure	0	(965)	0	0	(965)	(965)	0
Corporate Revenue Funding Streams (Financing)	(155,727)	0	(155,727)	0		0	0
Treasury & Investments	51,899	0	52,038	139		139	139
Total Financial Position Quarter 2	68,570	2,105	82,490	13,920	(12,024)	1,896	(209)

The **total service position** is showing a £2.722m net overspend position against a general fund budget of £172.398m at the end of quarter 2 (Period 6) for 2024/25. The overall position is showing significant pressures in Place (£1.919m overspend) and Corporate Services (£1.181m overspend). The movement between quarter 1 and quarter 2 is a reduction in net service expenditure of £0.348m.

The actual reduction in gross expenditure for services between quarter 1 and quarter 2 is £0.741m, however, there has also been a reduction in the projected transfer from reserves by £0.393m, resulting in the net position reducing by £0.348m.

The 2024/25 budget was set assuming exceptional financial support being required from central government in the amount of £68.570m. The position at quarter 2 shows a forecast additional pressure of £1.896m against this funding. There is an imperative that this pressure is managed by the end of the financial year.

For the financial year 2020/21, the government introduced a one-off income loss scheme, the **Covid Sales, Fees and Charges Scheme (SFC)**. This was intended to compensate local authorities for irrecoverable and unavoidable losses from sales, fees and charging income, generated in the delivery of services, that was impacted due to the Covid-19 pandemic. This covered loss of income in areas such as the registrars service, Grangewaters outdoor education centre, nurseries, parking charges etc. The compensation for income loss claims during the financial year 2020/21 were based on what was happening at the time, and as the financial year progressed, other corresponding reductions in expenditure and the impact of other funding released by the Government to compensate for loss of income and expenditure (such as the cultural grant for the Theatre and funding for staff on Furlough), meant we were in a position where we had overclaimed. The total value of claims that had been submitted during the financial year, based on the estimated income losses made at the time of the claims, amounted to £2.270m. After a full reconciliation as part of the financial year-end accounts, the total income loss that should have been claimed was calculated as £1.069m, resulting in an overclaimed amount of £1.202m. This amount has been provided for within available funding.

The budget forecast at this stage in the financial year projects a total transfer from reserves to services of £12.024m (including £5.246m Transformation funding). In addition, an amount of £0.965m from previously received Contain Outbreak Management Fund Grant (COMF) is being held in reserves and will be utilised to offset the overspend on Homelessness Services in the Place Directorate.

2. ADULT SOCIAL CARE & HEALTH

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Adult Social Care & Health	Assistive Equipment & Technology	856	0	976	120		120	120
	Commissioning & Service Delivery	(2,393)	(16)	(2,355)	38		38	54
	Community Development	2,248	66	2,288	40		40	(26)
	External Placements	39,453	(799)	38,807	(646)		(646)	153
	Fieldwork Services	6,158	193	6,208	50		50	(143)
	Provider Services	8,905	(701)	7,962	(943)		(943)	(242)
	Public Health	0	0	0	0		0	0
Adult Social Care & Health Total		55,227	(1,257)	53,886	(1,341)	0	(1,341)	(84)

The directorate position at the end of quarter 2 is a forecast underspend of £1.341m against a net revised budget of £55.227m (2.4%). This represents a reduction of £0.084m on the quarter 1 position.

The Adult Social Care & Health budget is partly funded via the Social Care Grant of £7.1m (which sits in Commissioning & Service Delivery). The Government has continued funding via the Market Sustainability & Improvement Fund (£2.86m allocation for Thurrock Council in 2024/25 in the External Placements budget), to support the continued improvements in building capacity and improving workforce and care market sustainability started in 2023/24. Continuation of this grant will be determined by the Local Government Finance Settlement.

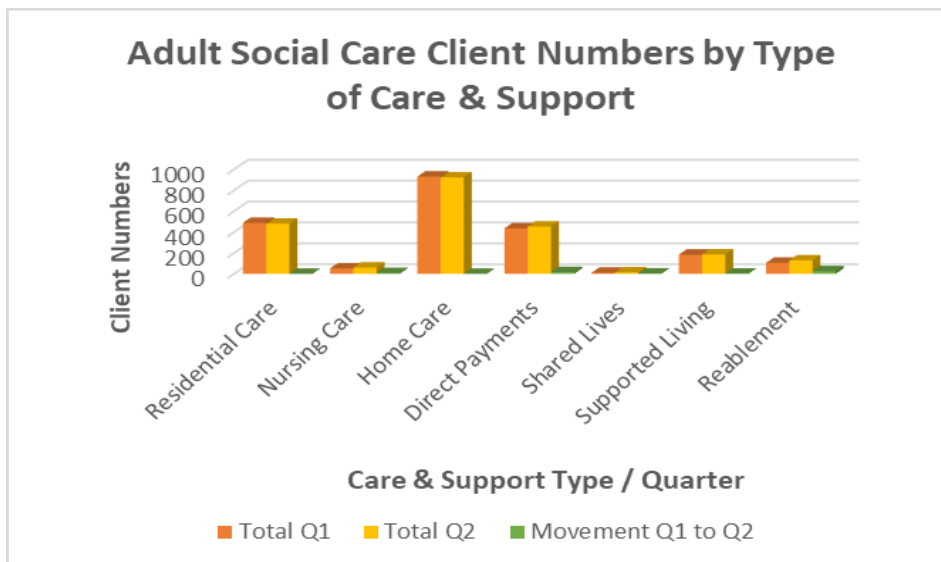
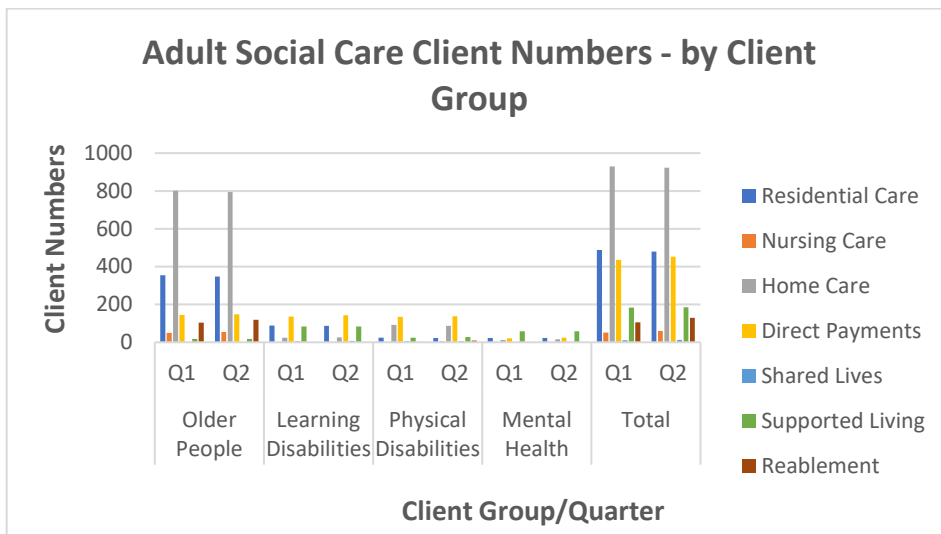
Assistive Equipment & Technology (£0.120m overspend at Quarter 2, increase of £0.120m)

- The Council's pooled provider contract with Essex County Council requires an uplift to the contract value for the remaining 5-year contract life. The additional cost of £0.120m required per annum will be funded via budget underspends in other areas of the directorate.

