

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

There is a net overspend of £5.8m. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) Reserve Drawdown	5,675	100%
Budget includes an estimated HNB drawdown of £5.6m as the planned in year overspend.		
Special Educational Needs	2,594	4%
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. The increase in demand however has resulted in these places being filled with new demand as opposed to having the desired impact on existing numbers. Due to set-up costs the full effect of the programme won't be seen until future years. Savings against budget have been made 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.		
Early Years / Nursery Education Funding	679	n/a
Increased numbers over the autumn and spring terms has resulted in a overspend during this financial year.		
Schools Growth	-1,852	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 £1.9m 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	-1,028	59%
The High Needs Recovery Plan included the further development of 4 inclusion projects by the Secondary Education Inclusion Partnerships (SEIP's) which as a result of the development of the approach to inclusion will now not be progressed. The Recovery Plan also included a number of staffing posts that were recruited to later than expected.		
Education of Children with Medical Needs (CMN)	-342	-59%
Following implementation of the Inclusion Service Review Action Plan, Case reviews have decreased the numbers of young people in the system who are supported back into education at an earlier stage. The underspend is also due to the recoupment of funding from schools for CMN placements.		
Education Sufficiency - Schools Admissions	-58	-35%
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	91	n/a
TOTAL	5,759	n/a

Local Authority Budget

The Local authority budget is overspent by £3.4m (4.5%). The main variances are:

	£000	% of Budget
Operational Placements	1,738	6%
<p>Leicestershire's LAC number at 31/3/2019 was 586 and 12 months on, this number has risen to 646 (10% increase). Although the budget was set on a basis of a 11% increase, the main driver for the current overspend is because some of the children that entered the system have really high and complicated needs which have resulted in weekly costs (£7,500 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 is one of the main drivers behind the current overspend.</p> <p>For example, at the end of the financial year, the average weekly cost to social care of external residential placements has risen from £3,300 per week at the start of the financial year to £3,800 per week currently (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 increased complex needs and also market factors which together have contributed to the increased weekly cost of placements to children's social care.</p> <p>Likewise, a similar trend can be seen in our 16 plus provision type, with the average weekly cost to social care £950 per week at the start of the financial year rising to £1,330 per week by the end of the financial year (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, at the end of the financial year, this cohort of children included over a half dozen children costing £3,000 per week (200% higher than 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	1,662	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 has also been 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	609	31%
<p>Legislation changes around the Personal Advisor duty has resulted in budget pressures for 2019/20. 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 Assessed and Supported Year in Employment (ASYE) support.</p>		
Fostering & Adoption Service	608	19%
<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	278	41%
<p>Demand on this budget has significantly increased over the last couple of financial years and has done also this financial year, which has resulted in 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, has reduced this years budget pressure by approx £230k, but nevertheless is still not sufficient to plug the overall budget pressure for this financial year.</p>		
Social Care Legal Costs	199	18%
<p>The number of care cases that have been instructed to issue proceedings continues to be needs led, and resulted in the year end position to be overspent with actual need in 19/20 exceeding the budget set, through a combination of volume of proceeding and complexity which at times required counsel and experts to support specific cases.</p>		
Children and Families Wellbeing Service	-960	-10%
<p>Largely due to a combination of staff turnover and in year vacancies.</p>		
Disabled Children Service	-297	-7%
<p>Staff turnover and in year vacancies in addition to reduced demand on direct payments budget.</p>		

Business Support	-158	-4%
Staff turnover and in year vacancies.		
CFS HR - School Redundancies	-129	-9%
Planned HR action plans have had to be delayed as a direct result of the impact of Covid 19.		
Education Children in Care - Virtual School	-128	-21%
Increased Pupil Premium Plus (PPP) income above levels expected which has supported planned expenditure.		
Other variances	-47	n/a
TOTAL	3,375	n/a

Adults & Communities

The Department has a net underspend of £2.4m (1.6%). The main variances are:

	£000	% of Budget
Homecare	1,711	10%
Additional maintenance hours have been commissioned as a result of increased service user numbers receiving a HTLAH service compared with the budget. Current average number of service users is 1870 with an average weekly cost of £197.(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. Also, over the course of the year additional service users with 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.		
Supported Living	1,293	8%
Overspend is 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. In 2019/20 there are an additional 40 service users receiving Supported Living which is in line with the TOM target. There will now be a delay in further placements due to COVID 19. The opening of the Brookfields during 2020/21 will create additional capacity for service users. There will be a corresponding underspend on Residential Care service user numbers which offsets this		
Care Pathway West - Countywide Services	181	14%
Overspend on staffing budget relating to covering vacancies offset by underspends elsewhere on staffing.		
Community Life Choices (CLC) commissioned services	129	2%
There are approximately 590 service users with an average weekly cost of £100k, which is marginally higher than expected.		
Care Pathway West- Heads of Service & Lead Practitioners	112	NA
Overspend on HOS of £19k relates to staffing cost for AD for temporary cover and £93k relates to old invoices for the Care Act.		
Early Help and Prevention - Carers and community assessment	112	37%
An under accrual of costs from prior years leading to an overspend against this year's budget.		
Commissioning & Quality	109	7%
Additional consultants costs of £100k to support commissioning and staffing overspend of £69k, partly offset by underspends on other items.		
Direct Payments	-1,507	-4%
The underspend is due to the net impact of a 6.9% reduction in number of service users and a 10.4% increase in package price equating to a decrease of £1.5m in total. - There were an average of 2,310 service users per week receiving an average package of £331.89 (2018/19 Outturn: Annual average 2,498 per week with an average package of £292.11). - There were approximately 791 Carers per week receiving an average packaged of £46.60 (2018/19 Outturn: Annual average 492 Carers per week with an average package of £45.32).		
Better Care Fund Contribution	-1,163	-7%
Additional BCF funding was agreed during the year for social care protection and for Invest To Save schemes to reduce demand.		

Residential Care and Nursing	-933	1%
As part of the TOM programme approximately 40 service users have transferred to supported living which has resulted in reduced residential expenditure, c£1.3m. In addition, changes to the LD pool budget arrangements have resulted in a £1.3m reduction in Health related residential care spend offset by a similar reduction in health income. The overall position is also affected by an increase in the provision for unrecoverable debts, £0.2m. There has also been an increase in the average cost of packages due to more complex needs and other fee increases, partly offset by a reduction of the number of service users, net increase of £0.3m. There are an average of 2,377 service users and an average gross care package cost of £770 per week.		
Reablement (HART) & Crisis Response	-687	-15%
Underspend due to staffing vacancies and on 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 from HTLAH reablement into HART however at this stage this has not occurred. A full review will be undertaken once the TOM work is completed.		
Community Life Choices (CLC) / Day Services Team	-629	-22%
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	-315	-17%
Staffing vacancies pending possible changes to internal service during 2020/21.		
Supported Living, Residential and Short Breaks	-302	6%
There has been a reduction in the number of service users at Hamilton Court residential and no new placements being made. Due to this there are staff savings and vacancies at Hamilton Court and The Trees.		
Care Pathway West - Older Adults Team	-144	-5%
Underspend due to staffing vacancies.		
Care Pathway East - Working Age Adults Team	-135	-7%
Underspend due to staffing vacancies.		
Community Care Finance	-120	-11%
Underspend due to staffing vacancies.		
Other variances	-101	n/a
TOTAL	-2,389	n/a

Public Health

The Department has a net underspend of £0.1m. The main variances are:

	£000	% of Budget
Public Health Leadership	249	-1%
Due to underspends elsewhere within the Department, the transfer from earmarked funds to balance the budget is no longer required.		
Sexual Health	134	3%
Sexual Health Services are predominantly paid on activity based demand, with lags in activity data making forecasting difficult. The key areas of budget variation are: Out of Area Genitourinary medicine (GUM) +£52k, CCG Prescribing Costs +£33k and reduced income from CCG +£26k.		
Public Health Advice	-165	-12%
The department received an unexpected grant to support work on the homelessness agenda which they were able to use to support the redesign of the current service to develop longer term saving plans as well as an extension of existing provision whilst this work was carried out. This enabled the department to deliver savings early which was then offset against overspends in sexual health.		
NHS Health Check programme	-147	-27%
Public Health extract data directly from GP surgeries rather than waiting for returns to be submitted; the improved data analysis also reduces the number of duplicate health check claims made. Quarter 1 to 3 claims were 47% lower than the same period in 2018/19 and, therefore, this has resulted in an underspend for 2019/20.		
0-19 Children's Public Health	-81	-1%
Cessation of the Understanding and Managing Risk contract. This contributes to the MTFs savings.		
Other Public Health Services	-71	-26%
A number of potential projects haven't materialised and funding has been received from the NHS for a number of joint PH/NHS initiatives.		
Other variances	-56	n/a
TOTAL	-137	n/a

Environment and Transport

The Department has a net overspend of £1.5m (2.1%). The main variances are:

