

Appendix A: BLMK ICS Finance Report at Month 12 (March 2025)

1.0 Executive Summary

- 1.1 This report sets out the 2024-25 BLMK ICS year-to-date financial position at Month 12, March 2025. The table below shows a summary of key financial metrics for NHS organisations hosted within the system.

	YTD Financials	Forecast Financials	YTD Efficiency	Forecast Efficiency	Agency Cap	CDEL
Bedfordshire Hospital NHS FT	G	G	G	G	R	R
Milton Keynes NHS FT	G	G	G	G	R	G
BLMK ICB	G	G	G	G		

- 1.2 NHS organisations hosted within the system are reporting a financial position of £0.7m surplus for the year ending 31st March 2025, subject to audit.
- 1.3 The system reported an overspend against the system operating capital allocation of £3.5m, subject to audit. Bedfordshire Hospitals over spent it's capital allocation by £6.5m; this was partially offset with a £3m underspend at Milton Keynes Hospital.

2.0 Recommendations

- 2.1 The Board is asked to **note** the report.

3.0 Key Implications

Resourcing	✓
Equality / Health Inequalities	✓
Engagement	
Green Plan Commitments	✓
BAF Risks	✓

- 3.1 The finance plan reflects operational plans that include a focus on addressing the Green Plan Commitments and Health Inequalities.
- 3.2 The report includes content provided by partner organisations.

4.0 Report

- 4.1 The purpose of this paper is to report the Integrated Care System (ICS) financial position at Month 12 (March) for those NHS organisations that form part of the Bedfordshire Luton, and Milton Keynes (BLMK) ICS financial control total, covering both revenue and capital. These organisations are:
- Bedfordshire Luton and Milton Keynes Integrated Care Board
 - Bedfordshire Hospitals NHS Foundation Trust
 - Milton Keynes University Hospital NHS Foundation Trust

- 4.2 Where NHS organisations provide services within BLMK, financial information is included within the report where available. The latest publicly available financial information relating to Local Authority partners is also included.

System Financial Performance

- 4.3 NHS organisations that form part of the BLMK ICS financial control total individually and collectively set financial plans that aimed to deliver breakeven financial positions for the 2024-25 financial year. The table below shows the year-end outturn is a small surplus of £0.7m.

This has been achieved through various recovery actions and additional funding received to partially offset the costs associated with premium costs of delivering additional elective activity, pressures associated with escalation / UEC capacity, prescribing costs above plan, continuing health care (CHC) pressures and unfunded pay uplifts during the financial year.

Surplus / (Deficit)	Outturn (Subject to Audit)		
	Plan	Actual	Variance
	£m	£m	£m
Bedfordshire Hospital NHS FT	0.0	0.4	0.4
Milton Keynes NHS FT	(0.0)	0.1	0.1
BLMK ICB	0.0	0.2	0.2
Intra ICS Organisations	(0.0)	0.7	0.7

Financial performance commentary for each in-system organisation is set out below:

Bedfordshire Hospital NHS Foundation Trust

Income & Expenditure

The Trust is reporting a surplus YTD position of £0.4m.

BHFT Income & Expenditure	Outturn (Subject to Audit)		
	Plan	Actual	Variance
	£000	£000	£000
Income	894,008	909,717	15,708
Pay	(586,274)	(595,089)	(8,815)
Non-Pay	(307,734)	(314,213)	(6,478)
SURPLUS / (DEFICIT)	0	415	415

The key drivers for the variances are:

- Income – Ahead of plan due to ERF overperformance and non-recurrent funding received during the year.
- Employee Expenses (Pay) – £8.8m (1.5%) overspend in 2024-25 due to winter pressures, industrial action, ongoing RMN requirements, delivering elective care and pay awards above the funded element.
- Operating Expenses (Non-Pay) – Higher levels of drug spend (partially off-set by additional elective income) and increased private ambulance costs.

Efficiencies

The Trust has delivered 100% of its planned efficiency programs.

BHFT Efficiencies	YTD - Month 12		
	Plan £000	Actual £000	Variance £000
BHFT - Recurrent	33,210	33,210	0
BHFT - Non recurrent	21,581	21,581	0
Total	54,791	54,791	0

Capital

The Trust concluded the year with a system operating capital overspend of £6.5m (16.8%). The primary cause was an overspend on the Acute Services Block at the Luton & Dunstable site.

