

REPORT TO: CITY GOVERNANCE COMMITTEE – 22ND APRIL 2024

REPORT ON: REVENUE MONITORING 2023/2024

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 198-2024

1 PURPOSE OF REPORT

1.1 To provide Elected Members with an analysis of the 2023/24 projected revenue outturn as at 31 January 2024 and the impact on the Council’s overall balances position.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee:

- (a) note that as at 31 January 2024 the General Fund is projecting an overall overspend of £2.240m against the adjusted 2023/2024 Revenue Budget and the impact this has on the projected Council’s General Fund Balances;
- (b) note the budget adjustments totalling £20.210m and detailed in second column of Appendix A as virements to the previously approved Revenue Budget;
- (c) note that as at 31 January 2024 the Housing Revenue Account (HRA) is projecting an overspend of £4.200m against the adjusted HRA 2023/24 Revenue Budget and the impact this has on the element of the projected Renewal & Repair Fund balance earmarked to HRA;
- (d) note the position on ring-fenced grants expenditure outlined in Appendix B;
- (e) note the key strategic, operational and financial risks being faced by the Council outlined in Appendix C; and
- (f) notes the current position in relation to Leisure and Culture Dundee (LACD), as set out in paragraph 7.3.

3 FINANCIAL IMPLICATIONS

3.1 The unallocated portion of the General Fund as at 31 January 2024 is projecting an overspend of £2.240m against the adjusted 2023/24 Revenue Budget. The impact this would have on the Council’s General Fund Balances is outlined below:

General Fund	Opening Balance 1 April 2023 £000	(Surplus) / Deficit for the Year £000	Transfers (In) / Out £000	Projected Balance 31 March 2024 £000
Earmarked Carry-forwards*	5,962	1,875		4,087
Children Services pressures	4,300	4,300		0
Organisational Change Fund	2,532	109		2,423
Covid cost related pressures*	14,647	2,481		12,166
Covid recovery measures	1,280	875		405
Service change initiatives	5,000			5,000
Roof Remedial Works	3,707	1,163		2,544
Inflationary Pressures	3,800	3,087	500	213
Cost of Living pressures			(500)	500
Contribution to 2023/24 budget	1,750	1,750		0

Other earmarked Funds	4,443	788		3,655
Total earmarked funds	47,421	16,428	0	30,993
Unallocated Balance	9,226	2,240		6,986
Total General Fund	56,647	18,668	0	37,979

* These balances will be drawn down as required.

- 3.2 At the meeting of CoSLA leaders on 3 November 2023, it was agreed to implement the LGE pay offer made on 21 September 2023 in two phases. Phase 1 was applied to salaries in November 2023, backdated to 1 April 2023. Phase 2 was applied to salaries in January 2024, backdated to 1 April 2023. The estimated cost of Phase 1 of £8.648m and Phase 2 of £1.052m, as detailed below, is met from the contingency budget and reflected in the report.

Service	Impact of 2023/24 Pay Award Phase 1 £000	Impact of 2023/24 Pay Award Phase 2 £000	Total Impact of 2023/24 Pay award £000
Children & Families Service	3,530	164	3,694
City Development	862	80	942
Neighbourhood Services	1,702	201	1,903
Chief Executive	100	29	129
Corporate Services	1,614	408	2,022
Subtotal	7,808	882	8,690
Dundee Health & Social Care Partnership	840	170	1,010
Total	8,648	1,052	9,700

- 3.3 The Scottish Government operate the Bellwin Scheme as emergency funding arrangements for local authorities to fund any response to emergencies or disasters. Under the terms of the scheme, a claim can be made if eligible losses exceed the annual threshold level set by the Scottish Government, which for Dundee City Council is £753,196. This means that the first £753,196 of eligible losses incurred during 2023-2024 will be met from existing resources. £0.063m of revenue costs in relation to responding to recent storms are included with service outturns, for the current financial year these are below the above threshold.

Further application has been made to claim costs that will be required for works attributable to Storm Babet that cannot be completed within the timescale to be eligible for Bellwin funding. However, the Scottish Government will only fund emergency works undertaken in the immediate aftermath of the storm and further capital works that the Council needs to undertake will need to be met from the Capital Plan.

