

Revenue Budget 2016/17 – forecast main variances**Children and Family Services****Dedicated Schools Grant**

A net overspend of £3.6m is forecast, which will be funded from the DSG earmarked fund. The main variances are:

	£000	% of Budget	
Special Educational Needs (SEN)	3,750	7%	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 resulting from changes to SEN and Disability (SEND) legislation to expand age range from birth to 25 years of age. Fewer independent school leavers due to full year effect of Participation Age extension and increased numbers of students at FE colleges and post 16 Independent Specialist Provision in line with changes to the Participation Age with no additional DSG funding. The 2016/17 budget was set after transferring £4.3m from the DSG Schools Block to the High Needs Block leaving a savings target of £2.8m. This has not been achieved and additional pupil demand since April has added to the overspend. £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:- <ul style="list-style-type: none"> • Underspend within the Early Learning and Childcare Improvement team due to staff

			<p>vacancies (£-60k)</p> <ul style="list-style-type: none"> • Nursery Education Funding - forecasting an underspend of £160k as result of the latest headcount information available • Early Years - 2 Year old offer underspend of £140k, based on current known data.
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Local Authority Budget

The Local authority budget is forecast to be on budget. The main variances are:

	£000	% of Budget	
Directorate	485	60%	Interim C&FS management changes and delays in departmental restructure have resulted in a significant proportion of staff agency related spend.
Children's Social Care Legal Costs	320	63%	The number of care cases that have been instructed to issue proceedings continues to rise and result in a budget pressure. In addition, there are projected to be approximately 80-100 pre-proceedings cases which provide additional cost pressures.
Asylum Seekers	120	48%	Demand has significantly increased this financial year. This is directly linked to the impact of the national transfer scheme, and the need for additional staffing to manage demand. The Home Office grant received largely only covers the cost of accommodation and not social work costs.
Placements	-360	-2%	For 2016/17 the number of looked after children has increased from 469 in March to 502 at the end of September. Analysis of the type of placement and the financial position shows a reduction in children in residential care and a movement to lower cost provision. The average unit cost for children's placements has seen a reduction of 11% from the position in 2015/16.
Safeguarding Assurance	-150	-3%	Turnover of staff within the service, and unfilled posts for periods of time during financial year.
Education, Learning & Skills - 5 to 19 Learning	-140	-21%	Underspend due to: <ul style="list-style-type: none"> • Reduction in projects to schools from within the Leicestershire Education Excellence Partnership.

			<ul style="list-style-type: none"> Schools are performing better than previous summer terms, so less need for commissioned support from within the Education quality improvement budget.
Targeted Early Help	-135	-1%	Underspend due to staff turnover and managed vacancies.

Adults & Communities

The Department is forecasting a net underspend of £6.7m (4.9%). The main variances are:

	£000	% of Budget	
Residential & Nursing Care	1,900	4%	<p>An increase in expenditure on social care of £0.9m due to an increase in payments for additional needs, and some significant new care packages, though overall numbers in Service Users remains the same.</p> <p>Also Service user contributions are forecast to be £0.5m lower than budgeted and there is a reduction in Continuing Health Care (CHC) contributions of £0.5m due to reduced numbers of eligible service users.</p>
Home Care	-3,620	-12%	<p>Underspend due to predicted increases in demand not materialising and therefore growth built into the budget not being required.</p> <p>There has been a reduction in self-funding service users between April and September. This is offset by a corresponding loss of chargeable income.</p> <p>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 cash payment expenditure.</p>

Direct Cash Payments	-1,000	-4%	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. The underspend has reduced by £1m after allocating some of the MTFs savings requirement for reduced cost and demand for social care
Supported Living	-755	-6%	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. The new framework contract is delayed and anticipated savings for 2016/17 (£250k) will not be achieved and is offset by some of these savings. The underspend has reduced by £1m after allocating some of the MTFs savings requirement for reduced cost and demand for social care.
Community Income	-550	2%	The department is expecting £1.3m additional Continuing Healthcare (CHC) income 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 (£400k) and the number of new service users to the department being less than originally anticipated (£300k). There are corresponding underspends within expenditure budgets to compensate for this loss of income.
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.
CLC / Day Services	-425	-14%	Additional CHC income as result of revised in-house Community Life Choices (CLC) charges (£120k), plus staffing vacancies as part of wider restructuring (£270k). These are early delivery of MTFs savings.

