

APPENDIX 2**Revenue Budget 2017/18 – forecast main variances****Children and Family Services****Dedicated Schools Grant**

A net overspend of £1.1m is forecast, which will be funded from the DSG earmarked fund. The main variances are:

	£000	% of Budget
<u>High Needs</u>		
Specialist Services to Vulnerable Groups	650	19%
The 2017/18 MTFS included savings of £790k on Specialist Teaching Services; whilst it is not expected that this saving will be fully achieved in 2017/18 a small part of this saving may be achieved by the non recruitment to vacancies. The Transformation project has seen some delay pending the recruitment of a project lead; a lead is now in post and planning is underway, and the project is included as a workstream within the High Needs Block Inclusion project. Recent years have seen more pupils with Autism Spectrum Disorder being supported by alternative providers arranged by the Autism Outreach Intensive Support Service; these pupils have been reviewed to plan their future provision and some savings are anticipated in the period 5 monitoring return.		
Special Educational Needs (SEN)	250	0.4%
The 2017/18 MTFS included savings of £725k on SEN placements; the required saving has been met in part. A number of actions have been put in place that are showing success is reducing costs, these include the Graduated Response through the Oakfield short stay school which is preventing pupils entering into independent placements, an increase in the number of lower cost local placements, more effective transitional planning and strengthening assessment and commissioning arrangements. The final choice of place often isn't made until the young people get their exam results in August and is not known at the time of budget setting. A full reconciliation of July leavers and September starters will be completed during September and October and forecasts amended as necessary. 5 families have gone to mediation because their children were offered alternative school places than the ones requested; if the tribunals are successful expenditure may increase. A number of young people will start in Further Education colleges after they get their exam results and individual costs won't be known until they can be assessed in college. Accurate costs will be known in October.		
Education of Children with Medical Needs	175	30%
Pupil numbers increased by 60 pupils between April and June 2017. Should pupil numbers continue to rise in line with the last 2 academic years, it is predicted that numbers and costs will exceed the current forecast.		
Other variances	25	n/a
TOTAL	1,100	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £5.2m (8.5%). The main variances are:

	£000	% of Budget
Children Placement	2,200	9%
For 2017/18 the number of looked after children is projected to increase by 10% from 494 in March 2017. The average unit cost for children's placements is projected to increase by 5% from 2016/17, but is still a reduction of 7% from the position in 2015/16. The increase in cost in 2017/18 is related to the changing mix of placement provision and a higher than originally expected arrival of children entering care that require residential provision.		
Safeguarding Unit / First Response Service	800	16%
Additional staffing costs in line with the agreed post Ofsted action plan and a requirement to engage agency staff to cover the new posts and to cover vacancies.		
Children's Social Care Field Work Teams/Children in Care Team	680	9%
Additional staffing costs in line with the agreed post Ofsted action plan and a requirement to engage agency staff to cover the new posts and to cover vacancies.		
Children's Social Care Legal Costs	600	117%
The number of care cases that have been instructed to issue proceedings continues to rise and result in a budget pressure.		
Directorate	570	68%
Combination of delays in next phase of management restructure and additional costs as result of agreed post Ofsted action plan. Use of consultants is still expected and contributes to the overall projected overspend.		
Fostering and Adoption Service	440	16%
Increased demand on service, largely due to the increased volume of fostering assessments which requires additional capacity. Additional costs have also been reflected as a result of the agreed post Ofsted action plan.		
Asylum Seekers Budget	180	56%
Demand on this budget significantly increased last financial year and is projected to do the same this financial year, which has resulted in increased need for additional staffing to manage demand. The majority of these children arrive spontaneously and become the statutory responsibility of the local authority in which they arrive.		
Education learning and Skills - 5-19 Learning - IAG (Information, Advise and Guidance)	-425	-20%
Contract for IAG with Prospects will reduce from £1.4m p.a. to £0.7m p.a. from 1st October 2017. MTFS IAG savings contribution has been achieved earlier than expected. Originally not expected until 2018/19.		
Other variances	185	n/a
TOTAL	5,230	n/a

Adults & Communities

The Department is forecasting a net underspend of £4.9m (3.6%). The main variances are:

	£000	% of Budget
Safeguarding, DOLS and Court of Protection	150	7%
Overspend relates to staff costs due a continuing high volume of referrals, an increase in the need for paid person representatives as a result of a court judgement ruling a conflict of interest in a particular case relating to relevant person representatives (normally relatives) and a loss of expected DoH grant.		

Community and Wellbeing Savings	110	n/a
Delay in the implementation of Smart Libraries (late 2017) and a change request for the HR action plan to be implemented at the end of the project means that the £0.1m saving within the MTFS is unlikely to be achieved but will be offset by a range of one-off income and underspends through the service (contained within Other variances (under £100k) below).		
Community Income	-2,300	-13%
£2m of the underspend relate to overperformance in 2016/17 that benefits the current financial year. The Community Income variance is £2.3m for the current year, as Continuing Health Care income continues to perform strongly, partly through more accurate/timely recording on social care systems.		
Residential Care and Nursing	-705	-1%
Reduction in number of service users (25) and lower average cost (£1.2m) ,higher income from third party service user charges (£0.2m) offset by care costs relating to previous financial years (£0.7m). There are 2,340 service users with an average care package cost of £709 per week.		
Community Life Choices (CLC) / Day Services	-560	-15%
Underspends due to decline of new referrals therefore staffing has been scaled down as appropriate, vacancies held pending action plans for co-located services due to take place in Sept and vacancies a result of the new CLC strategy implementation.		
Direct Payments (DP)	-320	-1%
The number of service users and package size is broadly in line with budget. There are 2,798 service users per week receiving an average package of £241.52.		
Community Life Choices	-290	-6%
Reduction in number of packages and cost following the implementation of new contract		
Supported Living	-240	-2%
Reduction in number of service users (£0.5m) offset by increase in care package costs (£0.3m).		
Aids, Adaptations and Assistive Technology	-205	-8%
Staffing underspend through vacancies (£137k) and reduced spend on running cost and equipment budgets (£70k).		
Home Care	-170	-1%
Variance arising from a reduction in the average hours of care required. There are forecast to be 1,379 service users per week receiving average maintenance package of 10.80 hours per week.		
Other variances (under £100k)	-360	n/a
TOTAL	-4,890	n/a

