

Revenue Budget 2020/21 – forecast main variances**Children and Family Services****Dedicated Schools Grant**

A net overspend of £7.4m is forecast. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked fund drawdown	9,600	n/a
Budget included an estimated HNB drawdown of £9.6m as the planned in year overspend.		
Special Educational Needs and Disabilities (SEND)	925	1%
The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. During 19/20 a number of these bases welcomed their first cohort of students, with more places forecast to be filled during the 20/21 academic year. 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. Additionally, the numbers of pupils in mainstream settings that receive top-up funding is rising rapidly.		
Early Years / Nursery Education Funding	320	1.0%
The DfE are continuing to pay nursery grant for Autumn 2020 at pre-Covid levels. Providers have been paid in Autumn 2020 based on the number of children in Autumn 2019, if they suffered a drop in numbers in 2020 due to Covid. This has led to an increased overall cost. The balance in the Early Years element of the DSG Reserve was £176k deficit as at 1st April 2020, so an in-year deficit of £319k would leave a potential balance of £495k deficit.		
Schools Growth	-2,555	-83%
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 underspend will be transferred to the DSG earmarked fund to fund pupil growth in future years.		
High Needs Block Development / Inclusion Partnerships	-390	-28%
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 a change to the approach to inclusion, will now not be progressed.		
Education of Children with Medical Needs (CMN)	-260	-47%
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 projected underspend is also due to the recoupment of funding from schools for CMN placements.		
Specialist Services to Vulnerable Groups	-125	-5%
The Specialist Teaching Service is forecast to underspend primarily due to the restructure of the Autism Outreach offer. The savings this has created has enabled the service to meet its own savings target, plus this further underspend.		
Education Sufficiency / Schools Admissions	-70	-11%
Services have not been running at full capacity due to Covid-19 restrictions.		
Other variances	-15	n/a
TOTAL	7,430	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £4.2m (5.1%). The main variances are:

	£000	% of Budget
Operational Placements	3,175	10%
<p>Current projections are based on a 8% LAC (Looked after Children) increase from March 20 position. Whilst MTFS growth was based on a 14% increase, there has been an increase in unit costs based on the current cohort of children and new placements coming into system in comparison to projected unit costs made at time of MTFS submission. This has resulted in the current projected overspend position.</p> <p>For example current average weekly External Residential Unit costs to social care is £4,100 p/w (£3,500 p/w assumption built into MTFS growth - 17% increase). Similar trends across external 16 plus and IFA placements. 16plus current average weekly unit costs £1,500 vs £1,000 built into MTFS assumptions - 50% increase. IFA current weekly average costs £ 810 vs £790 built into MTFS assumptions - 3% increase. Over the last 10 months, a number of children have required residential placements as result of their very complex needs, and subsequently led to very high cost placements. This helps further explain the reason why the average unit costs have increased above initial projected levels as per the MTFS.</p> <p>In addition, during mid financial year, we have seen a direct impact of changes to case law and practice in regards to parent and child placements, and as a result have a direct impact on the projected budget position for this financial year. For example, the new standard is there must be a high standard of justification that must be shown by a local authority seeking an order for separation requires it to inform the court of all available resources that might remove the need for separation.</p> <p>Because of this, and at the same time seeing a higher level and increasing number of parent-baby placements enter the system (In July – 6 new requests for parent-baby placements - potentially linked to the impact Covid-19 as a potential factor behind this increase although difficult to validate at this current stage). The current position is there is no available in house provision to meet this demand and so IFA/residential searches are required. If IFAs do not offer a placement, then the court will want to know if there are residential placement offers. An offer from a residential placement will indicate that that provision feels able to safeguard the child, keeping parent-child together and hence meeting this new court directed standard. If this is a continued pattern/trend, then the number of new entries into residential will exceed the predicted number for 2020/21 (potentially 10% increase in Residential numbers compared to the projected number of residential placements built into current MTFS assumptions), hence impacting adversely on forecasted spend.</p>		
Children's Social Care Staffing	1,490	7%
<p>The MTFS had identified a growth for number of staff roles across various service areas based on current demand and need. A number of those roles had been filled with agency workers, given the current challenges around recruitment and retention within social care. Prior to Covid 19, plans has been in place for a intense recruitment drive and plan to reduce the need for agency workers. However, the current pandemic caused severe disruption to those plans, and not only did short term reactive measures which involved having to increase workforce capacity to allow for service continuity across our statutory services, it subsequently also meant such increased capacity had to be met from the agency market at an increased cost. In addition, whilst we have seen positive recruitment drives for social workers, a number of new recruits are newly qualified and therefore in a lot cases have needed to be supported by more qualified social workers in the short term, and unfortunately based on the current demand for qualified experienced social workers, this is having to be met from the agency market.</p>		
Social Care Legal Costs	510	45%
<p>Overspend due to increased volume of new court proceeding being issued, with this trend projected to continue for the remainder of the financial year.</p>		
Supporting Leicestershire Families	1,100	n/a
<p>2020 Spending Review only announced the continuation of Troubled Families grant (TFG) funding for 21/22. Given the overall net projected underspend for 20/21, the planned contribution from the SLF earmarked fund for 20/21 can be removed, giving a higher fund balance to offset the potential removal of TFG funding in 22/23.</p>		