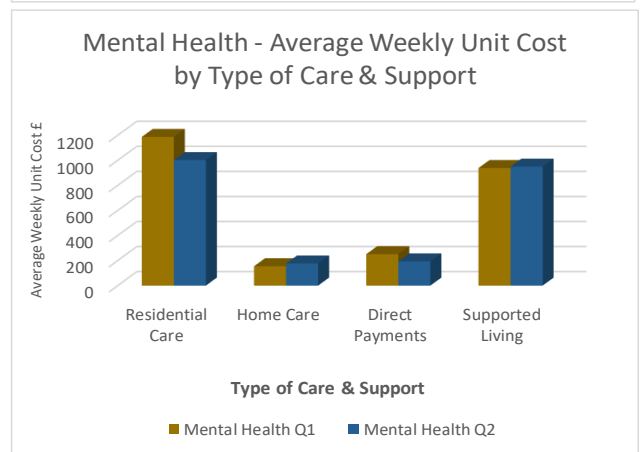
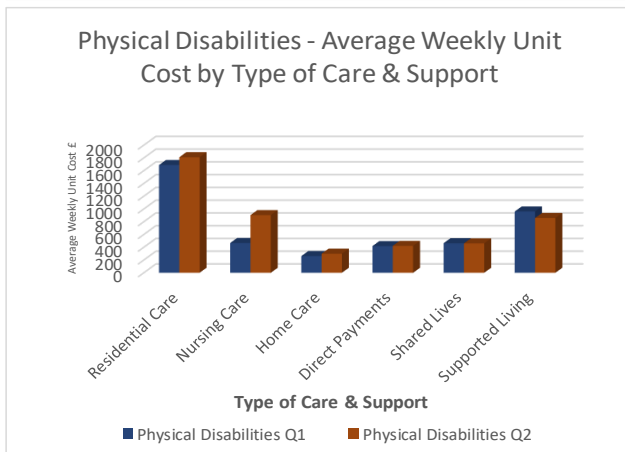
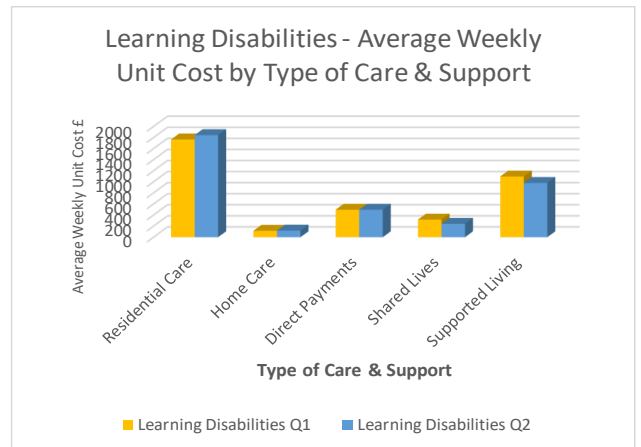
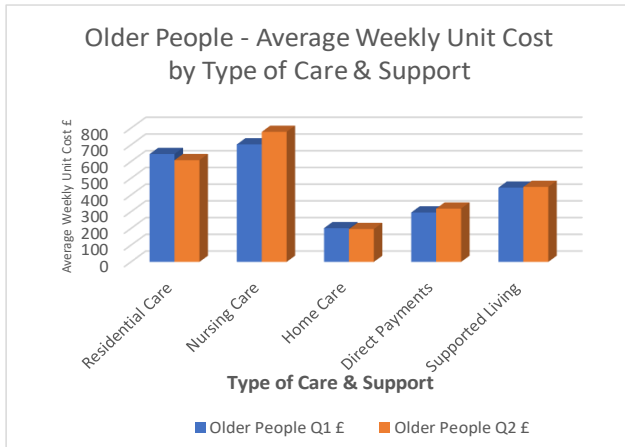
External Placements (£0.646m underspend at Quarter 2, reduction of underspend by £0.153m)

- There is a current forecast underspend of £0.646m on external placements, reduced from £0.799m at quarter 1, an increase in projected expenditure by £0.153m.
- The implementation and expansion of the Locality Model has resulted in forecast underspends in Older People Services and Learning Disabilities. Mental Health Services are forecasting an increased overspend due to increased client numbers in receipt of homecare and direct payments. Physical Disability Services have seen an increase in client numbers in nursing care and supported living since quarter 1. The graphs below show the activity data for Adult Social Care placements for quarter 1 and 2.
- There has been some movement on the average weekly unit costs for placements between quarter 1 and 2. The largest increases have been seen in Older People nursing care (average weekly unit cost increase from £703 to £778 per client per week), and Learning Disabilities residential care (average weekly unit cost increase from £1,766 to £1,845 per client per week). Increases have also been evidenced in Physical Disabilities nursing care costs (average weekly unit cost increase from £1,689 to £1,811 per client per week) and residential care (average weekly unit cost increase from £467 to £903 per client per week). The graphs below show the average unit cost data for each client group.

Service	2024-25 Current Budget £'000	Previous reported Variance @ Qtr. 1 £'000	Qtr. 2 Forecast Outturn £'000	Gross over/(under) spend @ Qtr. 2 £'000	Movement from Qtr. 1 £'000
Older Peoples Services	9,179	(1,341)	7,827	(810)	531
Learning Disabilities	18,809	(1,167)	18,196	(1,155)	12
Mental Health	4,033	420	4,502	469	49
Physical Disability	7,432	(72)	7,632	200	272
Winter Pressures	-	711	-	-	(711)
New placements	-	650	650	650	-
Total External Placements	39,453	(799)	38,807	(646)	153



- Additional costs arising during winter (Winter Pressures), will be met through the Local Authority Discharge Fund (£1.3m), which is part of the Better Care Fund, and therefore the projection has been removed from the external placements forecast at quarter 2.
- An amount of £0.650m is included for the cost of young people who will turn 18 in 2024/25 and will transfer from the Children’s Directorate to Adult Social Care and Health (Transitions).



Provider Services (£0.943m underspend at Quarter 2, increase in underspend of £0.242m)

- The directorate has placed a freeze on recruitment to vacant posts to ensure that savings relating to commissioned care and support can be achieved. This is having a positive impact on reducing the forecast for provider services.

Public Health Grant (full spend of Public Health Grant projected)

- Local authorities receive an annual ringfenced Public Health grant from Department of Health & Social Care (DHSC). There are conditions attached to how the grant can be used set out in regulations with an Annual Assurance statement made by the local authority to confirm grant conditions have been met.
- The core purpose of the grant is to improve and protect the health of the local population and reduce health inequalities.
- Certain functions are mandated in the regulations – child public health services for children aged 0 to 5, oral health promotion, National Child Measurement Program, sexual health & contraception services, NHS Health Checks, and Specialist Public Health advice to NHS commissioners.
- Certain functions are not mandated but are conditions of the grant – drug and alcohol misuse treatment services, child public health services 5-19, and stop smoking support.
- The Council’s ring-fenced Public Health Grant allocation for 2024/25 £12.6m.

3. ASSISTANT CHIEF EXECUTIVE'S OFFICE

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Assistant Chief Exec's Office	Assistant Chief Executive's Office	1,499	29	1,495	(4)	(57)	(61)	(90)
	Strategy, Policy, Performance & Partnerships	1,884	(81)	1,818	(66)	(39)	(105)	(24)
	Total Service Budgets	3,383	(52)	3,313	(70)	(96)	(166)	(114)
	Improvement & Recovery fees (One-off)	730	(110)	620	(110)	0	(110)	0
Assistant Chief Exec's Office Total		4,113	(162)	3,933	(180)	(96)	(276)	(114)

The Assistant Chief Executive's Office is projecting a £0.276m net underspend against a budget of £4.113m at the end of quarter 2 (7%). The position is a net reduction of £0.114m against the position at quarter 1 (2.8%).

Assistant Chief Executive's Office (£0.061m underspend at Quarter 2, reduction in expenditure of £0.090m)

- The underspend relates to a vacant post transferring to the team and the impact of the proposed restructure of the Corporate Project Management Team.

Strategy, Policy, Performance & Partnerships (£0.105m underspend at Quarter 2, increase in underspend of £0.024m)

- The underspend relates to staffing costs projecting under budget due to the holding of vacant posts.
- The Social Care Performance Team is forecasting an underspend of £0.052k due to the full take up by schools of the team's services, resulting in additional £0.013m trading services income over budget, in addition to savings on staffing costs in the team.

Improvement & Recovery Fees (£0.110m underspend at quarter 2, no change from quarter 1)

- The budget includes one-off funding for 2024/25 of £0.7m in relation to project management support required to identify ongoing sustainable savings for 2025/26 and beyond, to support the intervention and recovery work being carried out in the Council. There is a forecast underspend of £0.110m against this funding, as the staff are on temporary interim contracts and this resource can be flexed to meet the needs of the business. Any underspend against one-off funding will be transferred to meet other central pressures.

4. CHILDREN'S SERVICES

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Children's Services	Children and Family Services	38,205	839	40,501	2,296	(754)	1,542	703
	Education & Skills	4,872	(19)	5,050	178	(391)	(213)	(194)
	School Transport	4,602	180	3,807	(795)		(795)	(975)
Children's Services Total		47,679	1,000	49,358	1,679	(1,145)	534	(466)

Children Services (non-Dedicated Schools Grant DSG funded services) is projecting a £0.534m overspend (1%) against a revised budget of £47.679m at the end of Quarter 2, after transfers from reserves of £1.145m. This overspend is primarily accounted for by placement costs being over budgeted numbers and unit costs, as described below.

