

# Report to Committee

<b>Report Title</b>	Q3 Revenue and Capital Report
<b>Date of Meeting</b>	Tuesday, 18 <sup>th</sup> March 2025
<b>Report Author</b>	Sima Khiroya, Assistant Director Financial Management & Procurement
<b>Corporate Director</b>	Dawn Calvert, Chief Financial Officer S151
<b>Lead Cabinet Member(s)</b>	Cabinet Member for Resources
<b>Wards Affected</b>	(All Wards);
<b>Identify exempt information and exemption category</b>	Choose an item.  <i>n/a</i>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Reserves 2024/25</li> <li>2. HRA Earmarked Reserves 2024/25</li> <li>3. Quarter 3 Savings Tracker 2024/25</li> <li>4. General Fund Capital Budget &amp; Forecast 2024/25</li> <li>5. HRA Capital Budget &amp; Forecast 2024/25</li> </ol>

## 1. Executive Summary

- 1.1 This report sets out the estimated forecast revenue outturn position for 2024/25 for the General Fund, Housing Revenue Account (HRA) and Dedicated Schools Grant (DSG) and provides an update on delivery against the savings target for 2024/25 at quarter 3.
- 1.2 The total operating budget is showing a £0.991m net overspend position against a budget of £172.398m at the end of quarter 3 (Period 9) for 2024/25. The movement between quarter 2 and quarter 3 is a reduction in net expenditure of £1.731m.
- 1.3 Of this reduction, an amount of £0.736m is due to a revision of salary forecasts to reflect the actual pay award of 2.5% which had been forecast at 4% previously.
- 1.4 The 2024/25 budget was set assuming exceptional financial support being required from central government in the amount of £68.570m. The review and refresh of the Medium-Term Financial Strategy, as reported to Cabinet in February, has resulted in the estimated level of Capitalisation Direction (CD) required by the Council increasing

to £96.420m. The change is largely attributable to the correction of debt levels, recognising revenue impairments and updating the MTFS to reflect a realistic level of service demand in future years.

- 1.5 The position at quarter 3 is after transfers from earmarked reserves of £12.839m, an increase of £0.815m on quarter 2. This includes £5.958m from the Transformation Reserve. In addition, an amount of £0.965m from previously received Contain Outbreak Management Fund Grant is being held in reserves and will be utilised to offset the overspend on Homelessness Services in the Place Directorate.
- 1.6 Of the £19.866m savings target for 2024-25, £0.823m (4%) has been identified as unachievable at quarter 3 (red rating), with no change from quarter 2. At quarter 3, there has been a reduction on at amber savings (at risk) from 10% to 5% (£2.008m at quarter 2 to £0.990m at quarter 3). The values for savings on track and delivered have increased between quarters 2 and 3.
- 1.7 At quarter 3, the 2024-25 General Fund Capital Budget is a total of £26.938m with a projected outturn of £19.815m, and anticipated slippage of £7.123m (26%). The HRA Capital Budget at quarter 3 is £44.099m with a projected outturn of £38.599m. The underspend of £5.5m is due to schemes releasing funding (12%).

## **2. Recommendations**

For the reasons set out in this report, the Committee is recommended to:

- 2.1 To note and comment on the council's operating budget and forecast overspend position as at quarter 3 of £0.991m, representing a reduction of £1.731m on the position presented at quarter 2, (as presented in Section 4.1 of this report).
- 2.2 To note and comment on the council's overall position and forecast overspend position at quarter 3 of £0.157m, representing a reduction of £1.739m on the position presented at quarter 2, (as presented in Section 4.1 of this report).
- 2.3 To note and comment on the projected use of reserves at quarter 3, (as presented in Section 4.14 and Appendices 1 and 2 of this report).
- 2.4 To note and comment on the progress made on delivery against the savings target for 2024/25, (as presented in Section 4.15 and Appendix 3 of this report).
- 2.5 To note and comment on the anticipated slippage on the General Fund Capital Program of £7.123m and expected £5.5m release of funding on the HRA Capital Program, (as presented in Section 4.16 and Appendices 4 and 5 of this report).

### **3. Commissioner's Comments**

- 3.1 The financial overspend at Thurrock has reduced since the Quarter 2 report, to an overspend of £0.991m. The Council has made good progress both in tacking the overspend and delivery of budgeted savings. Whilst there are only days left in the financial year, it is important that there is a continued focus. Any overspend will need to be met from reserves and will result in additional savings needing to be found in 2025/26.

### **4. Proposals – the rationale and evidence for the recommendations**

#### **4.1 Summary Position**

- 4.1.1 At quarter 3, the overall operating budget position shows forecast expenditure of £179.305m against a budget of £172.398m, and transfer from earmarked reserves of £5.916m. This represents a net forecast overspend position of £0.991m (0.6%).
- 4.1.2 This is a favourable movement on the service position by £1.731m on quarter 2. Of this reduction, £0.736m relates to the revision of salary forecasts to reflect the actual pay award announcement of 2.5% against the previously estimated pay award of 4%. The balance of the reduction is due to a deep dive at quarter 3 of all forecasts to reflect the realistic position for the financial year.
- 4.1.3 The budget forecast at this stage in the financial year projects a total transfer from reserves to services of £12.839m (including £5.958m Transformation funding). As previously reported, 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. An amount of £1.2m has been set aside for the overclaimed Covid Sales, Fees and Charges income reimbursement from 2020/21 from contingency funding.
- 4.1.4 The review and refresh of the Medium-Term Financial Strategy, as reported to Cabinet in February, has resulted in the estimated level of CD required by the Council over the seven-year period 2022/23 to 2028/29 increasing from £520m to £691m. The change is largely attributable to backdated amendments, notably the correction of debt levels, recognising revenue impairments and updating the MTFS to reflect a realistic level of service demand in future years.
- 4.1.5 The impact of this in the current financial year is an increase of the CD requirement from £68.570m to £96.420m, as reflected in Table 1 below. The Ministry of Housing, Communities and Local Government (MHCLG) is updated regularly on the Council's estimated CD requirement as part of ongoing discussions around financial

sustainability. On 20<sup>th</sup> February 2025 MHCLG wrote to the Council confirming they are minded to approve an increase in the capitalisation direction for 2024/25 from £68.6m to £96m, and this will continue to be subject to a number of requirements and conditions.

- 4.1.6 The position at quarter 3 shows a total forecast pressure of £0.157m (0.2%) against this funding, which will need to be mitigated by the end of the financial year. This represents a total reduction of £1.739m on the quarter 2 position, as shown in Table 1.