£m	BHFT Full Year						
	FY Capital allocation	Plan	Plan Plus Add National Capital	Actual	Variance to plan	Variance to plan plus add National Capital	Variance to CDEL Allocation
Gross Total System Operating Capital		39.4	40.2	46.5	-7.1	-6.3	
Total Disposals, Grants and Donations		0.0	0.0	-1.9	1.9	1.9	
less PFI / IFRIC12		0.0	0.0	-0.3	0.3	0.3	
Net System Operating Capital before IFRS 16	32.9	39.4	40.2	44.3	-5.0	-4.1	-11.5
IFRS16	5.8	0.0	0.0	0.8	-0.8	-0.8	5.0
Net System CDEL	38.7	39.4	40.2	45.1	-5.8	-5.0	-6.5
National Capital	27.7	17.7	27.7	28.9	-11.2	-1.2	-1.2
Technical Adjustments		0.3	0.3	0.2	0.0	0.0	-0.2
Total Capital	66.4	57.4	68.2	74.3	-16.9	-6.1	-7.9

Milton Keynes University Hospital NHS Foundation Trust

Income & Expenditure

The Trust is reporting a surplus position of £0.1m to the end of March, which is favourable to plan by £0.1m. The in-month position is a surplus of £4.4m (favourable to plan by £4.8m).

MKUFT Income & Expenditure	Outturn (Subject to Audit)		
	Plan	Actual	Variance
	£000	£000	£000
Income	408,644	438,233	29,588
Pay	(267,064)	(279,028)	(11,964)
Non-Pay	(141,581)	(159,068)	(17,487)
SURPLUS / (DEFICIT)	(0)	137	137

The key drivers for the variances are:

- Income – Ahead of plan due to ERF overperformance, high-cost drugs, unbudgeted income for Community Diagnostic Centres (CDC) and Service Development Funding (SDF), offset by delivery costs.
- Employee Expenses (Pay) – £12m (4.5%) overspend in 24-25 due to temporary staffing in escalation wards and delivering elective care.
- Operating Expenses (Non-Pay) – Higher levels of drug and devices spend, supplies and services driven by high ERF and non-elective escalation areas.

Efficiencies

The Trust has delivered 100% of its planned efficiency programs.

MKUH Efficiencies	YTD - Month 12		
	Plan £000	Actual £000	Variance £000
MKFT - Recurrent	9,275	17,364	8,089
MKFT - Non recurrent	14,547	6,458	(8,089)
Total	23,822	23,822	0

Capital

The Trust closed the year with a £3m (13%) underspend against the system operating capital allocation, helping to support the overspend in BHFT to reduce the overall overspend against the total system capital allocation.

£m	MKUH Full Year						
	FY Capital allocation	Plan	Plan Plus Add Capital	Actual	Variance to plan	Variance to plan plus add Capital	Variance to CDEL Allocation
Gross Total System Operating Capital		22.9	27.1	28.1	-5.2	-1.0	
Total Disposals, Grants and Donations		-6.3	-6.3	-7.8	1.5	1.5	
less PFI / IFRIC12		0.0	0.0	0.0	0.0	0.0	
Net System Operating Capital before IFRS 16	20.1	16.6	20.8	20.3	-3.7	0.5	-0.2
IFRS16	2.9	2.9	2.9	-0.2	3.2	3.2	3.2
Net System CDEL	23.0	19.5	23.7	20.1	-0.5	3.6	3.0
National Capital	25.9	15.8	25.9	26.0	-10.3	-0.1	-0.1
Technical Adjustments		0.0	0.0	0.0	0.0	0.0	0.0
Total Capital	49.0	35.3	49.6	46.1	-10.8	3.6	2.9

Integrated Care Board

The ICB is reporting a £0.2m surplus at the end of Month 12. The table below shows the status against the key financial performance indicators for the year.

Performance Measure	YTD - Month 12		
	Target	Actual	Variance
Revenue Resource Limit	£2,483.3m	£2,483.1m	£0.2m ✓
Capital Resource Limit	£2.2m	£2.1m	£0.1m ✓
MHIS Expenditure	£180.5m	£180.7m	£0.2m ✓
Efficiency Savings	£27.1m	£34.0m	£6.9m ✓
BPPC	>95%	96%	1% ✓

NOTE:

On target or better = GREEN

<1% away from target = AMBER

>1% away from target = RED

The financial position by commissioning programme as at Month 12 is set out in the table below:

PROGRAMME AREA	YTD - Month 12		
	Budget £000	Actual £000	Variance £000
Acute Services	1,200,495	1,203,532	(3,037)
Mental Health Services	231,957	235,452	(3,494)
Better Care Fund	37,557	37,147	410
Other Community Services	164,159	165,829	(1,669)
Continuing Care Services	105,534	116,823	(11,289)
Primary Care Co-Commissioning	199,158	204,310	(5,152)
Pharmacy, Ophthalmic & Dental Co-Commissioning	98,115	97,146	969
Prescribing	160,816	167,356	(6,540)
Other Primary Care Services	32,631	33,226	(595)
Delegated Specialised Commissioning	200,139	196,087	4,052
Other Programme Services (incl. Reserves)	34,270	7,884	26,386
Total Commissioning Budget	2,464,831	2,464,793	38
Running Costs	18,484	18,357	127
Total ICB Net Expenditure	2,483,315	2,483,149	165

