

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

A net overspend of £1.4m is forecast, which will be funded from the DSG earmarked fund.

The main variances are:

	£000	% of Budget
High Needs		
Special Educational Needs (SEN)	715	1%
<p>The 2017/18 MTFS included savings of £725k on SEN placements; the required saving has been met in part but the increased school population and increased demand for support is offsetting these savings. A number of actions have been put in place that are showing success in reducing costs; these include 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 has been completed and forecasts updated and unrequired "ghost places" released. Some budget areas could have additional pupils arriving during the remainder of the year if they move into the area or are assessed later. 5 families went to mediation because their children were offered lower cost school places than the ones requested and the forecast has been amended to show these increased costs. Costs for FE placements are now known and work is under way to review increased costs and negotiate a lower fee where possible. Additional complex cases have moved into the county and the forecast has increased to reflect this.</p>		
Specialist Services to Vulnerable Groups	410	12%
<p>The 2017/18 MTFS included savings of £790k on Specialist Teaching Services; whilst it is not expected that this saving will be achieved in 2017/18 some of the saving has been 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 work stream 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 future periods as this work progresses. Some complex pupils will transfer to independent provision in SEN budgets as other provision does not meet their needs.</p>		
Education of Children with Medical Needs	240	41%
<p>Pupil numbers increased by 60 pupils between April and June 2017. Numbers usually rise in the autumn term and a further 10 pupils have been supported, increasing costs. A main provider has stopped taking new cases and alternative more costly provision may be need if more pupils are identified needing support.</p>		
Other variances	45	n/a
TOTAL	1,410	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £4.4m (7.2%). The main variances are:

	£000	% of Budget
Children Placement	2,135	9%
For 2017/18 the number of looked after children is projected to increase by 11% from 510 in March 2017 to 565 in March 2018. The average unit cost for children's placements is projected to increase by 5% from 2016/17, but is still a reduction of 9% 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 /Practise Excellence /Safeguarding	1,640	12%
Additional staffing costs in line with the agreed post Ofsted action plan, some of which has been covered by agency workers given current difficulty to both retain and recruit social workers.		
Children's Social Care Legal Costs	520	102%
The number of care cases that have been instructed to issue proceedings continues to rise and result in a budget pressure.		
Directorate	490	59%
Combination of delays in next phase of management restructure. Use of consultants is still expected and contributes to the overall projected overspend.		
Fostering and Adoption Service	430	17%
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	160	50%
Demand on this budget significantly increased in the 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. The overspend is reduced by grant funding of £92k announced in January 2018.		
Premature Retirement Costs	120	18%
Greater demand on budget based on current need.		
Education learning and Skills - 5-19 Learning - IAG (Information, Advice and Guidance)	-425	-20%
Contract for IAG with Prospects reduced 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).		
Targeted Early Help	-335	-3%
Underspends are due to staff vacancies and posts not in Local Government pension scheme.		
Education Quality - 5-19 Learning	-260	-43%
Additional income has been received which has reduced net cost to budget this financial year.		
Other variances	-45	n/a
TOTAL	4,430	n/a

Adults & Communities

The Department is forecasting a net underspend of £4.4m (3.3%). The main variances are:

	£000	% of Budget
PI Locality Teams	880	32%
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 and not using earmarked funds of £0.4m to support temporary staffing.		
Complex Mental Health & Emergency Duty Teams	620	24%
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.		
Department Senior Management and Transformation Programme	605	n/a
Overspend due to not using earmarked funds of £0.6m for the departments transformation programme due to overall departmental position.		
Homecare	240	2%
Overspend due to an increase in number of service users. There are 1,586 service users per week receiving average package of 10.11 hours per week .		
Whole Life Disability	230	9%
Filling vacant staffing posts following ASC workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service.		
Safeguarding, DOLS and Court of Protection	210	9%
Overspend mainly due to the loss of DoH grant (£0.3m) and offset by a reduction in other expenditure.		
Extra Care	120	22%
Additional care and wellbeing contract required for Loughborough Extra Care Scheme.		
Community and Wellbeing Savings	120	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 £0.1m) below).		
Residential Care and Nursing	-3,510	-6%
Reduction in number of service users (£1.75m) and lower average cost of packages (£1.0m), offset by care costs relating to previous financial years (£0.8m) and costs for debt management (£0.25m). Additional health and service user income is anticipated (£1.8m). There are 2,320 service users with an average care package cost of £706 per week.		
Direct Payments (DP)	-1,280	-4%
The main underspend relates to the clawback of unused balances on direct payment cards of £2.1m, offset by an increase in the cost of service users packages totalling £0.8m. There are 2,760 service users per week receiving an average package of £248.12.		
Community Income	-940	-5%
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.		
Community Life Choices (CLC) / Day Services	-500	-15%
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	-360	-20%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Community Enablement and Reablement Team	-155	-60%

Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Community Care Finance	-130	-11%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy and additional income from fees.		
Aids, Adaptations and Assistive Technology	-140	-5%
Staffing underspend through vacancies and reduced spend on running cost and equipment budgets.		
Other variances (under £100k)	-430	n/a
TOTAL	-4,420	n/a

Public Health

A net underspend of £1.1m is forecast. The main variances are:

	£000	% of Budget
Public Health Leadership	170	10%
The overspend is on staffing costs due to the expansion of the Programme Delivery Team.		
Local Area Coordination	-470	-47%
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.		
Health Checks	-175	-29%
Performance data for the first nine months indicates that the number of checks undertaken will be lower than budgeted.		
Smoking and Tobacco	-130	-126%
A dispute with the previous provider relating to 2016/17 has been resolved and as a result there will be a £108k underspend.		
Sexual Health	-125	-3%
There is reduced spend on demand led services, including Out Of County providers.		
Other Public Health Services	-120	-31%
There is a £100k underspend on Mental Health promotion activity as funding is being provided by the CCGs.		
Public Health Advice	-100	-5%
There is a planned saving of £72k in relation to the decommissioning of a contract mid year by C&FS as part of the Early Help and Prevention Review. This saving is contributing to the MTFS target of £1.5m savings by 2020/21.		
Substance Misuse	-95	-2%
A contribution of £111k has been received from the Office of the Police and Crime Commissioner; this is in respect of the contract with Turning Point.		
Quit Ready	-65	-10%
This is a new service delivery model and budgets were produced based on spend by the previous provider. Pharmacotherapy and other stop smoking aids however have not been required to the extent budgeted.		
TOTAL	-1,110	n/a

Environment and Transportation

The Department is forecasting a net underspend of £0.9m (1.3%). The main variances are:

	£000	% of Budget
Highways		
Winter Maintenance	420	26%
Additional costs, partly from changes to winter driver shifts/rotas but mostly from additional salt, gritting and snow clearance due to poor weather conditions, especially in December 2017.		
Reactive Maintenance	295	17%
A number of Safety Critical activities including safety barriers and maintenance works, which need attention over and above what the budget provides.		
Road Safety	260	101%
Planned contribution from earmarked fund is now not going to be taken as it can instead be covered from underspends/early realisation of savings elsewhere within the department.		
Environmental maintenance - Forestry and Gulley emptying	170	13%
A number of Safety Critical activities which need attention over and above what the budget provides, additional jetting costs being incurred due to the number of blocked gulley's being found, and additional drainage repairs.		
Street Lighting Maintenance	-220	-13%
Underspend on energy costs due to acceleration of the LED programme and savings made on maintenance works.		
Highways Delivery - Staffing & Admin	-150	-5%
Underspend due to vacancies, lower overheads and additional income from Temporary Traffic Regulation Orders , Fixed Penalty Notices, Section 74 and vehicle renewals, slightly offset by depot costs and a reduction in recharges.		
Highways & Transportation Management & Training Costs	-125	-16%
Underspend due to vacancies, mostly in trainee posts where post holders have secured permanent posts in the structure.		
Transportation		
Concessionary Travel & Joint Arrangements	250	5%
Concessionary travel reimbursements to date suggest potential additional costs of £120k for 2017/18, as the downward trend of reimbursement costs was overestimated when budgets were set for 2017/18. In addition, bus company concessionary travel payment appeals have led to a further £130k overspend.		
Special Educational Needs Transport	90	1%
Overspend due to increasing number of pupils and risk assessment process which has identified individuals with more complex needs. The forecast overspend reflects the impact of new transport arrangements for the 2017/18 academic year. Partly offset by savings arising from the introduction of Personal Transport Budgets (PTBs).		
Social Care Transport	75	2%
Overspend forecast due to cost pressures as a result of increased demand. The recent review of Social Care Transport is starting to reduce levels of spend on Adult Social Care transport costs. Growth for 2018/19 onwards has included in the new MTFS to fund ongoing demand pressures.		
Mainstream School Transport	-490	-10%
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	-7%
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 potentially contributing to a future saving, but also as an element of protection against having to subsidise additional bus services/routes where they are no longer commercially viable. An element of the contingency will be required in 2017/18 but the remaining forecast underspend is £170k.		