**Table 1: Summary General Fund Revenue Position Quarter 3**

Directorate/Budget Area	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 (including Transfer From Reserves) £'000	Forecast Outturn @ Quarter 3 £'000	Gross over / (Under) Spend @ Quarter 3 £'000	Use of Reserves @ Quarter 3 £'000	Net Forecast Variance @ Quarter 3 £'000	Movement in Net Forecast Variance Q2 to Q3 £'000
	A	B	C	D = C - A	E	F = D + E	= F - B
Adult Social Care & Health	52,979	(1,341)	51,335	(1,644)	0	(1,644)	(303)
Assistant Chief Exec's Office	6,361	(276)	5,906	(455)	(73)	(528)	(252)
Children's Services	47,679	534	49,143	1,464	(1,145)	319	(215)
Corporate Services	15,379	1,181	17,124	1,745	(361)	1,384	203
Finance	9,733	574	12,697	2,964	(2,565)	399	(175)
Place	42,848	1,919	45,384	2,536	(1,772)	764	(1,155)
Corporate Costs	8,567	131	8,864	297	0	297	166
Financial Accounting Adjustments - Depreciation	(11,148)	0	(11,148)	0	0	0	0
<b>Total Operating Budget Quarter 3</b>	<b>172,398</b>	<b>2,722</b>	<b>179,305</b>	<b>6,907</b>	<b>(5,916)</b>	<b>991</b>	<b>(1,731)</b>
Transformation Implementation	0	0	5,958	5,958	(5,958)	0	0
Contain Outbreak Management Fund Grant (COMF) held in reserves - Homelessness Pressure	0	(965)	0	0	(965)	(965)	(0)
Covid Sales, Fees & Charges (SFC) Repayment	0	1,200	1,200	1,200		1,200	0
Funding set aside for SFC Overpayment (Contingencies)	0	(1,200)	(1,200)	(1,200)		(1,200)	0
Core Funding	(155,727)	0	(155,727)	0		0	0
Treasury Costs	79,749	139	79,880	131		131	(8)
<b>Total Financial Position Quarter 3</b>	<b>96,420</b>	<b>1,896</b>	<b>109,416</b>	<b>12,996</b>	<b>(12,839)</b>	<b>157</b>	<b>(1,739)</b>

Figures in ( )'s represents income or a reduction against expenditure

## 4.2 Adult Social Care & Health

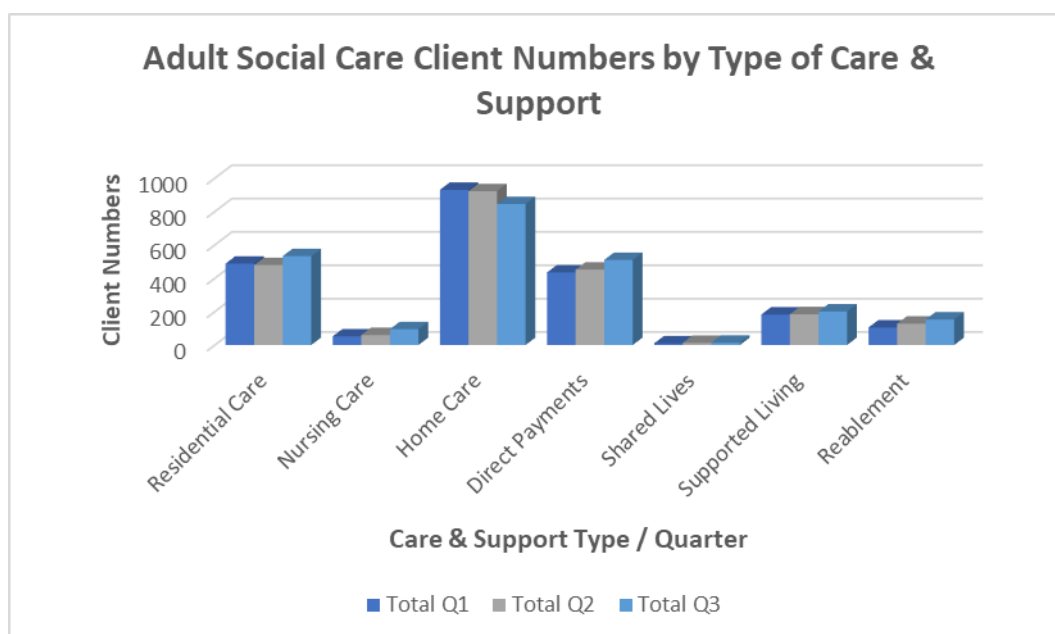
- 4.2.1 The directorate position at quarter 3 is projected expenditure of £51.335m against a budget of £52.979m, representing a £1.644m underspend position (3%). This is an increase in the underspend position by £0.263m on the quarter 2 position, as shown in Table 2.

**Table 2: Adult Social Care & Health Summary Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Assistive Equipment & Technology	856	120	976	120		120	0
Commissioning & Service Delivery	(2,561)	38	(2,344)	217		217	179
Community Development (moved to ACE)	0	0	0	0		0	0
External Placements	39,453	(646)	38,794	(659)		(659)	(13)
Fieldwork Services	6,331	50	6,045	(286)		(286)	(336)
Provider Services	8,900	(943)	7,864	(1,036)		(1,036)	(93)
Public Health	0	0	0	0		0	0
<b>Adult Social Care &amp; Health Total</b>	<b>52,979</b>	<b>(1,381)</b>	<b>51,335</b>	<b>(1,644)</b>	<b>0</b>	<b>(1,644)</b>	<b>(263)</b>

4.2.2 Despite being in an overall underspend position, further increases in client numbers between quarters 2 and 3 have been demonstrated, with the highest increases in Older Peoples Residential (54 clients) and Nursing Care (19 clients), Older Peoples and Physical Disabilities Direct Payments (49 clients) and Learning Disability Supported Living placements (11 clients), as shown in Figure 1 below. There has been an increase of 25 clients in receipt of reablement services between quarters.

**Figure 1: Adult Social Care Placements Quarter 3**



4.2.3 There has also been some upward movement in the average weekly unit costs of placements, as shown in Figure 2. The highest increases have been in Physical Disability Residential Care (£1,377 to £1,459 per client per week average), Physical Disability Supported Living (£690 to £735 per client per week average) and Learning Disability Direct Payments (£411 to £433 per client per week average).

4.2.4 Against this, there have been some reductions in average weekly costs, namely, Mental Health Homecare (£241 to £204 per client per week average) and Physical Disability Direct Payments (£351 to £317 per client per week average).

**Figure 2: Average Unit Weekly Costs by Client Group & Service Type**



### 4.3 Assistant Chief Executive's Office (ACE)

4.3.1 The projected expenditure for the ACE directorate at quarter 3 is £5.906m against a budget of £6.361m, resulting in an underspend position of £0.528m (8.3%), after transfers from earmarked reserves of £0.073m, as shown in Table 3.

**Table 3: Assistant Chief Executive's Summary Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Assistant Chief Executive's Office	1,499	(61)	1,402	(97)	(34)	(131)	(70)
Community Development (moved from AHS)	2,248	40	2,288	40		40	0
Strategy, Policy, Performance & Partnerships	1,884	(105)	1,595	(289)	(39)	(328)	(223)
<b>Total Service Budgets</b>	<b>5,631</b>	<b>(126)</b>	<b>5,285</b>	<b>(346)</b>	<b>(73)</b>	<b>(419)</b>	<b>(293)</b>
Improvement & Recovery fees (One-off)	730	(110)	621	(109)	0	(109)	1
<b>Assistant Chief Exec's Office Total</b>	<b>6,361</b>	<b>(236)</b>	<b>5,906</b>	<b>(455)</b>	<b>(73)</b>	<b>(528)</b>	<b>(292)</b>

4.3.2 The quarter 3 position represents a reduction of £0.292m on the position at quarter 2.

4.3.3 Between quarters 2 and 3, the Community Development Service has been moved from the Adults and Health Directorate to the Assistant Chief Executive's Office.

4.3.4 The budget includes one-off funding for 2024/25 of £0.730m in relation to project management support required to identify ongoing sustainable savings for 2025/26 and beyond, and to support the intervention and recovery work being carried out in the Council. There is a forecast underspend of £0.109m 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.

#### 4.4 Children's Services

4.4.1 Against a budget of £47.679m, Children's Services (non-Dedicated Schools Grant DSG funded services) are projecting to spend £49.143m at quarter 3, with transfers from earmarked reserves of £1.145m. This results in a forecast overspend position of £0.319m (0.7%), a reduction of £0.215m on the quarter 2 position, as shown in Table 4.

