

Revenue Budget 2019/20 – forecast main variances**Children and Family Services****Dedicated Schools Grant (DSG)**

A net overspend of £6.4m is forecast. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) Reserve Drawdown	5,675	100%
Budget includes a nominal HNB drawdown of £5.6m as the planned in year overspend.		
Special Educational Needs	3,650	6%
The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. A number of these bases have recently taken their first cohort of students or will do so before the end of the financial year. The increase in demand however has resulted in these places being filled with new demand. However, due to set-up costs the full effect of the programme won't be seen until future years. Savings are forecast in certain provision areas for the current year, but the increased school population and increased demand for support is far exceeding these savings. Additionally, 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.		
Nursery Education Funding	395	1%
Increased numbers over the summer term resulting in additional costs.		
Schools Growth	-2,000	n/a
This funding has been earmarked to help meet 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 a subsequent underspend of £2m in 19/20; this will be transferred to the DSG earmarked fund to fund pupil growth in future years.		
High Needs Block Development / Inclusion Partnerships	-1,020	58%
The High Needs Recovery Plan included the creation of 4 Secondary Education Inclusion Partnerships (SEIP's), and the budget included funding for these for the full year. The first of these partnerships is now not expected to come into existence until Summer 2020. The Recovery Plan also included a number of staffing posts that were recruited to later than expected.		
Education of Children with Medical Needs (CMN)	-315	-54%
Following implementation of the Inclusion Service Review action plan, the number of young people in the system who are supported back into education at an earlier stage have increased which has reduced the need for support from this service.		
Education Sufficiency - Schools Admissions	-115	-27%
Vacant posts recruited to for only part of the year. Also increased income streams via an increase in levels of fines and school appeals.		
Other variances (under £100k)	130	n/a
TOTAL	6,400	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £3.7m (4.9%). The main variances are:

	£000	% of Budget
Operational Placements	1,755	6%
<p>Leicestershire's Looked after Children (LAC) number at 31/3/2019 was 585. In 2020/21 this is forecast (and was budgeted for) to increase by 11%. However, the main driver for the current projected overspend is due to some of the children that have entered the system with very high and complicated needs which have resulted in weekly costs (£7500 plus per week) 100% higher than the total average cost of that placement type. Furthermore, whilst the net increase of placement provision has been relatively stable, the increase in the average weekly cost of provision has also been a major factor behind the current projected overspend.</p> <p>For example, it is projected by the end of the financial year, the average weekly cost to social care of external residential placements is to rise from £3,300 per week at the start of the financial year to £3,800 per week (15% increase). This is being driven by new placements entering the system at a higher cost than those exiting the system, mainly due to new placements having increasing complex needs and also market factors.</p> <p>Likewise, a similar trend can be seen in 16 plus provision type, with the average weekly cost to social care £950 per week at the start of the financial year to £1330 per week currently (40% increase). Again, a similar trend is being seen where new activity hitting the system is managing need of a higher, more complex type than activity exiting the system. For example, current projections include over half a dozen children costing £3000 per week (200% higher than the average cost for this provision type), but potentially could have been costing LCC significantly more had these placements not been stepped down from an external residential placement.</p>		
Children's Social Care Field Work Teams / First Response / Safeguarding	1,575	14%
<p>Recruitment and retention pressures among the Children Social workers workforce across various teams have resulted in a number of positions being filled by agency workers. There is also increased staffing levels in some services to manage workload capacity based on demand and to provide Assessed and Supported Year in Employment (ASYE) support.</p>		
Children in Care Service	600	30%
<p>Legislation changes around the Personal Advisor duty has resulted in budget pressures for 2019/20 which will require close monitoring. The Act has extended the duty for local authorities to provide support for young people through personal advisors from age 21 to age 25. Recruitment and retention pressures among the Children Social workers workforce across various teams have resulted in a number of vacant positions being filled by agency workers. There is also increased staffing levels in some teams to manage workload capacity based on demand and to provide ASYE support.</p>		
Fostering & Adoption Service	530	17%
<p>Increased volumes of assessments which require completing in relation to kinship, mainstream and adoption has resulted in externally commissioning these assessments to ensure compliance within court timescales. There is also increased staffing levels in some teams to manage workload capacity based on demand - especially in regards to Kinship care where numbers are increasing above what was expected.</p>		

