

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

There is a net overspend of £4.1m, which will be offset by the DSG earmarked fund.
The main variances are:

	£000	% of Budget	
Special Educational Needs	3,190	6%	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.
DSG High Needs Block	1,050	2%	Academy Recoupment rules were changed by the Education Funding Agency (EFA) after the budget was set resulting in a reduction in High Needs Block DSG funding. A growth bid to the EFA for funding for additional places at special schools was unsuccessful and this was not known until after the budget was set
0-5 Learning	500	2%	Take up of the Early Years 2 year olds offer was greater than envisaged and there was an increase in children accessing the free entitlement to early Education for 3 & 4 year olds as a result of the final 2015/16 headcount, which have been partially offset by increased DSG. These overspends are offset by Graduate Leader Fund expenditure being lower than expected and underspends due to staff vacancies.
Specialist Services/Education 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.

			<p>Changes in the national Special Educational Needs Disability (SEND) code of practice widened the age range to be supported and the budget was increased accordingly in pre-school support; however requests for support of these children are low.</p> <p>An underspend in 0-5 support and staff vacancies in a number of teams partly offset the ASD overspend.</p>
ICT Harnessing Technology	-215	n/a	Prior year provision set-aside for potential VAT liabilities now time expired and released.
Premature Retirement Costs	-210	-31%	Fewer action plans than expected in maintained schools.
DSG Early Years Block	-205	1%	The grant received has increased as a result of the actual head count information.
Education Quality Improvement	-170	-68%	Decreased demand from schools.
School Admissions & Pupil Services	-55	-20%	Increased traded activity.

Local Authority Budget

There is a net overspend of £2.5m (4.2%) is forecast. The main variances are:

	£000	% of Budget	
Placement Budget	4,590	26%	<p>Over the last 12 months there was 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.</p> <p>The cost of provision for this type of need is significant and range from £140,000 to £312,000 per annum per case.</p> <p>The overspend has reduced from the position forecasted at quarter 2 of this financial year as a result of 2 very high cost complex placements coming to an end, and demand has stabilised in comparison to that within the first 6 months 2015.</p>

Social Care Legal Costs	170	33%	The number of proceedings issued this financial year has increased to 108 compared to 86 last year. In addition there were approximately 80-100 pre-proceedings cases which provided additional cost pressures.
Asylum Seekers	135	68%	The number of children eligible for support has increased.
Pupil Referral Unit Transport	80	54%	Demand analysis 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	-1,115	-10%	Underspend largely due to staff vacancies as a result of a recent service restructure and early delivery of 2016/17 savings. Contingencies held to support new commissioning arrangements have not been required and have been released. Vacancies have also arisen from recent action plans to support 2016/17 MTFS savings.
Specialist Assessment & Response Localities	-405	-6%	The underspend is across the three locality areas, which includes the strengthening families service, and is largely due to staff turnover savings.
Education Psychology Service	-315	-28%	Underspend due to increased income generation from within the service and staff vacancies.
Safeguarding Assurance	-270	-6%	Underspend largely due to staff vacancies and turnover of staff within the First Response Service, and to the new Child Sexual Exploitation (CSE) team not being at full establishment for the whole financial year.
Education Children In Care Service	-165	-18%	Underspend largely due to staff vacancies and staff on maternity leave.
Directorate / C&FS Management	-155	-10%	Integration of service manager posts to service areas has resulted in a revenue saving.
Governor Development Service	-75	-90%	Underspend due to staff vacancies.
Indexing Cost	-60	-17%	Underspend due to slippage in the project.

Adults & Communities

There is net underspend of £6.4m which reduces to £5.5m (4.1%) after carry forward requests of £0.8m. The main variances are:

	£000	% of Budget	
Residential Care	1,780	4%	<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 due to lower than required recruitment of Shared Lives carers and delayed opening of the Blaby Extra Care scheme.</p> <p>£0.75m increased contribution to bad debts provision. 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>£0.9m correction of coding of some deferred income balances. Balances had been credited to the department in previous years instead of reducing the debt balance.</p> <p>(£0.15m) income regarding a reclaim from another authority for prior year costs.</p> <p>(£0.5m) The underlying cost trend was below forecast.</p>
Communities & Wellbeing	145	3%	<p>The delayed savings (£275k) have been mitigated through a range of short term measures within the service. These measures have exceeded the initial target allowing additional expenditure (£60k) for the book fund and Donington le Heath improvements that were initially expected to be incurred in 2016/17. The variance relates to the exceptional costs of closing Snibston, namely the Judicial Review (£65k) and the payment of the contingent liability relating to the Heritage Lottery Funding (£150k) that were not full covered by underspends. .</p>
Safeguarding / Deprivation of Liberty	130	13%	<p>Additional external assessors employed to remove the backlog of assessments. This expenditure will continue into 2016/17.</p>
Other Community Care	-2,130	-5%	<p>Net underspend:</p> <p>(£1.7m) Net home care/cash payment variance, due to the benefit of reviewing Independent Living Fund (ILF) packages and lower growth.</p> <p>(£1.2m) Clawback of unspent cash payment balances.</p> <p>(£0.4m) Carers cash payments significantly lower than in 2014/15.</p>

			(£0.1m) Service user and Continuing Health Care income overachievement. (£0.1m) Lower demand for the meals service. £0.6m Late adjustments to cash payments have resulted in credits. Whilst money will attempt to be reclaimed from service users a prudent view is currently being taken on the likelihood of reclaims being successful. £0.3m Community Life Choices costs above budget, reflecting the position seen last year. £0.5m increased contribution to bad debt provision.
Preventative Services	-1,770	-28%	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	-1,075	-11%	Efficiency project is currently delivering ahead of schedule. Part of this variance reflects reduced in-house provision, which will require expenditure to be incurred in the independent sector. Appropriate budget transfers will be made in 2016/17.
Supported Living	-1,025	-8%	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.
Reablement	-910	-15%	Recurring difficulty in recruiting staff to these roles, partly exacerbated by £0.3m of non-recurrent grant funding received at very short notice.
Management and Support	-600	-9%	Primarily staffing and equipment underspends that will be held in advance of reviews. Business support and IT underspend contributed £0.4m, of which £0.2m has been used as a saving in 2016/17.
Locality Teams, Assessment & Review	-260	-2%	Underspend due to staffing vacancies across the teams.
Aids & Adaptations	-360	-25%	Adaptation installations have focused upon major items resulting in additional income as grants can be claimed for this work.
Care Act Implementation	-300	n/a	There is a £2.1m underspend reported on the Care Act implementation line following the Government announcement to delay the implementation of the cap on care costs. Increased Carers funding from the Care Act has also not been required (£0.7m). In 2016/17 funding is expected to be £2.2m

			lower than the 2015/16 allocation for phase 1. £2.5m of the balance of grant funding has been transferred to earmarked funds to support transition to the significantly reduced funding next year.
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Public Health

There is a net overspend of £0.7m. The main variances are:

	£000	% of Budget	
Public Health ring-fenced grant	1,555	6.2%	A result of £200m reduction in national non-NHS Public Health funding linked to Government debt and deficit reduction plans.
Healthcheck Programme	100	13%	This is a demand led service and activity levels were higher in 2015/16 than in previous financial years resulting in this overspend.
Smoking & Tobacco Prevention	-395	-23%	This underspend is due to lower demand for smoking cessation support, an unrequired reserved creditor from 2014/15 relating to "payment by results" (PBR), reduced Nicotine Replacement Therapy payments in 2015/16 due to making an upfront payment prior to year start and some lower achievement compared to target resulting in lower PBR for 2015/16.
Substance Misuse Prevention	-175	-4%	Underspend mainly arising from savings on the Swanswell Shared Care contract.
Staffing	-80	-4%	Staff vacancies.
Income from University Hospitals of Leicester (UHL)	-70	n/a	Income generated from producing public health advice to UHL.
Sexual Health	-70	-2%	Lower costs related to prescribing of contraceptive devices as a result of reduced activity, lower out of county GUM costs offset partially by increased costs relating to the ISH contract.