Vacancy Management across all non essential vacant roles	-1,360	-14%
A planned and measured vacancy management process is in place across service areas for all non critical and essential job roles. This directive is in response to the financial pressures across social care and minimise the risk of incurring any non essential spend for the remainder of this financial year. Such measures will be under continual review to ensure impact on service delivery is kept to a minimum.		
Asylum Seekers Budget	-380	-26%
Increased Home Office Funding rates for this financial year has resulted in a reduced financial pressure on this budget compared to what has been projected when budget was set.		
Education Quality and Inclusion	-160	-12%
Reduction of costs due to Covid-19 and the continuation of virtual learning.		
Other variances	-145	n/a
TOTAL	4,230	n/a

Adults & Communities

The Department has a net overspend of £7.1m (4.7%). The main variances are:

	£000	% of Budget
Homecare	3,395	16%
There is an overspend due to the costs of Covid-19 hospital discharge patients estimated at £4.1m; provider Covid-19 support payments of £1.3m ,IPCF grant costs of £2.8m and increased costs of service users £2.0m. IPCF grant income and NHS Discharge Fund (£6.9m) will net off most of this element of the overspend Additional impact of April 20 contract inflation estimated at £600k and an increase in the number of service users is also included in the overspend. The forecast for Home Care is based on an average service user number over the year of 2,130 at an average weekly cost per person of £240.		
Additional Other COVID costs	2,545	n/a
Additional Covid-19 expenditure includes additional provider payments to be recovered, £300k on supporting shielding, £550k PPE purchases for all council services, £250k on supporting management of Covid-19, £50k food packages for service users being discharged from hospital and £25k additional accommodation. This is partially offset by infection control grant income of £600k.		
Community income	3,325	17%
As a result of Covid-19 the decline in the chargeable number of service users is approximately 400 service users who usually provide approx £84/week of income, therefore the loss of income is forecast to be £1.7m at this stage. It is expected that the number of chargeable service users will increase over time as the effect of Covid-19 and social distancing diminish, however this is yet to be observed. Health recharges for Home Care are £600k lower than budgeted which is due to falling service user numbers with CHC (Continuing Health Care) funding likely to be due to new cases being eligible for recharge against the Covid-19 health funding . Agency income for Supported Living of £600k will not be achieved, however this should be compensated for by an equivalent saving on expenditure. The LD Pool income for non-residential service users is below budget by £350k as service user numbers are reducing. The remaining loss is due to other Covid-19 related changes.		
Residential Care and Nursing	1,605	2%
The net forecast overspend of £1.6m arises from several areas. Firstly, anticipated additional payment costs to providers of approximately £3m (including £1m of additional annual inflation to fees), additional service users costs £6m due to Covid-19, payment for Infection Protection Control Grant of £8.8m, payment of Rapid Test Grant £1.66m, payment of Workforce Capacity Grant £1.2m and loss of Income as a result of Covid-19 due to the decline in the chargeable number of service users (£4.69m) These additional costs will be offset by anticipated additional income in the region of £12m from the NHS discharge Covid-19 fund, £8.8m from the Infection Control Fund Grant, £1.66m from Rapid Test and Workforce Capacity Grant. There are currently an average of 2,400 service users with an average gross care package cost of £817per week .		
Communities and Wellbeing	380	7%
Overspend mainly relates to reduction of income due to Libraries, Museums and Heritage sites being closed as a result of Covid-19 £250k and £121k related to Adult Learning services.		
Care Pathway East- Older Adults Team	130	5%

