

Revenue Budget 2015/16 – forecast main variances**Children and Family Services****Dedicated Schools Grant (DSG)**

A net overspend of £1.7m is forecast, which will be offset by the DSG earmarked fund. The main variances are:

	£000	% of Budget	
DSG High Needs Block	830	1%	Academy Recoupment rules were changed by the EFA after the budget was set resulting in a reduction in High Needs Block DSG funding (£0.5m). Also growth bid for additional places at special schools was unsuccessful and this was not known until after budget was set (£0.3m).
Special Educational Needs	820	2%	Increased demand at special schools due to unusual age profile with few age 19 leavers and a large intake of younger pupils. Material increase in numbers of Autism Spectrum Disorder (ASD) pupils diagnosed and needing high cost independent specialist provision.
Early Years – 2 Year Old Offer	115	4%	Based on summer head count early indications point to a potential overspend. Will be reviewed in October following autumn head count.
Nursery Education Funding	100	1%	Based on summer head count early indications point to a potential overspend. Will be reviewed in October following autumn head count.

Local Authority Budget

A net overspend of £4.7m (8.0%) is forecast. The main variances are:

	£000	% of Budget	
Placement Budget	6,000	56%	Over the last 6 months there has been a significant increase in the number of 12-15 year olds with complex needs coming to C&F Service's attention. Despite increased referrals to Early Help a proportion of these 12 -15 year olds have required high cost responses to address their needs, which include challenging behaviour, severe emotional distress and/or sexual exploitation.

Pupil Referral Unit Transport	100	65%	Current demand shows the distances travelled by taxis/minibuses have increased. Many children cannot share taxis or minibuses for safeguarding reasons. All taxis also require escorts which has a cost implication.
Disabled Children Service	-480	-15%	Underspend relates to a number of areas. This includes a review of one-off grants to providers.
Targeted Early Help - Children Centres/ Youth Service / Community Safety / YOS	-480	-4%	Underspend largely due to staff vacancies as a result of a recent service restructure and early delivery of 2016/17 savings.
Specialist Assessment & Response Localities	-300	-5%	The underspend is across the three locality areas and is largely due to turnover savings.
Directorate / C&FS Management	-190	-13%	Integration of service manager posts to service areas has resulted in a revenue saving.
Safeguarding Assurance	-170	-4%	Largely due to staff vacancies and turnover of staff within the First Response Service.

Adults & Communities

At this stage the Department is forecasting a net underspend of £1.5m (1.1%). The main variances are:

	£000	% of Budget	
Residential Care	1,110	3%	£0.3m additional costs on independent sector provision being required due to reduced admissions at in-house residential homes. £0.5m delay in savings relating to Shared Lives and Extra Care efficiency projects- lower than required recruitment of carers on Shared Lives saving and delay to opening of Blaby Extra Care scheme. £0.3m bad debt write-off. This follows a detailed review of unpaid debts and relates to a number of small value, no longer economically viable to pursue debts, and some higher value debts where all legal routes to obtain payment have been exhausted.
Other Adult Social Care	600	100%	Planned contributions for non-project related items from earmarked funds are being held until the position on demand led budgets is clearer and any additional investment for in-year savings/improvement

			projects have been agreed.
Other Community Care	530	1%	<p>£0.25m risk that the initial benefit from the prepaid card project will arise in the next financial year.</p> <p>£0.2m Community Life Choices costs above budget, reflecting the position seen last year.</p> <p>£0.3m income from service user assessed charges is lower than anticipated, despite additional care costs (compared to 2014/15).</p> <p>£0.1m due to revised phasing of the removal of subsidy for community meals (now over 3 years) and delayed savings on extra care due to delay in opening of a new extra care facility.</p> <p>£0.15m bad debt write-off, following detailed review as referred to above.</p> <p>Partly offset by £0.5m net home care/cash payment growth lower than forecast.</p>
Communities & Wellbeing Efficiencies	445	n/a	Delayed savings, primarily due to the transfer of community libraries and the implications of the judicial review on Snibston.
Adult Learning	170	n/a	<p>Additional accommodation costs for room hire in libraries following a review of charges (£0.15m).</p> <p>Reduced Skills Funding Agency grant (£0.1m).</p> <p>Partly offset by various cost reductions.</p>
Aids & Adaptations	75	3%	Demand continues to be above budget, reflecting the position seen last year.
Safeguarding /Deprivation of Liberty	60	6%	Number of referrals continues to increase, with higher demand than capacity requiring use of agency resource to ensure high priority cases completed.
Preventative Services	-1,910	-37%	Early achievement of 2016/17 savings target. £1m of contracts have been stopped from the start of the year with the remaining reductions delivered from October.
Reablement	-455	-8%	Recurring difficulty in recruiting staff to these roles; issue is partly exacerbated by £0.17m of non-recurrent grant funding received at very short notice.
Supported Living	-450	-6%	<p>Following changes to Ordinary Residence rules, following introduction of the Care Act, responsibility for future provision of care has changed and agreements renegotiated with neighbouring authorities.</p> <p>The saving is partly offset by growth being</p>

			slightly above budget.
Communities & Wellbeing Efficiencies	-390	n/a	Short term measures, including management/staffing and other running costs identified to mitigate the impact of the delayed savings. See overspend above.
In-house Provider Services	-370	-4%	Efficiency project is currently delivering ahead of schedule.
Locality Teams	-315	-3%	Staff Vacancies. Care Act funding is likely to be in excess of requirement, due to the reduction in scope. The underspend is subject to clarification of any funding clawback and transition requirements.
Management and Support	-270	-5%	Primarily staffing underspends that will be held in advance of reviews.
Carers Support	-230	-26%	The full increase in volumes of carers, following the Care Act changes and publicity, have not yet materialised. The final level of underspend will depend upon carer requirements in the rest of the year and potential Care Act funding reclaims.