The Scottish Government has established a Ministerial Workforce in response to the Storm Babet and additional funding of £0.221m has now been provided to individuals and business directly affected by the flooding.

- 3.4 Based on the financial information available as at 31 January 2024 the HRA outturn position for 2023/24 is projecting an overspend of £4.200m. Further details are provided in section 8 of this report.

4 BACKGROUND

- 4.1 Following approval of the Council's 2023/24 Revenue Budget by the Policy and Resources Committee on 23 February 2023, this report provides the projected revenue outturn position as at 31 January 2024, against the adjusted 2023/24 Revenue Budget.

- 4.2 The total 2023/24 Revenue Budget is £423.963m. For revenue monitoring purposes, the Council Tax Reduction Scheme budget of £14.072m is moved from expenditure to income and netted off against Council Tax income. This results in total budgeted expenditure of £409.891m for revenue monitoring purposes, as set out in Appendix A.
- 4.3 This report provides a detailed breakdown of service revenue monitoring information along with explanations of material variances against adjusted budgets. Where services are projecting a significant (underspend) or overspend against adjusted budget, additional details have been provided. Where service expenditure is on target and no material variances are anticipated, additional information has not been provided.
- 4.4 The forecast position is shown in more detail in the appendices to this report, as follows:

Appendix A shows the variances between budget and projected outturn for each service of the Council.

Appendix B shows the financial performance against ring-fenced funding to date.

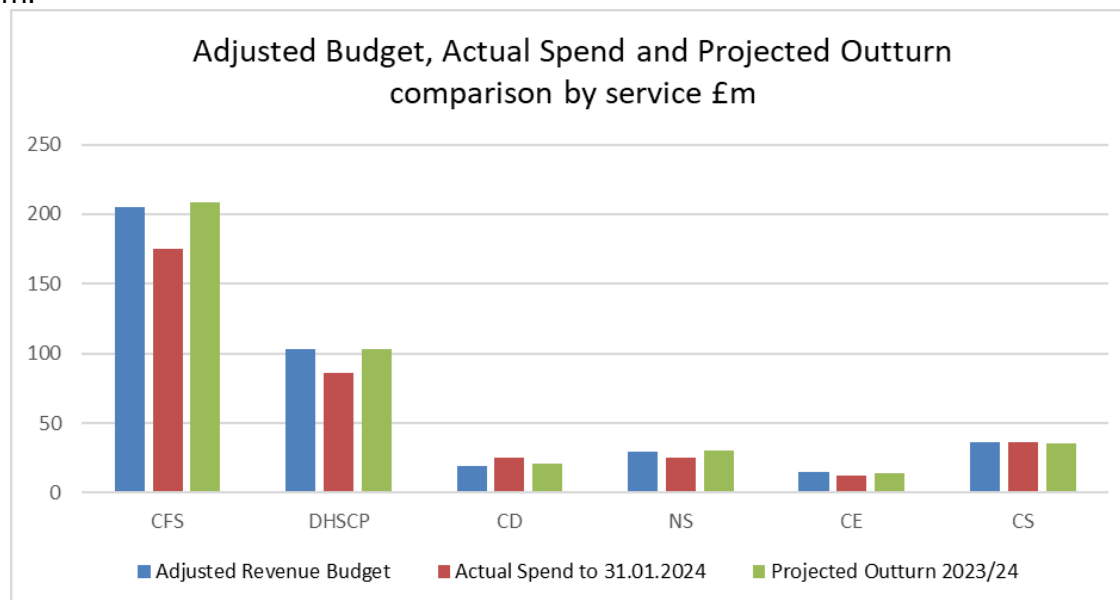
Appendix C lists the key strategic, operational and financial risks being faced by the Council.