Environment and Transportation

There is a net underspend of £0.1m which reduces to £0.0m after carry forwards of £0.1m. The main variances are:

	£000	% of Budget	
<u>Highways</u>			
Contribution from Leicestershire Highways Operations	1,100	n/a	The trading position of Leicestershire Highways Operations has made a £0.5m deficit and as a result has fallen short of its

			£0.6m target surplus. This is largely due to the fact that charge rates for internal activities have become increasingly in need of review (effectively LHO have been undercharging for internal work undertaken) although given the change in the target operating model taking effect from 2016/17 there was limited benefit in spending significant amounts of time undertaking this review, and instead efforts were put into implementing the changes required to support the operating model including ensuring appropriate budget structures and charging mechanisms were in place. The impact in the current year has been managed within the overall bottom line for the Department.
Safety Maintenance	310	14%	Overspend on the Gulley emptying and Jetting process due to the cost of disposing of waste £95k. Overspend on road markings due to alignment with other highway works £135k. Overspend on grip* cutting as a result of staff undertaking additional activity during the winter months to reduce flooding risk £50k. *A highway grip is a shallow ditch connecting the road edge to the roadside ditch. Its purpose is to drain rain water from the highway into the roadside ditch.
Street Lighting Maintenance	130	4%	A £250k saving on the street lighting energy budget has not been achieved due to a delay in the implementation of the LED Street Lighting project. Stable energy costs have meant the overspend is not as large as it could have been (£180k). This has been offset by a £50k saving on the maintenance budget due to lower requirements as a result of the LED programme.
Structural Maintenance	95	3%	£220k overspend on footways maintenance due to the number of defects and strict adherence to the defect policy. Offset by £135k underspend on drainage minor repairs due to a change of gang resources to help control the budgetary position.
Structural Maintenance - Flood Alleviation	-695	-19%	Underspend on flood alleviation schemes which will now be funded by the capital programme to ensure resources are maximised.

Highway Maintenance- other budgets	-330	n/a	Income from commuted sums earmarked fund to provide additional resources for the maintenance budget.
Road Safety	-220	-95%	A shortfall in staff resources has meant projects have not been developed and delivered (£120k). Additional grant income has also contributed to the underspend (£100k).
Area Traffic Control	-150	-17%	Underspend of £75k due to the revenue contribution to digital comms upgrade which will now be made in 2016/17 (where it will instead be funded from the capital programme). Remaining underspend is due to reduced IT and office accommodation costs.
Transportation			
Special Education Needs Transport	1,130	25%	Increased client costs from 2014/15 in addition to Increasing number of new solo high need/ high cost contracts that have been commissioned through the risk assessment process due to the additional needs of pupils. There has also been an additional number of children that have been referred for transport since 1st December 2015.
Social Care Transport	290	9%	Whilst total expenditure on Social Care Transport has reduced slightly from last year, and contract efficiency savings have been made within the service area, it has not been possible to manage service demand such as to remove last year's overspend which was at a similar level.
Concessionary Travel & Joint Arrangements	-430	-8%	Underspend due to lower usage and a change in eligibility criteria.
Mainstream School Transport	-390	-8%	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.
Public Bus Services	-135	-5%	£97k underspend on community transport due to Baker Fund grant not being utilised which has been requested as a carry forward. Local Bus Services have made some contractual savings resulting in a £35k underspend.

<u>Environment & Waste</u>			
Landfill	1,030	16%	Due to reduced capacity at Coventry for this financial year, 10,000 more tonnes of waste has gone into Landfill (and 10,000 less through treatment contracts) than was expected. Furthermore there has also been 4,700 tonnes of waste growth than budgeted for. The impact of this additional tonnage has been in part mitigated through contract efficiencies and also due to additional recovery of wood from the overall waste stream. There is also £135k of additional trade waste for which the additional income is reflected below.
Environment – general	300	n/a	Contribution towards renewals earmarked fund for future health and safety capital works at Recycling and Household Waste Sites (RHWS).
Treatment Contracts	-390	-4%	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. The overall underspend has been offset by an overspend from additional wood waste being recovered and additional hazardous waste. (The additional wood waste has reduced the overspend on the Landfill budget line.)
Recycling & Household Waste Sites (RHWS)	-390	-12%	Contract rate decreases linked to pricing and closer end destinations reducing costs.
Composting Contracts	-310	-31%	Renegotiated contract rates, more efficient direction of green waste and favourable weather conditions resulting in reduced green waste.
Recycling & Reuse Credits	-260	-6%	Lower than expected performance in recycling has led to a reduced amount of credits paid out.
Income	-200	19%	Additional income gained from trade waste. £135k of additional income is offset against additional costs on Landfill (see above).
Waste & Environment Initiatives	-70	-44%	Underspend due to low take up of some waste initiatives.
<u>Staffing & Administration</u>			
Highways & Transportation	-310	-7%	Underspend from additional Section 278, Section 38 and capital recharge income