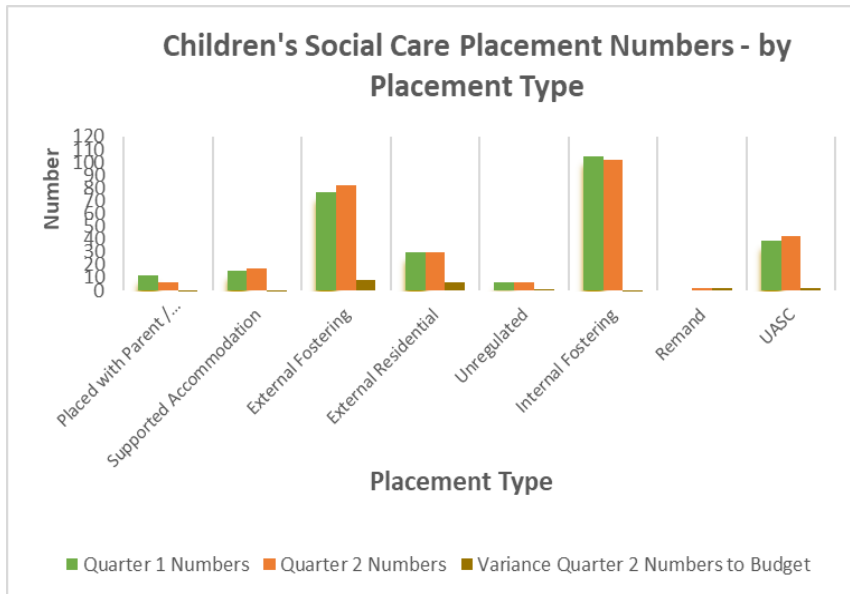
Children & Family Services (£1.542m overspend at quarter 2, £0.703m increase from quarter 1)

- The highest area of expenditure in Children & Family Services are **Placements**, with a projected overspend at quarter 2 of £1.769m against a budget of £24.395m. The placement projection includes no future growth in numbers or costs and is forecast based on one-in, one-out. As a demand-led budget, and no assumption of growth, this projection is a high-risk area for future increase in pressure. However, the continued work at placement panels will ensure that the risk is mitigated as far as possible, and the position is closely monitored.
- The table below shows the breakdown of the Children & Family Services budget and the projected outturn, by service area, for the current financial year.

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Brighter Futures - Prevention Service	5,407	-415	5,461	54	-619	(565)	(150)
Business Administration	1,008	-123	876	(132)		(132)	(9)
Children and Families Assessment	2,884	55	2,984	100		100	45
Children and Family Services Management	998	227	1,163	165		165	(62)
Children Looked After Service	3,385	114	3,459	74		74	(40)
Children's Centres	645.4	-112	505	(140)		(140)	(28)
Family Support	4,337	199	4,638	301		301	102
LSCB & Quality Assurance	84		213	129	-129	0	0
Placement Support	24,395	905	26,169	1,775	-6	1,769	864
Safeguarding and Child Protection & LADO	1,193	-7	1,160	(33)		(33)	(26)
YOS and Adolescent Services	296.3	-4	300	4		4	8
Social Care Grant	-6,427		-6,427	(0)		(0)	(0)
Children & Family Services Total	38,205	839	40,501	2,296	(754)	1,542	703

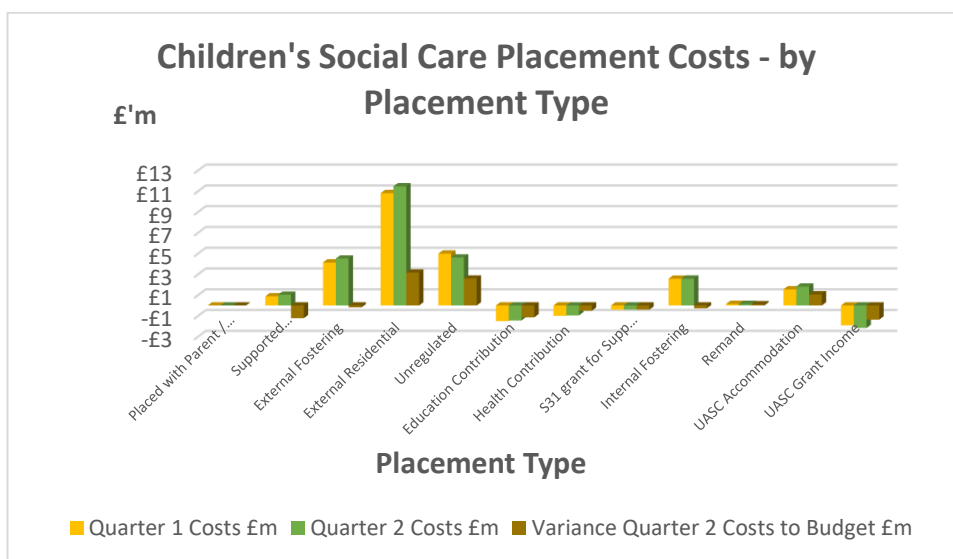
- The overall number of placements at quarter 2 is 287 against a budgeted number of 294, a variance of 7, which has increased from quarter 1 by 3. However, the increased complexity of need of some young people has resulted in additional support being provided.
- The biggest increases in client numbers against budgeted numbers is external fostering (82 actual at quarter 2 against 74 budgeted) and external residential (30 actual at quarter 2 against 24 budgeted). During quarter 2, 28 children entered care, of these 12 were Unaccompanied Asylum-Seeking Children (UASC) and the remainder because of safeguarding action by Thurrock Council and its partners. 10 children returned to their families or were UASC transfers, 15 became aged 18 so transitioned, and 23 children had changes made to their package of care.
- The graph and table below show the present the children's social care placements by the type of placement.
- On placement costs, by placement type, external residential care placements are projected to cost £3.17m more than budgeted, with an increase of £0.65m on the quarter 1 position. Unregulated placements are showing an increased cost of £2.59m, reflecting increased complexity of need. These costs are partly offset by underspends against budget in other placement types as shown in the table and graph below.

Placement Type - Client Numbers	Budget Numbers 2024/25	Quarter 1 Numbers	Quarter 2 Numbers	Movement Quarter 1 to Quarter 2 Numbers	Variance Quarter 2 Numbers to Budget
Placed with Parent / Adoption	10	12	6	-6	-4
Supported Accommodation	26	15	17	+2	-9
External Fostering	74	77	82	+5	+8
External Residential	24	30	30	0	+6
Secure Placement	0	0	0	0	0
Unregulated	5	6	6	0	+1
Education Contribution	0	0	0	0	0
Health Contribution	0	0	0	0	0
Total	139	140	141	+1	+2
Internal Fostering	115	105	102	-3	-13
Remand	0	0	2	+2	+2
UASC	40	39	42	+3	+2
Total No of Placements	294	284	287	+3	-7



- A combination of additional client numbers and increased costs in some placement types, primarily external residential and unregulated placements, has resulted in the projected overspend position on the Children and Family services budget.

Placement Type - Costs	Budget 2024/25	Quarter 1 Costs	Quarter 2 Costs	Movement Quarter 1 to Quarter 2 Costs	Variance Quarter 2 Costs to Budget
	£m	£m	£m	£m	£m
Placed with Parent / Adoption	£0.00	£0.00	£0.00	£0.00	£0.00
Supported Accommodation	£2.25	£0.88	£1.03	£0.15	-\$1.23
External Fostering	£4.70	£4.14	£4.51	£0.38	-\$0.19
External Residential	£8.30	£10.82	£11.47	£0.65	£3.17
Secure Placement	£0.00	£0.00	£0.00	£0.00	£0.00
Unregulated	£2.03	£4.99	£4.62	-\$0.38	£2.59
Education Contribution	-\$0.30	-\$1.51	-\$1.44	£0.07	-\$1.14
Health Contribution	-\$0.45	-\$1.00	-\$0.95	£0.04	-\$0.50
S31 grant for Supp. Accom Reforms	£0.00	-\$0.41	-\$0.41	£0.00	-\$0.41
Total	£16.53	£17.91	£18.82	£0.91	£2.29
Internal Fostering	£2.86	£2.57	£2.58	£0.01	-\$0.28
Remand	£0.03	£0.14	£0.14	£0.00	£0.11
UASC Accommodation	£0.75	£1.55	£1.82	£0.27	£1.06
UASC Grant Income	-\$0.80	-\$1.91	-\$2.17	-\$0.26	-\$1.37
Total Cost of Placements	£19.38	£20.26	£21.20	£0.93	£1.81



- **No Recourse to Public Funds (NRPF)** costs are contributing to the overspend position of Family Support and is reporting an overspend of £0.385m. This is a result of an increase in NRPF families and rental costs. These families are homeless as they are unable to fund rent payments from income earned and they are not entitled to benefits. The accommodation is secured on a daily basis and the service is currently reviewing the process to seek a more cost-effective system.
- **Unaccompanied Asylum Seekers** is reporting an underspend of £0.316m, due to an increase in funding and additional grant income.
- **Leaving Care** is projecting an overspend position of £0.363m (within Children Looked After Services). The overspend is a result of 2 additional Personal Advisors and 19 young people forecast until 31st October who have not moved from semi-independent accommodation into independent accommodation due to the lack of suitable properties. Children's Services are collaborating with colleagues in Housing and Commissioning to assist young people in securing suitable properties and prioritising high-cost placements as well as those actively seeking housing.
- The service is reporting underspends in other service areas including Disabled Children's Services (£0.220m underspend), Children's Centres (£0.141m), Prevention and support (£0.186m), and Business Administration (£0.132m).