5 GENERAL FUND SERVICES - MONITORING POSITION AS AT 31 JANUARY 2024

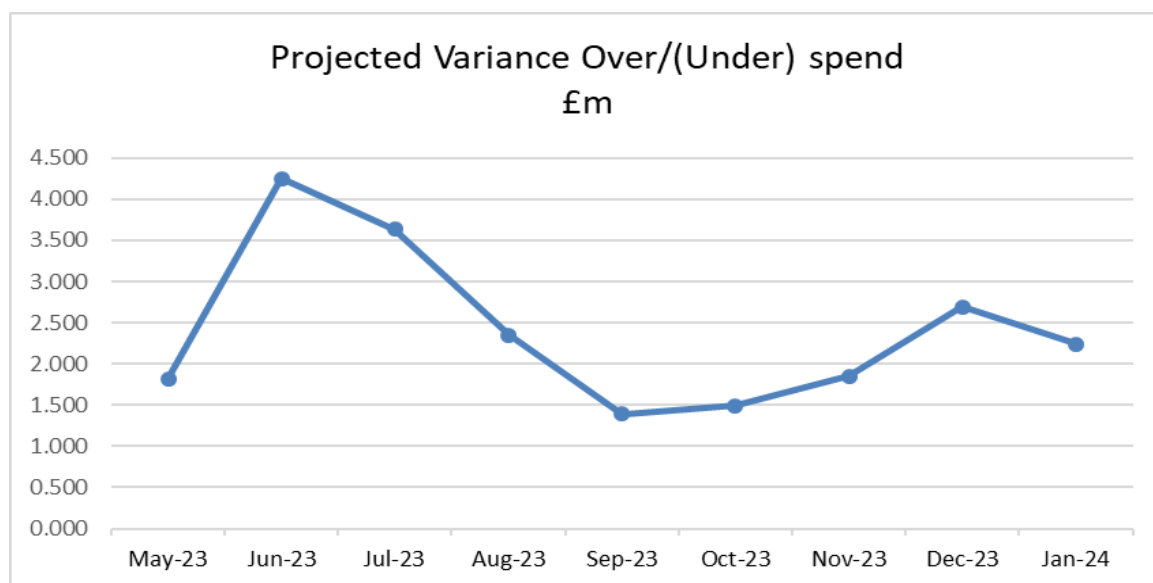
- 5.1 The forecast position as at 31 January 2024 for General Fund services is summarised below.

	(Under)/ Over Spend as at 31 January £m	(Under)/ Over Spend as at 31 December £m	Movement (from previous month) £m
Net Expenditure	3.925	4.354	(0.429)
Sources of Income	(1.684)	(1.665)	(0.019)
Net over/ (underspend) on unallocated portion of General Fund	2.240	2.689	(0.449)

The graph below details the comparison between each service's actual spend and projected outturn.



The graph below shows the projected variance over the reported periods.



5.2 The table below details the key factors which contributed to the movement from previous month.

	£m
Amounts available within budgeted pay pressures contingency to support pay award were previously over estimated	0.862
Additional income within Children and Families service relating to SEN Recoveries	(0.256)
Increase in projected overspend in supplies & services within Neighbourhood Services, mainly due to anticipated expenditure on Bed & Breakfast accommodation	0.160
Projected underspend in third party payments within Neighbourhood Services relating to additional funding for Ukrainian Resettlement, which will be required in 2024/25	(0.922)
Projected increase in fleet vehicle hire costs	0.113
Projected underspend in supplies and services within Chief Executive	(0.107)
Increase in projected underspend in staff costs within Corporate Services	(0.299)
Additional income from various sources within Neighbourhood Services	(0.098)
Decrease in projected underspend in Capital Financing Costs	0.135

6 DETAILED ANALYSIS

The following paragraphs summarise the main areas of variance by service along with appropriate explanations. These figures reflect movements for the full year to date.

6.1 Children & Families Services: £3.142m overspend

	£m
Children's Services third party payments due to a higher than anticipated number of children who have been placed into secure care of £1.556m (after applying reserves of £4.3m). The overspend is offset against additional grant funding for unaccompanied asylum-seeking children of £0.606m	0.950
Projected overspend in staff costs (teacher's element £0.942m and LGE £0.512m element) partially offset by savings arising from industrial action	1.454
PPP unitary charges (reflecting greater RPI than budgeted)	0.450
Projected overspend in early years payments to private providers	0.210
Projected overspend on energy costs	0.579

Less: Planned transfers from earmarked reserves to meet energy pressures	(0.579)
Projected overspend in property costs due to rates anticipated to be higher than budget	0.161
Projected overspend in other property costs due to increased cost for repair and maintenance in schools	0.358
Projected overspend in transport costs mainly relating to pupil transport	0.296
Income received in respect of Ukrainian Refugees expenditure already incurred	(0.135)
Additional income from SEN, departmental recharges, early years childcare fees	(0.520)

Third party payments for placements within Children Services remain a significant cost pressure although the service is implementing a plan to reduce these costs.