The key points to note at Month 12 are:

Income & Expenditure

The ICB is reporting a £0.2m surplus at year end (£0.7m deficit at M11), subject to audit, against a planned breakeven position. The position as at Month 12 by Programme is set out below:

- **Acute services** are reporting a £3.0m (0.3%) adverse position. This is partly driven by pressures relating to Associate contracts linked to over performance on drugs, devices and unbundled imaging, increased non-contracted activity and continued growth in demand for diabetes insulin pumps.
- **ERF performance** numbers up to month 9 for 2024-25 are reflected in the position together with local estimates for the remaining months. It is assumed that ERF over performance funding will be available to offset provider elective activity over performance. NHSE has placed a ceiling on ERF overperformance funding for the remainder of the year.

- Pressures in **mental health** services continue to relate to complex placement costs out of area or under s117 aftercare. Although reported as breakeven, significant pressures remain amongst mental health NHS providers. The Mental health Investment Standard (MHIS) target is £180.5m of which the ICB delivered £180.7m against the target.
- For **community services** the position has remained stable from the month 11 forecast at £1.6m (1%) above plan. This predominantly relates to an overspend of £1.5m on rehabilitation beds for acquired brain injuries and £0.3m on community D2A beds. There are also pressures in high-cost individualised children's care which are partially offset by benefits from under performance for MSK services in Luton and improvement in community equipment expenditure due to efficiencies at Place.
- The **continuing healthcare budget** has been rebased on last year's outturn plus growth. Month 12 has seen a continued deterioration in the position which is £11.3m (10.7%) overspent at month 12 (£9.1m at month 11). This overspend continues to be driven by high levels of activity and price pressures. The reporting method is based on forecast spend for contracted care packages. In the last few months there have also been high-cost appeals that have impacted on the position. These pressures are forecast to continue.
- The **delegated primary care** overspend relates to increased overperformance on the Primary Care Framework, higher than expected forecast delivery in the Quality and Outcomes Framework (QOF), as well as recognising the pressure on the GP delegated budget arising from the increase in GP list sizes, at a rate significantly higher than the allocation growth. The list size cost pressure is estimated to be £1.2m in-year. There are also pressures emerging on increased enhanced services costs, and practice dispensing fees. The contract inflationary uplifts are now finalised. The Additional Roles funding has now been fully received.
- The **pharmacy, ophthalmic & dental co-commissioning** position is reporting a year-end underspend of £1m (1%) (£360k under at month 11).
 - The dental budget is ringfenced for 2024-25, however Secondary Dental includes an additional allocation for ERF of £1.7m, this sits outside of the dental ringfence. At month 12 NHSE reduced the POD allocation by £1.5m which was the ICB forecast dental ringfence underspend at month 11. The Units of Dental Activity (UDA) for month 12 was higher than expected and this resulted in a £400k overspend against the ringfence.
 - Pharmacy data is two months in arrears; the current position is based on January YTD data and the previous year's run rates. In month 10 we received allocation for the overactivity in Community Pharmacy Contractual Framework (CPCF) along with allocation for Pharmacy First. This has resulted in a surplus at month 12 of £1.6m as the allocation was higher than the activity to date.
 - Ophthalmic was overspent by £0.3m at month 12 - the overspend relates to an increase in the number of sight tests and vouchers.
- **Prescribing** information is available to January 2025 and is running two months in arrears. Consequently, the current month's position and forecast includes a material judgement when estimating levels of accruals. The estimation is based on dispensing days in the year together with an assessment of anticipated risks from increased costs in Cat M and no cheaper stocks available.
- The ICB report includes £200m full year delegated budget for specialised commissioning. The outturn position of £4.1m (2%) underspend has improved from the £2.1m forecast at month 11 which relates to the further release of uncommitted contingency reserves into the position.

Capital

The ICB was allocated £1.7m with £1.2m spent on GP IT capital projects and the remaining £0.5m invested in improvements to Kempston Health Centre. A minor underspend occurred due to VAT recovered from prior year invoices.

