

APPENDIX 2

Revenue Budget 2015/16 – forecast main variances

Children and Family Services

Dedicated Schools Grant (DSG)

A net overspend of £2.6m is forecast, which will be offset by the DSG earmarked fund. The main variances are:

	£000	% of Budget	
Special Educational Needs	2,280	5%	Increased demand for places at special schools with fewer age 19 leavers and a larger intake of younger pupils. The change in education Participation Age in September 2015 from age 17 to age 18 is also a factor in the increase. The position is also impacted by an increase in the numbers of pupils diagnosed with Autism Spectrum Disorder (ASD) needing high cost independent specialist provision. Additional primary school starters and fewer independent school leavers have added to costs in period 6 as leavers and starters reconciliations are now complete.
DSG High Needs Block	780	1%	Academy Recoupment rules were changed by the Education Funding Agency 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).
Specialist Services to Vulnerable Groups	200	5%	There has been an increase in the numbers of pupils with ASD that are not able to attend mainstream schools and require support from the Autism Outreach Service Intensive Support team.
Early Years – 2 Year Old Offer	115	4%	Take up of the offer has been greater than envisaged.
Nursery Education Funding	100	1%	Based on summer head count early indications point to a potential overspend, higher numbers also increase the Early Year's DSG. Will be reviewed following autumn head count.
DSG Early Years Block	-510	2%	The forecasted grant has increased as a result of the latest summer term head count information.

Local Authority Budget

A net overspend of £4.3m (7.3%) is forecast. The main variances are:

	£000	% of Budget	
Placement Budget	5,900	34%	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. The cost of provision for this type of need is significant and range from £140,000 to £312,000 per annum per case. Whilst numbers are relatively low, 13 in the first quarter of 2015/16, the cost incurred has been c£2.5m and is a significant element within the current projected overspend.
Social Care Legal Costs	150	29%	The number of proceedings issued this financial year is projected to increase to 108 compared to 86 last year. In addition there are approximately 80-100 pre-proceedings cases which provide additional cost pressures.
Pupil Referral Unit Transport	95	64%	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.
Targeted Early Help - Children Centres/ Youth Service / Community Safety / Youth Offending Service	-500	-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	-315	-5%	The underspend is across the three locality areas and is largely due to turnover savings.
Safeguarding Assurance	-270	-6%	Largely due to staff vacancies and turnover of staff within the First Response Service.
Directorate / C&FS Management	-205	-13%	Integration of service manager posts to service areas has resulted in a revenue saving.
Education Psychology Service	-170	-15%	Underspend due to increased income generation from within the service.
Asylum Seekers	-105	-52%	The number of children eligible for support

			has decreased significantly in comparison to previous years.
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Adults & Communities

At this stage the Department is forecasting a net underspend of £1.7m (1.3%). The main variances are:

	£000	% of Budget	
Residential Care	1,150	3%	<p>£0.3m additional costs on independent sector provision being required due to reduced admissions at in-house residential homes.</p> <p>£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.</p> <p>£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.</p> <p>£0.3m service user charges trending below forecast.</p> <p>Offset by £0.15m regarding a reclaim from another authority for prior year costs and by £0.1m lower growth than anticipated.</p>
Other Community Care	480	1%	<p>£0.6m Community Life Choices costs above budget, reflecting the position seen last year and the double running costs (£0.4m) of in-house services that are under review.</p> <p>£0.3m income from service user assessed charges is lower than anticipated, despite additional care costs (compared to 2014/15).</p> <p>£0.25m shortfall in Continuing Health Care income from the Learning Disabilities pooled budget, which is off-set by lower costs below.</p> <p>£0.15m bad debt write-off, following detailed review as referred to above.</p> <p>(£0.85m) net home care/cash payment growth lower than forecast and benefit of reviewing Independent Living Fund packages.</p>
Communities &	340	n/a	Delayed savings (£275k), primarily due to

Wellbeing Efficiencies			the delayed transfer of community libraries, town centre libraries reduced opening hours, closure of Snibston including associated infrastructure costs. Added to this is the judicial review costs of Snibston (£65k).
Other Adult Social Care	300	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.
Community Equipment	130	9%	Demand continues to be above budget, reflecting the position seen last year.
Preventative Services	-1,880	-30%	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.
In-house Provider Services	-870	-9%	Efficiency project is currently delivering ahead of schedule.
Reablement	-440	-7%	Recurring difficulty in recruiting staff to these role, partly exacerbated by £0.17m of non-recurrent grant funding received at very short notice.
Communities & Wellbeing Efficiencies	-380	n/a	Short term measures and one-off savings identified to mitigate the impact of the delayed savings (see Communities & Wellbeing overspend above). These measures exceed the best case savings shortfall allowing some of the deferred book fund expenditure to be reinstated.
Management and Support	-220	-4%	Primarily staffing underspends that will be held in advance of reviews.
Carers Support	-200	-23%	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. A further proportion of the underspend has been held back pending clarity of any future Care Act funding reduction that would require transitional costs to be funded in the next financial year.
Supported Living	-150	-1%	Following changes to Ordinary Residence rules, following the introduction of the Care Act, responsibility for future provision of care has changed and agreements renegotiated with neighbouring authorities. The saving is partly offset by growth being above budget.

