

Revenue Budget 2017/18 – Main Variances**Children and Family Services****Dedicated Schools Grant**

There is an overspend of £0.7m, which will be funded from the DSG earmarked fund.

The main variances are:

	£000	% of Budget
High Needs		
Specialist Services to Vulnerable Groups	365	10%
The 2017/18 MTFS included savings of £790k on Specialist Teaching Services which has not been fully achieved, however 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 which has resulted in the delivery of savings.		
Special Educational Needs (SEN)	270	1%
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. New provision for children with Autism has been created at Birchwood and Maplewell Hall which has reduced costs by £0.7m		
Education of Children with Medical Needs	257	44%
Pupil numbers have steadily increased. A main provider has stopped taking new cases and alternative more costly provision may be needed if more pupils are identified needing support.		
Other variances	-146	n/a
TOTAL	746	n/a

Local Authority Budget

The Local authority budget shows an overspend of £3.9m (6.4%). The main variances are:

	£000	% of Budget
Social Care Placements	2,432	10%
For 2017/18 the number of looked after children increased by 8% from 510 in March 2017 to 553 in March 2018. The average unit cost for children's placements increased by 6% from 2016/17, but is still a reduction of 8% 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	1,724	13%
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.		
Directorate	516	62%
Combination of delays in the next phase of management restructure which is now complete. However the use of consultants was required and contributes to the overall overspend.		
Fostering and Adoption Service	451	18%
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.		
Children's Social Care Legal Costs	545	106%
The number of care cases that have been instructed to issue proceedings continues to rise and results in a budget pressure.		
Unaccompanied Asylum Seeking Children	277	86%
Demand on this budget significantly increased in 2016/17 and continued 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, Advice and Guidance)	-425	-30%
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	-718	-7%
Underspends are due to staff vacancies and posts not in Local Government pension scheme.		
Education Quality - 5-19 Learning	-315	-44%
Additional income has been received which has reduced net cost to budget this financial year.		
ICT Developments	-248	-34%
Delays in recruitment and appointment of staff for post implementation developments to MOSAIC.		
Other variances	-304	n/a
TOTAL	3,935	n/a

Adults & Communities

There is a net underspend of £5.5m which reduces to £5.4m (4.0%) after carry forwards.

The main variances are:

	£000	% of Budget
PI Locality Teams	764	28%
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	709	28%
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.		
Community Life Choices (CLC)	470	9%
Overspend due to delay in implementing new contract, backdated arrears and higher cost of packages.		
Department Senior Management and Transformation Programme	387	n/a
Overspend due to not using earmarked funds of £0.6m for the departments transformation programme due to overall departmental position.		
Whole Life Disability	177	7%
Filling vacant staffing posts following ASC workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service.		
Occupational Therapy	140	12%
Overspend on staffing within the OT teams with reliance on agency staff over the course of the year.		
Community and Wellbeing Savings	125	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	-4,988	-9%
Reduction in number of service users (£1.6m) and lower average cost of packages (£1.0m), offset by care costs relating to previous financial years (£1.3m). Additional health and service user income (£3.7m). There are 2,310 service users with an average gross care package cost of £724 per week.		
Direct Payments (DP)	-646	-2%
The main underspend relates to the clawback of unused balances on direct payment cards of £2.5m, offset by additional costs relating to the previous financial year (£0.1m), an increase in the number of Carers (£0.1m) and an increase in the cost of service users packages (£1.6m). There are 2,741 service users per week receiving an average package of £249.46 and 367 carers per week receiving an average package of £45.49.		
Adult Learning	-512	n/a
Received £200k of unplanned over-performance funding in January and approximately £310k staffing underspend that was previously earmarked as a clawback for underperformance however, the latest data shows that a small clawback was required therefore this led to an underspend.		
Community Income	-450	-2%
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	-487	-14%
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	-363	-20%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Community Enablement and Reablement Team	-154	-59%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Provider Service Review	-125	-20%
Staffing underspend through vacancies as part of implementing the Provider Services Review.		
Supported Living	-122	-1%
Underspends due to reduction in average cost of packages		
Other variances (under £100k)	-456	n/a
TOTAL	-5,531	n/a

Public Health

There is a net underspend of £0.9m. The main variances are:

	£000	% of Budget
Public Health Leadership	187	11%
The overspend relates to a number of areas within the budget; reduced income from the University Hospitals of Leicester (UHL) contract, the expansion of the Programme Delivery Team, along with expenditure linked to the expansion of the Local Area Coordination programme which includes the design of a number of websites and systems within the department.		
Local Area Coordination	-425	-43%
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	-160	-27%
A lower number of health checks have been carried out as specific groups were invited to attend. This is part of the re developed specification in line with a more targeted approach. This is an area identified for savings in the MTFS.		
Sexual Health	-79	-2%
There is reduced spend on demand led services, including Out Of County providers.		
Other Public Health Services	-80	-20%
There is a £100k underspend on Mental Health promotion activity as funding is being provided by the CCGs.		
Smoking and Tobacco	-117	-15%
This is due to an agreement being reached with the previous provider in relation to an overcharge of £94k in 2016/17		
Public Health Advice	-110	-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	-94	-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.		
Other variances	-18	n/a
TOTAL	-896	n/a

Environment and Transportation

There is a net underspend of £1.0m (1.6%). The main variances are:

	£000	% of Budget
Highways		
Winter Maintenance	989	61%
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 and March 2018.		
Road Safety	279	109%
Planned contribution from earmarked fund not taken as it can instead be covered from underspends/early realisation of savings elsewhere within the department.		
Reactive Maintenance	265	16%
A number of Safety Critical activities including safety barriers and maintenance works, which needed attention over and above what the budget provided.		
Environmental maintenance - Forestry and Gulley emptying	178	14%
A number of Safety Critical activities which needed attention over and above what the budget provided, additional jetting costs incurred due to the number of blocked gulley's being found, and additional drainage repairs.		
Highways Delivery - Staffing & Admin	-408	-12%
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 requirement from earmarked funds.		
Highways Commissioning - Staffing & Admin	-232	-12%
Additional income from S278, S38 and network Data & Intelligence, a reduction in the anticipated costs for agency staff and additional income from the Access fund to pay for work performed by the department, offset by delays in the pre-application advise charges and a reduction in recharges.		
Street Lighting Maintenance	-227	-14%
Underspend on energy costs due to acceleration of the LED programme and savings made on maintenance works.		
Highways & Transportation Management & Training Costs	-118	-15%
Underspend due to vacancies, mostly in trainee posts where post holders have secured permanent posts.		
Transportation		
Social Care Transport	186	5%
Overspend due to cost pressures as a result of increased demand. The recent review of Social Care Transport should reduce levels of spend on Adult Social Care transport costs in 2018/19. Growth for 2018/19 onwards has been included in the new MTFS to fund ongoing demand pressures.		
Fleet Transport	170	56%

Overspend due to a variety of factors including additional staffing costs due to the need to employ agency staff (£44k) to cover staff sickness absences and extra vehicle repair and maintenance costs (£86k). Income from the transportation of school meals was also lower than expected (£66k lower). This will be reviewed for 2018/19. These overspends are partially offset by underspends elsewhere.		
Special Educational Needs Transport	146	2%
Overspend due to increasing number of pupils and risk assessment process which has identified individuals with more complex needs. The 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).		
Concessionary Travel & Joint Arrangements	101	2%
Additional costs of £130k relating to bus company concessionary travel payment appeals have been incurred in 2017/18.		
Mainstream School Transport	-858	-18%
Underspend due to contract efficiencies and lower demand for services. Contract savings have been achieved through 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. School closures due to snow have reduced costs in 2017/18.		
Public Bus Services	-212	-8%
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 has been spent in 2017/18 but the remaining forecast underspend is £212k.		
Environment & Waste		
Treatment Contracts	292	3%
Extra costs at Energy for Waste plants at Coventry and Stoke due to waste diversion from Landfill.		
Landfill	-716	-11%
Underspend 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	-316	-9%
2017/18 recycling and reuse credit claims have been lower than expected due to reduced tonnages leading to an in-year forecast underspend of £189k. Also, the level of estimated accruals made at the end of 2016/17 was too high resulting in an additional underspend of £127k.		
Composting Contracts	-201	-12%
Underspend has arisen as a result of lower volumes of green waste due to warm weather (drier and therefore lower growth). Tonnages remained lower than expected throughout the year.		
Income	-196	17%
Extra income from increased trade waste. The cost of processing extra volumes of trade waste have increased costs in the Landfill budget.		
Haulage & Waste Transfer	-114	-8%
Haulage costs underspend (£45k) due to the use of more cost effective haulage routes, agreements with Waste Collection Authorities to reduce tipping away fee payments and lower volumes of waste being transported to the Stoke Energy for Waste plant. Waste Transfer Station underspend (£69k) resulting from early achievement of savings.		
Recycling and Household Waste Sites (RHWS)	-97	-3%
Underspend due to additional income 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.		

