

Revenue Budget 2018/19 – 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
High Needs Block (HNB)		
Special Educational Needs (SEN)	4,020	7%
The 2018/19 MTFS included potential savings of £1.5m. Some savings have been achieved but the increased school population, increased demand for support and full year effect of changes in SEND legislation is offsetting these savings. 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 has been completed but some budget areas could have additional pupils arriving during the remainder of the year if they move into the area or are assessed later. Additional complex cases moved into the county after the budget was set and the forecast reflects these additional costs. A High Needs Recovery Plan has been established and consultation is underway on the development of additional local provision.		
Dedicated Schools Grant HNB	-1,545	2%
£1.5m additional 2018/19 HNB DSG allocated in December 2018.		
Specialist Services to Early Years	-110	9%
Underspend largely due to the service restructure and subsequent resignations.		
Schools		
School Growth	-1,200	n/a
The Schools Forum approved a £1.3m allocation within the 2018/19 for meeting the revenue costs associated with new schools and also for meeting the costs of some funding protection for schools with falling rolls as a result of age range change in other schools. The funding requirements have now been confirmed and an underspend of £1.2m is now forecast; this will be transferred to the DSG earmarked fund to fund pupil growth in future years.		
Other variances	-35	n/a
TOTAL	1,130	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £0.7m (1.0%). The main variances are:

	£000	% of Budget
Children's Social Care Field Work Teams / First Response / CSE	615	7%
Recruitment and retention pressures among the Children's Social Workers workforce across various teams have resulted in a number of positions being filled by agency workers.		
Unaccompanied Asylum Seeking Children (UASC)	490	150%
Demand on this budget has significantly increased over the last couple of financial years and is projected to do the same this financial year, which has resulted in increased need for additional staffing to manage demand. This period UASC numbers have increased from 68 to 83 in one month. The majority of these children arrive 'spontaneously' and on arrival are the statutory responsibility of the local authority in which they arrive.		

CFS Placements Budget (LAC)	485	2%
This is because of some unusually higher than average placement costs across both the residential and supported accommodation budget areas. For example, this has resulted in one residential placement with a weekly cost over £8k to ensure the needs of the child, which are of a CSE nature, can be met fully, in comparison to the weekly average of £3.5k. The average weekly unit cost of supported accommodation has also risen by £200 from last financial year and is due planned step down approach and transition of children with more complex needs from residential placements in preparation for adulthood. The budget also includes additional costs arising from the increase in foster fees and invests to save costs arising from the Therapeutic Wrap Around Support contract (MISTLE). The position will continue to be closely monitored.		
Fostering and Adoption Service	400	14%
Some substantive positions within the service are being filled by agency workers. Increased volumes of assessments which require completing in relation to kinship, mainstream and adoption as a result of externally commissioning these assessments to ensure compliance within court timescales.		
Children in Care Service	275	14%
Legislation changes around the Personal Advisor duty has resulted in budget pressures for 2018/19 which will require close monitoring. The Social Care Act 2017 has extended the duty for local authorities to provide support for young people through personal advisors from age 21 to age 25.		
Psychology Service	175	27%
Demand for first time Educational Psychology statutory assessments exceeding service capacity which has resulted in additional full time equivalent Locum's to manage demand.		
Early Help	-550	-5%
Early Help cost centres forecasting an underspend largely due to managed vacancies and staff turnover as a result of transition to the new service as a result of the Early Help Review.		
Admin and Committees / Business Support	-520	-9%
Underspend of £420k due to managed vacancies during the implementation of the Business Support review. There is more certainty around the value of the business support Service Level Agreement between children's social care and adults and resulted in circa £100k underspend for 2018/19.		
Disabled Children Service	-320	-7%
Reduced demand on direct payments budget.		
Education Quality Improvement	-155	-57%
Underspend due to vacancies and DfE grant above what was expected by £70k.		
Virtual School	-155	-20%
Transition planning for the 2019/20 MTFS savings requirement has resulted in early achievement of the required £200,000 saving.		
Other variances	-50	n/a
TOTAL	690	n/a

Adults & Communities

The Department is forecasting a net underspend of £5.0m (3.6%). The main variances are:

	£000	% of Budget
Home Care	1,270	8%
There has been an increase in ASC service users being managed through Help to Live at Home (HTLAH) providers partially corresponding to a decrease in numbers in direct cash payments. Efforts to keep Older Adults out of residential placements either in their own existing homes or transfer to supported accommodation Waterside Court Extra Care scheme in Loughborough has reduced residential costs but increase homecare costs. In addition approximately £300k of the overspend relates to late 2017/18 payments being greater than accrued. This overspend is offset in small part through falling health funded clients. Currently there are 1,862 packages with average package costs of £175 per week.		
Community Income	220	1%

Reduced income from Learning Disability pooled budget due to lower number of transitioning service users than expected. Also a significant fall in health funded HTLAH income due to a lower number of continuing healthcare service users than in 2017/18.