Education and Skills (£0.213m underspend at quarter 2, £0.194m increase in underspend on quarter 1)

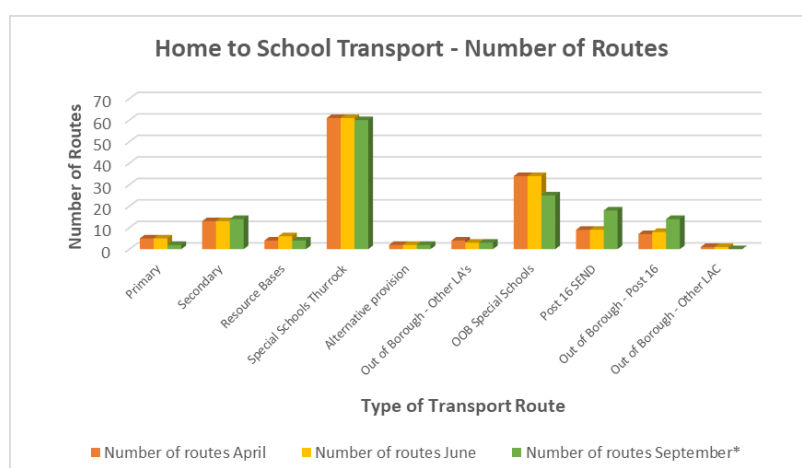
- The service is reporting an underspend of £0.213m at quarter 2 against a budget of £4.872m a reduction of £0.194m on quarter 1. This is primarily attributed to a forecasted use of £0.391m of reserves (relating to ring-fenced grant reserves) and staff vacancies in Children’s Commissioning, pending a restructure.

Home to School Transport (£0.795m underspend at quarter 2, £0.975m reduction in expenditure from quarter 1)

- The service is reporting an underspend of £0.795m at quarter 2 against a budget of £4.602m. This represents a reduction in forecast expenditure of £0.975m on the quarter 1 position, and has resulted from adjustments with the implementation of new tendered transport contracts as well as the new academic year movements. The forecast includes £0.400m allocated for potential increases in medical expenses for Treetops, as well as transportation costs related to new tenders, including those for children placed outside of the borough.
- With the implementation of the new School Transport routes from September 2024, the total number of routes has remained at 142, however, the number of pupils has reduced from 1,039 at quarter 1 to 975 at quarter 2.
- The table and graph below show the numbers of transport routes by type.

Home to School Transport	Number of routes April	Number of routes June	Number of routes September*
Primary	5	5	2
Secondary	13	13	14
Denominational			
Resource Bases	4	6	4
Special Schools Thurrock	61	61	60
Alternative provision	2	2	2
Out of Borough - Other LA's	4	3	3
OoB Special Schools	34	34	25
Post 16 SEND	9	9	18
Out of Borough - Post 16	7	8	14
Out of Borough - Other LAC	1	1	0
Total	140	142	142
Number of Pupils	1,039	1,039	975

*All routes subject to new contracts from September 2024



Children’s Services Key Risks and Opportunities

- There is a forecast risk of £0.291m that is currently not in the forecast but may materialise, against the Children Looked After Service budget. This risk is if the current forecasted

number of care leavers (approx. 30) are not able to move from semi-independent accommodation into independent accommodation, where rent can be met within the Local Housing Allowance (LHA) rates. The department is collaborating with colleagues in Housing and commissioning to assist young people in securing suitable properties and prioritising high-cost placements and those actively seeking housing. To date 16 young people have been provided with social housing, last year 2022/2023 this figure was 20. The requirement for housing is significantly more than housing can provide. Housing has commenced its allocation scheme, and when completed there will be greater clarity to the housing offer and anticipated waiting lists.

- Commissioning has secured two properties for the Aftercare Service, with plans to use these for former Unaccompanied Asylum-Seeking Young People. This will help reduce costs for young people with no recourse to public funds. Commissioning is also actively collaborating with social care to establish suitable pathways from semi-independent and independent accommodation, that is not solely reliant on the social housing offer. Although there is a selection of supported housing through providers such as Head Start Housing, Sanctuary, Mercy Gold etc, there is an insufficient number of properties that fall within the housing benefit element and some of these providers only accept direct rental payments from the council.
- Efforts are underway to expand housing options, which will include properties where young people are able to contribute to their accommodation costs through employment or accessing benefits.

5. CORPORATE SERVICES

Corporate Services are projecting a £1.181m net overspend against a budget of £15.369m (8%) at the end of quarter 2, after transfers from reserves of £0.797m. This is an increase on the quarter 1 position of £0.411m (3%). Since quarter 1, there has been an increase in the budget for the Directorate by £0.184m for new cost centres, but a reduction in the use of reserves by £0.217m, contributing to this movement.

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Corporate Services	Digital & Customer Services	6,974	194	8,001	1,027	(500)	527	333
	Legal & Governance	4,055	220	4,231	176	(42)	134	(86)
	HR & Organisational Development	3,238	78	3,378	140		140	62
	Counter Fraud, Community Safety & Resilience	2,252	278	2,793	541	(161)	380	102
	NATIS	(1,150)	0	(1,056)	94	(94)	0	0
Corporate Services Total		15,369	770	17,347	1,978	(797)	1,181	411

Digital Customer Services (£0.527m overspend at quarter 2, £0.333m increase from quarter 1)

- The increase from quarter 1 to quarter 2 is due to delays in procurement of the new payment platform resulting in dual running costs of Civica, the council's payment platform (£0.272m) and Adelante, the new supplier (£0.101m).
- An existing pressure in the budget of £0.068m relates to dual running of MFD Printers, where planned dual running during switchover, went on longer than originally planned due to technical issues. Further pressures exist in the ICT budget due to increased software licence charges and costs that were previously capitalised in error that have been moved to revenue.

Legal & Governance (£0.134m overspend at quarter 2, £0.086m reduction in overspend from quarter 2)

- The planned exist from the Service Level Agreement (SLA) with London Borough of Barking & Dagenham (LBBB) in August 2024 has resulted in increased locum staff costs as a temporary measure to cover some of the work performed by LBBB lawyers under the SLA while a restructure of the department is underway.
- Between quarters 1 and 2, the use of agency legal staff has reduced as the structure has been finalised and consulted on.

HR & Organisational Development (£0.140m overspend at quarter 2, £0.062m increase on quarter 1)

- Budget pressures exist due to costs of interim staffing and insufficient budgets in some areas, which will be subject to a review as part of the 2025/26 budget setting process.

Counter Fraud, Community Safety & Resilience (£0.380m overspend at quarter 2, £0.102m increase from quarter 1)

- An amount of £0.100m has been added for unexpected legal costs in respect of the Stop Oil protests due to increased litigation. A total of £0.124m of litigation claims have been received to date. There is a risk of this increasing as the costs associated with further litigation is unknown, and the matter is subject to a response from the Ministry of Housing, Communities & Local Government (MHCLG) regarding a government response to these financial claims.
- There is an income shortfall against for Moving Traffic Offences, after the use of reserves, of £0.160m for the M25 J31 speeding fines due to programme delays in installation of cameras in July 2025. Due to the required 6-month warning period following camera installation, fines will start to be issued from February 2025, resulting in a shortfall on the planned income that will be delivered.

NATIS (£0 variance to budget, no movement from quarter 1)

- A new contract for the service is currently being negotiated. However, following uncertainty over the contract and continuity of the service, there have been staff leaving the service, resulting in an improved financial position between quarters 1 and quarters 2 by a reduction in the transfer projected from the Proceeds of Crime Act Reserve to £0.094k (at quarter 2). Final figures will need to be confirmed once the new contract is agreed and signed.

6. FINANCE

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Finance	Service Budgets	7,788	1,070	8,867	1,079	(75)	1,004	(66)
	Finance Improvement & Recovery (One-off Funding 24/25)	1,945	(435)	3,734	1,789	(2,219)	(430)	5
Finance Total		9,733	635	12,601	2,868	(2,294)	574	(61)

Finance is projecting a net overspend position of £0.574m at the end of quarter 2 against a budget of £9.733m (6%), representing a reduction of £0.061m on the quarter 1 position.

The 2024/25 budget contains the core services delivery budget of £7.788m and one-off funding of £1.945m to cover the cost of work required to deliver the assets disposal project and to support ongoing costs related to the Improvement and & Recovery plan (including the cost of commissioners).