Asylum Seekers	525	77%
Demand on this budget has significantly increased over the last couple of financial years and is continuing this financial year, which has resulted in the increased need for additional staffing to manage demand. The majority of these children arrive 'spontaneously' and on arrival are the statutory responsibility of the local authority in which they arrive. The Home Office have increased funding rates this financial year, which based on 18/19 activity, is projected to reduce this year's budget pressure by £230k, but nevertheless is still not sufficient to fund the overall budget pressure for this financial year.		
Children and Families Wellbeing Service	-910	9%
Largely due to a combination of staff turnover and in year vacancies.		
Disabled Children Service	-265	-6%
Staff turnover and in year vacancies in addition to reduced demand on direct payments budget.		
Other variances (under £100k)	-75	2%
TOTAL	3,735	n/a

Adults & Communities

The Department is forecasting a net underspend of £2.8m (1.9%). The main variances are:

	£000	% of Budget
Supported Living	1,310	8%
Forecast additional costs as a result of the Target Operating Model (TOM) programme - a target of moving 5 LD service users per month out from Residential Care into Supported Living. Currently there are an additional 20 service users receiving Supported Living which is in line with the TOM target. As a result, it is forecast that there will be a phased increase of 60 service users over the year. Additional service users are expected from the opening of the Brookfields however this hasn't been forecast until a completion date is set and initial moves take place. There is a corresponding underspend on Residential Care service user numbers which offsets this variance.		
Home Care	1,345	8%
Additional maintenance hours being commissioned as a result of increased service user numbers receiving a Help to Live at Home (HTLAH) service compared with the budget. Current average number of service users is 1866 with an average weekly cost of £194.(Outturn 18/19: Average service users 1770 and weekly cost of £184). This should be considered in conjunction of the decreasing numbers of service users in weekly Direct Payments and the underspend being reported there. Over the remaining months of the year, there is potential for additional service users to be given Homecare packages as part of implementation and rollout of the TOM work to reduce the number of residential care admissions, whilst at the same time reducing the average package size per service user through better commissioning practice.		
Care Pathway West - Countywide Services	335	25%
Overspend on staffing budget from additional temporary resource (agency) being employed to cover vacancies.		
Community Life Choices (CLC) commissioned services	215	4%
There are approximately 570 service users with an average weekly cost of £102k, which is marginally higher than expected.		
Care Pathway East - Older Adults Team	135	6%
Overspend on staffing budget from additional temporary resource (agency) being employed to cover vacancies.		

Residential Care and Nursing	-1,730	1%
Reduction in number of service users over the course of the year as they are being transferring to Supported Living as a result of the TOM programme which will result in a reduction of approximately £3.0m residential expenditure. There is an average of 2,325 service users and an average gross care package cost of £747 per week (2019/20 fee review is still being implemented so average cost will change). The underspend is offset by reduction in residential health income £1.3m due to changes to the LD pool budget arrangements.		
Direct Payments	-1,565	4%
Net impact of a 6.4% reduction in number of service users and an 8.8% increase in package price equating to a decrease of £1.6m in total. Forecast 2,323 service users per week receiving an average package of £328.34 (2018/19 Outturn: Annual average 2,498 per week with an average package of £292.11). Forecast 788 Carers per week receiving an average package of £46.71 (2018/19 Outturn: Annual average 492 Carers per week with an average package of £45.32).		
Reablement (HART) & Crisis Response	-805	-17%
Staffing underspend including travel costs. It is expected that additional resources will be recruited to as part of the Target Operating Model (TOM) work to encourage the transfer of volumes out of Help To Live At Home (HTLAH) reablement into HART however at this stage this hasn't occurred. A full review will be undertaken once the TOM work is completed.		
Community Life Choices (CLC) / Day Services Team	-600	21%
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.		
Business Support	-435	-24%
Staffing vacancies pending possible changes to internal service.		
Community Income	-430	-2%
Increased service user income		
Better Care Fund Contribution	-415	-2%
Additional funding from an increased annual uplift.		
Supported Living, Residential and Short Breaks	-300	-6%
Reduction in service users in Hamilton Court residential and managing vacancies at Hamilton Court and The Trees. Review of service users ongoing.		
Other variances (under £100k)	140	n/a
TOTAL	-2,800	n/a

Public Health

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

	£000	% of Budget
Public Health Leadership	185	-1%
Due to underspends elsewhere within the Department, the transfer from earmarked funds to balance the budget is no longer required.		
NHS Health Check programme	-175	-32%
Clinic Based Services contract Q1 and Q2 claims being 32% lower than in 18/19. The trend is expected to continue.		
Other Public Health Services	-70	-25%
A number of potential projects haven't materialised, and the NHS are funding some joint PH/NHS initiatives.		
0-19 Children's Public Health	-60	-1%
Cessation of the Understanding and Managing Risk contract. This contributes to the MTFs savings.		
Other variances	-50	n/a
TOTAL	-170	n/a