**Table 4: Children's Services Summary Revenue Position Quarter 3**

	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Children and Family Services	38,205	1,542	40,672	2,467	(754)	1,713	171
Education & Skills	4,872	(213)	4,665	(207)	(391)	(598)	(385)
School Transport	4,602	(795)	3,806	(796)		(796)	(1)
<b>Children's Services Total</b>	<b>47,679</b>	<b>534</b>	<b>49,143</b>	<b>1,464</b>	<b>(1,145)</b>	<b>319</b>	<b>(215)</b>

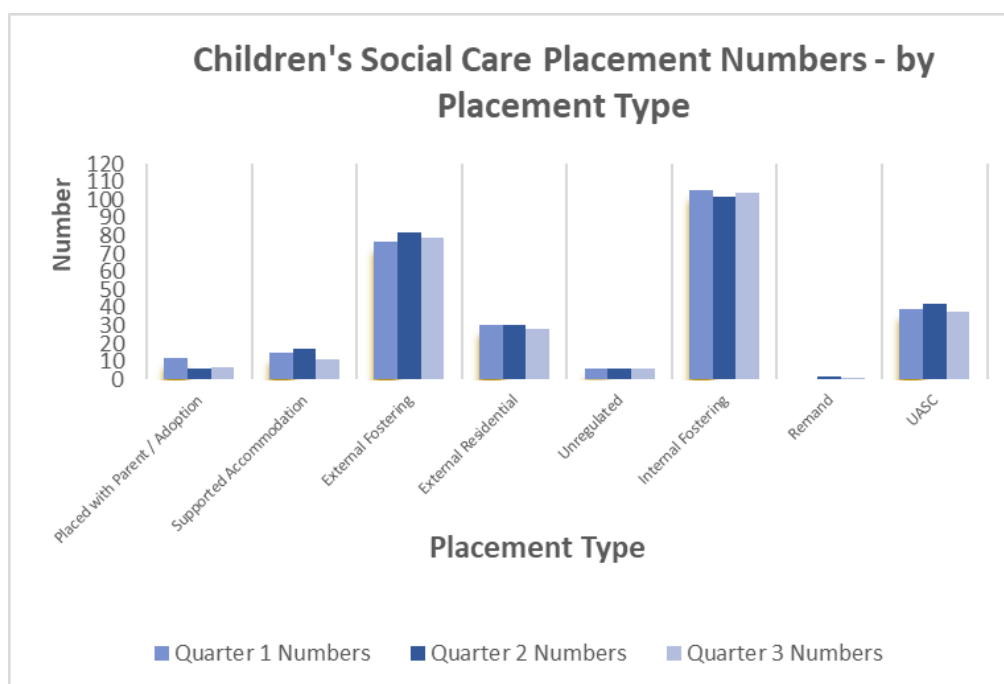
- 4.4.2 £0.182m of the movement between quarter 2 and 3 is attributable to the revision of salary forecasts for the pay award, across all service areas.
- 4.4.3 Children and Family Services are forecasting a £1.713m overspend position at quarter 3, an increase of £0.171m on quarter 2. As a demand-led budget, the placement projection includes no assumptions of growth in numbers or costs in the current financial year and is forecast based on one-in, one-out. The continued work at placement panels ensures that any risk is mitigated as far as possible, and the position is closely monitored.
- 4.4.4 Table 5 shows the breakdown of this budget and the movement from quarter 2. It demonstrates the highest area of overspend is the Placements Support budget with a current overspend position of £2.386m at quarter 3.
- 4.4.5 Between quarters 2 and 3, 19 children entered care, of these 4 were Unaccompanied Asylum-Seeking Children (UASC), the remainder as a result of safeguarding action by the Council and its partners. 18 children were returned to their families or were UASC transfers, 14 young people became 18 (transitioned to Adult Services) and 17 children had changes in their package of care. Figure 3 demonstrates the movement in client numbers between quarters.

**Table 5: Children & Family Services Budget Breakdown Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Brighter Futures - Prevention Service	5,407	-565	5,362	(45)	-619	(664)	(99)
Business Administration	1,008	-132	886	(122)		(122)	10
Children and Families Assessment	2,884	100	2,865	(19)		(19)	(119)
Children and Family Services Management	998	165	1,172	174		174	9
Children Looked After Service	3,385	74	3,480	95		95	21
Children's Centres	645.4	-140	483	(162)		(162)	(22)
Family Support	4,337	301	4,428	91		91	(210)
LSCB & Quality Assurance	84	0	213	129	-129	0	0
Placement Support	24,395	1,769	26,786	2,392	-6	2,386	617
Safeguarding and Child Protection & LADO	1,193	-33	1,122	(71)		(71)	(38)
YOS and Adolescent Services	296.3	4	302	6		6	2
Social Care Grant	-6,427	0	-6,427	(0)		(0)	0
<b>Children &amp; Family Services Total</b>	<b>38,205</b>	<b>1,542</b>	<b>40,672</b>	<b>2,467</b>	<b>(754)</b>	<b>1,713</b>	<b>171</b>



**Figure 3: Children's Social Care Placement Numbers**



4.4.6 Overall placement numbers of 274 remain below the budgeted number of 294, a variance of 20, however, the increased complexity of need of some young people has resulted in additional support being provided.

4.4.7 Total Placement costs, over all service types, shows an upward movement between quarter 2 and 3 (£0.71m increase in total) demonstrating the increased support requirements, with a total projected cost of £2.52m over budget at quarter 3, as shown in Table 6, with key increases in External Residential and Unregulated placements.

4.4.8 Within Family Support, £0.434m of the overspend relates to No Recourse to Public Funds (NRPF), due to an increase in families and rental costs. There are currently 27 cases on the NRPF register, of these 10 cases have been closed, while 17 remain open. 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.

4.4.9 Another area of high expenditure is Leaving Care (within the Children Looked After Service), where there is a current pressure of £0.409m. Since the last report, 14 people reached the age of 18 and 9 required supported accommodation. Aftercare has increased by £0.142m due to the high cost of housing placements for young people

aged 18 and the ongoing shortage of local social and affordable private housing options.

**Table 6: Placement Costs by Service Type Quarter 3**

Placement Type - Costs	Budget 2024/25	Quarter 1 Costs	Quarter 2 Costs	Quarter 3 Costs	Movement Quarter 2 to Quarter 3 Costs	Variance Quarter 3 Costs to Budget
	£m	£m	£m	£m	£m	£m
Placed with Parent / Adoption	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Supported Accommodation	£2.25	£0.88	£1.03	£1.07	£0.04	-£1.18
External Fostering	£4.70	£4.14	£4.51	£4.69	£0.17	-£0.01
External Residential	£8.30	£10.82	£11.47	£12.11	£0.64	£3.81
Secure Placement	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Unregulated	£2.03	£4.99	£4.62	£4.41	-£0.21	£2.38
Education Contribution	-£0.30	-£1.51	-£1.44	-£1.48	-£0.03	-£1.18
Health Contribution	-£0.45	-£1.00	-£0.95	-£0.97	-£0.02	-£0.52
S31 grant for Supp Accom Reforms	£0.00	-£0.41	-£0.41	-£0.41	-£0.00	-£0.41
<b>Total</b>	<b>£16.53</b>	<b>£17.91</b>	<b>£18.82</b>	<b>£19.42</b>	<b>£0.60</b>	<b>£2.89</b>
Internal Fostering	£2.86	£2.57	£2.58	£2.61	£0.03	-£0.26
Remand	£0.03	£0.14	£0.14	£0.20	£0.06	£0.16
UASC Accommodation	£0.75	£1.55	£1.82	£1.84	£0.02	£1.08
UASC Grant Income	-£0.80	-£1.91	-£2.17	-£2.16	£0.00	-£1.36
<b>Total Cost of Placements</b>	<b>£19.38</b>	<b>£20.26</b>	<b>£21.20</b>	<b>£21.90</b>	<b>£0.71</b>	<b>£2.52</b>

4.4.10 Children's Commissioning have secured one property for the Aftercare Service, with plans to use this for former UASC to help reduce costs for young people with no recourse to public funds. They are 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 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.