The system also received a non-recurrent bonus of £0.5m in capital funding for meeting its control total in 2023-24 and establishing a balanced plan for 2024-25. This allocation supported the following three initiatives:

- Linden Road Practice Premises Improvement Grant
- Milton Keynes East development
- GP IT Further works

Efficiencies

The ICB is reporting delivery of £34m against a plan for a £27.1m efficiency programme, £6.9m (25.6%) more than planned. Additional schemes were developed in year through the Financial Recovery Group (FIG) to mitigate against overspends incurred in year.

Team	YTD - Month 12		
	Plan £000	Actual £000	Variance £000
Complex Care & Personalisation	1,179	1,511	332
Contracting	0	759	759
Corporate / Finance	2,500	2,500	0
Digital	118	118	0
Elective Delivery	1,400	2,047	647
Estates	374	374	0
Finance	0	5,197	5,197
Medicines Optimisation	8,560	13,300	4,740
MH & LDA	1,583	3,436	1,853
Primary Care	2,446	2,446	0
Quality & Safeguarding	1,807	1,807	0
Strategy & Assurance	0	19	19
Workforce	480	476	(4)
Unidentified	6,613	0	(6,613)
Total Efficiencies	27,060	33,990	6,930

The Investment Oversight Group chaired by CEO meets fortnightly. It has scrutinised the following:

- Vacancy control
- Proposed new investment.
- Planned spend not contractually committed.
- SDF plans and sign-off.
- Contract renewals.
- CHC/S117 Packages > £2.5k per week

Inter ICS NHS Financial Performance

4.4 Providers hosted outside the system, are reporting an overspend of £9.1m.

Surplus / (Deficit)	Outturn (Subject to Audit)		
	Plan	Actual	Variance
	£m	£m	£m
CNWL	0.0	0.1	0.1
ELFT	0.0	(9.3)	(9.3)
CCS	0.0	0.1	0.1
Inter ICS Providers	0.0	(9.1)	(9.1)

The key drivers for the variances are (*provider commentary*):

Central & Northwest London NHS Foundation Trust (CNWL)

CNWL concluded 2024-25 with a net underspend of £0.1m, comprising a £0.7m underspend in Milton Keynes Mental Health and a (£0.6m) overspend in Milton Keynes Community Health. This outcome aligns broadly with previous forecasts. While there are various over- and under-spends, the primary contributors to the overspend in MK Mental Health include:

- Complex placements,
- Increased PICU costs driven by greater complexity and Length of Stay (LoS), and;
- Higher temporary workforce expenses across medical and nursing roles (encompassing Community, CAMHS and Inpatient services).

These underlying risks persist due to continued rising complexity in inpatient wards, leading to increased enhanced observations and higher nursing costs.

For Community Health services, key cost drivers include:

- rising demand for community paediatrics, necessitating unfunded temporary medical support.
- heightened continence-related expenses and clinical consumables due to inflation;
- and increased costs for hearing aid devices to meet growing demand.

The financial position for 24-25 has been supported by one-off non-recurrent benefits, which have temporarily mitigated the full impact of underlying financial risks.

East London NHS Foundation Trust (ELFT)

The Trust reported an overspend of £9.3m in 2024-25. This is after the allocation of a non-recurrent funding mitigation of £2.8m for Adult Mental Health service line (Adult Mental Health Services £1.7m, CHS £3.1m, Primary Care £4.5m). Discussions related to the variance continue with the provider.

The adverse performance is predominantly driven by private beds, primary care, pay pressures from bank and agency staff to manage high levels of patient acuity and hard to recruit areas.

YTD key variances by area are detailed below:

- **Bedford Adult MH Service** is overspent by £0.45m driven by private beds (£1.2m) and an underspend on pay (£0.8m). This is mainly driven by Inpatient wards which have high acuity patients and enhanced observational needs.
- **Luton Adult MH Service** is overspent by £1.6m driven by private beds (£0.4m), medical pay (£0.2m) mainly temporary staffing agency premium and Inpatient services (£0.6m), driven by high acuity patients in Crystal and Poplars wards and enhanced observational needs. Utilities & estate overspend (£0.6m).

- **CAMHS and Talking Therapies (TT) Service** is underspent by £0.4m. There are a range of non-pay overspends against a pay underspend due to delay in recruitment for new Mental Health Schools Teams (MHST) and Talking Therapies (TT) investment.
- **Bedford Community Health Service** is overspent by £3.1m. The main cost driver is pay which is overspent by (£2.0m) mainly attributable to the home teams within the community settings where there is high agency usage arising from increased activity levels and high vacancy levels. Non-pay overspent on continence products (£0.5m), wheelchair (£0.25m) and number of small overspends in a range of areas.
- **Primary Care** is overspent by £4.5m driven by pay largely due to the use of high-cost medical agency staff, and an over-establishment of staff.
- **Specialist Services (CAHMS)** and Talking Therapies (TT) are £0.4m underspend with a range of non-pay overspends offset with pay underspend.