Finance Service Budgets (£1.004m overspend at quarter 2, reduction of £0.066m on quarter 1)

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Finance - Service Budgets	Chief Executive's Office	408	6	416	8		8	2
	Contract & Procurement Mangement	684	0	693	9		9	9
	Business Development & Innovation	217	41	218	1		1	(40)
	Corporate Finance	2,445	1,035	3,508	1,063		1,063	28
	Insurance	756	9	835	79	(75)	4	(5)
	Internal Audit	480	(2)	483	3		3	5
	Revenues & Benefits	2,798	(19)	2,714	(84)		(84)	(65)
Finance Service Budgets Total		7,788	1,070	8,867	1,079	(75)	1,004	(66)

- Finance Service budgets are forecasting an overspend of £1.004m at quarter 2 against a budget of £7.788m (13%) at the end of quarter 2. This is primarily due to the Corporate Finance budget forecasting an overspend of £1.063m due to heavy reliance on interim staff. The recruitment campaign plans are now progressing; however, the in-year costs will exceed the budget despite plans to stabilise the team.
- There are underlying pressures in the Revenues and Benefits budget, namely postage and legal costs with these pressures being mitigated by current underspends in the Social Admin Fund (as the Household Support Grant is being used), as well as reduced staff costs. However, plans for the reduction of expenditure are underway by the introduction of digitising of the postage process.

Finance & Improvement Recovery Funding (£0.430m underspend at quarter 2, £0.005m increase in expenditure from quarter 1)

- The table below shows the break-down of the **one-off budget** allocation for 2024/25 of £1.945m with a forecast underspend of £0.430m at quarter 2.
- The Asset Disposal Team are forecasting a £0.031m underspend against the one-off staffing budget at quarter 2.
- The selling costs associated with the disposal of property assets is currently projecting a £0.931m overspend, however the assumption has been made that up to 4% of the value of the capital receipts can be used to fund the associated selling costs. This has been reflected in the updated capitalisation directive model and progress against the asset disposal target for the year.

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Finance - One Off Budgets	Asset Disposal (Staff)	1,200	(31)	1,169	(31)		(31)	0
	Asset Disposal (Non Staff)	0	931	931	931		931	0
	Capital Receipts (4% top slice)	0	(931)	(931)	(931)		(931)	0
	Divestment & Litigation Fees (estimate)	0	0	2,219	2,219	(2,219)	0	0
	Staff Costs	171	0	171	0		0	0
	Commissioners Costs	175	0	175	0		0	0
	Improvement & Recovery	399	(404)	0	(399)		(399)	5
Finance One-off Budgets Total		1,945	(435)	3,734	1,789	(2,219)	(430)	5

- At quarter 2, the Divestment and Litigation forecast has been reduced by £0.681m from £2.9m to £2.219m. This has been reflected in a reduced drawdown from the Treasury & Equalisation Reserve.

7. PLACE DIRECTORATE

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Place	Property	6,373	(264)	6,509	136		136	400
	Economic Growth & Partnerships	811	0	811	0		0	0
	Lower Thames Crossing	0	28	28	28		28	0
	Place Delivery	296	(1)	282	(14)		(14)	(13)
	Planning	1,847	288	2,757	910	(801)	109	(179)
	Planning Delivery Fund	0	0	0	0		0	0
	Performance & Support	1,592	365	1,838	246		246	(119)
	Highways and Transportation	9,882	0	10,081	199	(388)	(189)	(189)
	Street Scene and Leisure	19,618	(344)	18,980	(638)		(638)	(294)
	Homelessness (Housing)	1,332	1,823	3,775	2,443	(292)	2,151	328
	Private Sector Housing	1,139	24	1,229	90		90	66
Travellers (Housing)	48	0	48	0		0	0	
Place Total		42,938	1,919	46,338	3,400	(1,481)	1,919	0

The Place Directorate is projecting a £1.919m net overspend at quarter 2, against a budget of £42.938m (4%), with projected transfers from reserves of £1.481m, representing no movement in the total position reported at quarter 1.

Property (£0.136m overspend at quarter 2, £0.400m increase in expenditure on quarter 1)

- In Property Services pressures exist due to agency staff costs in asset management, however, there are planned moves of staff over to fixed term contracts from 1st November to alleviate this pressure.
- A £0.108m pressure exists in Facilities Management due to increased security at the Civic Offices for additional opening hours.
- The forecast has increased by £0.400m between quarters 1 and 2 due to the previously identified risk of £0.173m repair costs for Thameside now being included in the forecasts as it has now been confirmed that the building is to remain open, and the works are to commence.
- A further £0.267m has been added for the Asbestos and RAAC (Reinforced Autoclaved Aerated Concrete) surveys required on the commercial property portfolio of the council as this work is now underway. There is currently a review to see if these costs can be recharged to tenants.

Planning (£0.109m overspend at quarter 2, £0.179m reduction on quarter 1)

- Part of the overspend (£0.218m) is contributed to by increased supplies and services costs including legal costs associated with 2 large planning appeals.
- A £0.801m overspend in the Local Plan Team will be offset by draw-down from the Local Plan Reserve, forecast at £0.812m at quarter 1, but reduced due to an improvement in employee costs, by £0.246m between quarter 1 and 2.
- This reduction in employee costs has been offset by additional ecology work costs of £0.070m due to new legislation from 2024.
- Planning income has been forecast to reach the budgeted level. However, there is a timing issue with large planning applications, and if they are delayed into later this financial year or into next financial year, or do not go ahead at all, this will impact the level of planning income received in this financial year against budget.

Highways & Transportation (£0.189m underspend at quarter 2, £0.189m reduction on quarter 1)

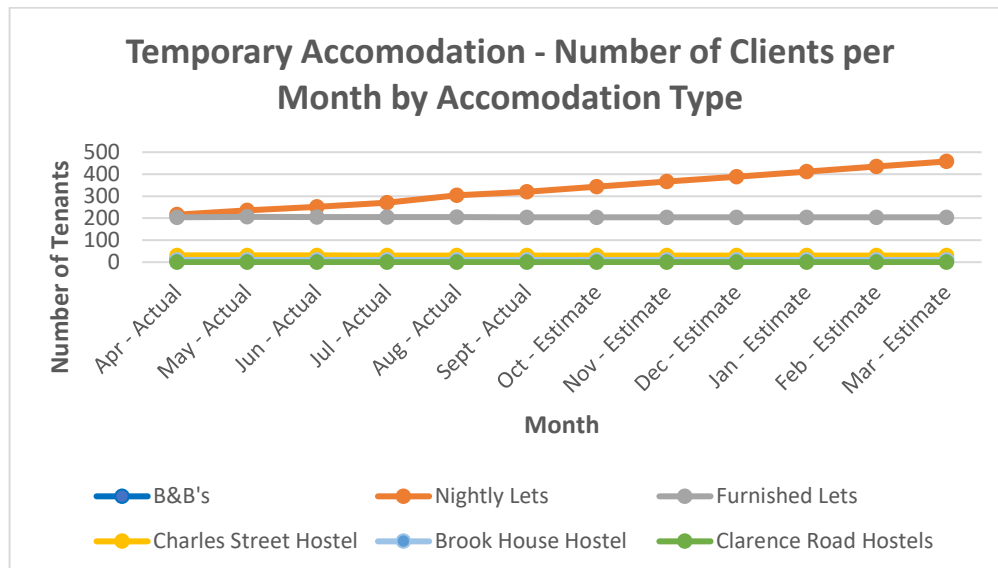
- An improved position from quarter 1 is due to reduced employee costs in the Highways Infrastructure Team (£0.095m) due to a member of staff leaving and not being replaced and a further £0.043m in Passenger Transport due to a member of staff retiring and not being replaced.
- There has also been a reduction in forecast employee and insurance costs in Fleet Services.

Street Scene & Leisure (£0.638m underspend at quarter 2, £0.294m increase in underspend from quarter 1)

- The forecast for the Waste Disposal contract expenditure has reduced by £0.401m between quarters 1 and 2, offset by increases in forecasts in other areas including employee costs in bulky waste (£0.022m), additional premises costs in burials (£0.017m) and an increase in supplies and services costs across all areas (£0.022m).
- The waste disposal figures are reviewed on an ongoing basis by finance and the service as the financial year progresses.
- The best-case scenario is an underspend of £0.873m, the mid scenario is an underspend of £0.669m and the worst-case scenario is an underspend of £0.370m. The waste disposal forecast reported at quarter 2 is part-way between the best-case scenario and the mid-scenario (£0.762m underspend). However, this is the directorate’s largest and most volatile budget and could improve or worsen as the financial year progresses.

Homelessness (£2.151m overspend at quarter 2, £0.328m increase on quarter 1)

- Temporary accommodation has a net pressure of £2.5m before the application of reserves of £0.259m. The pressure exists due to budgets that were set based on household numbers prior to the current increase that is being faced.
- The forecast includes the use of the Homeless Act Grant budgeted in the amount of £0.899m with the additional top-up of £0.269m which has been received.
- The temporary accommodation placement number forecasts have been increased to 23 net extra placements a month for the remainder of the year from the previous forecast of 19 per month, adding to the increased forecast expenditure between quarters 1 and 2. This also assumes the known post-Christmas expected surge in temporary accommodation numbers.
- The graph and table below clearly show the actual increase in number of clients in nightly let accommodation between the start of the financial year and projected to the end of the year.