	£000	% of Budget
Special Educational Needs	2,103	19%
<p>As forecasted and previously reported throughout the majority of 2019/20, there is a significant overspend on SEN transport. This is largely due to continuing growth in demand of users 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. The cost per day of providing SEN transport rose rapidly during 2018/19 after budgets were set for 2019/20, and these factors further increased the variance throughout the year.</p> <p>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 EHCPs and demand on the High Needs Block.</p> <p>The savings associated with the 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 16-18 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.</p> <p>A further saving of £200k that was due to be delivered from implementing an Alternative Fleet Provision was been suspended whilst work was undertaken on the SEN post-16 PTB pause. Additionally, £72k of legal costs for the Judicial Review are included in the outturn position.</p>		
Public Bus Services	716	35%
<p>Overspend partly due to the cost of subsidising additional bus services / routes that became no longer commercially viable during 2018/19 and 2019/20.</p> <p>Local bus service savings were being implemented during 2019/20 as part of the Passenger Transport Policy (PTP) project. Phasing and delays in implementing some savings has also contributed to the overspend position.</p> <p>In addition to this, Park and Ride site cost have been higher than budget, income from the P&R employers' parking scheme has been lower than expected and income from concessionary travel reimbursements has been lower than the budgeted figure.</p>		
Reactive Maintenance (Structural & Safety)	486	28%
<p>Overspend due to number of out of hours responsive calls, additional costs for Safety barrier retensioning works for safety critical works and additional resources required to repair defects within policy times.</p>		
Environmental Maintenance	377	10%
<p>Overspend due increased gully clearing and drainage works from higher number of defects being identified which require resolving.</p>		
Recycling & Household Waste Sites	276	9%
<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 during 2019/20.</p>		
Treatment Contracts	264	2%
<p>More waste went to Refuse Derived Fuel (RDF) and Energy from Waste (EfW) in 2019/20 and less to landfill (see below). This led to an overspend on treatment contracts and an underspend on landfill.</p>		
Social Care Transport	211	6%
<p>Overspend related to increased spending on adult social care transport in 2019/20. Outturn position also affected by non-achievement of planned savings.</p>		
Winter	169	6%
<p>A number of routes required gritting at the start of the financial year. The budget is set for a mild winter but the levels of gritting required during the winter exceeded this level.</p>		
Management and Training Costs	116	14%
<p>Overspend relates to additional agency staff supporting contracts for the department and implementing new processes. In addition the new AD post had been budgeted for 6 months however due to finding an appropriate candidate this post was filled early.</p>		

Concessionary Travel and Joint Arrangements	115	2%
Overspend due to additional anticipated concessionary travel reimbursement costs to one bus operator relating to the period from 2017/18 to 2019/20. These estimated costs have arisen following a review of payments made for the past three years as requested by the DfT. This review considered the methodology for splitting bus routes between rural and non-rural journeys. Further work still needs to be undertaken to confirm the figures, but a reserve creditor has been entered to recognise the likely cost. This is likely to also have an impact on future year budgets.		
Speed Awareness	110	n/a
Overspend due to maintenance contract of average speed camera, the first year of the maintenance was included in the tender for average speed cameras and subsequent years had additional costs. The pilot was only anticipated for one year but was extended thus meaning additional maintenance requirements for the assets to keep routes safe.		
Traffic Controls	110	9%
Overspend relates to additional surveys and red routing for safety reasons		
Landfill	-556	-9%
Underspend arose due to more waste going to Refuse Derived Fuel (RDF) and Energy from Waste (EFW) rather than landfill. In addition, tonnages were also slightly lower than budgeted.		
Highways Design & Delivery - Staffing, Admin & Depot Overhead Costs	-434	29%
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.		
Staffing & Admin Commissioning	-429	-30%
Additional contribution from capital related works and also S106 travel packs sent out and therefore additional staffing contributions.		
Street Lighting Maintenance	-398	-15%
Underspend due to reduced resources able to deliver works programme on non illuminated signs, underspend on energy budgets and CMS hosting costs not as high as anticipated in addition some works due to take place in March were not able to be completed due to COVID and so this increased the underspend.		
Dry Recycling	-282	-15%
Whilst income from recyclable materials has dropped over the year, initially it was higher than forecast which has resulted in an underspend. This is due to favourable prices for plastics.		
Haulage & Waste Transfer	-266	-15%
Haulage underspend of £147k was achieved. This underspend arose due to lower waste tonnages and more haulage to non landfill treatment which is lower cost on the whole. In addition to this, an underspend of £119k was realised for Waste Transfer Station, largely due to WTS compensation payments for previous years' performance and savings on contract hire following purchase of two loading shovels.		
Staffing & Admin (H & T Network management)	-259	-69%
Additional income from S278, S38 & S184 and additional recharges to capital works offset by a reduction in pre-planning application income.		
Mainstream School Transport	-197	-5%
Underspend due to a reduction in pupil numbers and fewer contracted services required.		
Waste Income	-178	13%
Underspend due to additional tonnages from trade waste.		
HS2	-170	-43%
Underspend: budget set using other authorities broad estimates as a benchmark. In the first year of LCC direct HS2 expenditure has been lower than anticipated. However should the HS2 review be favourable, demand in this service is anticipated to increase.		
Ash Dieback	-118	-30%
The underspend relates to the number of claims for Ash Dieback being lower than anticipated. Whilst the Ash Dieback work continues to increase a new process is required so that works relating to Ash Dieback and general forestry work can be separately identified, which has meant a lower number of claims in 19/20 than anticipated. The new process to separate these works will be in place for 20/21 so that Ash Dieback work and general forestry works can be separately identified.		
Departmental Costs	-111	-26%
Underspend has arisen largely due to an underspend on the computing services budget. This has arisen due to lower than expected costs on software licences.		

