

VARIANCES BETWEEN 2015 MTFS FORECAST AT 31/3/16 AND LATEST FORECAST

	MTFS 2015 Forecast 31/03/2016 £000	Forecast Balance 31/03/16 £000	Variance £000	Explanation
Renewal of Equipment and Vehicles				
Children & Family Services	0	1,860	1,860	The department requested and was granted a carry forward of 2014/15 underspend to support ICT developments, including the development and re-procurement of systems, that was not anticipated at the time of the 2015/16 MTFS.
Corporate Resources	730	1,470	740	Some commitments met from revenue underspend 2014/15. Funding required for investment in replacement Wide Area Network (WAN) in 2018/19. The balance on the fund will be maintained to manage higher than average demand in individual years and to save for future planned upgrades.
Insurance				
General	8,270	10,220	1,950	£1 million reduction in reserved claims. Closure of historic claims has reduced the amount held in the Insurance Provision which has allowed the balance to be moved to the earmarked fund. Liability and property claims arising are below annual funding level (£1m), despite insurer expectations of increasing risk (allowing a £0.5m earmarked fund build for 14/15 and 15/16).
Uninsured loss fund	4,800	7,020	2,220	Additional funding from the 2014/15 net underspend to reflect worsening position of MMI and increasing risk of claims for the periods where there is no insurance cover.
Committed Balances				
Central Maintenance Fund	1,660	1,060	-600	Higher than expected spend for LCC and schools 2014/15. The earmarked fund balance reflects outstanding orders.
Other				
Children & Family Services Supporting Leicestershire Families	1,200	1,920	720	The local authority was an early entrant into Phase 2 of the national troubled families programme. This provided additional grant income and removed the need to withdraw earmarked funds.

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C&FS Developments	900	2,700	1,800	The department had planned a number of contributions from earmarked funds during 2014/15 which were unnecessary as a result of the overall departmental budget position.
Special Educational Needs Disability (SEND)	0	750	750	Local authorities have received grant for the implementation of national redesign of services for children with special educational needs and disabilities. Changes in national expectations and recruitment difficulties have resulted in some elements of implementation being reprofiled to later points.
Adults & Communities				
Adults & Communities Developments	0	4,600	4,600	Due to expected reduction in Care Act funding following the reduction in scope, underspends arising in the current financial year relating to this activity are being held to manage a smooth transition (£1.4m). Closure of the Housing Related Support fund and a transfer from the Health earmarked fund (£2.0m) One-off grant received at short notice being held for project activity next year (£0.5m). Delays to project expenditure that is expected to be incurred next year (£0.3m) Additional funding for initiatives in 14/15 and 15/16 that could be met through the base budget (£0.4m).
Health & Social Care Outcomes	860	5,000	4,140	The fund was established from Clinical Commissioning Group (CCG) monies to allow for a £3.2m contingency in the event of the BCF programme missing it's admissions target and funding of one-off additional BCF initiatives. Due to the shortfall against the 2015/16 target following negotiation with CCG's a £3.2m contingency is being held for 2016/17. The balance of the variance is forecast underspends and additional income for the current BCF programme to be used in future years.
Corporate:				
Capital Financing (phasing of capital expenditure)	17,400	18,000	600	Reflects the latest estimate of when capital expenditure will be required and new investment agreed by Cabinet on 11th September 2015.

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Loughborough Science Park	0	1,050	1,050	This fund was established for investment in partnership with Loughborough University and Charnwood Borough Council towards the next phase of development on the Science and Enterprise Park campus. The scheme has been delayed while options to confirm requirements are being considered. This investment is now likely to be incurred over the next two years.
Business Rates Retention	0	1,000	1,000	This fund has been established following the introduction of the Business Rates Retention system in 2013, as a contingency to fund potential shortfalls in business rates income impacting in later years, especially the risk of large appeals and fluctuations in Business Rates income.
Pooled Property Fund investment (Cabinet 11/9/15)	0	-15,000	-15,000	Decision taken by Cabinet on 11th September 2015, after the MTFS 2015 forecast was made.
Schools and Partnerships Dedicated Schools Grant	5,600	6,870	1,270	This is a ringfenced grant and all over / underspends must be carried forward. The earmarked fund increased as a result of an underspend created on the budget for the Free Entitlement to Early Education arising from a reduction in the number of children accessing the entitlement.
Centre of Excellence	0	730	730	Set up as new earmarked fund at the end of 2014/15, to carry forward unspent government grant funding (from DCLG and DWP) to 2015/16.