TA types - 24-25	Apr - Actual	May - Actual	Jun - Actual	Jul - Actual	Aug - Actual	Sept - Actual	Oct - Estimate	Nov - Estimate	Dec - Estimate	Jan - Estimate	Feb - Estimate	Mar - Estimate	Annual average
B&B's	11	9	7	9	10	14	14	14	14	14	14	14	12
Nightly Lets	216	235	252	270	304	320	343	366	389	412	435	458	333
Furnished Lets	204	206	205	205	205	204	204	204	204	204	204	204	204
Charles Street Hostel	31	31	31	30	30	30	30	30	30	30	30	30	30
Brook House Hostel	10	10	10	10	10	10	10	10	10	10	10	10	10
Clarence Road Hostels	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	472	491	505	524	559	578	601	624	647	670	693	716	590
Actual/Assumed increase on previous month		19	14	19	35	19	23	23	23	23	23	23	

- During 2023/24, nightly let figures increased from an average of 122 per month during the first 9 months of the year, to 183 placements between January and March 2024. The start of 2024/25 has seen a further rise in nightly let placements in the first two quarters. The forecast for the remainder of the year is now assumed at an extra 23 placements per month.
- The service has spent time to find alternative accommodation solutions such as bed and breakfast, and then to offer people furnished lettings within the Council's own stock as an alternative to privately owned nightly lets. The average cost of a nightly let annually is approx. £11,000 compared to furnished lettings at approx. £3,300. The ongoing utilisation of the councils existing stock is one of the few ways in which the department can reduce costs in the face of rising demand. It also offers a better solution to people that need temporary accommodation. However, the Furnished Let stock has been at full capacity since November 2023, resulting in a further reliance on nightly let placements.
- The requirement for temporary accommodation does remain a significant risk for the department and the Council as a whole. There are many contributing factors to the rising numbers of people facing potential homelessness including mental health issues, substance abuse, domestic violence, as well as people experiencing financial hardship in the current economic climate. This often involves dealing with some of the most vulnerable people within the borough.
- To offset the pressures in Homelessness, a transfer from the Public Health Contain Outbreak Management Fund (COMF) Grant will be utilised at the year-end from reserves in the amount of £0.965m. This is being shown outside the service pressures in the summary table in section 1 and the Place figures above.

Place Directorate Key Risks

- Temporary accommodation - the change from quarter 1 to 2 was the forecast going from 19 to 23 per month net extra households. This is a high-risk and volatile forecast that will impact on the Directorate and Council's overall position.
- Housing Property – at the beginning of the financial year there was an assumed saving of £0.140m relating to the acquisition of an additional 20 properties. These properties are now progressing through the various stages of acquisition and the forecast has been adjusted to reflect a financial benefit of £0.075m this year which will materialise in the final quarter of the financial year. Any slippage on this will impact on the outturn position.
- Economic Development – there is a notional £0.100m risk associated with Theatre bookings and forecast income from ticket sales not being achieved.

8. CORPORATE COSTS

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Corporate Costs	Housing Benefits	(448)	0	(446)	2		2	2
	Levies	682	(33)	649	(33)		(33)	0
	Pension / Corporate Overheads	1,036	(32)	967	(68)		(68)	(36)
	Provision & Contingencies	7,448	0	7,448	0		0	0
	Unallocated Contact Management Saving	(230)	230		230		230	0
Corporate Costs Total		8,487	165	8,618	131	0	131	(34)

Corporate Costs are projecting a £0.131m overspend against a budget of £8.487m at the end of quarter 2 (2%), a reduction of £0.034m on the quarter 1 position.

Provision and Contingencies

- The budget is earmarked for any Council restructures and contains funding for additional costs associated with pay, general contract, and waste contract inflation.
- All expenditure against this funding is subject to S151 approval, and any unused balance at the end of this financial year will be transferred to the Transformation Reserve.

Unallocated Contact Management Saving

- There is an unallocated corporate saving related to contact management in the amount of £0.230m that is unachievable in the current financial year and will be carried forward for delivery in 2025/26.

9. TRANSFORMATION FUNDING

- The balance in the Transformation Fund Reserve at the start of 2024/25 was £11.1m with current planned expenditure at quarter 2 totalling £5.246m.
- The table below shows the current approved expenditure against the reserve balance as at quarter 2.
- The projected expenditure against Transformation Funding is updated monthly based on approvals of expenditure.
- All requests for expenditure against the Transformation Fund Reserve are subject to S151 and Deputy Chief Executive approval, to maintain tight financial control over this funding source, and therefore programmes of expenditure against the funding will be subject to scrutiny and review.
- Any balance of funding will be left in the Transformation Fund Reserve at the end of this financial year for utilisation on transformation programs in the Council in the future.

Directorate	Area of Expenditure	Projected Cost 2024/25 * £
Council-Wide	Redundancy and Termination Pay	£583,704
Council-Wide	Savings Implementation - CRM (3 Interim staff)	£327,258
Assistant Chief Executive's Office	Additional Staffing - Change Team *2, Comms *1	£521,784
Assistant Chief Executive's Office	Financial Pension Fund Strain	£753,084
Children's Services	OFSTED support and Impower	£627,374
Corporate Services	CRM, Contact & Digital Program, Voice Automation, RPA, Power Platform	£951,268
Corporate Services	System Review & Development - Oracle & Mod.Gov	£65,500
Corporate Services	Savings Implementation - Moving Traffic Offences	£25,846
Corporate Services	HROD Interim Support	£289,532
Finance	CIPFA Divestment Support	£15,113
Finance	Recruitment Campaign	£26,796
Finance	System Review & Development - Beyond & Risk Management Software	£65,240
Place	System Review & Development - Power BI Dashboard development	£24,629
Place	Savings implementation - Parks & Open spaces and Trade Waste	£102,800
Place	Savings Implementation 25/26 - Housing Clean & Green, Household Waste Recycling Centre and Selective Licensing	£128,000
Place	Financial Pension Fund Strain	£289,869
Place	System Review & Development - HRA recharging model	£64,350
Place	System Review & Development - Waste Changes implementation	£202,674
Place	Systems Review & Development - Transformation Consultant	£181,012
Total Transformation Fund Expenditure Projected at Quarter 2		£5,245,834

10. REVENUE FUNDING

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Revenue Funding Streams	Council Tax Income	(92,010)	0	(92,010)	0		0	0
	Non Specific Revenue Grant Income	(230)	0	(230)	0		0	0
	NNDR Income - Contribution from Pool	(54,993)	0	(54,993)	0		0	0
	Revenue Support Grant	(8,494)	0	(8,494)	0		0	0
Revenue Funding Total		(155,727)	0	(155,727)	0	0	0	0

- As with all local authorities, there are centrally held sources of revenue funding to fund council services, primarily council tax, National Non-Domestic Rates (Business Rates - NNDR) and Revenue Support Grant (Central Government Grant given to Local Authorities which can be used to fund expenditure on services).
- Current collection rates on Council Tax remain strong at 98.5%, attributing to the income forecast.
- At quarter 2 these are forecast to the budgeted funding as per the table above.

11. TREASURY & INVESTMENTS

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Treasury & Investments	Non-HRA Interest & Similar Charges	18,156	0	18,156	0		0	0
	Minimum Revenue Provision	33,104	0	33,104	0		0	0
	Bank Charges	239	0	377	138		138	138
	Transfers to/from Provisions	400	0	400	0		0	0
Treasury & Investments Total		51,899	0	52,038	139	0	139	139

- The forecast expenditure at quarter 2 on Treasury and Investments is an increase of £0.139m on the quarter 1 position due to an increase in projected bank charges.

12. HOUSING REVENUE ACCOUNT (HRA)

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
Housing Revenue Account	Housing Development	367	144	588	221		221	77
	Financing and Recharges	28,526	147	28,673	147		147	0
	Rent and Income	(61,591)	(1,021)	(61,151)	440		440	1,461
	Repairs and Maintenance	14,005	79	14,084	79		79	0
	Supervision and Management	17,259	(119)	17,198	(61)		(61)	58
	Contribution to Reserves from Operating Surplus	1,434	770	608	(826)		(826)	(1,596)
	Redevelopment & Decant costs	0	0	3,000	3,000	(3,000)		0
Housing Revenue Account Total		0	0	3,000	3,000	(3,000)	0	0

The HRA position at quarter 2 is break-even after transfers from reserves and is not part of the General Fund reported position.

- There is a currently an unquantifiable risk in relation to depreciation. Despite this being budgeted, it is a function of the valuation of the HRA stock every year and the subsequently calculated depreciation that is notified that becomes a cost to rent payers. At Thurrock, due to three years of accounts being open, this number is currently not known, and the best-case scenario is that it is under-budget.
- Formal approval has now been given for the redevelopment of the Blackshots Tower Blocks, and therefore, expenditure will be incurred in relation to the preliminary works required for the sites. These will be funded from a specific reserve which was created for this purpose. Works will include the relocation of existing tenants, the buyback of leaseholder properties and health and safety requirements in securing the existing building.