4.4.11 The School Transport Service is reporting an underspend position of £0.796m at quarter 2. The risk remains with unprecedented increases in pupils moving into Thurrock causing pressures with school placements and potential school transport implications. Table 7 shows the current number of school transport routes and pupils.

**Table 7: School Transport Routes and Pupil Numbers**

Home to School Transport	Apr-24	Jun-24	Sept-24 *	Dec-24
Total Number of Routes	140	142	124	123
Total Number of Pupils	1,039	1,039	975	1,007

\* All routes subject to new contracts from September 2024

## 4.5 Corporate Services

4.5.1 Table 8 shows the position for Corporate Services at quarter 3 with a forecast outturn of £17.124m against a budget of £15.379m. After transfers from earmarked reserves of £0.361m this represents an overspend position of £1.384m (9%), an increase of £0.203m on the position at quarter 2.

**Table 8: Corporate Services Summary Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Digital & Customer Services	6,974	527	7,541	567		567	40
Legal & Governance	4,055	134	4,053	(2)		(2)	(136)
HR & Organisational Development	3,238	140	3,304	66		66	(74)
Counter Fraud, Community Safety & Resilience	2,262	380	2,767	505	(140)	365	(15)
NATIS	(1,150)	0	(541)	609	(221)	388	388
<b>Corporate Services Total</b>	<b>15,379</b>	<b>1,181</b>	<b>17,124</b>	<b>1,745</b>	<b>(361)</b>	<b>1,384</b>	<b>203</b>

4.5.2 The further increase between quarters 1 and 2 in Digital and Customer Services are due to additional costs of £0.040m in relation to MFD Printer connection costs. These are on top of the existing pressures of £0.534m relating to additional contract payments for the Council's payment platform and the MFD printers.

4.5.3 There is an outstanding historic debt for NATIS in the amount of £0.715m for internal fraud investigation work. £0.227m of this debt has now been settled with £0.100m identified from within existing budgets. This has left a pressure of £0.388m which has been included at quarter 3 pending further settlement negotiations.

4.5.4 Improved forecasts in the other service areas at quarter 3, as well as the reduced salary forecast for the pay award (£0.227m reduction) has helped the overall position for Corporate Services.

## 4.6 Finance

4.6.1 A small reduction between quarter 2 and 3 is being reported for Finance of £0.176m, with forecast expenditure of £12.697m against a budget of £9.733m and after transfers from earmarked reserves of £2.565m, as shown in Table 9.

**Table 9: Finance Summary Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Finance Service Budgets	7,788	1,005	8,461	673	(75)	598	(407)
Finance Improvement & Recovery Funding 24/25	1,945	(430)	4,236	2,291	(2,490)	(199)	231
<b>Finance Total</b>	<b>9,733</b>	<b>575</b>	<b>12,697</b>	<b>2,964</b>	<b>(2,565)</b>	<b>399</b>	<b>(176)</b>

4.6.2 A reduced overspend position for Finance Service budgets, as seen in Table 10, is due to an improvement in Corporate Finance of £0.081m due to staffing changes in the team. Due to delays in recruitment, the Revenue & Benefits Service and the Procurement Team have both seen an improvement of £0.137m in each area.

**Table 10: Finance Service Budgets Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Chief Executive's Office	408	8	425	17		17	9
Contract & Procurement Mangement	684	9	556	(128)		(128)	(137)
Business Development & Innovation	217	1	220	3		3	2
Corporate Finance	2,445	1,064	3,428	983		983	(81)
Insurance	756	4	790	34	(75)	(41)	(45)
Internal Audit	480	3	465	(15)		(15)	(18)
Revenues & Benefits	2,798	(84)	2,577	(221)		(221)	(137)
<b>Finance Service Budgets Total</b>	<b>7,788</b>	<b>1,005</b>	<b>8,461</b>	<b>673</b>	<b>(75)</b>	<b>598</b>	<b>(407)</b>

4.6.3 Within the Finance Improvement & Recovery Funding for 2024/25, the asset disposal staff costs have reduced by £0.157m between quarter 2 and 3 due to a reduction in staffing levels in the team. However, due to insufficient 4% top slice, the capital receipts forecast has increased by £0.386m between quarters 2 and 3, as shown in Table 11.

4.6.4 Drawdown from the Treasury Equalisation Reserve to meet divestment and litigation costs are projected at £2.490m at quarter 3.

**Table 11: Finance Improvement & Recovery Funding Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Asset Disposal (Staff)	1,200	(31)	1,012	(188)		(188)	(157)
Asset Disposal (Non Staff)	0	931	910	910		910	(21)
Capital Receipts (4% top slice)	0	(931)	(545)	(545)		(545)	386
Divestment & Litigation Fees (estimate)	0	0	2,490	2,490	(2,490)	0	0
Staff Costs	171	0	194	23		23	23
Commissioners Costs	175	0	175	0		0	0
Improvement & Recovery	399	(399)	0	(399)		(399)	0
<b>Finance Improvement &amp; Recovery Funding Total</b>	<b>1,945</b>	<b>(430)</b>	<b>4,236</b>	<b>2,291</b>	<b>(2,490)</b>	<b>(199)</b>	<b>231</b>

## 4.7 Place Directorate

4.7.1 The Place Directorate position at quarter 3 is forecast expenditure of £45.384m against a budget of £42.848m, and after transfer from reserves of £1.772m, is reporting an overspend position of £0.764m (1.8%). This is a reduction of £1.155m on the quarter 2 position, as shown in Table 12.

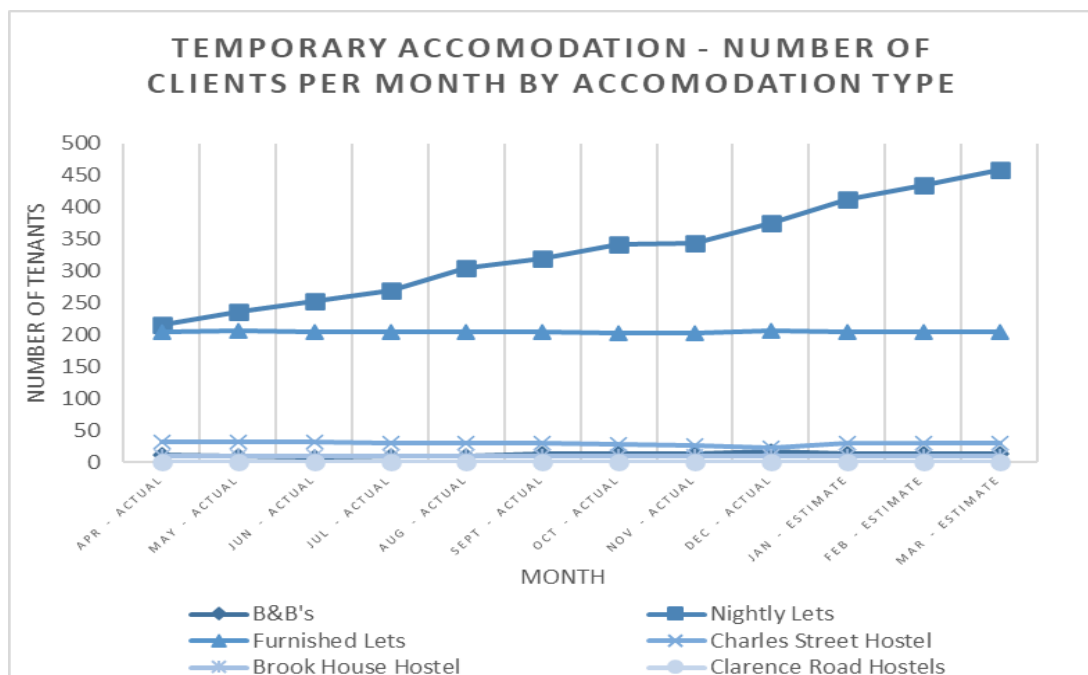
4.7.2 The reduction between quarter 2 and 3 has been achieved by a detailed review of all forecasts across all service areas in the Place Directorate and a restatement to reflect the position anticipated at the financial year-end, including reductions in projected expenditure and increases in projected income to align to actual expenditure and taking into account known changes during quarter 4.