Care Pathway West - Countywide Services	210	18%
Additional agency staffing recruited.		
Extra Care	155	22%
Overspend due to a combination of factors. New contracts from November 2018 to March 2019 are more expensive than budgeted for £45k and other one off contract payments of £100k.		
Residential Care and Nursing	-1,595	-3%
Reduction in number of service users and lower average cost of packages (£0.2m) and increased service user income is anticipated (£1.4m). There are 2,366 service users with an average gross care package cost of £739 per week.		
Winter Pressures- Specific Grant	-1,400	n/a
Element of £2.4m Winter Pressures specific grant to be carried forward as part of the future developments fund (revenue funding of capital budget heading under Central Items).		
Direct Payments (DP)	-1,150	-3%
The underspend mostly relates to clawback achieved in excess of the MTFS saving for 2018/19 of £1.6m and in part to a fall in the number of service users linked to new starters choosing HTLAH arrangements instead of taking a Direct Payment. This is offset by the increase in average package size of £0.5m. In 2016/17 there was a significant migration from homecare to cash payments which allowed service users to retain their provider ahead of the HTLAH lead providers taking over lots, this is now unwinding. There are 2,500 service users per week receiving an average package of £290.38 and 489 carers per week receiving an average package of £45.17		
Reablement (HART) & Crisis Response	-640	-14%
Staffing underspend caused by a high level of vacancies to deliver savings and significantly lower health referrals.		
Community Life Choices (CLC) / Day Services	-370	-15%
Underspend due to changes within the services and service users (CLC policy) and vacancies being held pending the implementation of action plans for co-location as part of saving AC6. Review of service users is still ongoing, action plan will take place once this has occurred.		
Supported Living	-320	-2%
Transforming Care service users have transferred more slowly than expected from in patient placements in health to supported living community based settings. Current service user numbers are 300.		
Business Support	-280	-17%
Staffing vacancies pending stabilisation of services and possible changes to internal service provided to C&FS.		
Safeguarding, Deprivation of Liberties (DOLS) & Court of Protection	-205	-7%
Staffing underspends related to vacancies including new posts included as growth in the current MTFS.		
Community Care Finance	-205	-15%
Staffing vacancies pending action plan.		
Supported Living, Residential and Short Breaks	-205	-5%
Reduction in service users in Hamilton Court residential and managing vacancies at Hamilton Court and The Trees. Reviews of service users are still ongoing.		
Care Pathway West - Older Adults Team	-140	-5%
Staffing underspend caused by vacancies.		
Care Pathway East - Review Team	-130	-10%
Staffing underspend caused by vacancies.		
Other variances (under £100k)	-175	n/a
TOTAL	-4,960	n/a

Public Health

The Department is forecasting a net underspend of £0.2m. The main variances are:

	£000	% of Budget
Public Health Leadership	145	10%

Reduction in contribution from earmarked funds due to underspends across the department.		
Health Checks	-85	-16%
Numbers of checks are reducing due to a targetted provision and improved software to check claims received.		
Sexual Health	-85	-2%
Additional income has been received from CCGs which relates to contraceptive procedures which are undertaken for treatment of a medical condition.		
Smoking and Tobacco	-75	11%
This is mainly due to a staffing underspend.		
Other variances (under £100k)	-60	n/a
TOTAL	-160	n/a

Environment and Transport

The Department is forecasting a net overspend of £0.6m (1.0%). The main variances are:

	£000	% of Budget
<u>Highways</u>		
Winter Maintenance	405	25%
Overspend forecast due to: - necessity to treat roads in April, - under-accruing for the cost of farmers ploughing roads in 2017/18 behalf of the County Council, - additional costs for yardmen and loading shovel to fill empty barns with salt, -additional runs being completed to ensure road safety.		
Highways Commissioning - Staffing & Admin Commissioning	360	19%
Overspends are forecast for: Highway Development Management (£312k) due to a delay in commencing charging for pre application advice and additional consultancy to cover long term sickness; Transport Strategy and Policy (£212k) due to lower than expected recharges to the capital programme; HS2 (£50k) arising from staffing costs over and above the budgeted level; growth for this has been approved for the next financial year. These overspends are partially offset by forecast underspends for: Safe and Sustainable Travel (£86K) from additional contribution from the Access fund; additional income (£95k) from the Network Data and Intelligence team, and Asset Management and Major Projects (£25k) from additional recharging to capital projects.		
Environmental Maintenance	115	3%
Forecast overspend due to additional costs for outsourced strimming services of jitties. A review of this service is now underway. There is also additional sign cleaning costs undertaken in the summer.		
Traffic Controls	-75	-6%
Underspend from additional income relating to Developer Traffic Regulation Order and savings in the traffic signals energy budget.		
Street Lighting Maintenance	-75	-3%
Forecast underspend due to works costs on routine maintenance being less than expected and small savings in energy budgets.		
<u>Transportation</u>		
Special Educational Needs	955	9%
Overspend forecast due to increased demand and the increased number of solo occupancy journeys for pupils during 2018/19, the need for which has been highlighted as part of the risk assessment process. Growth has been included in the MTFS 2019-23 to fund these ongoing increased costs. The forecast overspend position has increased significantly since period 8 as the full financial impact of new travel arrangements for the 2018/19 academic year is now evident.		
Social Care Transport	170	5%
Current spend on children's social care transport is higher than expected due to more contact visits being arranged and more corporate parenting transport requests. In addition, there have been delays implementing contract and service changes that are due to deliver savings.		