6.2 Dundee Health & Social Care Partnership: Breakeven

The latest Financial monitoring report presented to Dundee IJB projects an overspend of £3.528m for 2023/24 (utilising actual info to end February), with this information presented to Dundee IJB at its meeting on 17th April 2024. This projected overspend continues to exceed 2023/24 IJB Financial Plan where up to £3m has been identified and set aside in IJB Reserves to cover the anticipated shortfall. However, when taking account of winter demand pressures which allows for utilisation of further £1m identified IJB Reserves, the overspend is anticipated to be fully funded from earmarked reserves.

DHSCP is continuing to respond to significant operational challenges in demand and demographics (notably in Care at Home provision to help mitigate against hospital delayed discharges and reduce social care unmet need), and in particular staffing challenges (both recruitment and retention, sickness absence and premium cost of back-fill cover), complexity of needs in community settings, and the wider impact of deferred treatments on health and wellbeing following the pandemic period, all of which have impacted on the financial position for 2023/24. However prescribing volume and pricing growth hasn't materialised at high levels as anticipated and the investment identified in 23/24 budget setting hasn't been fully required, resulting in an offsetting underspend in this area. Operational managers and finance team continue work to explore ways of mitigating the overspend through efficiencies, cost reduction, transformation and savings opportunities against current year and recurring budgets.

Under the risk sharing arrangement reflected in the Integration Scheme, the Integration Joint Board (IJB) retains any underspend within its reserve balances for investment in integrated health and social care services in future years. Sufficient Reserves are held by Dundee IJB to cover the projected 2023/24 shortfall therefore there is no additional contribution requirement or financial risk forecast in 2023/24 for Dundee City Council.

6.3 City Development: £1.649m overspend

	£m
Anticipated health and safety repair costs within Dundee House, City Square and DCC operational properties and additional security measures	0.617
Projected underspend in staff costs due to vacancies	(0.123)
Projected overspend on energy costs, including Street Lighting	1.235
Less: Planned transfers from earmarked reserves to meet energy costs pressures	(1.235)
Projected increase in fleet costs	1.065
Shortfall in income generated from Building Warrants	0.342
Projected overspend on winter maintenance	0.499
Projected underspend against No None Left Behind Employability Funding	(0.236)
Projected overspend in third party payments for roads maintenance and Dundee Science Centre mainly due to inflationary costs increase	0.113
Forecasted shortfall in income from off-street car parking	0.745

Less: Planned transfers from Covid earmarked reserves to meet associated loss of income	(0.745)
Increase in projected rental income from commercial property portfolio	(0.497)
Projected increase in income from planning applications	(0.144)

6.4 Neighbourhood Services: £0.338m overspend

	£m
Mainly reflects that additional income expected to be gained from excess revenue share for the waste to energy contract has not materialised partly due to falling energy prices	1.461
Less: Planned transfers from earmarked reserves to meet energy and inflationary pressures associated with waste to energy plant.	(1.273)
Increased property costs relating to additional expenditure on network flats, lost rents and repairs and maintenance	0.866
Projected overspend within supplies and services, mainly due to anticipated expenditure on Bed & Breakfast and additional removal costs	0.856
Income from recharges, additional service charges and Housing Benefit income from temporary accommodation	(1.548)
Increase in fleet hire charges forecasted to be higher than budget. The fleet overspend is mainly attributable to increased, unbudgeted fleet charges.	0.648
Streetscene & Land Management: income mainly from projects, interment fees and ground maintenance activities are forecasted to be lower than budgeted	0.602
Shortfall in income generated from waste management	0.156
Additional income from the NHS and staff recharges	(0.148)
Anticipated staff cost underspend due to vacancies	(0.342)
Projected underspend in third party payments, relating to additional funding for Ukrainian Resettlement, which will be required in 2024/25	(0.922)

