APPENDIX 2

Revenue Budget 2016/17 – forecast main variances

Children and Family Services

Dedicated Schools Grant

A net overspend of £3.3m is forecast, which will be funded from the DSG earmarked fund. The main variances are:

	£000	% of Budget	
Special Educational Needs	3,450	6%	Increased demand at special schools due to unusual age profile with fewer age 19 leavers and a large intake of younger pupils. Material increase in numbers of pupils diagnosed with Autism Spectrum Disorder (ASD) and needing high cost independent specialist provision. Additional primary school starters and fewer independent school leavers have added to costs. Increased numbers of students at FE colleges in line with changes to the Participation Age with no additional DSG funding. The 2016/17 budget was increased by £7.6m; this included a transfer of £4.3m from the DSG Schools Block to the High Needs Block. Further budget adjustments were made a savings target of £2.8m allocated. £2.3m of this saving hasn't been achieved. £0.4m of SEND grant has been used to reduce the overspend.
DSG Early Years Block	230	-1%	Grant forecast reduced in line with the 2, 3 and 4 year old summer term 2016 actual data. The forecast grant payments to nursery schools has also been reduced.
0-5 Learning	-360	-2%	This underspend is as a result of the following:- 1. Underspend of £0.1m within the Early Learning and Childcare Improvement team due to staff vacancies. 2. Nursery Education Funding - forecasting an underspend of £0.2m as result of the latest headcount information available. 3. Early Years - 2 Year old offer

			underspend of £0.1m, based on current known data.

Local Authority Budget

A net underspend of £30,000 (0.0%) is forecast. The main variances are:

	£000	% of Budget	
Directorate	380	47%	Interim CFS management changes and delays in departmental restructure have resulted in a significant proportion of staff agency related spend.
Education, Learning & Skills - 5 to 19 Learning	-145	-22%	Underspend due to: 1) Reduction in projects to schools from within the Leicestershire Education Excellence Partnership. 2) Schools are performing better than previous summer terms, so less need for commissioned support from within the Education quality improvement budget.
Targeted Early Help	-105	-1%	Underspend due to staff turnover and managed vacancies.
Children Social Care & Safeguarding Assurance	-80	-0%	Underspend within Safeguarding Assurance budgets due to combination of increased traded activities, coupled with turnover of staff within the service.

Adults & Communities

The Department is forecasting a net underspend of £6.3m (4.6%). The main variances are:

	£000	% of Budget	
Reduce Demand and Cost Savings	2,000	100%	Savings have been achieved within the underspends for Residential Care, Home Care, Supported Living, Direct Payments where lower demand trends are being reported. The savings are in the process of being allocated to specific services.
Residential & Nursing Care	1,000	2%	Service user contributions are forecast to be £0.5m lower than budgeted. Further analysis is being undertaken to understand the reasons behind this. Increased expenditure on social care provision £0.5m, which is being investigated further.

			The budget forecast also includes a reduction in Continuing Health Care (CHC) contributions of £0.5m due to reduced numbers of eligible service users. This is offset by a corresponding reduction in expenditure of £0.5m.
Home Care	-2,440	-9%	Underspend due to predicted increases in demand not materialising, hence growth built into the budget not being required. As a result of the Help to Live at Home project, there have been a number of requests to transfer to a direct payment by service users who prefer to have their future support needs met by their current home care provider. So far this year, around 200 service users have taken this option with the possibility of a similar number following by the start of the new contracts in November. This has the effect of increasing the underspend even further, but will be offset by a corresponding increase in Direct payment expenditure.
Direct Cash Payments	-2,000	-7%	Underspending from 2015/16 is being maintained as the trend for the overall average payment continues to be lower than expected and there are clawbacks from unspent cash payment balances. The average one off payment is £370 and weekly payment is £230.
Supported Living	-1,760	-12%	Underspend achieved in 2015/16 following changes in responsibility rules relating to Ordinary Residence and other contracts is expected to be maintained with a small amount of growth in service users in 2016/17, resulting in a £2m underspend. The new framework contract is delayed and anticipated savings for 2016/17 (£0.2m) will not be achieved and is offset by some of these savings.
Better Care Fund	-500	-3%	Additional contribution of £0.5m agreed from the Better Care Fund to fund the same levels of service on residential care and homecare to avoid the impact on the NHS.
PI Locality Teams	-450	-12%	£0.3m underspend on Employment Support Service which is now absorbed within Direct Cash Payments budget