Cambridgeshire Community Services NHS Trust (CCS)

The position shown above includes a £0.1m surplus position on the BLMK contract.

CCS did not provide further commentary on their financial position.

Service Development Funding (SDF)

- 4.5 As a system, BLMK received SDF funds during the year to support NHSE priorities linked to the NHS Long Term Plan. The table below shows the amount of funding received totalling £65.2m, £2m (3%) of this was uncommitted. One of the measures included in the revised plans for the second half of the year is the use of uncommitted SDF to support the bottom line and some of the uncommitted funds are being retained for this purpose.

Programme	Total Allocations £000	Committed £000	Uncommitted £000
Primary Care	19,151	18,601	550
Mental Health	19,088	18,678	410
Ageing Well	1,327	1,323	4
CYP	927	837	90
Cancer	6,548	6,091	457
Digital	946	946	-
Diagnostics	9,257	9,257	-
LD & Autism	2,283	2,283	-
Maternity	1,536	1,492	44
Personalised Care	126	126	-
Prevention	1,891	1,635	256
Innovation	30	30	-
Other SDF/Other pressures	2,121	1,958	163
TOTAL SDF	65,231	63,257	1,974

Workforce – Agency Cap Compliance

- 4.6 A cap on agency spend has been introduced by NHS England. The maximum spend for BLMK is £26m. This is not applied to individual organisations, but the combined intra ICS NHS partners. The table below shows that at the end of 2024-25 spend was £2.1m (8.2%) above the pro-rata cap, BHFT contributes 70% of this overspend and 30% from MKUH. The variance is driven by continued use of contingency areas, additional hours carried out to reduce elective backlogs, industrial action and escalation across both Trusts.

Agency Spend	Outturn (Subject to Audit)		
	FOT	Cap - pro rata	Variance
	£000	£000	£000
Bedfordshire Hospital NHS FT	19,307	17,815	(1,492)
Milton Keynes NHS FT	9,078	8,426	(652)
Total	28,385	26,241	(2,144)

Financial Positions of Local Authorities

4.7 Additional details regarding the financial positions of Councils can be found in the sources listed.

Annex – Financial Position of Local Authorities

Bedford Borough Council

The latest report represents the revenue monitoring information for the period **1 April to 30 December 2024**. The forecast variance set out in this report reflects that services are being delivered against a backdrop of significant demand related pressures, particularly within Adult Social Care and Temporary Accommodation.

Adults' Services – £2.1m overspend:

The forecast variance within Adult Services primarily relates to external care package costs with a net forecast overspend of £1.5m across all external packages. This is due to higher package costs seen via an increase in levels of need as well as packages no longer eligible for Continuing Healthcare (CHC) funding, increases in the average number of hours for home care packages, higher spot purchase prices and increased client numbers in supported living. This is a reduced overspend from that reported in September 2024 due to the allocation of a corporately held provision for inflation of £0.6 million and a review of the allocation of grant funding within the service.

Children's Services – £2.8 underspend:

There is a forecast underspend on Looked After Children Placements of £2.8m. This is mainly due to a lower number of children in residential, secure and semi-independent living placements along with a lower average weekly cost per placement, than that budgeted. This is partially offset by an overspend in unregistered placements.

There is a forecast overspend of £1.3m of employee costs across the Directorate primarily due to Agency staff being utilised to cover vacant Social Worker posts. Revised agency regulations in relation to Assessed and Supported Year in Employment (ASYE) for Social Workers came into force on 31 October 2024 and regionally revised agency rates have been agreed, which should reduce the level of staff turnover, the impact of this is being monitored. Alongside this, the service is working on transitioning several agency staff into permanent contracts. There is also a forecast underspend of £1.0m related to home to school transport. This results from a retendering of all routes which has seen a reduction in the number of routes required, and a reduction in the average cost per pupil for the mainstream and SEND provision.

The Dedicated Schools Grant (DSG) currently has a net forecast deficit position of £1.2m. This is made up of a High Needs block deficit of £1.7m, School Block reserve of £0.5m, Central Services Block of £0.1m and Early Years deficit of £0.2m. Whilst a deficit is currently showing in Early Years, it is expected that the

Autumn Term allocation adjustment in March 2025 will improve this position. The High Needs deficit is due to growth in the number of Education and Health Care Plans (EHCP's) and complexity of need causing a pressure on top-ups, targeted SEN support and placements in independent and alternative education due to lack of available places locally or in special schools. A statutory override is in place, which allows the DSG to carry a deficit that is not charged to the general fund. The statutory override is due to expire 31 March 2026. The sector is waiting for a response from Government on a way forward.