6.5 Chief Executive: (£0.208m) underspend

	£m
Projected underspend in staff costs due to vacancies	(0.096)
Projected underspend in supplies and services, mainly due to project-related underspends.	(0.131)

6.6 Corporate Services: (£0.595m) underspend

	£m
Projected underspend in staff costs due to vacancies and action taken to postpone recruitment process	(0.703)
Projected overspends in supplies & services expenditure mainly due to increased costs of Computer Hardware, Software and Licences	0.339
Projected additional income mainly relating to estimated Superannuation Fund recharge, additional government funding and other internal recharges, offset by income shortfall in relation to the ongoing closure of the Underground Garage	(0.402)
Projected overspend in third party payments	0.113

Members should note that £0.288m of pressure for Scientific Services has been funded from earmarked reserves and is therefore not reported as a budget variance above.

6.7 Construction Services: £0.570m overspend

	£m
Projected net shortfall in the recovery of fixed and indirect overheads largely due to a reduction in productive hours that has been partly impacted by industrial action earlier this year and staff absence levels being greater than anticipated	0.320
One-off set up costs associated with the implementation on total mobile repairs management system	0.250

6.8 Contingencies: (£0.662m) underspend

	£m
Corporate provision set aside for pay pressures that is no longer required	(0.500)
Projected underspend on general contingencies	(0.162)

6.9 Capital Financing Costs: (£1.159m) underspend

	£m
Savings due to slippage in 2022/23 capital programme resulting in lower loan repayments in 2023/24 and deferral of any new long-term borrowing until later in the financial year	(1.159)

6.10 Council Tax: (£1.684m) underspend

	£m
Projected over-recovery of Council Tax income	(1.354)
Projected underspend on Council Tax Reduction	(0.330)

6.11 Bad Debt Provision: £0.647m overspend

	£m
Projected increase in bad debts in the year mainly due to an increase in old debt, including unpaid commercial rent	0.647

6.12 Miscellaneous Items: (reduced income £0.193m)

	£m
Reduction in Tayside Contacts' distributable surplus	0.193

7 ONGOING ACTIONS

7.1 This report identifies projections based on the first 10 months of the financial year. This is the last revenue monitoring report for the current financial year that will be presented to the committee.

7.2 Council-wide initiatives are underway to help manage existing and emerging cost pressures. These include reviewing the requirements for overtime working, a focus on absence rates and increased vacancy control over the remainder of the financial year. There is an ongoing review of discretionary spend and other opportunities for efficiencies and budget savings.