Overspend relates to market premia, agency cost and additional staffing cost for Help with the Recovery and vacancies and "business as usual" planning.		
Reablement (HART) & Crisis Response	-1,135	-23%
Underspend due to staffing vacancies and challenges recruiting during COVID. 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 HTLAH reablement into HART and this work is currently in progress		
Better Care Fund Contribution	-930	-5%
Additional BCF funding was agreed during the year for social care protection and other schemes.		
Community Life Choices (CLC) commissioned services	-670	-12%
Underspend following lockdown and the closure of CLC bases within the independent sector and service users either receiving no service or a vastly reduced service. Discussions are ongoing on a potential new CLC framework over the Covid-19 period.		
Supported Living, Residential and Short Breaks	-595	-12%
Underspend from closure of Residential and Short Break bases following lockdown and the vacancies that are being held pending an action plan		
Community Life Choices / Day Services Team	-510	-20%
Underspend from closure of Community Life Choices bases following lockdown and the vacancies that are being held pending an action plan.		
Aids, Adaptations and Assistive Technology	-170	10%
Underspend on equipment and reduced commissioning of works due to Covid-19. Expected to return to normal following lockdown period.		
Care Pathway West- Working Age Adults Team	-155	5%
Underspend from temporary staffing vacancies.		
Care Pathway East- Review	-145	-10%
Underspend from temporary staffing vacancies.		
Business Support	-120	6%
Underspend from temporary staffing vacancies.		
Care Pathway West- Head of Service/Review	-110	n/a
Underspend from temporary staffing vacancies and reviews.		
Other variances (under £100k)	260	n/a
TOTAL	7,100	n/a

Public Health

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

	£000	% of Budget
Public Health Earmarked Fund	1,170	n/a
Net underspend on Public Health budgets to be offset by a contribution to the Public Health earmarked fund. Uncertainties on future grants and Covid.		
Public Health Leadership	210	-1%
Forecast transfer from earmarked funds removed from forecast as Public Health are showing an overall underspend within the Department. Additionally, the UHL PH provision will not be received (+£100k).		
Sexual Health	-940	-23%
This is a demand led service that has seen a significant lack of activity due to the Covid-19 pandemic, which has been further restricted due to the continued local/national lockdown.		
NHS Health Check Programme	-395	-78%
Activity for this service is significantly reduced due to the prioritisation of Covid-19 vaccine delivery. Non-essential face to face appointments have reduced and there is little expectation of activity increasing before year-end.		
Programme Delivery	-105	-15%
Due to Covid-19, Time4Leicestershire was put on hold.		
Weight Management Service	-80	-23%
The variance is due to a -£30k underspend on staffing and -£41k relating to Weight Watchers licences as the original estimate for these was in excess of the actual charge.		
Quit Ready	-70	-23%
Staffing underspend of -£12k and reduced activity has resulted in -£59k underspend on running costs.		
Other variances	210	n/a

TOTAL	0	n/a
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Environment and Transport

The Department is forecasting a net underspend of £3.9m (4.6%). The main variances are:

	£000	% of Budget
Landfill	1,155	10%
Forecasting overspend due to increased tonnage due to Covid19 as people stay at home. This is partially offset by tonnage reductions on Treatment Contracts due to lower tonnages at Recycling and Household Waste Sites.		
Winter Maintenance	470	29%
Overspend due to the winter maintenance budget being allocated for a mild winter and due to recent cold weather the gritters have had to be used more frequently than budgeted for. In addition the service had to do more salting of paths which is more resource intensive due to Covid-19.		
Dry Recycling	215	11%
Forecast overspend due to increased tonnages of kerbside dry recycling materials (card, glass, paper, cans and plastic bottles) as a result of more food being consumed at home during the Covid19 lockdown period.		
Concessionary Travel & Joint Arrangements	100	2%
Concessionary travel reimbursements are being made at 2019/20 levels in 2020/21 despite much lower bus pass usage due to Covid-19. Central government strongly urged all local authorities to follow this policy to support the bus market during the pandemic. This will result in a £50k overspend as spend levels in 2019/20 were higher than the 2020/21 budget. Forecast also includes potential overspend of £50k due to anticipated additional concessionary travel reimbursements costs. These estimated costs have arisen following a review of the methodology for making concessionary travel reimbursements as requested by the DfT. This review considered the way in which bus routes are split between rural and non-rural journeys. Further work still needs to be undertaken to confirm the figures. The ongoing budget implication is estimated to be £275k p.a.		
Highways Design & Delivery - Staffing, Admin & Depot Overhead Costs	-1,550	-57%
Underspend due to additional recharges to capital due to additional monies received for 3 schemes and vacant posts. Due to Covid19 recruitment has been slowed and full recruitment for services maybe impacted for the whole year. There is also additional spend relating to agency staff.		
Special Education Needs Transport	-825	-19%
Forecast underspend of £825k forecast due to the impact of Covid. This has arisen for several reasons: <ul style="list-style-type: none"> -Increased take up of Personal Transport Budgets which has reduced individual students transport costs significantly -The delay in commissioning some pupils transport for the start of term and paying interim mileage payments instead of actual transport contract costs -The reduction in attendance days at schools and colleges with some pupils remote studying on some days of the week -The choice of some parents to continue to shield even when transport arrangements were put in place -The increased number of isolations and school lockdowns that have occurred in the Autumn Term due to the higher infection rates, particularly in schools <p>Further reductions in expenditure are possible arising from the current lockdown. Work is being undertaken to assess this and the overall position for the year.</p>		

H & T Network Staffing & Admin	-470	-19%
Underspend due to additional fee income S278,S38,S184 and an underspend on staffing from removing agency staff and creating permanent posts. Underspend is reduced by a forecast £98k overspend in the Notice Processing Unit due to lower numbers of Penalty Charge Notices being issued during the pandemic.		
Treatment Contracts	-445	-5%
Forecasting underspend due to reduced tonnage during Covid19. This is due to lower volumes of waste at Recycling and Household Waste Sites during the site closures.		
Social Care Transport	-350	-9%
Underspend forecast arising from cancellations of services due to Covid-19. Also taxi payments were reduced to 25% from April to July 2020 when services were not operating.		
Mainstream School Transport	-335	-9%
The current estimated underspend on Mainstream School Transport for 2020/21 is £336k. £202k of this forecast is based on reduced costs due to lower payments made when services have not been required. These service reductions have arisen due to an increased number of Covid lockdowns and self-isolation of children / drivers during the autumn term. The underspend forecast also includes additional grant income of £134k that has been received in 2020/21 for Extended Rights to Home to School Travel. Additional costs of £540k to provide additional services to enable social distancing are included in the forecast. It is assumed that these costs will be fully funded by the DfE Covid Home to School and College Transport grant in 2020/21.		
Fleet Transport	-325	-176%
Forecast underspend of £326k mainly due to the reduction in social care and library Fleet operations due to Covid-19. The major spend of the passenger fleet operation is on staff (drivers and escorts) which, while the majority are LCC employees, at times are supplemented by agency staff. The use of agency staff has remained low as use has been made of drivers and escorts from the social care area of Fleet. While the SEN operation from the start of the academic year and into the current lockdown period is running near to capacity there is an overall reduction in passenger fleet operation from lack of social care and middle of the day workings which has led to a reduction in fuel usage, maintenance and insurance costs. However, this has been offset by lack of external income generation which remains very limited.		
Environment & Waste Management Commissioning: Initiatives	-255	-33%
£187k forecast underspend on Ash Dieback due to social distancing measures on inspections meaning less work can be completed as quickly. Also some communications work has not been completed as communications regarding Covid have taken priority. Forecast also includes a £50k underspend on waste and environment initiatives due to the impact of the pandemic. This has affected a range of areas including fewer events, less work in schools and reduced grant applications. Work within the community on food waste prevention has also been impacted.		
HS2	-245	-15%
Underspend due to planned Government HS2 Phase 2b hybrid Bill process delayed beyond the originally anticipated June 2020 start (to the 2021/2022 financial year at the earliest), so mandatory Parliamentary Agents and consultant support will not be required until that time.		
Haulage and Waste Transfer	-215	-10%
Underspend forecast due to more direct deliveries and more efficient use of hauliers.		
Environment & Waste Management Commissioning: Staffing & Admin	-210	-17%
Forecast underspend due to multiple staffing vacancies and lower spending on waste initiatives during the pandemic.		
Staffing & Admin Commissioning	-205	-11%
Underspend due to staff vacancies which is being slightly offset by reduction in income and recharges to capital.		
Composting Contracts	-180	-11%
£180k underspend forecast due to lower waste tonnages.		