Fleet Transport	115	56%
Overspend due to unexpected significant repairs to a number of vehicles and lower than budgeted income.		
Public Bus Services	95	4%
Overspend forecast due to the cost of subsidising additional bus services / routes that are no longer commercially viable.		
Concessionary Travel & Joint Arrangements	85	2%
Forecasting overspend due to increased bus pass usage and £42k payment relating to 2017/18 being made in 2018/19.		
Mainstream School Transport	-380	-9%
Underspend forecast based on reduction in pupil numbers and fewer contracted services required.		
Environment & Waste Management		
Recycling and Household Waste Sites (RHWS)	150	6%
Overspend includes £126k relating to RHWS haulage. This overspend has arisen due to prolonged vehicle hire following a road traffic accident (£25k additional costs), hire of agency staff to cover long term sickness / vacancies and higher vehicle repair and maintenance and fuel costs. Forecast also includes additional spending at RHWS sites on CCTV, concreting works, compaction refurbishments and container upgrades.		
Landfill	55	1%
Overspend forecast due to reduced waste tonnages being sent to Energy from Waste (EfW) sites in December.		
Dry Recycling	-480	-28%
Forecast underspend continues to increase as the market values being received for Dry Recycling Materials (DRM) are considerably higher than budget. In particular, there has been a significant increase in paper and card prices.		
Treatment Contracts	-390	-4%
Refuse Derived Fuel underspend forecast due to lower wood tonnages in addition to a contract price reduction for wood. Energy from Waste (EfW) tonnages are also lower than the budgeted level. In addition, a one-off payment of £125k has been received in 2018/19 due to an agreed back-dated EfW price reduction received following the agreement of the Coventry shareholding.		
Composting Contracts	-255	-15%
Underspend forecast due to decrease in green waste tonnage due to weather (drier and therefore lower growth).		
Haulage & Waste Transfer	-190	-11%
Underspend forecast due to reduced tonnages being hauled to the Energy from Waste sites and also due to waste being hauled to destinations with lower haulage rates.		
Income	-160	13%
Extra income forecast from increased trade waste.		
Environment & Waste Management, Policy and Strategy - Staffing & Admin	-75	-8%
Underspend forecast due to staffing vacancies.		
Other variances	215	n/a
TOTAL	640	n/a

Chief Executives

A net underspend of £0.5m (5.2%) is forecast. The main variances are:

	£000	% of Budget
Planning Services	-215	-46%
The underspend is due to an increase in planning fee income and also there are a number of vacancies for which recruitment is proving difficult.		
Trading Standards	-170	-12%
Mainly due to an underspend on staffing as there have been a number of resignations and also changes in agency staff, for whom replacements are difficult to source.		
Strategy & Business Intelligence	-110	-3%
The underspend is due to vacancies across the service, including some difficult to fill posts. There has also been an increase in external income within the Business Intelligence Service.		
Democratic Services and Administration	-75	-6%
There are vacancies due to staff turnover; these are being held whilst a review of support staff across Member Services and Civic Support is carried out.		
Other variances	30	n/a
TOTAL	-540	n/a

Corporate Resources

A net underspend of £0.1m (0.4%) is forecast. The main variances are:

	£000	% of Budget
Commercial Services	265	-13%
Potential underachievement of income targets, primarily due to underachievement of income in Sites Development and at Beaumanor Hall and Park. The service are working hard to continue to control costs and generate further income to drive this figure down.		
Major Condition Improvement Works	200	8%
Expenditure on the School Maintenance Fund is projected to be above the level of contributions to the Fund from schools. Restrictions are being put in place to limit spend for the remainder of the year to attempt to limit the overspend.		
Information & Technology	-455	-5%
Underspends as a result of vacancies across several teams within the service.		
Commissioning Support Unit	-170	-17%
Service carrying vacancies which it has been unable to fill, alongside additional income generation for external works.		
Human Resources	-85	-9%
Variance principally as a result of staff vacancies which are not currently intended to be filled (including a post being funded by the Fit For The Future project).		
Other variances	115	n/a
TOTAL	-130	n/a

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