Environment – £4.5m overspend:

The primary reason for the overspend in the Environment Directorate is related to Housing which is forecast to overspend by £3.8m. This is due to an unprecedented demand for temporary accommodation.

Chief Executives, Corporate Services and Finance – £0.4m overspend:

Asset and Estate management has a forecast overspend of £0.2m due to additional costs of annual repair and maintenance contracts, increased costs of cleaning contracts, expected costs related to the Kempston Hub and income related to mineral and waste royalties and service recharge for the i-brand buildings. This is partially offset by increased commercial rent income. Following the approval of a Repairs and Renewals Scheme within the Capital Programme, work is ongoing to identify existing costs that can be funded from the capital, this will bring the Property Service into an underspend position.

The remaining overspend across the service area is largely related to the use of agency staff to cover vacancies.

Public Health – £0m over/underspend:

The Public Health service is funded by a grant of £9.7m, with any surplus held in the Public Health Reserve for use in future years. There is a planned use of reserves within 2024-2025 of £0.7m for specific projects, along with a contribution to the Public Health reserve of £0.3m giving a forecast net reduction of the reserve of £0.4m. A review is ongoing to identify any current spending within the Authority that meets the criteria of the Public Health grant in order to help towards mitigating the overspend position.

Financing – £0.4m underspend:

Financing has a forecast a net underspend of £0.4m. The gross underspend within Financing equates to £3.1m, as set out overleaf:

£0.6m underspend due to the centralisation of discretionary spend budgets from directorates; The release of £0.5m from the corporate contingency budget and the release of £0.7m from other contingency budgets; The release of £0.8m from the £0.9m balance retained corporately from the additional £1.3m funding support package awarded as part of the Final Local Government Settlement; The anticipated receipt of £0.3m additional grant in respect of the authority's share of the national surplus levy account, as announced in the 2025-2026 Provisional Settlement (December 2024); Other savings of £0.3m, predominantly in respect of historical pension contributions being below the budgeted level and additional grant in respect of the Redmond Review; adoption of the revised Minimum Revenue Provision (MRP) policy by Full Council on 5 February 2025 resulting in a reduction in the overall MRP forecast of £1.4m.

The table below summarises the budgetary position relevant to each Directorate:

Budget Forecast as at 31 December 2024	Current Budget	Forecast Outturn	Forecast Variance
	£ million	£ million	£ million
Adult Services	64.657	66.794	2.137
Children's Services	50.280	47.487	(2.793)
Chief Executive's, Finance & Corporate Services	22.893	23.288	0.396
Environment	40.440	44.914	4.474
Public Health*	0.000	0.000	0.000
Operational Net Cost	178.269	182.484	4.215
Financing	(8.031)	(8.399)	(0.368)
Total	170.238	174.085	3.847

Mitigating actions have already been taken by Directorates to respond to the forecast overspend and these are identified above. Further actions have been taken to reduce costs and defer costs and generate additional income in the revenue budget. A separate exercise to review and reprofile the Capital Programme with a view to reducing borrowing costs in year has also taken place and is reflected in the current Capital Programme. Further consideration is being given to identify actions to bring the budget in line by the end of the financial year that mitigate the impact on front line services, in consultation with Portfolio Holders.

(Public Pack) Agenda Document for Budget and Corporate Services Overview and Scrutiny Committee, 13/03/2025 18:30

Central Bedfordshire Council

Revenue Budget Monitoring Q3 (December) 2024/25

The Executive Member for Finance and Highways introduced the report which set out the forecast outturn position against the approved budgets for 2024/25 (Revenue) as at the end of December 2024. In light of the report, the Committee discussed the following in summary:

- The gross overspend of £6.9m before the release of the contingency budget, the contingency of £6m, resulting in a nett overspend of £0.9m, with Children's Services and Adult Social Care being the two main areas of overspend.
- The additional emerging pressure of £1m on Adult Social Care in Community Assessments, reflected in the budget for 2025-26.
- The total efficiencies of £24.9m in the budget for 2024-25 to be delivered, including those efficiencies realised by Quarter 3, those scheduled for delivery as planned, those provided through permanent compensatory measures and the shortfall from those not delivered.
- The request for more comprehensive breakdown to be included in future reports regarding efficiencies, which the Director of Finance agreed to provide.
- The use of reserves to ensure the legal requirement of a balanced budget at the end of the financial year.
- That the three main areas of use of the reserves related to insurance, redundancy and the Local Council Tax Scheme reserves.
- The comprehensive review being undertaken of all IT activities including minimising expenditure and recruitment, with the limited resources being concentrated on tasks that delivered the highest value outcomes, and the realignment of IT spend with the resources available.