**Table 12: Place Summary Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Property	6,373	136	6,462	89		89	(47)
Economic Growth & Partnerships	811	0	835	24	(30)	(6)	(6)
Lower Thames Crossing	0	28	28	28		28	0
Place Delivery	296	(14)	287	(9)		(9)	5
Planning	1,780	109	2,647	867	(1,061)	(194)	(303)
Planning Delivery Fund	0	0	0	0		0	0
Performance & Support	1,582	246	1,859	277		277	31
Highways and Transportation	9,882	(189)	9,731	(151)	(388)	(539)	(350)
Street Scene and Leisure	19,605	(638)	18,667	(938)		(938)	(300)
Homelessness (Housing)	1,332	2,151	3,817	2,485	(293)	2,192	41
Private Sector Housing	1,139	90	957	(182)		(182)	(272)
Travellers (Housing)	48	0	94	46		46	46
<b>Place Total</b>	<b>42,848</b>	<b>1,919</b>	<b>45,384</b>	<b>2,536</b>	<b>(1,772)</b>	<b>764</b>	<b>(1,155)</b>

- 4.7.3 The main adjustments are being driven by forecast underspends in staffing costs (£0.512m), increased income generation (£0.270m), reduced transport related costs across the directorate (£0.153m), reduced Waste contract disposal spend (£0.095m) and various underspends across the service (£0.124m).
- 4.7.4 The refining of forecasts has been across all service areas in the Place Directorate with the largest reductions being in Planning (total reduction of £0.303m including staffing and increased income), Highways (total reduction of £0.350m including staffing and increased highways permit income forecast), and Street Scene (£0.300m in total due to reductions in employee and transport costs).
- 4.7.5 Temporary Accommodation is the most significant budget pressure on the Homelessness Service within the Place Directorate. The pressure at quarter 3 is £2.485m before transfers from earmarked reserves of £0.293m. The revision of forecast increases in the net number of new households per month, which was made during quarter 2, has transpired in actual numbers being tracked, as shown in Figure 4.
- 4.7.6 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 separately in Table 1, and outside the Place service pressures in Table 12 above.

**Figure 4: Temporary Accommodation Client Numbers**



TA types - 24-25	Apr - Actual	May - Actual	Jun - Actual	Jul - Actual	Aug - Actual	Sept - Actual	Oct - Actual	Nov - Actual	Dec - Actual	Jan - Estimate	Feb - Estimate	Mar - Estimate	Annual average
B&B's	11	9	7	9	10	14	14	14	16	14	14	14	12
Nightly Lets	216	235	252	270	304	320	341	344	376	412	435	458	330
Furnished Lets	204	206	205	205	205	204	202	202	207	204	204	204	204
Charles Street Hostel	31	31	31	30	30	30	28	27	23	30	30	30	29
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
<b>Total</b>	<b>472</b>	<b>491</b>	<b>505</b>	<b>524</b>	<b>559</b>	<b>578</b>	<b>595</b>	<b>597</b>	<b>632</b>	<b>670</b>	<b>693</b>	<b>716</b>	<b>586</b>
Actual/Assumed increase on previous month	19	14	19	35	19	17	2	35	38	23	23		

## 4.8 Corporate Costs

4.8.1 Corporate costs are projecting a forecast of £8.864m against a budget of £8.567m at quarter 3, an overspend variance of £0.297m (3.5%). This is an increase of £0.166m on the quarter 2 position, as shown in Table 13.

**Table 13: Corporate Costs Summary Revenue Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Housing Benefits	(448)	2	(446)	2		2	0
Levies	682	(33)	1,040	358		358	391
Pension / Corporate Overheads	1,116	(68)	823	(293)		(293)	(225)
Provision & Contingencies	7,448	0	7,448	0		0	0
Unallocated Contact Management Saving	(230)	230	0	230		230	0
<b>Corporate Costs Total</b>	<b>8,567</b>	<b>131</b>	<b>8,864</b>	<b>297</b>	<b>0</b>	<b>297</b>	<b>166</b>

4.8.2 The Levies forecast has been updated to reflect the final invoice from Essex County Council for the Coroners Court levy. This has increased the forecast by £0.391m on the quarter 2 position.

4.8.3 No drawdowns against the revenue contingency budget are forecast for 2024/25 and, as part of outturn, a recommendation will be made to transfer the 2024/25 underspend into the Transformation Fund.

4.8.4 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.

## 4.9 Transformation Funding

4.9.1 The balance in the Transformation Fund Reserve at the start of 2024/25 was £11.096m with current planned expenditure at quarter 3 totalling £5.958m. Table 14 below shows the current approved expenditure against the reserve balance as at quarter 3.

4.9.2 Actual expenditure incurred to date is £2.351m with further expenditure to be transferred at the financial year-end from service budgets.

**Table 14: Approved Transformation Fund Expenditure at Quarter 3**

Directorate	Area of Expenditure	Projected Cost 2024/25 £
Council-Wide	Redundancy and Termination Pay	£913,650
Council-Wide	Financial Pension Fund Strain	£62,989
Assistant Chief Executive's Office	Additional Staffing - Change Team *2, Comms *1	£440,586
Assistant Chief Executive's Office	Financial Pension Fund Strain	£753,084
Children's Services	OFSTED support, Impower Consultancy & Capacity in the Service	£599,953
Children's Services	Financial Pension Fund Strain	£73,252
Corporate Services	CRM, Contact & Digital Program, Voice Automation, RPA, Power Platform	£1,209,792
Corporate Services	System Review & Development - Oracle & Mod.Gov	£66,939
Corporate Services	Savings Implementation - Moving Traffic Offences	£25,846
Corporate Services	HROD Interim Support	£125,428
Finance	CIPFA Divestment Support	£15,113
Finance	Recruitment Campaign	£104,655
Finance	System Review & Development - Beyond & Risk Management Software	£65,240
Place	System Review & Development - Power BI Dashboard development	£24,629
Place	Property & FM Compliance Review	£200,000
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	£114,836
Place	Financial Pension Fund Strain	£622,399
Place	Thameside Options Appraisal	£20,000
Place	System Review & Development - HRA recharging model	£23,885
Place	System Review & Development - Waste Changes implementation	£206,149
Place	Systems Review & Development - Transformation Consultant	£186,690
<b>Total Transformation Fund Expenditure Projected at Quarter 3</b>		<b>£5,957,915</b>

## 4.10 Core Funding

4.10.1 As with all local authorities, there are centrally held sources of revenue funding for 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).