			(£550k) offset by overspends from Staffing budgets as a result of efficiency savings being delayed until 2016/17 to align with the revised Target Operating Model of the department.
Environment & Waste	-120	-8%	Vacancies held open pending restructure.

Chief Executives

There is an underspend of £0.8m (7.6%) is forecast. The main variances are:

	£000	% of Budget	
Coroners	135	16%	<p>This largely relates to an overspend in the South Leicestershire Coronial area run by Leicester City Council. The scale of the 2014/15 overspend emerged after year-end and has therefore impacted on 2015/16 spend. This is compounded by the City Council erroneously not paying pension contributions to the South Leics. Coroner from 2009, increased activity in March and a different approach by the City Council to recharging corporate overheads, all of which have been identified late and have increased costs.</p> <p>It was expected that the overspend would be offset in part by underspends in the Rutland & North Leicester Coroner's area, in particular the cost of consultants and specialists. However, at the year-end those savings did not materialise.</p>
Strategic, Partnership & Communities	-260	-6%	<p>This largely related to staff vacancies being held open ahead of achieving efficiency savings through a review of staff structures. Both the staff reviews for the Policy, Economic and Community Service and the Business Intelligence Service have now been fully implemented. There was also additional income from internal and external sources contributing to this underspend as well as early achievement of savings related to Community Centres.</p>
Registration	-145	n/a	<p>Underspend due to increased income at a number of registration offices.</p>
Trading Standards	-130	-9%	<p>Underspend largely due to staff vacancies partially offset by using agency staff. In addition, there was additional external income.</p>

Democratic Services	-130	-10%	Due to staff vacancies and a high number of staff being on the lower points of their grades following a staff review.
Departmental doubtful debt provision	-100	n/a	A review of the current debt based on age profile indicates that the Chief Executive's department has a reduction in exposure to risk of non-payment of debt owed to it.
Planning, Historic & Natural Environment (HNET)	-60	-12%	A vacant post has been left unfilled in anticipation of making MTFs savings, and additional external income.

Corporate Resources

There is an underspend of £0.9m which reduces to £0.0m after carry forwards of £0.9m. The main variances are:

	£000	% of Budget	
Operational Property - Building Costs	470	6%	Pressure on the central premises costs budget: Central Maintenance Fund £0.14m, County Hall additional car parking £0.14m, and increased demand pressures on shared locality offices as more staff are occupying the buildings £0.2m.
Strategic Property	155	12%	External costs of the new capital asset investment fund and increased disposals target. This variance relates to feasibility and disposal costs including search fees, consultants for reports and other related costs.
Operational Property- Other	120	5%	Overspends include: <ul style="list-style-type: none"> • Sites development - income not achieved and additional costs, total £180k; • Sports facilities, £50k; • Reduced income in Central Print, £50k; • Supported employment savings lower than anticipated due to fewer retirements, £40k. Underspends include: Additional income and savings achieved at Beaumanor (£80k), Property helpdesk staff underspend (£50k) and Country Parks (£40k).
Operational IT	-720	-10%	Staff vacancies held due to recruitment constraints finding ICT skills and in anticipation of 2016/17 savings, and additional LEAMIS contribution £40k.
Learning & Development	-270	-12%	Temporary staffing vacancies and reduced departmental spend on L&D, due to reviews. Additional apprenticeship income.

Traded Income	-235	28%	Over achievement of net income from School Food, County Farms and LEAMIS.
Strategic Finance	-175	-4%	Staff budget savings and underspend on Insurance.
Strategic ICT	-145	-6%	Staffing vacancies. Posts being held vacant pending staffing reviews.
Corporate Projects	-120	-15%	Contingency for the delivery of 2015/16 savings no longer required.