- The transfer of Educational Transport to the Place and Communities Directorate, and the data, intelligence and systems now in place to increase the oversight of the factors contributing to the costs and continued overspend in this specific area.
- That the £6m of delivered efficiencies in Corporate Costs were due to sources of income such as New Homes Bonus.
- The request for a price volume analysis of the Home to School Transport average costs to evidence if route optimisation was effective in reducing costs, which the Director of Finance agreed to feedback to the relevant officer.
- The improvements being made around late invoicing from external organisations, including the implementation of better forecasting of commitments.
- The comprehensive review being undertaken by the Monitoring Officer to look at the drivers for legal spend, including the pursuit of tribunals and the associated costs.
- The overview taken at the financial year end of the potential outstanding litigations against the Council and the creation of provisions if necessary.
- The allocation of funding in the Medium-Term Financial Plan Capital Schemes for 2025/26 for the Flood Alleviation Programme and Pix Brook bridges and flood works. In addition, claims had been made for funding from the Bellwin Scheme and national flood defence schemes.

Full meeting pack - Corporate Resources Overview and Scrutiny Committee.PDF

Luton Borough Council

The **2024-25 Q3** Revenue and Capital Monitoring Report was presented to the executive on 3rd March 2025.

COMMITTEE REF:

Extract from report:

At Q3 the overall General Fund projected net revenue outturn position for Core Services is £12.3m (£13.5m Q2) (Table 1 below) overspend against its £167.3m approved revenue budget. The gross core service deficit before the delivery of DRP savings (£4.9m), application of corporate items and release of contingency amounted to £17.1m. This overall overspend position is largely due to the following:

- £1.8m (£1m Q2) forecast overspend in Supported Living Accommodation Costs due to increase in number of vulnerable residents requiring additional support in addition to the accommodation costs.
- £2.2m (£2.1m Q2) forecast overspend in Children, Families and Education services, which is a variation of £0.2m from Q2. £1m overspend in Children's transport budgets which is mainly in SEN transport including Post 16 out of borough SEN college transport. Further shortfall of £0.6m in schools traded income mainly in education psychology and behaviour teams.
- £1.1m overspend on home care, direct payments and shared care services for children with disabilities and £0.9m overspend on Looked After/Non-Looked After Children placement costs resulting from increased spend on Agency foster placements and Special Guardian Support Costs. An additional government grants mainly Supporting families grant of £1.5m received in year to offset overall pressures. Compared to Q2, increased overspend was reported in staff travel costs and the running costs of Horizon Hall.
- £8.1m (£6.5m Q2) overall forecast overspend in Adult Social Care services mainly in the purchased care service as a result of a combination of growth from transition placements and increases in home care and residential care and significantly supporting living placements.
- £4.4m (£4.3m Q2) forecast overspend in Housing mainly due to an increase in the number of Bed and Breakfast and nightly paid accommodations.
- Inclusive Economy reported net underspend of £2.8m (an improvement of £2.4m from Q2) largely attributed to staffing costs underspend. This demonstrates the recruitment challenges faced by the department. A department wide review of all vacant posts has been undertaken to understand the challenges and to support positive action for recruiting or repurposing budgets to support recruitment. The 2024/25 budget also included inflationary increases of £1.2m, of which £1m was included for the

waste contract. A new waste contract commenced in October 2024, although invoicing problems have been experienced which has affected the ability for accurate forecasting

- Despite the delivery of Deficit Recovery Plan savings of £4.8m, it is a huge challenge to achieve the position of a balanced, affordable and sustainable budget at year end. Growth of £3.8m has already been incorporated in this budget but the increasing budget pressures in the areas mentioned above are worsening the overall outturn position. There is an immediate need to make every effort to contain any overspend within budget and not to commit any unfunded growth or costs in order to limit the use of reserves in the future.
- At budget setting time, an earmarked transformation reserves of £3.7m(approved) was set up to cover spend on transformation projects during the transition period while efficiency savings are being developed and delivered. At Q3 there is forecast spend of £1.6m against this specific reserve. The costs are mainly in relation to the council's external transformation partner (Human Engine) plus additional resources engaged: one to assist with modelling and the HRA 30-year business plan and the other to provide support to the finance team to ensure that transformation proposals are robust and deliverable, and co-ordinate the financial tracker, risk and reporting.
- The Table below shows the overall outturn position by Department.