13. DEDICATED SCHOOLS GRANT (DSG)

Directorate	Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 1 £'000	Forecast Outturn @ Quarter 2 £'000	Gross over / (Under) Spend @ Quarter 2 £'000	Use of Reserves @ Quarter 2 £'000	Net Forecast Variance @ Quarter 2 £'000	Movement in Net Forecast Variance Quarter 1 to Quarter 2 £'000
DSG	School Block	5,731	0	5,326	(405)		(405)	(405)
	Central Services Block	1,610	0	1,610	0		0	0
	High Needs Block	32,062	952	33,741	1,679		1,679	727
	Early Years Block	22,718	0	23,015	297	(420)	(123)	(123)
DSG Total		62,121	952	63,692	1,571	(420)	1,151	199

The Dedicated Schools Grant (DSG) is a ring-fenced specific grant that supports local authorities' Schools budgets. Funding is allocated in four blocks, the Schools Block, the High Needs Block, the Early Years Block, and the Central Services Block.

The DSG position at the end of quarter 2 is a £1.151m overspend against a £62.142m budget (2%), which is an increase of £0.199m on the quarter 1 position (0.3%).

The net overspend is driven by the following:-

- Expansion of places available within Special Schools from September 2024 at a cost of £0.345m.
- Out of Borough Placements which is overspent by £0.351m due to three joint funded placements agreed in the spring term with a full year cost implication to the DSG of £0.528m. The budget includes £0.512m contingency for future placement growth.
- Medical Tuition has a £0.431m overspend due to continued demand for tuition services.
- Top Up Funding Academies £0.769m overspend further to review of Education, Health & Care Plans (EHCP) Plans, resulting in additional support to maintain places in mainstream schools and academies and an increase in interim funding to provide support whilst EHCP assessments are completed.
- Post-16 £0.223m overspend projected while placements are subject to ongoing confirmation during the autumn term.
- The increased costs have been offset by reductions in other areas e.g. the delay in the opening of the Primary Autism Resource Base (saving of £0.093m) as well as the delay in the opening of the Secondary Social, Emotional and Mental Health (SEMH) provision at Northview Avenue (£0.347m saving).

The Government extended the DSG statutory override in December 2022 for a one-off period of three years up to 31 March 2026. When the statutory override falls away, the accumulated DSG deficit will be the responsibility of each Local Authority. Therefore from 2026/27 local authorities will be responsible for DSG deficits.

The Special Educational Needs & Disabilities (SEND) Delivering Better Value (DBV) programme is designed to support Local Authorities in the management of the DSG. The DSG Management Plan 2024/25 to 2028/29 submitted, validated, and approved through the DBV programme shows an accumulated deficit of £17m in March 2029. This position reflects the national position of the High Needs Block and the challenges faced in meeting increased demand, complexity of need and price increases.

The approved plan showed a forecasted deficit for 2024/25 of £2.364m. The position at quarter 2 is a deficit of £1.151m, which is an improved position of £1.213m. A long-term solution is required to funding available to support Schools and the High Needs Block.

14. GENERAL FUND AND HRA EARMARKED RESERVES

General Fund Earmarked Reserves

- The total General Fund Earmarked Reserves balances at the start of the financial year amount to £61.944m. Projected drawdowns at the end of quarter 2, and included in general fund service budgets, total £12.024m.
- A review of all Council general fund earmarked reserves has been undertaken to identify reserves which are historic and no longer required, a total of £2.881m. Of this amount a specific reserve for Adult Social Care and Childrens Social Care demographic pressures will be created in the amount of £1.5m and the balance of £1.381m will be transferred to a MTFS Delivery Reserve for ongoing financial pressures.
- **Cabinet are asked to approve this transfer of reserves.**
- **Appendix 2.1** provides a list of the Council's General Fund Earmarked Reserves and those that have been identified to be moved to the specific reserves mentioned above.

HRA Earmarked Reserves

- The total balance of HRA Earmarked Reserves at the start of the financial year, as shown in **Appendix 2.2**, was £44.561m. At quarter 2, £3.0m is planned to be used for decant costs associated with Blackshots Tower Block.
- Use of HRA Earmarked Reserves can only be utilised for the funding of the HRA balance.

15. GENERAL FUND SAVINGS SUMMARY

- The Savings Target for 2024/25 is a total of £19.866m with the quarter 2 savings monitoring report provided in **Appendix 3**.
- Directorate deep-dive sessions held during quarter 2, has resulted in movements of savings between quarters. The quarter 2 position shows that of the £19.866m 2024-25 savings target, there has been an increase in unachievable (red rated) savings to £0.823m (4%), an increase of 1% on the quarter 1 position. This has been offset by a reduction in savings at Risk £2.008m (10%), which has reduced from 19%. The values of savings on track, delivered and mitigated has increased between quarters 1 and 2.

Savings RAG Status	Total Savings Target by Delivery Status 24/25 £'000		% of Total Savings Target 24/25	
	Quarter 1	Quarter 2	Quarter 1	Quarter 2
Unachievable	£593	£823	3%	4%
At Risk	£3,863	£2,008	19%	10%
On Track	£8,111	£8,963	41%	45%
Delivered	£6,926	£7,304	35%	37%
Mitigated	£373	£768	2%	4%
Grand Total	£19,866	£19,866		

- 5 savings, totalling £0.823m remain unachievable (RAG rated red) at quarter 2, as shown below. The Corporate Contact Management Saving of £0.230m has been moved from 'at risk' to 'unachievable' as a result of the savings deep-dives.
- These savings will be subject to continued review and if they remain unachievable by the end of the current financial year, will be added to savings targets for 2025/26.

Savings RAG Status	Directorate	Total Savings Target 24/25 by Delivery RAG and Directorate £'000		
		Quarter 1	Quarter 2	Movement Quarter 1 to Quarter 2
Unachievable	Adult Social Care & Health	£106	£106	0
	Corporate Services	£387	£387	0
	Finance	£100	£100	0
	Council-wide	£230	£230	0
Unachievable Total		£593	£823	0
At Risk	Adult Social Care & Health	£542	£417	£125
	Assistant Chief Exec's Office	£380	£0	£380
	Children's Services	£432	£0	£432
	Corporate Services	£1,377	£1,377	0
	Council-wide	£230	£0	£230
	Place	£902	£214	£688
At Risk Total		£3,863	£2,008	£1,855
On Track	Adult Social Care & Health	£1,344	£50	£1,294
	Assistant Chief Exec's Office	£380	£510	£130
	Central Financing	£2,254	£4,698	£2,444
	Children's Services	£717	£717	0
	Corporate Services	£326	£86	£240
	Council-wide	£378	£378	0
	Finance	£450	£0	£450
	Intervention and Commissioners Process	£130	£0	£130
	Place	£2,132	£2,524	£392
On Track Total		£8,111	£8,963	£852
Delivered	Adult Social Care & Health	£941	£2,085	£1,144
	Assistant Chief Exec's Office	£0	£500	£500
	Central Financing	£2,445	£0	£2,445
	Children's Services	£859	£1,292	£433
	Corporate Services	£250	£370	£120
	Council-wide	£290	£290	0
	Finance	£400	£850	£450
	Place	£1,638	£1,814	£176
	Treasury	£103	£103	0
Delivered Total		£6,926	£7,304	£378
Mitigated	Adult Social Care & Health	£0	£275	£275
	Place	£373	£493	£120
Mitigated Total		£373	£768	£395
Total Savings Target 2024/25		£19,866	£19,866	0

Red (Unachievable) Risks at quarter 2					
Savings Reference	Directorate	Description	Finance Comments	Total Savings Target 24/25 £'000	Movement from Quarter 1
CTS0011	Adult Social Care & Health	Direct Debits	This requires an update in the Oracle system in order to implement the payment mechanism. Currently deemed to be unachievable.	£106	No change
CTS0087	Corporate Services - ICT	Mail and Print Service Review	Saving not achievable due to programme and procurement delays resulting in dual running costs. Saving will be carried forward for delivery in 25/26.	£39	No change
CTS0107	Corporate Services - Parking Enforcement	Moving Traffic Offences	Camera performance data will be available from end Nov-24. Potential for £188k of income to be achieved, however after taking account of other costs only £98k of the full target may be achieved this financial year as this income forecast is from Feb-25 due to programme start in July-24 + 6 month period of warnings against a full year target. Saving has been marked as unachievable until financial figures are confirmed.	£348	No change
CTS0201	Council-Wide	Contact Management	£290k delivered (shown separately) the £230k will not be achieved this year. This saving will be carried for delivery in 25/26 in addition to new savings agreed.	£230	At quarter 1 this saving was rated as At Risk as discussions were ongoing on delivery of both savings. This saving has now been moved to Unachievable .
CTS0202	Finance	Workforce Planning and Agency Spend	£1,030k forecast overspend on overall Finance staffing position due to agency staff covering vacant posts while permanent structure is subject to a recruitment campaign	£100	No change
Total Unachievable Savings 24/25				£823	

16. CAPITAL MONITORING – GENERAL FUND & HRA

- The 2024/25 approved Capital Budget is a total of £107.5m; £58.4m general fund services and £49.1m HRA. At the end of quarter 2, there is anticipated slippage on the general fund capital programme of £30.6m (52%) and £10.2m (21%) on the HRA capital programme.