Environment and Transportation

At present the Department is forecast to be in line with the budget. The main variances are:

	£000	% of Budget	
Highways			
Structural Maintenance	160	5%	Overspend on carriageway minor repairs in order to maintain the highway to LCC defined policy and cost of replacing stolen gully lids.
Environmental Maintenance	130	8%	Savings of £0.4m were built into the 2015/16 budget to reflect a reduction in the number of grass cuts as well as the service being brought back in house following the end of the Highways Works Alliance contract with Tarmac. Due to the initial reintegration of the service back under LHO management, coupled with the fact that each cut is taking longer as a direct consequence of cutting longer grass, the full expected savings have not been realised. Current assessment is that the saving will be around £0.27m, but this will continue to be monitored as the new service delivery model is embedded. An

			update on the position with grass cutting is being taken to Cabinet in October.
<u>Transportation</u>			
Special Education Needs Transport	510	8%	Overspend due to increased client numbers coming through from the 2014/15 academic year. There has been no planned reduction in the year to date but there will be potential reductions in spend achieved from the reviews currently underway for the 15/16 academic year, notwithstanding the underlying increased demand.
Social Care Transport	150	5%	Increased client numbers carried over from 2014/15.
Mainstream School Transport	-300	-6%	There is a drop in expenditure which is in relation to contract tendering, school reviews, the new policy including changes to school age ranges. There has also been an increase in the number of commercial services available which have been more cost effective to utilise and have therefore reduced the Council's overall expenditure.
Concessionary Travel & Joint Arrangements	-250	-4%	Underspend due to lower usage and a change in eligibility criteria.
<u>Environment</u>			
Landfill	890	14%	Overspend due to 10,000 tonnes coming out of Treatment contracts and into Landfill as a result of reduced Energy from Waste capacity. Correspondingly the Treatment Contracts forecast budget line is showing an underspend. However, the landfill overspend is greater than the Treatment Contracts underspend. This is because Treatment Contract rates are lower than Landfill rates and there has also been an increase in this type of waste.
Treatment Contracts	-560	-6%	Underspend due to 10,000 tonnes coming out of Treatment contracts and into Landfill as a result of reduced energy from waste capacity. This has contributed to an overspend on the Landfill budget line.
<u>Staffing & Administration</u>	-720	-5%	£0.3m underspend due to vacancies, £0.2m additional income for external works and £0.2m additional fee income from work recharged to developers and the capital programme.

Chief Executives

An underspend of around £0.4m (4.2%) is forecast. The main variances are:

	£000	% of Budget	
Coroners	50	6%	Despite incorporating growth of £0.1m in this year's budget to deal with cost pressures for Leicester City & South Leicestershire Coroners it continues to be a problem and there is an anticipated £50,000 overspend as a result of this.
Strategic, Partnership & Communities	-250	-6%	The majority of the underspend relates to staff vacancies which will remained unfilled in anticipation of a staff review both on Business Intelligence and on Policy, Economic & Community. There is also some additional income.
Trading Standards	-65	-4%	Underspend largely due to staff vacancies partially offset by using agency staff. In addition, there is extra external income from the National Trading Standards Board.
Democratic Services	-50	-3%	Due to staff vacancies and a high number of staff being on the lower points of their grades following a staff review,
Registration	-50	-3%	Underspend due to increased income at a number of registration offices, most notably the County Hall base which is now within Anstey Frith House.
Planning, Historic & Natural Environment (HNET)	-50	-10%	A vacant post has been left unfilled in anticipation of making MTFs savings.

Corporate Resources

An underspend of around £0.8m (2.2%) is forecast. The main variances are:

	£000	% of Budget	
Customer Services	130	7%	Staffing overspend due to overlap of CSC manager and agency cover and costs incurred to cover staff absence. Staff vacancies will be managed during the year to try and reduce the overspend.
Commissioning Estates	60	84%	Overspend on salaries due to the increased volume of work in the

			section.
Corporate Projects	-300	-33%	Contingency for the delivery of 2015/16 savings may no longer be required. The position will be reviewed as the year progresses.
"Soft" Facilities Management	-240	-33%	Increased income for cleaning and premises services expected to be in line with last year taking into account new contracts for services, and reduction in postage costs.
Operational IT	-140	-2%	Temporary staffing vacancies.
People & Procurement	-90	-4%	An underspend in Emergency Management, mainly due to a joint contingency that is projected to not be required during this year, and staff vacancies in Human Resources.
Farms	-85	22%	Reduced maintenance due to increased spend last year, and increased rental income based on 2014/15 outturn.
Accounting	-55	-2%	Underspend relates to staffing vacancies, plus additional unbudgeted income being received from Nottingham City Council for EMSS related work.