Environment and Transport

The Department is forecasting a net overspend of £2.1m (3%). The main variances are:

	£000	% of Budget
Special Educational Needs	2,070	18%
<p>The forecast has been produced by analysing the value of taxi invoices received to date in 2019/20 and projecting forward expenditure for the remainder of the year. The forecast overspend is largely due to continuing growth in demand of, 157 additional service users (8.7%) on the previous year, increased solo contracts and greater complexity of transport provision to meet passengers' needs resulting in an average increase in the daily cost of users of 8.4%. Detailed analysis shows that whilst the proportion of leavers from the service has remained relatively consistent, the number of new entrants to the service is rising significantly, a trend which can also be seen in the number of students with Educational Health and Care Assessments and Plans (EHCPs) and demand on the High Needs Block. The savings associated with the Special Educational Needs (SEN) Policy change were not achieved and an increase in expenditure (estimated £400k) resulted due in part to the financial impact of the decision to pause the SEN Post 16 Policy change which resulted in an approximately 285 post 16 to 18 pupils being awarded traditional transport in July 2019 and the additional cost of contracting transport for these students after the transport review period had been completed leading to less efficient transport planning. A further saving of £200k that was due to be delivered from implementing an Alternative Fleet Provision has been suspended whilst work was undertaken on the SEN post-16 Personal Transport Budget (PTB) pause. The increase in forecasted expenditure from period 9 to period 10 is due to the high number of transport referrals continuing in an upwards direction. The current forecast projects this increase to the end of the financial year. The cost per day of providing SEN transport rose rapidly during 2018/19 after budgets were set for 2019/20 and is continuing to increase during 2019/20. Legal costs for the Judicial Review are also included in the forecast</p> <p>The reasons for the large increase in the average cost per day of providing SEN transport, include:</p> <ul style="list-style-type: none"> • Increasing numbers of pupils • Decreasing capacity of the internal fleet services requiring additional taxi spend which includes children having to be transferred from Fleet (fixed cost) to Taxi (additional cost) during the year as a result of child's needs • Contract terminations, including operator withdrawals • Increased need identified by a risk assessment • Increased need identified by case conference • PTB cancellations requiring replacement transport to be put in place after the initial transport planning has been completed • Risk assessment breaches • Increase in solo travel arrangements 		
Environmental Maintenance	621	16%
<p>Overspend due increased gully clearing and drainage works from higher number of defects being identified which require resolving. Continued increase in overspend due to the storm conditions from October through to February. There have been significant requirements for additional gully cleansing, jetting of drainage systems affected by silt & debris and a significant increase in defects that need repairing. There have also been a significant increase in emergency responses to deal with flooding of the highway and adjacent properties.</p>		
Public Bus Services	470	23%
<p>Overspend forecast largely due to the cost of subsidising additional bus services / routes that became no longer commercially viable during 2018/19 and 2019/20. Local bus service savings are being implemented during 2019/20 as part of the Passenger Transport Policy (PTP) project. Phasing and delays in implementing some savings are also contributing to the overspend position.</p>		
Reactive Maintenance (Structural & Safety)	430	25%
<p>Overspend due to number of out of hours responsive calls, additional costs for Safety barrier re-tensioning works for safety critical works and additional resources required to repair defects within policy times. Continued increase in overspend due to poor weather conditions increasing damage to the highway. These defects are needed to be repaired as safety critical. There have been a significant increase in emergency and reactive works to put out flood boards and close roads due to the effects of storms Dennis & Ciara.</p>		
Recycling & Household Waste Sites	184	6%
<p>Overspend due to lower than anticipated income for recyclables. This area has a lot more recycling of paper, textiles and scrap metal prices and the price for these has fallen.</p>		
Winter	150	6%
<p>Additional gritting necessary at the start of the financial year.</p>		
Fleet Transport	110	60%