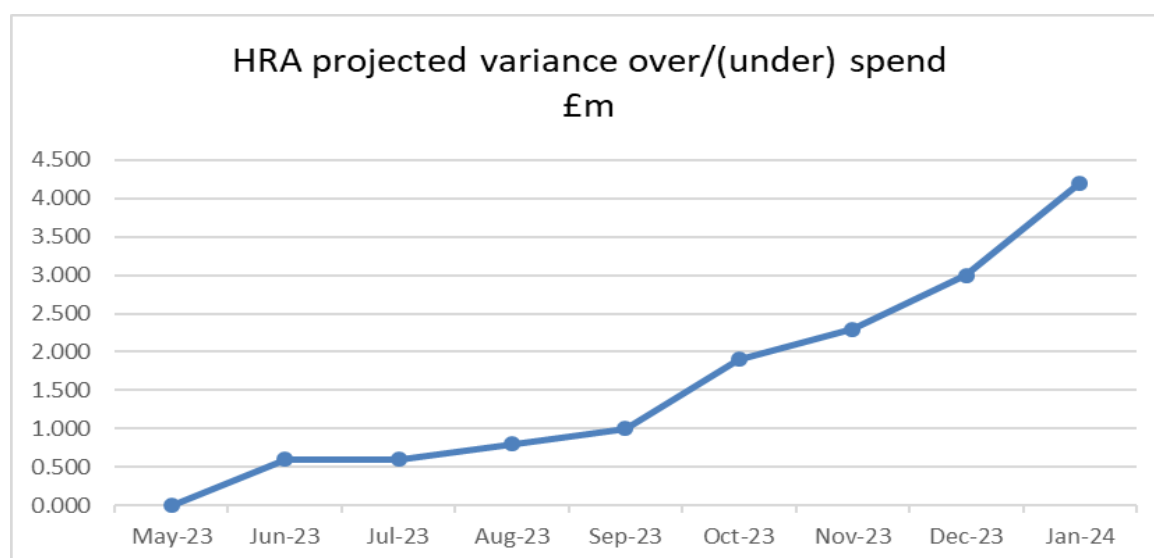
- 7.3 In October 2022 the Council agreed to authorise the Chief Executive to issue a letter of comfort to Leisure and Culture Dundee confirming the Council's continuing financial support in financial year 2022/23 and for a period of at least 12 months beyond the date of the signing of Leisure and Culture Dundee's 2021/22 accounts whilst setting out an expectation that from 2023/24 Leisure and Culture Dundee will operate with a balanced budget (Article III of the minute of Policy and Resources Committee on 31 October 2022 refers). Leisure and Culture Dundee have been provided with additional financial support of £2.914m over the past two years to mitigate the impact of Covid 19 with the expectation that this support will cease this year. The expected cost of financial support to LACD for 2023/24 of £1.586m will be met from Covid earmarked reserves. To provide certainty, stability and time for Leisure and Culture Dundee to develop a balanced budget from 2024/25 onwards the Council further agreed (Article VI of the minute of the meeting of City Governance on 21 August 2023 refers) to extend this support to 31 March 2024. It was further agreed at the City Governance meeting on 4 December 2023 that the Chief Executive be authorised to extend the support to LACD to 30 June 2024 should this be necessary.
- 7.4 The cost pressures experienced by the Council is of course also experienced by partner organisations, notably Tayside Contracts where the effects of food inflation is an additional pressure that is keenly felt. Please note that additional food cost pressures will be covered though existing budget provisions.

8 HOUSING REVENUE ACCOUNT - MONITORING POSITION AT 31 DECEMBER 2023

- 8.1 The forecast position as at 31 January 2024 for the HRA is summarised below:

	(Under)/ Over Spend as at 31 January £m	(Under)/ Over Spend as at 31 December £m	Movement (from previous month) £000
Net Expenditure	4.345	3.198	1.147
Sources of Income	(0.145)	(0.197)	0.052
Net over/ (underspend)	4.200	3.001	1.199

The graph below shows the projected variance over the reported periods.



8.2 The table below details the key factors which contributed to the movement from previous month.

	£m
Projected increase in expenditure within property costs for repairs and maintenance due to additional hours and increase in general overheads	0.471
Projected increase on relets expenditure due to additional hours, materials and increase in general overheads	0.606
Projected increase in various other property costs	0.061
Decrease in projected underspend in staff costs due to delays in filling vacant posts	(0.050)
Increase in projected overspend within supplies & services	0.060
Projected savings in capital financing costs are lower than previously expected due to changes in borrowing levels	0.052

8.3 The key variances that make up the January position are shown in the table below. These figures reflect movements for the full year to date.

	£m
Additional expenditure for repairs and maintenance	1.293
Additional expenditure on relets to work through the backlog of properties	2.042
Energy costs including stair lighting	0.421
Void losses greater than budgeted	0.418
Various other property costs	0.188
Savings due to slippage in the 2022/23 capital plan resulting in lower loan repayments in 2023/24 and deferral of new long-term borrowing until later in the year	(0.145)
Anticipated underspend in staff costs due to delays in filling vacant posts	(0.200)
Projected overspend in supplies and services due to additional professional fees and special collections	0.200

8.4 Any final variance will be adjusted against Renewal & Repair Fund, the housing element of which amounted to £11.392m as at 31 March 2023. This adjustment would be in addition to the £0.500m that was agreed as part of the 2023/24 HRA Revenue Budget that would be taken from the Renewal & Repair Fund to fund a one-off increase in the Hardship Fund (Report No: 33-2023 to Policy & Resources Committee on 23 January 2023, refers). A system of perpetual detailed monitoring will continue to take place up to 31 March 2024 with the objective of the HRA achieving a final outturn which is below or in line with the adjusted 2023/24 HRA Revenue Budget.