Public Health

A net underspend of £110,000 is forecast. The main variance is:

	£000	% of Budget
Public Health Advice	-80	-4%
This is a planned saving in relation to the decommissioning of a contract mid year by Children and Family Services as part of the Early Help and Prevention Review. This saving is contributing to the MTFS target of £1.5m savings by 2020/21.		
Other variances	-30	n/a
TOTAL	-110	n/a

Environment and Transportation

At present the Department is forecast to underspend by £60,000 (0.1%). The main variances are:

	£000	% of Budget
<u>Highways</u>		
Winter Maintenance	100	7%
Additional costs for changes to winter driver shifts/rotas.		
Forrestry	70	20%
Safety Critical activities which need attention		
Street Lighting Maintenance	-370	-14%
Underspend on energy costs due to acceleration of the LED programme and network cabling which is now part of the LED project.		
Management & Training Costs	-160	-16%
Underspend due to vacancies.		
Highways Delivery - Staffing & Admin	-120	-9%
Underspend due to vacancies.		
<u>Transportation</u>		
Special Educational Needs Transport	300	4%
Overspend due to increasing number of pupils and risk assessment process which has identified individuals with more complex needs.		
Social Care Transport	260	8%
Overspend forecast due to cost pressures as a result of increased demand. The recent review of Social Care Transport should start to reduce levels of spend from October onwards on Adult Social Care transport costs.		
Public Bus Services	75	3%
£40k of overspend relates to cost of providing a bus service replacement (for service 8) due to commercial deregistration by bus company.		
Concessionary Travel & Joint Arrangements	55	1%
Concessionary travel reimbursements to date suggest potential additional costs of £55k for 2017/18. The downward trend of reimbursement costs may have been overestimated when budgets were set for 2017/18. It is however early in the financial year and concessionary travel reimbursements can be affected by bus company fare rises, service reductions, unusual weather patterns and other factors.		
Mainstream School Transport	-255	-5%
Underspend forecast based on previous year spending patterns. Spending on Mainstream School Transport has reduced in recent years as a result of lower demand due to policy changes. Contract efficiencies have also contributed towards savings. This trend is expected to continue in 2017/18.		
<u>Environment & Waste</u>		
Haulage and Waste Transfer	195	13%
Haulage cost forecasts have increased for 2017/18 due to the temporary closure of Whetstone RHWS (due to fire), closure of the Mechanical Biological Treatment (MBT) plant and increased forecast haulage to Stoke Energy for Waste (EfW) plant and Hinckley and Bosworth BC direct deliveries to Coventry, due to the MBT closure.		
Composting Contracts	-90	-6%
Forecasting less green waste due to warm weather (drier and therefore lower growth).		
Recycling & Household Waste Sites	-85	-3%
Forecast underspend relates to an anticipated increase in income from the sale of recyclable materials.		

Departmental & Business Management		
Departmental costs	60	16%
Overspend mainly relates to £25k for NHT (National Highways and Transport) survey work and £30k contribution to East Midlands Councils for Strategic Transport Priorities 2017/18.		
Other variances	-95	n/a
TOTAL	-60	n/a

Chief Executives

An underspend of £450,000 (4.5%) is forecast. The main variances are:

	£000	% of Budget
Projects	-205	-79%
The government has delayed its decision on the Combined Authority and as a result none of the £150k contribution will be required this year.		
Democratic Services and Administration	-115	-7%
There has been a restructuring which has resulted in lower staffing costs and also a number of new appointments made at the bottom of the grade.		
Trading Standards	-50	-3%
Increased income for the Ports and Border Project has been received, this has been partly offset by increased agency staff costs to undertake the work.		
Other variances	-80	n/a
TOTAL	-450	n/a

Corporate Resources

A net underspend of £0.3m (0.9%) is forecast. The main variances are:

	£000	% of Budget
Building Costs	65	1%
Predominantly as a result of an unbudgeted business rates charge for Snibston administration offices, the basis of which is being reviewed by Lambert Smith Hampton and may decrease if an appeal is forthcoming and successful.		
Learning & Development	55	3%
Recharge income foregone as replaced by Apprenticeship Levy credits. Expected to be absorbed by substitution of existing training if it fits the criteria.		
ICT	-225	-2%
Variances achieved through staff vacancies which have not been replaced whilst outcome of Agilysis review is awaited.		
Corporate Human Resources	-90	-5%
Underspends a result of maternity leave and vacancies in HR and Health & Safety services, alongside reduction in planned ICT expenditure.		
Strategic Finance	-80	-3%
Attrition & retirements not replaced in Finance as vacancies are held in anticipation of future year savings / impending Review. Work is being absorbed and prioritised accordingly.		
Customer Service Team	-60	-3%
Variance a result of staffing vacancies held in the Customer Service Team following departure of staff to ASC jobs.		
Other variances	-5	n/a
TOTAL	-340	n/a

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