4.10.2 Council Tax and NNDR are part of the Collection Fund and are therefore forecast to budget. In addition, there is non-specific revenue grant income for the New Homes Bonus (£0.019m) and the Services Grant (£0.211m), as seen in Table 15.

**Table 15: Revenue Funding Streams Summary Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
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
<b>Core Funding Total</b>	<b>(155,727)</b>	<b>0</b>	<b>(155,727)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

4.10.3 Performance of collection of Council Tax and Business Rates are generally expressed in 2 ways:

- 1) In-year collection rate – This is the % of council tax collected from charges relating to the current financial year by the end of the financial year. Effectively this measure indicates speed of collection.
- 2) Ultimate Collection Rate – This is the total amount collected once all amounts have either been collected or written off i.e. if £100m has been raised of which £90m has been collected and £10m written off the ultimate collection rate would be 90%. It is this 'Ultimate' % that is used when setting the council tax base and collection fund forecasts.

4.10.4 Whilst collection of Council tax in the current financial year has faced additional challenges following increases in charges and the cost of living, Thurrock's collection performance, against a budget of £92.010m, remains strong with current latest best estimates for collection in 2024/25 to achieve:

- Council Tax 'In Year' of 97.8% and 'Ultimate' collection rates of 98.8%
- Business Rates 'In Year' of 98.5% and 'Ultimate' collection rates of 99%

## 4.11 Treasury Costs

4.11.1 The budget for Treasury Costs has been updated to reflect the revised estimated level of Capitalisation Direction (CD) required by the Council increasing to £96.420m, with

a minor reduction in the forecast expenditure for projected bank charges, as shown in Table 16.

4.11.2 The increase is reflected by a revision in budgets for Interest and Similar charges from £18.156m to £31.285m and Minimum Revenue Provision (MRP) from £33.104m to £47.825m, as shown in Table 16.

**Table 16: Treasury Costs Summary Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Non-HRA Interest & Similar Charges	31,285	0	31,286	1		1	1
Minimum Revenue Provision	47,825	0	47,825	0		0	0
Bank Charges	239	139	369	130		130	(9)
Transfers to/from Provisions	400	0	400	0		0	0
<b>Treasury Costs Total</b>	<b>79,749</b>	<b>139</b>	<b>79,880</b>	<b>131</b>	<b>0</b>	<b>131</b>	<b>(8)</b>

## 4.12 Housing Revenue Account (HRA)

4.12.1 The summary position of the Housing Revenue Account at quarter 3 shown in Table 17 includes a £0.813m contribution to the HRA Balance (General HRA Reserve) which is shown in the contribution to reserves line. The budget of £0.995m on this line represents a contingency budget to be used for in-year pressures and is an accounting convention that is used to ensure that the HRA balances to zero and that total expenditure matches total income. Therefore, the true position on the HRA will be a £0 forecast at the financial year end once all adjustments are made.

**Table 17: Housing Revenue Account (HRA) Summary Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
Housing Development	367	221	552	185		185	(36)
Financing and Recharges	28,541	147	28,673	132		132	(15)
Rent and Income	(61,151)	440	(62,597)	(1,446)		(1,446)	(1,886)
Repairs and Maintenance	14,004	79	14,466	462		462	383
Supervision and Management	17,244	(61)	17,098	(146)		(146)	(85)
Contribution to Reserves from Operating Surplus	995	(826)	1,808	813	813	1,626	2,452
Redevelopment & Decant costs	0	0	2,359	2,359	(2,359)	0	0
<b>Housing Revenue Account Total</b>	<b>0</b>	<b>0</b>	<b>2,359</b>	<b>2,359</b>	<b>(1,546)</b>	<b>813</b>	<b>813</b>

- 4.12.2 Expenditure in relation to the redevelopment of the Blackshots Tower Blocks 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.
- 4.12.3 There are a growing number of legal disrepairs claims where tenants are able to claim compensation from the Council if repairs are not carried out within a certain period of time. While there are still low claim numbers in Thurrock, some Councils are facing legal and compensation claims, in relation to disrepair, at over £10m per annum.

### 4.13 Dedicated Schools Grant (DSG)

- 4.13.1 The Dedicated Schools Grant (DSG) is forecasting an outturn position of £1.453m (1.3%) overspend, against a budget of £61.870m at quarter 3. Funding in the amount of £0.631m has been projected to be transferred from the ringfenced DSG reserve to offset this overspend position, as seen in Table 18.

**Table 18: Dedicated Schools Grant (DSG) Summary Position Quarter 3**

Service	2024-25 Current Budget £'000	Net Forecast Variance @ Quarter 2 £'000	Forecast Outturn @ Q3 £'000	Gross over / (Under) Spend @ Q3 £'000	Use of Reserves @ Q3 £'000	Net Forecast Variance @ Q3 £'000	Movement in Net Forecast Variance Q2 - Q3 £'000
School Block	5,731	(405)	5,148	(583)		(583)	(178)
Central Services Block	1,633	0	1,628	(5)		(5)	(5)
High Needs Block	32,038	1,679	34,229	2,191	(631)	1,560	(119)
Early Years Block	22,468	(123)	22,318	(150)		(150)	(27)
<b>DSG Total</b>	<b>61,870</b>	<b>1,151</b>	<b>63,323</b>	<b>1,453</b>	<b>(631)</b>	<b>822</b>	<b>(329)</b>

- 4.13.2 When the statutory DSG override falls away from 31<sup>st</sup> March 2026, the accumulated DSG deficit will be the responsibility of each Local Authority, with local authorities being responsible for DSG deficits from 2026/27.
- 4.13.3 Thurrock's current DSG deficit at 31<sup>st</sup> March 2025 is forecast to be £0.822m. However, by the end of 2028/29, this deficit is projected to increase to £20.201m, as shown in Table 19.
- 4.13.4 This reflects the national position on the High Needs Block, and the challenges faced in meeting increased demand, complexity of need and price increases. A long-term solution is required to the funding available to support Schools and the High Needs Block.

**Table 19: Thurrock DSG Management Plan 2024/25 to 2028/29**

Thurrock Dedicate Schools Grant Management Plan 2024/25 to 2028/29						
Mitigated and DBV	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Total Expenditure	£m	£m	£m	£m	£m	£m
Mainstream	7.621	9.373	10.232	9.931	9.905	10.197
Resources	5.043	5.569	5.722	7.722	7.318	7.799
Special Schools	12.580	13.609	13.535	14.837	16.113	17.273
NMSS or Independent	3.960	4.265	6.384	6.217	6.407	6.220
Medical or Home Tuition	1.078	1.101	0.809	0.857	0.908	0.962
Post-16 or FE	2.563	3.211	2.642	2.776	2.918	3.067
AP	2.721	2.749	2.670	2.725	3.081	3.139
Other H2S Transport	1.600	1.600	1.600	1.600	1.600	1.600
<b>Total</b>	<b>37.165</b>	<b>41.478</b>	<b>43.595</b>	<b>46.665</b>	<b>48.250</b>	<b>50.258</b>
DSG Assumed	38.111	39.288	41.870	41.256	42.494	43.769
<b>In Year Position HNB</b>	<b>(0.946)</b>	<b>2.191</b>	<b>1.724</b>	<b>5.409</b>	<b>5.756</b>	<b>6.489</b>
In Year Position Other Funding Blocks	(0.219)	(0.738)	0.000	0.000	0.000	0.000
DSG Deficit/(Surplus)	0.534	(0.631)	0.822	2.546	7.956	13.712
<b>Accumulated Deficit/(Surplus)</b>	<b>(0.631)</b>	<b>0.822</b>	<b>2.546</b>	<b>7.956</b>	<b>13.712</b>	<b>20.201</b>

#### 4.14 Reserves 2024/25

4.14.1 The Council holds a list of earmarked reserves which are held for specific purposes.

At quarter 3 (end of December 2024), total reserves forecast for carry forward into 2025/26 are £46.570m after estimating a total of £13.470m being drawn-down to support the 2024/25 budget, as seen in **Appendix 1**. This includes the draw-down of £0.631m DSG reserves against the total reserve balance of £1.051m.