Departmental Costs	-170	-12%
Forecast underspend largely due to £110k forecast underspend in computing services. £80k of this has arisen due to lower spend on replacement phones and laptops as the Workplace project is now funding these items in 2020/21. Remaining £30k due to lower expenditure on other computing items.		
There is a further £47k underspend arising due to reduced spending on occupational health referrals, stationery and furniture due to staff working from home.		
Other variances	-30	n/a
TOTAL	-3,870	n/a

Chief Executive's

The Department is forecasting a net overspend of £1.5m (12.3%). The main variances are:

	£000	% of Budget
Policy & Communities	1,695	98%
The variance is mainly due to forecast expenditure of £1.7m for Covid-19 related Community grants.		
Registrars	220	-217%
There is forecast to be a significant shortfall in income due to the Covid-19 impact on Wedding Ceremonies. Estimated furlough income of £25k is reflected in the forecast as well as a proportion of the income loss reported through the SFC. The continued lockdown will have a significant impact on the final quarters income.		
Legal Services	170	7%
Additional temporary posts agreed for Covid-19 and A&C additional work plus the use of extra Locum resources to cover vacant posts.		
Democratic Services and Administration	-240	-17%
The variance is due to ongoing vacancies as well as a reduction in travel, post and printing costs.		
Growth Unit	-200	-35%
The variance is due to ongoing staffing vacancies which are expected to continue for the remainder of the financial year.		
Civic Affairs	-95	-58%
The variance is due to reduced costs as a result of ongoing Covid-19 restrictions.		
Other variances	-40	n/a
TOTAL	1,510	n/a

Corporate Resources

The Department is forecasting a net overspend of £4.8m (14.1%). The main variances are:

	£000	% of Budget
Information & Technology	2,310	22%
Overspend anticipated on laptops, software and specialist staff to support the increases in homeworking during Covid-19 lockdown.		
Commercial Services	2,175	n/a
A £2.2m overspend is being forecast which is a result of the pandemic and difficult trading continuing from 2019/20. Difficult trading conditions continue and have been seriously compounded by lockdown forcing either the scaling back or temporary closure of a number of commercial services. Recovery plans are being developed to address continuing operational losses and develop an optimum portfolio of commercially sustainable services going into 21/22. This may result in some services discontinuing. The net overspend is inclusive of £2.2m furlough income (CJRS funding) and also includes Sales, Fees and Charges Compensation income of c£1.6m.		
Corporate Asset Investment Fund	1,020	-43%
Overspend related to delays to Airfield Farm and LUSEP. Partially Covid-19 related. Both expected to achieve the expected returns by 21/22.		
Working from Home Allowance	300	n/a
£0.3m estimate of cost of other equipment (non-PC) required by staff to adapt to working safely at home.		

County Hall	230	19%
£0.2m overspend represents both a continuation of the 2019/20 overspend (£0.15m) due to additional cleaning charges, security costs, energy costs and lower income than expected as well as the additional Covid-19 costs associated with cleaning, signage and building changes (£0.09m). This has been offset in part by a reduction in some costs such as water and electricity due to lower usage of the building.		
Strategic Property	-460	-16%
£0.41m staffing underspend arising from a delay due to Covid-19 in recruitment to vacant posts following a staffing review. Further savings from contract renewal of £38k have been realised.		
Learning and Development	-325	-23%
Projected underspend as a result of reduction in face to face courses due to Covid-19 lockdown.		
Customer Service Centre	-165	-7%
Underspend as a result of staff vacancies and reduced absence.		
Supported Employment	-140	-23%
Underspend largely as a result of furlough income as vulnerable staff are shielding from the pandemic.		
Commissioning Support Unit	-140	-10%
Underspend due to staff vacancies.		
Property Services Business Support	-80	-18%
Underspend due to staff vacancies.		
Other variances	25	n/a
TOTAL	4,750	n/a