			and staff vacancies pending the A & C workforce strategy review.
CLC / Day Services	-395	-14%	Additional Continuing Healthcare (CHC) income as result of revised in-house Community Life Choices (CLC) charges (£0.1m), plus staffing vacancies as part of wider restructuring (£0.3m). These are early delivery of MTFS savings.
Business Support -Staffing	-330	-18%	Vacant posts held pending outcome of the departmental Workforce Strategy review.
Community Income	-285	2%	The department is expecting £1m additional Continuing Healthcare Income (CHC) from health as there has been an increase in non-learning disability joint funded care packages. This has been partially offset by reductions in income from self funding service users (£0.4m) and the number of new service users to the department being less than originally anticipated (£0.3m). There are corresponding underspends within expenditure budgets to compensate for this loss of income.
Reablement (HART)	-260	-4%	Vacant posts held pending outcome of the departmental Workforce Strategy review.
Supported Living, Residential and Short Breaks	-255	-7%	Additional CHC income as result of revised in-house charges.
Aids, Adaptations and Assistive Technology	-230	-8%	An underspend from the Community Equipment joint arrangement with Leicester City based on latest demand information.
Compliance- Staffing	-130	-13%	Vacant posts held pending outcome of the departmental Workforce Strategy review.

<u>Public Health</u>

A net underspend of around £0.1m is forecast. The main variance is:

	£000	% of Budget	
Local Area Co-ordination (LAC)	-70	-81%	A proposal to the Better Care Fund (BCF) to expand LAC across Leicestershire has been delayed while further evidence of Health outcomes is being collected. This results in lower BCF and Public Health Grant required in

			2016/17 and a resulting underspend.

Environment and Transportation

At present the Department is forecast to overspend by around £0.1m (0.2%). The main variances are:

	£000	% of Budget	
Highways			
Winter Maintenance	60	4%	Colder conditions in April resulted in additional gritting.
Environmental Maintenance – Grass Cutting	55	6%	A significant number of staff absences has led to the need to engage a top-up contractor.
Reactive Maintenance	-200	8%	Joint sealing and barrier work are now being treated as capital expenditure and funded from the capital programme. Additionally there is a delay in issuing these works due to non-economical tender returns.
Transportation			
Special Education Needs Transport	555	7%	Increased pupil numbers coming through since February 2016 (97 new users or contract changes since February 2016 when growth was agreed). In addition to this the risk assessment process has identified individuals with more complex needs and therefore the average daily cost has also risen.
Social Services Transport	290	9%	Cost pressures from 2015/16 continue as a result of increased demand.
Mainstream School Transport	-260	-5%	Underspend as a result of reduced demand (result of policy change), service reviews and increased charges.
Public Bus Services	-225	-8%	Savings made through tendering of the Park & Ride contract in February 2016.
Concessionary Travel	-140	-3%	Lower usage in the first 3 months of the financial year, in part due to poorer weather conditions in May and June.
Environment & Waste			
Recycling & Household Waste Sites	100	4%	£o.1m reduction in anticipated income from charging - lower tonnages handled and delay in implementation of charging scheme in May.
Composting Contracts	-100	-5%	Underspend due to contract efficiencies and lower green waste.

Recycling & Reuse Credits	-75	-2%	Early indication is that tonnage growth is not evident at the original expected levels and therefore budget will be underspend.
Income	-70	6%	Additional trade waste income received over and above the MTFS position.
Treatment Contracts	-55	-1%	Underspend due to more cost effective treatment of waste tonnages.
Staffing & Administration	200	1%	Overspend due to a delay in implementing a revised planning and charging regime.

Chief Executives

An underspend of around £0.4m (3.7%) is forecast. The main variances are:

	£000	% of Budget	
Coroners	105	12%	Overspend relates primarily to increased pressures on the Leicester City and South Leicestershire Coroner's Service run by Leicester City Council. Increased costs were identified at the end of 2015/16 relating to confirmation that the Coroner is entitled to a non-contributory pension and increasing investigation linked to the rising number of deprivation of Liberty cases.
Democratic Services & Admin	-105	-7%	This underspend relates to a number of staff on career grades being on the lower part of their grades. There are also vacancies which are being recruited to, and a short term secondment creating a vacancy in the service which will not be recruited to.
Trading Standards	-100	-7%	Several vacancies currently exist within the service resulting in an underspend that is partially offset by use of agency staff. The service has also been able to attract more funding from the National Trading Standards Board.
Planning, Historic & Natural Environment (HNET)	-85	-18%	This underspend is largely due to staff vacancies. Recruitment to some of these vacancies is currently taking place.

Registration	-65	34%	Following on from 2015/16 where fee income was buoyant, it is forecast that this will continue into 2016/17.
Strategy & Business Intelligence	-50	-1%	Underspend is due to vacancies from staff turnover in the service.

Corporate Resources

An underspend of around £0.5m (1.5%) is forecast. The main variances are:

	£000	% of Budget	
ICT	-330	-4%	Challenges recruiting technical specialists and vacancies held in anticipation of future year savings and Review.
Commissioning	-100	-16%	Timing of vacancies being filled.
Strategic Finance	-75	-2%	Vacancies held in anticipation of future year savings/ impending review. Work is being absorbed and prioritised accordingly.
Learning & Development	-65	-3%	Saving based on latest forecast demand in Student Support, Management Competency and Health and Safety.

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