Transport Operations - Staffing and Admin.	-140	-13%
Underspend mainly due to additional income for the Fleet Workshop, and to vacancies.		
Environment & Waste		
Treatment Contracts	320	3%
Extra costs forecast at Energy for Waste plants at Coventry and Stoke due to waste diversion from Landfill.		
Landfill	-770	-11%
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	-390	-12%
2017/18 recycling and reuse credit claims are lower than expected due to reduced tonnages leading to an in-year forecast underspend of £260k. Also, the level of estimated accruals made at the end of 2016/17 was too high resulting in an additional forecast underspend of £127k.		
Recycling and Household Waste Sites (RHWS)	-175	-6%
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.		
Composting Contracts	-140	-9%
Forecasting less green waste due to warm weather (drier and therefore lower growth). Tonnages continue to be lower than expected.		
Income	-120	10%
Extra income forecast from increased trade waste.		
Departmental & Business Management		
Management & Administration	170	14%
Overspend due to additional spending required for Director and Assistant Director recruitment, consultancy, AECOM Operational Development Support and additional staffing costs for Departmental initiatives.		
Other variances	-50	n/a
TOTAL	-890	n/a

Chief Executives

A net underspend of £0.7m (6.5%) is forecast. The main variances are:

	£000	% of Budget
Registrars	55	-24%
Income from weddings is lower than expected. In addition there has been a refurbishment of Wigston Registry Office which was not in the budget, this should increase income in future.		
Planning and Historic & Natural Environment	-210	-43%
There are currently 2 FTE posts which are vacant but are expected to be filled during the year. £70k of the underspend is due to higher than expected Section 106 receipts. Additional income of £30k has been received for Historic Buildings advice and Archaeological Services.		
Projects	-110	-42%
The government has delayed its decision on the Combined Authority and as a result growth will not be required.		
Trading Standards	-185	-12%

Increased income for the Ports and Border Project has been received, partly offset by increased agency staff costs to undertake the work, resulting in an overall underspend of 60k. A regional investigation into a rogue trader has also led to additional funding from National Trading Standards Board (NTSB) which will generate an underspend of £65k. Staffing budgets, taking into account the NTSB projects, are forecast to underspend by £60k mainly due to the implementation of the new structure and lower than expected agency costs.		
Democratic Services and Administration	-140	-9%
Restructuring has resulted in lower staffing costs and also a number of new appointments made at the bottom of the grade.		
Strategy & Business Intelligence	-115	-3%
Delay in the commencement of the new Place Management Organisation which is a joint company with the City Council has resulted in a £75k underspend. There are also underspends relating to vacancies including a Head of Service post.		
Other variances	25	n/a
TOTAL	-680	n/a

Corporate Resources

An underspend of £0.4m (1.1%) is forecast. The main variances are:

	£000	% of Budget
Commercial Services	100	-5%
Shortfalls in income in Furniture and Sites Development, printing and catering. Commercial Services still showing a significant increase of £1m net contribution on last years activity.		
ICT	-230	-2%
Early delivery of savings through not replacing vacancies and contract savings.		
Strategic Finance	-140	-4%
Attrition and 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	-100	-5%
Variance as a result of a Management restructure and staffing vacancies held in the Customer Service Team following departure of staff to Adult Social Care jobs.		
TOTAL	-370	n/a

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