4.14.2 At quarter 2, a review of all earmarked reserves was undertaken to identify balances which were historic and no longer required. A total of £2.881m was identified of which £1.5m was transferred into a specific reserve for Adult and Children's social care. The balance of £1.381m was transferred into a MTFs delivery risk reserve for ongoing financial pressures. These reserves are included in the overall total of £46.570m.

4.14.3 In addition to earmarked reserves, the Council holds one General Fund reserve of £10.942m which equates to 6% of the operating budget for 2025/26.

4.14.4 The total balance of HRA Earmarked reserves at the start of the financial year amounted to £44.561m, with a projected drawdown of £1.546m at quarter 3, as seen in **Appendix 2**.

4.14.5 The use of HRA Earmarked reserves can only be utilised for the funding of the HRA balance.

## 4.15 General Fund Savings Delivery

4.15.1 The quarter 3 position shows that of the £19.866m savings target for 2024/25 £7.554m (38%) have now been delivered, and increase on the quarter 2 position, with £0.842m (4%) mitigated and delivered by other means. There has been a successful reduction in the At Risk savings from 10% to 5% (£0.990m).

4.15.2 Table 20 provides a summary of the savings by RAG status and Directorate, and movement between quarter 2 and 3.

**Table 20: Summary Savings Delivery Quarter 3**

Savings RAG Status	Total Savings Target by Delivery Status 24/25 £'000		% of Total Savings Target 24/25	
	Quarter 2	Quarter 3	Quarter 2	Quarter 3
	Unachievable	£823	£823	4%
At Risk	£2,008	£990	10%	5%
On Track	£8,963	£9,657	45%	49%
Delivered	£7,304	£7,554	37%	38%
Mitigated	£768	£842	4%	4%
<b>Grand Total</b>	<b>£19,866</b>	<b>£19,866</b>		

Savings RAG Status	Directorate	Total Savings Target 24/25 by Delivery RAG and Directorate £'000		
		Quarter 2	Quarter 3	Movement Quarter 2 to Quarter 3
Unachievable	Adult Social Care & Health	£106	£106	0
	Corporate Services	£387	£387	0
	Council-wide	£230	£230	0
	Finance	£100	£100	0
	<b>Unachievable Total</b>	<b>£823</b>	<b>£823</b>	<b>£0</b>
At risk	Adult Social Care & Health	£417	£417	0
	Assistant Chief Exec's Office	£0	£0	0
	Children's Services	£0	£0	0
	Corporate Services	£1,377	£433	£-944
	Council-wide	£0	£0	0
	Place	£214	£140	£-74
<b>At risk Total</b>	<b>£2,008</b>	<b>£990</b>	<b>£-1,018</b>	
On Track	Adult Social Care & Health	£50	£50	0
	Assistant Chief Exec's Office	£510	£510	0
	Central Financing	£4,698	£4,698	+£0
	Children's Services	£717	£467	£-250
	Corporate Services	£86	£1,030	+£944
	Council-wide	£378	£378	0
	Finance	£0	£0	0
	Intervention and Commissioners Process	£0	£0	0
	Place	£2,524	£2,524	-£0
	<b>On Track Total</b>	<b>£8,963</b>	<b>£9,657</b>	<b>£694</b>
Delivered	Adult Social Care & Health	£2,085	£2,085	-£0
	Assistant Chief Exec's Office	£500	£500	-£0
	Central Financing	£0	£0	0
	Children's Services	£1,292	£1,542	+£250
	Corporate Services	£370	£370	-£0
	Council-wide	£290	£290	0
	Finance	£850	£850	-£0
	Place	£1,814	£1,815	+£1
	Treasury	£103	£103	0
<b>Delivered Total</b>	<b>£7,304</b>	<b>£7,554</b>	<b>£250</b>	
Mitigated	Adult Social Care & Health	£275	£275	0
	Place	£493	£567	+£74
<b>Mitigated Total</b>	<b>£768</b>	<b>£842</b>	<b>£74</b>	
<b>Total Savings Target 2024/25</b>	<b>£19,866</b>	<b>£19,866</b>	<b>+£0</b>	

4.15.3 The 5 savings shown in Table 21 remain unachievable (Red), totalling £0.823m, which is 4% of the total target for 2024/25. 2 of these savings have been reversed as part of the MTFs 2025/26 and the other 3 will be added to savings targets for delivery in 2025/26.

**Table 21: Red (Unachievable) Savings at Quarter 3**

Red (Unachievable) Savings at quarter 3					
Savings Reference	Directorate	Description	Finance Comments	Total Savings Target 24/25 £'000	Movement from Quarter 2
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 and has been reversed as part of 25/26 MTFS.	£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 shows only £15k of income to be achieved in 24/25 because of camera config errors that are being looked into. Income is expected to be very low even if camera issues are resolved.	£348	No change
CTS0201	Council-Wide	Contact Management	This saving will be carried for delivery in 25/26 in addition to new savings agreed.	£230	No change
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. Saving has been reversed as part of 25/26 MTFS.	£100	No change
<b>Total Savings categorised as Red (Unachievable) at Quarter 3</b>				<b>£823</b>	

4.15.4 The Savings Tracker for quarter 3 is provided at **Appendix 3**.

## 4.16 General Fund and HRA Capital Monitoring

4.16.1 At quarter 3, the General Fund Capital Program has a projected outturn of £19.815m against a budget of £26.938m, with anticipated slippage of £7.123m (26%). The detail of each scheme is provided in **Appendix 4**.

4.16.2 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, site investigation delays and the resulting delays to the tendering process for the other Towns Fund projects have necessitated a further re-profiling of £1.475m, which will be carried over into the next financial year to ensure that the projects meet these updated timelines. The scheme is funded via a Government Grant, with a requirement that all funds are committed or spent by 31<sup>st</sup> March 2026.

4.16.3 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 a further £1.5m into 2025/26 has been made.

- 4.16.4 The Government Grant funding for A126 improvements is being utilised to enhance key areas of the road infrastructure. Work has already commenced on the Marshfoot section, with improvements progressing as planned, and the next phase is set to begin in February at Devonshire Road. These upgrades are vital for improving traffic flow and road safety. Further design works are currently underway, with the goal of implementing additional improvements in the 2025/26 financial year. A request has been made to carry forward £0.700m of the grant funding into the next financial year to ensure the smooth continuation of the project.
- 4.16.5 The Government Grant funding for Disabled Facility Grants (DFGs) plays a crucial role in helping individuals with disabilities make necessary home adaptations to maintain independence and improve quality of life. The grant is demand-led, meaning that the amount spent is based in the level of need identified by applicants. It provides financial support for a range of modifications such as wheelchair ramps, stairlifts, bathroom adjustments, and other adaptations that are essential for those living with physical disabilities. As the demand for these grants continues to evolve, additional options for expenditure are being explored to better meet the needs of disabled individuals. There is a request to carry forward £0.920m of unspent grant funding into 2025/26 fiscal year. This carry-forward will allow for continued investment in home adaptations, ensuring that those who require support are not left without the necessary resources.
- 4.16.6 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 and as part of the ongoing efforts, various funding options are being explored to support the development of this vital transport hub.
- 4.16.7 The Council has been awarded a further £0.922m of Government funding from 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 project to roll-out food waste caddies into flats is likely to take until March 2026. It has therefore been requested to carry forward £0.771m into the next financial year to allow the project to successfully complete.
- 4.16.8 The HRA Capital Monitoring Report for Quarter 3 is provided in **Appendix 5**. It shows a forecast projection of £38.599m against a budget of £44.099m, with anticipated underspends from schemes of £5.500m.