Environment and Transportation

At present the Department is forecasting a net overspend of around £0.1m (0.2%).
The main variances are:

	£000	% of Budget	
<u>Highways</u>			
Safety Maintenance	110	6%	Overspend on jetting due to higher waste disposal costs.
Structural Maintenance	100	2%	<p>Overspends on:</p> <ul style="list-style-type: none"> • footway minor repairs (£180k) as a result of a significant number of defects occurring that require repair under the footways maintenance policy • replacing stolen gulley lids (£40k) • pot hole minor repairs (£25k) • public rights of way maintenance (£25k) • miscellaneous highways maintenance works (£25k) <p>These overspends are offset by a underspend on flood alleviation schemes (£200k) that were originally scheduled for 2015/16 but are now delayed until 2016/17 to enable them to be completed during the summer months when conditions are more favourable.</p>
Road Safety	-90	-37%	A shortfall in staff resources has meant projects may not be developed and delivered.
<u>Transportation</u>			
Special Education Needs Transport	750	11%	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 2015/16 academic year, notwithstanding the underlying increased demand.
Social Care Transport	150	5%	Increased client numbers carried over from 2014/15.
Concessionary Travel & Joint Arrangements	-440	-9%	Underspend due to lower usage and a change in eligibility criteria.
Mainstream School Transport	-300	-6%	There is a drop in expenditure which is in relation to the new policy reducing eligibility, contract tendering, school reviews and 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.
Blue Badge Scheme	-60	-76%	Lower operating costs for the scheme.
<u>Environment</u>			
Landfill	1,270	20%	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 as Landfill rates are higher than Treatment Contract rates. There has also been an overall increase in Landfill tonnages due to waste growth.
Treatment Contracts	-570	-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.
Composting Contracts	-200	-21%	Renegotiated contract rates and more efficient direction of Green Waste.
Recycling & Reuse Credits	-200	-5%	Lower than expected performance in recycling has led to a reduced amount of credits paid out.
Income	-100	10%	Additional income gained from trade waste.
Recycling & Household Waste Sites	-70	-2%	Contract rate decreases linked to pricing and changing destinations.
<u>Staffing & Administration</u>			
Highways	160	6%	Overspend due to MTFs savings that will now be achieved in 2016/17.
Management & Supervision	-150	-13%	Underspend due to staff vacancies.
Environment	-130	-8%	Underspend due to staff vacancies.
Transportation	-70	-2%	Underspend due to staff vacancies.

Chief Executives

An underspend of around £0.5m (5.3%) 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.
Strategic, Partnership & Communities	-300	-7%	The majority of the underspend relates to staff vacancies which will remain unfilled in anticipation of a staff review both on Business Intelligence and on Policy, Economic & Community. There is also some additional income.
Trading Standards	-100	-7%	Underspend largely due to staff vacancies partially offset by using agency staff. In addition, there is extra external income.
Democratic Services	-70	-4%	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 £0.9m (2.7%) is forecast. The main variances are:

	£000	% of Budget	
Customer Services	100	5%	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.
Beaumanor Hall	80	6%	Beaumanor is forecast to achieve a smaller surplus than originally budgeted largely due to a loss of rental income.
Sports Facilities	60	n/a	Higher than expected business rates costs and reduced income prior to the handover of Melton King Edward VII sports hall to Melton BC.
Corporate Projects	-330	-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	-200	-28%	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.
Learning & Development	-150	-6%	Temporary staffing vacancies and reduced departmental spend on L&D, due to reviews.
Accounting	-90	-4%	Underspend relates to staffing vacancies, plus additional unbudgeted income being received from Nottingham City Council for EMSS related work.
County Farms	-90	23%	Reduced maintenance due to increased spend last year, and increased rental income based on 2014/15 outturn.
Operational IT	-70	-1%	Underspends from staff vacancies and additional income for curriculum support, offset by smartphone replacement project costs.
Strategic ICT	-70	-3%	Temporary staffing vacancies.
Insurance	-70	-5%	Academy insurance scheme income is greater than expected. Competition in the market remains high.