Business Support -Staffing	-380	-21%	Vacant posts held pending outcome of the departmental Workforce Strategy review.
Reablement (HART)	-335	-4%	Vacant posts held pending outcome of the departmental Workforce Strategy review.
Aids, Adaptations and Assistive Technology	-260	-8%	An underspend from the Community Equipment joint arrangement with Leicester City Council based on latest demand information.
Supported Living, Residential and Short Breaks	-255	-7%	Additional CHC income as result of revised in-house charges.
PI Locality Teams	-240	-6%	£310k underspend on Employment Support Service which is now absorbed within Direct Cash Payments budget and staff vacancies pending the A & C workforce strategy review.
Compliance - Staffing	-180	-13%	Vacant posts held pending outcome of the departmental Workforce Strategy review.

Public Health

A net underspend of £50,000 is forecast. The main variance is:

	£000	% of Budget	
Local Area Co-ordination (LAC)	-80	-92%	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 underspend by £140,000 (0.2%). The main variances are:

	£000	% of Budget	
<u>Highways</u>			
Winter Maintenance	60	4%	Colder conditions in April resulted in additional gritting.
Street Lighting	-200	-6%	Underspend due to acceleration of the LED installation programme leading to earlier than anticipated energy savings
Environmental Maintenance	-175	5%	Underspend on drainage repairs due

			to lack of staff resources available to identify and evaluate jobs. Linked in part to the transition arrangements arising from the departmental restructure.
Reactive Maintenance (Structural & Safety)	-105	-7%	The joint sealing element of this programme is now being treated as capital expenditure and will be funded from the capital programme. Additionally there is a delay in issuing these works due to non-economical tender returns.
<u>Transportation</u>			
Special Education Needs Transport	570	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 by over 10%.
Social Care Transport	240	7%	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.
<u>Environment & Waste</u>			
Treatment Contracts	95	1%	Overspend largely due to increased volumes of wood and extra street sweepings.
Recycling & Household Waste Sites	50	2%	Forecast includes £100k reduction in anticipated income from charging, due to delay in implementation of charging scheme until May, offset by lower tonnages handled (£50k).
Composting Contracts	-250	-13%	Underspend due to a combination of contract efficiencies and lower volumes of green waste.
Recycling & Reuse Credits	-100	-3%	Early indication is that tonnage growth is not evident at the originally expected levels and therefore budget will underspend.
Income	-70	6%	Additional trade waste income received over and above the MTFS position.

<u>Staffing & Administration</u>			
Highways & Transportation	355	8%	Overspend due to a delay in implementing a revised planning and charging regime and shortfall in fees recovered from the capital programme.
Environment & Waste	-120	-5%	Underspend due to vacancies.

Chief Executives

An underspend of around £440,000 (4.4%) is forecast. The main variances are:

	£000	% of Budget	
Coroners	120	14%	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 investigations linked to the rising number of deprivation of liberty cases.
Democratic Services & Admin	-120	-6%	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	-115	-8%	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 £20k more funding from the National Trading Standards Board.
Planning, Historic & Natural Environment (HNET)	-90	-19%	Underspend mainly due to staff vacancies. Recruitment to some of these vacancies is currently taking place.
Strategy & Business Intelligence	-80	-2%	Underspend due to vacancies from staff turnover in the service.
Registration	-65	34%	Following on from 2015/16 where fee income was buoyant, it is forecast that this will continue into 2016/17.

Corporate Resources

An underspend of around £320,000 (0.9%) is forecast. The main variances are:

	£000	% of Budget	
Operational Property	130	6%	A combination of increased unoccupied properties (key sites including Melton KEVII, Heathfield High and Holliers Walk) and an in year shortfall against Supported Employment (delays to retirements). All savings have been identified for 2017/18 and alternatives are being considered in year.
Strategic Property	100	7%	Resources needed to fund additional feasibility and other costs for asset investments, £0.2m, offset by short term staff savings (recruitment delays for specialist property and valuation staff).
Customer Service Centre	95	5%	Forecast overspend due to increased demand, maternity cover and interim resources to backfill for training. A review and project has been set up to identify new savings.
People resources (HR, Health & Safety, L&D and Trade Union)	-270	-7%	A combination of L&D underspends (£0.2m) and staff savings in HR in anticipation of 2017/18 savings target.
Strategic Finance	-175	-6%	Vacancies held in anticipation of future year savings/ impending review. Work is being absorbed and prioritised accordingly.
Commercial Services	-130	-3%	The timing of the Leicestershire Traded Services Business Plan was later than the MTFS with targets set higher than budgets so most services (catering, school food, LEAMIS, forestry, Facilities Management and Beaumanor) are demonstrating more profit through a combination of increased sales and reduced costs.
Commissioning Support	-90	-14%	A delay in recruitment of vacancies has resulted in a short term underspend but also delays to actioning commissioning reviews and achieving savings.