9 RISK ASSESSMENT

9.1 In preparing the Council's 2023/24 Revenue Budget, the key strategic, operational and financial risks faced by the Council over this period were considered. To alleviate the impact these risks may have if they occur, a number of general risk mitigation factors are utilised by the Council.

9.2 The key risks in 2023/24 have been assessed both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. These risks have been ranked as either zero, low, medium or high. Details of this risk assessment are included in Appendix C to this report.

9.3 These risks have been assessed and ranked accordingly both in terms of the probability of whether they will occur and the severity of their impact on the Council should they indeed happen. Any changes to the assessment from the previous reporting period, together with any additional comments included, are highlighted in bold type.

10 POLICY IMPLICATIONS

10.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

11 CONSULTATIONS

11.1 The Council Leadership Team were consulted in the preparation of this report.

12 BACKGROUND PAPERS

12.1 None

**ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

11 APRIL 2024

DUNDEE CITY COUNCIL										
2023/2024 REVENUE OUTTURN MONITORING										
PERIOD 1 APRIL 2023 - 31 JANUARY 2024										
	Approved		Adjusted		Projected		Previous	Movement	Actual	Actual
	Revenue	Total	Revenue	Actual	Projected	Variance	Month	since	Spend to	Spend to
	Budget	Budget	Budget	Spend to	Outturn	Over/(under)	Projected	Previous	as a % of	as a % of
	2023/24	Adjustments	2023/24	31.01.2024	2023/24	spend	Variance	Month	Adjusted	Adjusted
	£m	£m	£m	£m	£m	£m	£m	£m	Budget	Budget
General Fund Services										
Children & Families	185.991	19.042	205.033	175.302	208.175	3.142	2.747	0.395	85%	81%
Dundee Health & Social Care Partnership	102.437	1.092	103.529	86.439	103.529	0.000	0.000		83%	83%
City Development	15.449	3.430	18.879	25.006	20.528	1.649	1.493	0.156	132%	82%
Neighbourhood Services	26.251	3.361	29.612	25.439	29.950	0.338	1.229	(0.891)	86%	79%
Chief Executive	14.015	0.566	14.581	12.656	14.373	(0.208)	(0.067)	(0.141)	87%	63%
Corporate Services	31.964	3.982	35.946	36.075	35.351	(0.595)	(0.329)	(0.266)	100%	95%
Construction Services	0.000		0.000	2.543	0.570	0.570	0.601	(0.030)		
	376.107	31.473	407.580	363.460	412.476	4.896	5.673	(0.778)	89%	82%
Capital Financing Costs / Interest on Revenue Balances	19.796		19.796	17.911	18.637	(1.159)	(1.294)	0.135		
Contingencies:										
- General	0.500	(0.308)	0.192		0.030	(0.162)	(0.182)	0.020		
- Budget growth/Cost Pressures	12.051	(10.955)	1.096		0.596	(0.500)	(0.700)	0.200		
- New monies	0.428		0.428		0.428					
- Pay award funding through capital	(3.444)		(3.444)		(3.444)					
Miscellaneous Items	(2.322)		(2.322)	(1.935)	(2.129)	0.193	0.193		83%	83%
Bad Debt Provision	0.000		0.000		0.647	0.647	0.647			
Discretionary Non Domestic Rates (NDR) Relief	0.392		0.392	0.479	0.479	0.087	0.086	0.001	122%	106%
Supplementary Superannuation Costs	2.708		2.708	2.412	2.630	(0.078)	(0.071)	(0.008)	89%	74%
Tayside Valuation Joint Board	0.878		0.878	0.657	0.878				75%	69%
Empty Property Relief Devolution	2.798		2.798	2.332	2.798				83%	0%
Total Expenditure	409.891	20.210	430.101	385.315	434.027	3.925	4.354	(0.430)	90%	77%
Sources of Income										
General Revenue Funding	(269.139)	(11.963)	(281.102)	(216.388)	(281.102)				77%	66%
Contribution from National Non Domestic Rates (NNDR) Pool	(73.704)		(73.704)	(61.420)	(73.704)				83%	83%
Council Tax	(61.698)		(61.698)	(13.742)	(63.382)	(1.684)	(1.665)	(0.019)	22%	23%
Use of Balances -										
Balance on Covid Recovery Fund	(1.750)		(1.750)		(1.750)				0%	
Committed Balances c/f	0.000	(1.875)	(1.875)		(1.875)					
Earmarked funds	0.000	(6.263)	(6.263)		(6.263)					
Service concessions	(3.600)		(3.600)		(3.600)				0%	
Change Fund	0.000	(0.109)	(0.109)		(0.109)					
(Surplus)/Deficit for the year	0.000	0.000	0.000	93.764	2.240	2.240	2.689	(0.449)		
(Surplus)/Deficit for Housing Revenue Acct	0.000	0.000	0.000	(20.316)	4.200	4.200	3.001	1.199		