Departmental & Business Management		
Management & Administration	97	8%
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	-52	n/a
TOTAL	-1,044	n/a

Chief Executives

The department has an overall underspend of £0.7m which reduces to £0.5m (5.1%) after carry forwards. The main variances are:

	£000	% of Budget
Registrars	94	39
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 generate increased income in future.		
Trading Standards	-178	-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 has generated an underspend of £50k. Staffing budgets, taking into account the NTSB projects, are underspent by £60k mainly due to the implementation of the new structure and lower than expected agency costs.		
Planning and Historic & Natural Environment	-204	-42%
There are currently 2 FTE posts which have been vacant during the year and have resulted in an underspend of £90k. £90k of the underspend is due to higher than expected planning fee income. Additional income of £20k has been received for Historic Buildings advice and Archaeological Services.		
Strategy & Business Intelligence	-173	-5%
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 community grants and a number of vacancies including a Head of Service post.		
Democratic Services and Administration	-91	-6%
Restructuring has resulted in lower staffing costs and also a number of new appointments made at the bottom of the grade.		
Projects	-135	-51%
The government has delayed its decision on the Combined Authority and as a result the growth of £150k has not been required.		
Other variances	21	n/a
TOTAL	-666	n/a

Corporate Resources

There is an underspend of £0.5m (1.4%). The main variances are:

	£000	% of Budget
Maintenance Costs	442	17%
289k higher than budgeted maintenance costs on Council owned buildings due to the number of high priorities this year plus £153k of maintenance works on school buildings above the contributions that schools make. A review of the school contributions and maintenance requirements will be undertaken and a more detailed forensic analysis of general maintenance will be undertaken to create a forward plan for future years.		
Commercial Services	292	15%
Overall LTS has increased its contribution from £0.8m to £1.8m. The main contributors to this success have been School Food, Forestry, Sites Development, HR and Leamis with steady progress in most other service areas. Work is ongoing to increase sales in Print following a significant fall in sales this year. There is a £0.3m shortfall compared to budget relating to a combination of timing issues (phasing of income) and historical issues writing off old debt, reconciliation issues and costs that related to previous years.		
County Farms	160	-34%
Increased repair and maintenance costs have reduced the profit margins for the County Farm portfolio and although adverse to budget, the farms generate £314k of positive contribution. More detailed analysis is being obtained and the portfolio performance will also be reviewed as part of the Corporate Asset Investment Fund. The industrial portfolio returned an additional surplus above budget of c£0.2m which has been transferred to an earmarked fund to support future maintenance requirements.		
Building Costs	158	4%
Various variances including £125k additional costs at the Harborough offices due to increased service charges and recharges for roof and lift works and £40k additional Coroner building costs. Additional costs have been experienced over recent years from developing Anstey Frith House and out of hours spaces for which no additional revenue budget has been provided. Some additional savings have partly compensated from A&C and Recycling sites. A review of all site costs and usage is being undertaken as part of the Workplace Strategy project.		
ICT	-652	-7%
Due to the timing of contract renewals and staff restructures, ICT have delivered their future year savings early.		
Strategic Finance, Assurance & Property	-535	-10%
Savings across the Finance & Audit functions relating to savings achieved early through vacancy management in advance of future savings. Insurance contributes £103k of the saving.		
Human Resources and Learning & Development	-203	-6%
Due to the timing of savings and restructures, HR and L&D have delivered their future savings early. The actual underlying savings achieved are higher than those reported as some temporary posts agreed to be funded out of the Transformation earmarked fund have been funded from here instead.		
Customer Service Team	-176	-9%
The underspend relates to vacancies and attrition as customer service agents continue to progress to social care and other Council roles. Consequently a dip in service has been experienced but complaints have not increased significantly. Robotic type automation is being trialled in 2018 to expedite back office processes (such as reduced rekeying and auto population of information) which should help alleviate pressure and reduce costs.		
Other variances	58	n/a
TOTAL	-456	n/a