4.16.9 The acquisition of 20 properties aimed at reducing the need for temporary accommodation is an important initiative to provide more stable housing options for individuals and families in need. The budget of £5.5m, originally allocated for this purpose, was mistakenly included twice in the capital programme—once under the acquisition of temporary accommodation properties and again under the PHi property purchase category. As a result of this duplication, the £5.5m will be removed from the capital programme to correct the oversight and ensure that the budget reflects the accurate allocation of resources.

#### **4.17 Asset Disposals**

4.17.1 Table 22 below shows the total value of asset disposals to date, which amounts to £48.316m. The current forecast for the 5 years ending FY 2027/2028 is £110m (inclusive those disposals achieved to date).

4.17.2 In the current financial year 2024/25, the Asset Disposals Team has disposed of £8.288m to date with 9 transactions. Three transactions are currently in solicitors' hands with a total value of £4.95m. Completion dates for these transactions are scheduled to fall within Quarter 4 of 2024/25.

4.17.3 The overall programme includes assets held across different service areas of the Council. Service engagement across 19 teams is well advanced to improve disposal forecasting, values, and deliver the timely disposal of 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.

4.17.4 Properties currently marketed by agents for private treaty transactions are all progressing in line with the forecast for 2024/25 and 2025/2026.



**Table 22: Asset Disposals Quarter 3**

<b>£48.316 m</b>		<b>£110 m</b>		<b>£116m</b>	
Total Achieved to Date		Forecast		Target Total	
<b>2023/2024</b>					
<b>Achieved</b>		<b>Forecast</b>		<b>Target</b>	
£40.028 m		£35.65m		£35.65m	
<b>2024/2025</b>					
<b>Achieved</b>		<b>Forecast</b>		<b>Target</b>	
£8.288 m		£13.50 m		£34.67m	
Q1	£0.208 m	Q1	£0.20 m	Q1	£1.49 m
Q2	£0.56 m	Q2	£0.60 m	Q2	£6.28 m
Q3	£5.67 m	Q3	£5.90 m	Q3	£4.20 m
Q4	£1.85 m	Q4	£6.80 m	Q4	£22.70 m
<b>2025/2026</b>					
<b>Achieved</b>		<b>Forecast</b>		<b>Target</b>	
£0.00 m		£22.23 m		£34.52m	
Q1		Q1	£0.63 m	Q1	£15.85 m
Q2		Q2	£0.74 m	Q2	£6.50 m
Q3		Q3	£4.76 m	Q3	£11.15 m
Q4		Q4	£16.10 m	Q4	£1.02 m
<b>2026/2027</b>					
<b>Achieved</b>		<b>Forecast</b>		<b>Target</b>	
£0.00 m		£26.666 m		£3.023m	
Q1		Q1	£3.063 m	Q1	£2.018 m
Q2		Q2	£9.451 m	Q2	£0.005 m
Q3		Q3	£2.692 m	Q3	£0.00 m
Q4		Q4	£11.46 m	Q4	£1.00 m
<b>2027/2028</b>					
<b>Achieved</b>		<b>Forecast</b>		<b>Target</b>	
£0.00 m		£11.67 m		£8.14m	
Q1		Q1	£0.46 m	Q1	£0.00 m
Q2		Q2	£1.00 m	Q2	£0.46 m
Q3		Q3	£0.50 m	Q3	£0.46 m
Q4		Q4	£9.707 m	Q4	£8.145 m

## 5. Alternative options considered

5.1 Not applicable.

## 6. Consultation

6.1 The service positions are produced in conjunction with budget holders and reported to each Directorate Management Team.

6.2 The forecast revenue and capital outturn report will be presented to Corporate, Place, and People Overview & Scrutiny Committees for review and challenge on a quarterly basis.

## 7. Financial Implications

7.1 The attached report is primarily financial in nature and the financial implications of the issues raised have been included in the report and its associated appendices.

Implications verified by: Dawn Calvert, Chief Financial Officer S151

Date: 11<sup>th</sup> February 2025

## 8. Risk Implications

- 8.1 The table below provides the high-level risks, mitigations and risks status associated with this report. Each Directorate has been consulted on to determine risks to service delivery impacted upon by the respective current and future financial position.
- 8.2 Financial risks are discussed monthly as part of the budget monitoring process with each Directorate.

<b>RISK DESCRIPTION &amp; CONSEQUENCE</b>	<b>MITIGATIONS</b>	<b>RISK STATUS</b>
Fluctuations in demand-led services leads to a worsened financial position against the budget.	Monthly monitoring of financial position will determine fluctuations in demand that are leading to pressures that will need to be mitigated by underspends in other areas in the budget. Demographic changes are built into the budget assumptions. Any residual risks would be funded within available council funding and resources.	Green
Inflation and other cost pressures	Staff Pay and inflationary pressures cause significant impact on the council's budget. These are estimated and built into the forward planned budget.	Green
If the organisation is not able to redesign its services quickly enough, a reduction in staffing levels and loss of experienced and skilled staff will have an impact on service delivery, and on remaining staff.	New Corporate Plan priorities linked to staff values. Any redesign of services linked to Council and Corporate Plan priorities.	Green
Legal disputes & claims, self-Insurance and the risk of claims to the council not being covered by the council's insurance policies	Ensure sufficient resources are available to secure the appropriate advice / advisor for complex operational issues and to protect / successfully defend the council's position should the need arise. Unknown claims cannot be forecast.	Amber
Failure to prevent or detect acts of significant fraud or corruption against the Council from either internal or external sources.	An established system of internal control to prevent fraud and increase the likelihood of detection including financial system controls, internal audit processes, fraud awareness in the Council, and financial delegation.	Green
Government policy, funding decisions, and the economy	Assumptions on government policy, funding and the economy are built into the budget as part of the MTFS process: increase in numbers of residents, loss of rental income, financial settlement, collection rates, future legislative changes etc.	Green

Implications Verified by: Kelly Mcmillan, Chief Risk Advisor  
Date: 11<sup>th</sup> February 2025

## **9. Legal and Governance Implications**

- 9.1 The Local Government Finance Act 1992 requires a Council to set a balanced budget for each financial year. There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget pursuant to section 114 of the same Act.
- 9.2 Section 28 of the Local Government Act 2003 requires to Council to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. There is no statutory requirement of the regularity of such reviews, but quarterly seems to be entirely appropriate. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such remedial action as it considers necessary to deal with any projected overspends. This report allows for the periodic monitoring of the budget as required by statute.

Implications verified by: Helen Nicol, Assistant Director Legal & Governance

Date:

## **10. Equality and Diversity Implications (including the public sector equality duty)**

- 10.1 There are no equality or diversity implications directly resulting from this report.

Implications verified by: Natalie Smith, Head of Community Development

Date: 10<sup>th</sup> February 2025

## **11. Other Relevant Implications**

- 11.1 Not applicable.

## **12. Background Documents**

- 12.1 Not applicable.

## Relevance Check

**Budget Reduction/Service Area: All**

**Service Lead: All**

**Date: 7<sup>th</sup> February 2025**

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No