

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

A net overspend of £1.0m is forecast, which will be funded from the DSG earmarked fund.

The main variances are:

	£000	% of Budget
High Needs		
Specialist Services to Vulnerable Groups	430	12%
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 and savings in placements of children with Autism Spectrum Disorder (ASD). The 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 ASD 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 made. Further savings are likely in the period 7 monitoring return as this work continues.		
Special Educational Needs (SEN)	300	0.5%
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 in 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 is not 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 October and forecasts amended as necessary. Unrequired "ghost places" will be released once the reconciliation is complete. 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 will not be known until they can be assessed in college. Accurate costs will be known in October.		
Education of Children with Medical Needs	135	23%
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	105	n/a
TOTAL	970	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £3.9m (6.3%). The main variances are:

	£000	% of Budget
Children Placement	2,130	9%
For 2017/18 the number of looked after children is projected to increase by 5% from 510 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.		
Children's Social Care Field Work Teams/Children in Care Team/ First Response / Child Sexual Exploitation	1,045	12%
Additional staffing costs in line with the agreed post Ofsted action plan.		
Children's Social Care Legal Costs	560	109%
The number of care cases that have been instructed to issue proceedings continues to rise and result in a budget pressure.		
Fostering and Adoption Service	530	21%
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.		
Directorate	445	54%
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.		
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 - Targeted Early Help / Psychology Service / Disabled Children's Service / Commissioning Service	-310	-2%
Underspends across various service areas as a result of staff turnover/vacancies.		
Other variances	-65	n/a
TOTAL	3,910	n/a

Adults & Communities

The Department is forecasting a net underspend of £3.9m (2.9%). The main variances are:

	£000	% of Budget
Homecare	535	3%
An increase in number of service users since period 5 which is being investigated to establish whether these are new starters or have migrated from another service. There are 1,584 service users per week receiving average package of 10.53 hours per week .		
Safeguarding, DOLS and Court of Protection	275	12%
Overspend due to the loss of DoH grant (£260k) and increased cost of referrals.		
Whole Life Disability	220	9%
Filling vacant staffing posts following Adult Social Care (ASC) workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service.		

Complex Mental Health & Emergency Duty Teams	215	8%
Filling vacant staffing posts following ASC workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service.		
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).		
Extra Care	110	20%
Additional care and wellbeing contract required for Loughborough Extra Care Scheme.		
Direct Payments (DP)	-1,225	-4%
The main underspend relates to the clawback of unused balances on direct payment cards of £2m, offset by an increase in the cost of service users packages totalling £0.6m. There are 2,780 service users per week receiving an average package of £243.05.		
Community Income	-1,085	-6%
Increased income from service users. The position is after a £1.6m budget transfer to Home Care for additional Health income received for additional service users compared with the original budget estimates. Following a detailed review of the costs to period 5, more information is now known on the volumes and contributions.		
Residential Care and Nursing	-760	-2%
Reduction in number of service users and lower average cost (£1.5m), offset by care costs relating to previous financial years (£0.8m). There are 2,340 service users with an average care package cost of £710 per week.		
Reablement (HART)	-505	-11%
Additional Income to support health activities and staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Community Life Choices (CLC) / Day Services	-375	-11%
Underspends due to decline of new referrals to the in-house service therefore staffing has been scaled down as appropriate, vacancies held pending action plans for co-located services due to take place in November and vacancies as a result of the new CLC strategy implementation.		
Business Support	-330	-18%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy		
Supported Living	-215	-2%
Reduction in number of service users (£0.5m) offset by increase in care package costs (£0.3m).		
Community Life Choices	-170	-3%
Reduction in number of packages and cost following the implementation of new contract.		
Aids, Adaptations and Assistive Technology	-195	-7%
Staffing underspend through vacancies (£140k) and reduced spend on running cost and equipment budgets (£40k).		
Community Enablement and Reablement Team	-155	-60%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Community Care Finance	-105	-9%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy		
Other variances (under £100k)	-245	n/a
TOTAL	-3,900	n/a

Public Health

A net underspend of £0.1m is forecast. The main variances are:

	£000	% of Budget
Sexual Health	450	10%
A contribution of £383k is being proposed to the City Council refurbishment of a new base for the Integrated Sexual Health Services in Leicester. The new location should generate revenue savings for all Commissioners. In addition, £66k relates to payments for 2016 contract activity, which were greater than the reserve made.		
Local Area Coordination	-420	-42%
The budget had been produced on the basis that there would be a large extension to the pilot, covering all of the County. A decision has since been taken to target the new service to priority areas as identified by the external evaluation. It is intended that the service will move into other areas over time.		
Public Health Advice	-100	-5%
There is a planned saving of £72k in relation to the decommissioning of a contract mid year by CFS as part of the Early Help and Prevention Review. This saving is contributing to the MTFs target of £1.5m savings by 2020/21.		
Health Checks	-50	-8%
Early indications are that the number of checks undertaken are lower than budgeted.		
Other variances	20	n/a
TOTAL	-100	n/a