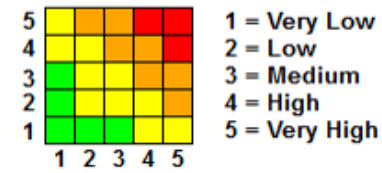
DUNDEE CITY COUNCIL
2023/2024 RING FENCED GRANTS
PERIOD 1 APRIL 2023 - 31 JANUARY 2024

Ring-fenced grants	Income Carry Forward from 22/23	Budget		Actuals		Projected Outturn for year		Projected (Surplus)/ Deficit
		Expenditure	Income	Expenditure	Income	Expenditure	Income	
	£000	£000	£000	£000	£000	£000	£000	£000
Early Learning and Childcare Expansion (ELC)	(1,767)	14,351	(14,351)	11,159	(16,111)	16,118	(16,118)	0
Pupil Equity Fund (PEF)	(1,986)	5,107	(5,107)	5,373	(1,986)	6,093	(7,093)	(1,000)
Scottish Attainment Challenge (SAC)	(205)	3,764	(3,764)	3,490	(205)	3,969	(3,969)	0
Criminal Justice Social Work (Incl covid) (CJS)	0	5,412	(5,350)	4,400	(3,885)	5,350	(5,350)	0
Overall Total	(3,958)	28,634	(28,572)	24,422	(22,187)	31,530	(32,530)	(1,000)

Budget for CJS includes the mainstream budget provision of £62k.

Risks - Revenue Assessment

Corporate Risk Matrix



Risk Title	Causes	Impact	Inherent Risk	Controls	Residual Risk (Previous Month)	Residual Risk (Current Month)
1. General price inflation may be greater than anticipated.	<ul style="list-style-type: none"> Government policies and regulations Poor economic conditions Impact of rising price rises e.g. energy 	<ul style="list-style-type: none"> Increased financial cost / rising prices Potential budget overspends Potential for interest rate rises through intervention measures 		<ul style="list-style-type: none"> Corporate Procurement strategy in place, including access to nationally tendered contracts for goods and services Fixed price contracts agreed for major commodities i.e. gas and electricity. Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible, for example by utilising budget virements. 		
2. Capital Financing Costs - level of interest rates paid will be greater than anticipated.	<ul style="list-style-type: none"> Substantial decline of global financial market Economic factors impacting on interest rates 	<ul style="list-style-type: none"> Increased borrowing costs Greater return on investments / cash balances 		<ul style="list-style-type: none"> Treasury Management Strategy. Limited exposure to variable rate funding. Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible. 		
3. Unforeseen new cost pressures arising during the course of the financial year.	<ul style="list-style-type: none"> Financial constraints Demand pressures Cost of Living 	<ul style="list-style-type: none"> Potential overspends 		<ul style="list-style-type: none"> Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible, for example by utilising budget virements. 		
4. Chargeable income budget not achieved.	<ul style="list-style-type: none"> Reduced demand for chargeable services, for example due to cost of living crisis Market competition 	<ul style="list-style-type: none"> Loss of income Revision of budgeted income collection levels required 		<ul style="list-style-type: none"> Budgetary controls are in place, to identify potential overspends and take remedial action as required or possible, for example by utilising budget virements. 		

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