Composting Contracts	-110	-7%
Underspend due to lower tonnages of green waste and also some green waste collection services were stood down in March due to Covid-19.		
Waste Initiatives	-88	-28%
Underspend includes £42k underspend in Climate Action Plan budget. Although projects have been identified, not all expenditure was incurred during 2019/20. Outturn position also includes a variety on small underspends on Waste and Environment initiatives.		
Other variances	14	n/a
TOTAL	1,471	n/a

Chief Executives

The Department has a net underspend of £0.7m (6.3%). The main variances are:

	£000	% of Budget
Coroners	172	17%
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. The contribution to Leicester City Council was substantially above the budgeted amount this financial year.		
Business Intelligence	69	6%
Overspend is due to additional C&FS work, additional Tableau consultancy/training costs and a reduction in income from University Hospitals of Leicester (UHL) and schools.		
Planning Services	-286	-64%
Two major planning applications were received early in the financial year and a further application was received in October.		
Legal Services	-110	-5%
Staffing vacancies are the main cause of the underspend. Solicitor posts, which were vacant at the beginning of the financial year, are still proving difficult to recruit to. This is offset by an £80k variance on recharges.		
Democratic and Admin	-190	-13%
A review of the staffing structure has resulted in a large underspend. Agency staff have only remained in post until the end of December 2019.		
Trading Standards	-167	-11%
The underspend is due to a delay in recruiting to vacancies, underspend against specialist training and additional income late in the financial year from National Trading Standards.		
Registrars	-80	50%
Wedding Certificate income was above budget which offset minor overspends on staff and running costs.		
Other variances	-102	n/a
TOTAL	-694	n/a

Corporate Resources

The Department has a net overspend of £0.5m (1.3%). The main variances are:

	£000	% of Budget
Commercial Services	2,626	-97%
Continuing challenges from a 2018/19 outturn overspend of £0.4m, pay inflation of £0.8m (incorporating the impact of the National Living Wage) and the 2019/20 savings target of £0.5m meant that 2019/20 was a tough trading year for Commercial Services. Challenging market conditions, the need for staff reviews across several services, staff absences and the impact of Covid-19 have all provided further challenges. Overall the service was just in surplus, returning a net contribution of £74,000 compared with a budgeted contribution of £2.7m.		
Major Improvements Work	190	8%
Overspend significantly due to investment in large programmed schemes aimed at reducing ongoing costs through proactively targeting work at buildings/blocks which required frequent reactive maintenance work.		

Customer Service Centre	166	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 workloads were also experienced from changes in legislation from August 2019 regarding Blue Badge eligibility for people with		
County Hall & Locality Offices	162	6%
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. Covid-19 has also had an impact e.g. signage, cleaning and sanitary measures.		
Libraries & Community Premises Costs	137	13%
Relates to the rates bill (£109k) for the Industrial Heritage Museum "Snibston" which is subject to a rating appeal but has not progressed enough to have reasonable certainty to accrue possible repayment. Also additional security costs at the Snibston site £40k.		
Vacant Properties	84	54%
Overspend due to significant costs related to securing properties.		
Information & Technology	-1,057	-11%
The Information & Technology Service have carried some vacancies since last financial year awaiting an Action Plan to review middle management of the service. The action plan is now completed, and posts are starting to be filled, but some vacancies still exist, resulting in underspends across the service.		
Insurance	-710	-18%
Early achievement of MTFS savings in relation to contributions to liabilities. Earmarked funds held are at an appropriate level and the service are able to bring forward this saving which would see contribution to earmarked funds reduce from £1.1m to £0.8m. In addition, it has been possible to reduce the uninsured losses earmarked fund due to a reduction in estimated liabilities.		
Corporate Projects / Unallocated	-573	n/a
Contributions from earmarked funds including reduced provision required for doubtful debts		
Strategic Finance - Accounting	-210	-9%
Staffing vacancies £0.1m and earmarked fund release £0.1m		
Learning and Development	-136	n/a
Reduced use to contribute to overall departmental position		
Other variances	-220	n/a
TOTAL	459	n/a