Environment and Transportation

The Department is forecasting a net underspend of £1.3m (1.9%). The main variances are:

	£000	% of Budget
Highways		
Environmental maintenance - Forestry and Gulley emptying	140	11%
A number of Safety Critical activities which need attention over and above what the budget provides, and also additional jetting costs being incurred due to the number of blocked gully's being found.		
Winter Maintenance	80	6%
Additional costs for changes to winter driver shifts/rotas.		
Management & Training Costs	-185	-22%
Underspend due to vacancies.		
Highways Delivery - Staffing & Admin	-150	-4%
Underspend due to vacancies and lower overheads and depot costs.		
Street Lighting Maintenance	-125	-8%
Underspend on energy costs due to acceleration of the LED programme.		
Transportation		
Social Care Transport	225	7%
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. A growth bid for 2018/19 onwards has been submitted.		

Special Educational Needs Transport	70	1%
Overspend due to increasing number of pupils and risk assessment process which has identified individuals with more complex needs.		
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 still relatively 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	-290	-6%
Underspend forecast due to contract efficiencies and lower demand for services. Contract savings have arisen due to e-auctions and tendering efficiencies. Lower demand for services is due to policy changes (less eligible pupils) and alternative commercial options being available to parents.		
Public Bus Services	-170	-6%
Budget savings were identified when Public Bus Service budgets were set for 2017/18 and these savings were built into budgets as a contingency with a view to this being declared as a future saving. An element of the contingency will be required in 2017/18, so the remaining forecast underspend is £170k.		
Environment & Waste		
Treatment Contracts	130	1%
Extra costs forecast at Energy for Waste plants due to waste diversion from Landfill.		
Haulage and Waste Transfer	90	6%
Haulage cost forecasts have increased for 2017/18 due to the closure of the Mechanical Biological Treatment (MBT) plant and therefore increased forecast haulage to Stoke and Coventry Energy for Waste (EfW) plants.		
Recycling and Household Waste Sites (RHWS)	-360	-12%
Underspend due to additional income forecast from RHWS recyclable materials in 2017/18 due to income from scrap metal (which was originally forecast to be a cost to LCC but is actually delivering income) and also additional income from reuse. Income from recyclable materials can fluctuate depending on current market rates.		
Landfill	-255	-4%
Underspend forecast due to diversion of waste from Landfill to more cost-effective Energy for Waste plants. Waste tonnages have also been lower than expected.		
Recycling and Reuse Credits	-190	-6%
2017/18 recycling credit claims are lower than expected leading to a forecast £65k underspend. Also the level of reserves processed at the end of 2016/17 was too high resulting in an additional forecast underspend of £125k.		
Composting Contracts	-160	-10%
Forecasting less green waste due to warm weather (drier and therefore lower growth). Tonnages continue to be lower than expected.		
Income	-100	8%
Extra income forecast from increased trade waste.		
Departmental & Business Management		
Management & Administration	60	5%
Overspend due to unbudgeted spending on Director recruitment, consultancy and AECOM Operational Development Support.		
Other variances	-125	n/a
TOTAL	-1,260	n/a

Chief Executives

An underspend of £540,000 (5.3%) 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	-130	-9%
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.		
Planning and Historic & Natural Environment	-100	-21%
There are currently 2FTE posts which are vacant but are expected to be filled during the year. In addition additional income of £30k has been received for Historic Buildings advice and Archaeological Services.		
Trading Standards	-75	-5%
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	-30	n/a
TOTAL	-540	n/a

Corporate Resources

A net underspend of £0.4m (1.3%) is forecast. The main variances are:

	£000	% of Budget
Building & Premises costs	65	1%
Predominantly as a result of unbudgeted rates charge for Snibston Discovery Park offices, the basis of which is being reviewed by Lambert Smith Hampton and may decrease if an appeal is forthcoming and successful.		
ICT	-310	-3%
Variances achieved through staff vacancies which have not been replaced whilst outcome of Agilysis review is awaited.		
Corporate Human Resources	-110	-6%
Underspends a result of maternity leave and vacancies in HR and Health & Safety services and early savings ahead of next year's target.		
Strategic Finance	-90	-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. A new Action Plan is being implemented for the management team to enable future savings.		
Other variances	75	n/a
TOTAL	-430	n/a