Additional vehicle repairs and maintenance required, pending a review of fleet requirements.		
Landfill	-500	-8%
Landfill tonnage is lower than initially forecast resulting in an underspend. Greater tonnage is going to Refuse Derived Fuel (RDF).		
Dry Recycling	-335	-18%
Forecast underspend as the market values being received for Dry Recycling Materials (DRM) are higher than the budgeted level due to favourable prices for plastics.		
Mainstream School Transport	-260	-7%
Underspend forecast based on reduction in pupil numbers and fewer contracted services required.		
Haulage & Waste Transfer	-250	-15%
Haulage underspend of £130k is forecast. Underspend due to less tonnage bulked hauled and more economic haulage routes. In addition to this, an underspend of £121k is forecast for Waste Transfer Station (WTS), largely due to WTS compensation events for previous years' performance.		
Highways Design & Delivery - Staffing, Admin & Depot Overhead Costs	-220	-15%
Additional income generated from large capital projects being worked on by Engineering services department. There is also additional demand in network management team which is generating additional income and also recharges to capital from highways Delivery works is higher than budgeted.		
HS2	-165	-41%
Underspend: budget set using other authorities' broad estimates as a benchmark. In the first year, LCC direct HS2 expenditure has been lower than anticipated. However, following the Government's support for HS2, demand in this service is anticipated to increase.		
Street Lighting Maintenance	-135	-5%
Underspend due to reduced resources able to deliver works programme on non illuminated signs, underspend on energy budgets and Central Management Systems (CMS) hosting costs not as high as anticipated.		
Waste Income	-130	-10%
Underspend due to additional tonnages from trade waste.		
Other variances	40	n/a
TOTAL	2,080	n/a

Chief Executives

The Department is forecasting a net underspend of £0.9m (7.8%). The main variances are:

	£000	% of Budget
Coroners	125	13%
The overall trend is an increase in the volume and complexity of cases as a result of an increase in population numbers and a change in the scope of inquests subject to coronial inquiry. In previous years Leicester City Council has required contributions substantially above their forecasted expenditure and this is expected to be the case this financial year		
Business Intelligence	65	5%
Overspend due to additional C&FS work, additional Tableau consultancy/training costs and a reduction in anticipated income from University Hospitals of Leicester (UHL) and schools.		
Planning Services	-330	-73%
The underspend is due to an increase in planning fee income, which is not expected to be ongoing. Three major applications have been received so far this year.		
Democratic and Admin	-180	-13%
Underspend following a review of the staffing structure and reduction in agency staff used to fill vacancies.		
Legal Services	-175	-8%
Staffing vacancies are proving difficult to recruit to and vacancies are being held for longer than expected.		
Trading Standards	-80	-6%
Underspend due to delay in recruiting to vacancies and forecast additional income from National Trading Standards Board (NTSB).		
Registrars	-65	41%
Wedding certificate income has increased.		
Other variances	-220	n/a
TOTAL	-860	n/a

Corporate Resources

The Department is forecasting to be on budget. The main variances are:

	£000	% of Budget
Commercial Services	1,420	-53%
Additional costs arising from the 2019 pay award and a £0.4m overspend in 2018/19 not fully recoverable through increased income levels in the short term meaning profit growth was not deliverable and also are expected to lead to under achievement of budgets in other areas - the main ones being in facilities management, Beaumanor Hall, schools ICT provision and a new catering venture has not been as successful as hoped, due to difficult market conditions.		
County Hall & Locality Offices	180	7%
There is considerable pressure on premises related spend for council offices throughout the county. There are increased security, cleaning, lower income than expected and energy efficiency schemes being implemented later than budgeted for.		
Customer Service Centre	150	8%
The Customer Service Centre is facing increased pressures and has only achieved previous years savings target as a result of one-off savings from attrition. In order to maintain service levels, the business has agreed to over recruit by ten posts to ensure attrition is covered. Additionally, Customer Service assistants have recently had their posts regraded, increasing expenditure by £70k per annum. Additional workload from the change in legislation from August 2019 regarding Blue Badge eligibility for people with 'hidden disabilities'.		
Libraries & Community Premises Costs	140	54%
Relates to the rates bill (£109k) for the Industrial Heritage Museum "Snibston" which is subject to a rating appeal but not has progressed enough to have reasonable certainty to accrue possible repayment. Also additional security costs at the Snibston site £40k.		
Information & Technology	-910	-9%
The Information & Technology Service have carried some vacancies since last financial year awaiting an Action Plan to review middle management of the service. This Action Plan is now completed, and posts are starting to be filled, but some vacancies still exist, resulting in underspends across the service.		
Insurance	-435	-24%
Early achievement of CR10 in relation to contributions to liabilities. Reserves held are at a comfortable level and CR10 can be brought forward which would see contribution to reserves reduce from £1.1m to £0.8m.		
Corporate Projects	-300	n/a
Delays on some corporate projects resulting in reduced spend in 2019/20.		
Other variances	-245	n/a
TOTAL	0	n/a

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