Overview of General Fund Provisional Outturn 2024-25	Q3 Variations(Favourable)/Adverse						
	Current Budget £'000	Projected Outturn £'000	Base Costs / Income Variations before DRP £'000	DRP Planned/ delivered in 2024-25 £'000	Base Costs / Income Variations £'000	Q2 Base Costs / Income Variations £'000	Net Variations between Q3 and Q2 £'000
General Fund Departments							
Airport	-76	-76	0	0	0		
Chief Executive's	14,267	16,820	2,553	1,091	1,462	1,242	220
Children Families & Education	75,370	78,727	3,357	1,119	2,238	2,075	163
Inclusive Economy	52,855	50,407	-2,448	353	-2,801	-368	-2,433
Population Wellbeing	69,463	83,119	13,656	2,250	11,406	10,571	835
Total Services at Q3	211,879	228,997	17,118	4,813	12,305	13,520	-1,215
General Contingencies	6,237	1,537	-4,701		-4,701	-4,685	-16
Env. Agency Levy & General Grants etc.	-15,378	-15,378	0		0	0	0
Borrowing Costs & Treasury Man.	16,137	13,568	-2,569		-2,569	-2,061	-508
Interest on Investments	-42,270	-41,973	297		297	558	-261
Capital Financing	-13,765	-14,165	-400		-400	0	-400
	-49,039	-56,411	-7,373	0	-7,373	-6,188	-1,185
Sub Total prior to transfer to/from Reserves	162,841	172,586	9,745	4,813	4,932	7,332	-2,400
Transformation Reserves	3,740	3,740	0		0	0	0
Other Specific Reserves	787	787	0		0	0	0
Total General Fund Overspend at Q3	167,368	177,113	9,745	4,813	4,932	7,332	-2,400

Milton Keynes Council

Q2 Forecast outturn reported to Budget and Resources Scrutiny Committee on 4th December.

[P6 Forecast Outturn Report.pdf](#)

Extract:

This report sets out the **2024-25 quarter 2 (QTR) forecast outturn** for the General Fund (GFRA); Dedicated Schools Grant (DSG); Housing Revenue Account (HRA) and Capital Programme; based upon income and expenditure as at 30 September 2024.

General Fund Services currently forecast an overspend of £6.5m which has partially been offset by £3.4m of one-off funding to give a net overspend of £3.1m. The overspend is mainly due to high-cost external residential placements in Children Services.

Further savings have been identified which have not yet been included in budget manager forecasts and other 'windfalls' have been identified. If all of these are added into the forecast the overall gap reduces to £0.9m.

The Housing Revenue Account (HRA) forecast outturn at P6 is an underspend of (£3.0m), which will be offset by an increase in the planned level of Revenue reserves.

Public Health budget is forecasting a contribution to the Public Health reserve of £0.1m.

The Dedicated Schools Grant (DSG) is forecasting a reduced position with an estimated surplus carry forward £6.1m rather than estimated budgeted surplus of £6.5m.

The Capital Programme is reporting an underspend of (£17.7m), of which £18.0m is planned to slip to later years, leaving an in-year overspend of £0.2m.

Table 1 – General Fund Revenue Account (GFRA) Summary

General Fund High Level Revenue Summary	P6 Position				Movement since P3	
	2024/25 Full Year Budget	Outturn	Variance	% variance	Forecast Outturn P3	Movement since P3
Service	£m's	£m's	£m's	%	£m's	£m's
Adult Social Care	111.792	110.734	(1.058)	-0.9%	0.117	(1.175)
Public Health	12.861	12.861	0.000	0.0%	0.000	0.000
Children's Services	61.080	70.464	9.384	15.4%	10.525	(1.141)
Customer and Community	8.912	8.473	(0.439)	-4.9%	(0.251)	(0.188)
Planning and Placemaking	3.215	3.019	(0.196)	-6.1%	(0.030)	(0.166)
Environment & Property	74.445	73.879	(0.566)	-0.8%	(0.268)	(0.298)
Resources - Retained MKC	6.296	5.745	(0.551)	-8.8%	(0.235)	(0.316)
Resources - Shared Services	0.134	0.134	0.000	0.0%	0.000	0.000
Law & Governance	2.697	2.591	(0.106)	-3.9%	(0.057)	(0.049)
Corporate Codes & Debt Financing	13.276	9.884	(3.392)	-25.5%	(2.985)	(0.407)
Assets Management	(26.030)	(26.030)	0.000	0.0%	0.000	0.000
General Fund Requirement	268.678	271.754	3.076		6.816	(3.740)
Total Financing	(268.678)	(268.678)	0.000		0.000	0.000
Net Surplus / Deficit	0.000	3.076	3.076		6.816	(3.740)