General Fund Capital Program

- The General Fund Capital Program budget for 2024/25 is £58.398m, with anticipated slippage at quarter 2 of £30.627m and release of funds of £1.931m from projects with surplus funding, as shown in **Appendix 4.1**.
- An in-depth review of the capital programme has recently been completed leading to a re-profiling of £30.6m for General Fund projects. A substantial portion of this re-profiling, amounting to £21.4m, is tied to the Grays and Tilbury Town Fund, which is supported by government grants. Several projects are currently in the design and planning stages, with construction anticipated to commence in 2025/26. Additional slippage in the improvement works at Tilbury Pioneer Academy, totalling £4.7m, has occurred due to planning delays; however, construction is also expected to begin during 2025/26.
- The Council has been awarded a further £0.922m of Government funding from the Department for Environment, Food & Rural Affairs (DEFRA) to support the delivery of weekly food waste collections. The capital funding is for the purchase of food waste bins (this includes internal kitchen caddies, external kerbside caddies and communal bins) and food waste collection vehicles. The additional funding is not currently included within the capital programme, and **Members are requested to agree for its inclusion in the programme.**
- The Tilbury Towns Fund projects encompass a range of initiatives aimed at enhancing Tilbury Civic Square and the waterfront, contributing to the overall revitalisation of the area. Part of these efforts is the refurbishment of Brennan Road, which is on track to be completed within this financial year. However, design changes and subsequent planning delays for the other Towns Fund projects have necessitated a re-profiling of £14.7m, which will be carried over into the next financial year to ensure that the projects meet their updated timelines. The Tilbury Towns Fund is financed through a Government Grant that mandates all funds be either committed or spent by the 31st March 2026.
- The Grays Towns Fund projects encompass a range of initiatives aimed at enhancing the riverfront, contributing to the overall revitalisation of the area. The projects are still at design stages and will require further agreement with MHCLG before any works are likely to commence in early 2026. As a result of the delays, the Grays Towns Fund projects have necessitated a re-profiling of £6.652m, which will be carried over into the next financial year to ensure that the projects meet their updated timelines. The Grays Towns Fund is financed through a Government Grant that mandates all funds be either committed or spent by the 31st March 2026.
- The A13 widening project, which officially opened to traffic in May 2022, marks a significant improvement in the region's transport infrastructure, aimed at alleviating congestion and enhancing connectivity. As the project wraps up, the remaining budget is designated for addressing compensation claims from those affected by the construction. Claimants have up to six years to submit their claims, reflecting a fair commitment to ensuring fair compensation. Several claims have been received with some expected to be processed and paid in the current financial year, while others, contingent on their success may be settled in 2025/26. To effectively manage these future claims, a request to carry forward £1m into 2025/26 has been made.

- The planned improvement works at Tilbury Pioneer Academy aim to enhance the educational environment and facilities for pupils, fostering a better learning experience. However, the project is currently facing delays due to ongoing planning issues. Once these planning challenges are resolved, the project will move forward to the tendering stage, with construction anticipated to commence in 2025/26 financial year. To ensure the successful completion of the project, a request is being made to carry forward £4.681m into the 2025/26 budget and beyond. This funding is crucial for covering the construction costs once the planning issues are resolved. The project is funded from Government grant.
- The conversion of a Council-owned building at Northview Avenue into a secondary Social, Emotional, and Mental Health (SEMH) school run by the Olive Academy marks a significant step forward in providing tailored educational support for local pupils with SEMH needs. Currently out to tender, the contract is expected to be awarded in January 2025, paving the way for vital renovations that will transform the existing space into a nurturing learning environment. The project has an anticipated start date in February 2025 and projected completion date in August 2025. Fully funded from Government grant, a request has been made to carry forward £0.850m into the 2025/26 financial year to ensure the initiative remains on track.
- As part of the capital budget setting process, it was estimated we would receive £2.5m of Special Educational Needs (SEN) Government grant funding for the financial year 2024/25. The actual amount allocated was £0.655m and a request has been made to carry this forward into the 2025/26 financial year. The authority is actively exploring options for secondary and post-16 SEN education, collaborating with local schools to identify locations that can accommodate the diverse needs of pupils. The remaining budget of £1.845m, which was part of the original estimate, will be removed from the programme.
- The Stanford le Hope Rail and Bus interchange project recently completed its gateway review. The Council remains actively engaged in discussions with Network Rail and C2C (rail operator) and as part of the ongoing efforts, various funding options are being explored to support the development of this vital transport hub.

HRA Capital Program

- The HRA Capital Program budget for 2024/25 is £49.058m, with anticipated slippage at quarter 2 of £10.157m, as shown in **Appendix 4.2**.
- The Blackshots Housing Development is set to undergo a significant transformation as plans are in motion to demolish three ageing tower blocks and replace them with modern homes designed for contemporary living. This ambitious project aims to meet energy efficiency standards while providing residents with access to high-quality, affordable housing. Currently out to tender, the contract is expected to be awarded by the end of January 2025. As part of the preparation for this development, decanting is actively underway; however, it is anticipated that not all of this year's budget allocation will be utilised. Consequently, a request has been made to carry forward £1.656m into the 2025/26 budget and beyond, ensuring the successful continuation of this vital housing initiative.
- The Tower Block Refurbishment Programme in Grays South is actively underway, focusing on the comprehensive external refurbishment of the six tower blocks. This initiative is part of a strategic plan aimed at prolonging the lifespan of the buildings while significantly enhancing their thermal efficiency. The ongoing refurbishment work is projected to be completed by June 2026. However, due to unforeseen contractor delays, a request has been made to carry forward £8m into the 2025/26 budget. This funding will ensure the project can successfully reach its completion, ultimately providing residents with improved living conditions and energy efficiency.

17. ASSET DISPOSALS

- The table below shows the total value of asset disposals to date, which amounts to £42.146m.
- In the current financial year 2024/25, the Asset Disposals Team has disposed of £2.118m to date with 9 transactions. Three transactions are currently in solicitors' hands with a total value of £4.053m. Completion dates for these transactions will fall within Quarters 3 and 4 of 2024/25.
- Remaining properties within the forecast for the current financial year are due to go to December 2024 and February 2025 auctions. Assets currently marketed by agents for private treaty transactions are all progressing in line with the forecast for 2024/25.

£42.146 m		£110 m		£116m	
Total Achieved to Date		Forecast		Target Total	
2023/2024					
Achieved		Forecast		Target	
£40.028 m		£35.65m		£35.65m	
2024/2025					
Achieved		Forecast		Target	
£2.118 m		£14.71 m		£34.67m	
Q1	£0.208 m	Q1	£0.20 m	Q1	£1.49 m
Q2	£0.56 m	Q2	£2.75 m	Q2	£6.28 m
Q3	£1.225 m	Q3	£2.65 m	Q3	£4.20 m
Q4	£0.125 m	Q4	£9.11 m	Q4	£22.70 m
2025/2026					
Achieved		Forecast		Target	
£0.00 m		£29.52 m		£34.52m	
Q1		Q1	£7.38 m	Q1	£15.85 m
Q2		Q2	£2.98 m	Q2	£6.50 m
Q3		Q3	£6.60 m	Q3	£11.15 m
Q4		Q4	£12.57 m	Q4	£1.02 m
2026/2027					
Achieved		Forecast		Target	
£0.00 m		£19.752 m		£3.023m	
Q1		Q1	£1.518 m	Q1	£2.018 m
Q2		Q2	£5.231 m	Q2	£0.005 m
Q3		Q3	£2.004 m	Q3	£0.00 m
Q4		Q4	£11.00 m	Q4	£1.00 m
2027/2028					
Achieved		Forecast		Target	
£0.00 m		£10.21 m		£8.14m	
Q1		Q1	£0.00 m	Q1	£0.00 m
Q2		Q2	£1.00 m	Q2	£0.00 m
Q3		Q3	£0.00 m	Q3	£0.00 m
Q4		Q4	£9.207 m	Q4	£8.145 m

- The overall programme includes assets held across different service areas of the Council. Service engagement across 19 teams has commenced to improve the accuracy of disposal forecasting, values, and timing for disposal of remaining assets. This has resulted in some transactions being delayed until 2025/26 (6 properties), so the disposals can be considered within a wider service context before asset disposals are finalised.