

Revenue Budget 2021/22 – forecast main variances**Children and Family Services**Dedicated Schools Grant

A net overspend of £7.2m is forecast. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked fund drawdown	5,650	n/a
The DSG budget includes an estimated HNB drawdown of £5.7m as the forecast in year overspend.		
Special Educational Needs	3,700	5%
Increased demand on the budget. The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. During 19/20 and 20/21 a number of these bases welcomed their first cohort of students, with more places filled during the 21/22 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.		
Schools Growth / Budget Allocations	-2,200	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 underspend will be transferred to the DSG earmarked fund to fund pupil growth in future years.		
Other variances	0	n/a
TOTAL	7,150	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £1.0m (1.1%). The main variances are:

	£000	% of Budget
Children's Social Care Staffing	1,000	3%
On a whole whilst good progress has been made in regards to the various recruitment and retention activities across the department, there are currently still isolated issues within certain social care localities. In some localities it has become increasingly difficult recruiting and retaining experienced Social Workers, Senior Practitioners and Team Managers. The prolonged period of instability has led to higher caseloads and use of agency staff; this has further impacted on retention of experienced staff.		
TOTAL	1,000	n/a

Adults & Communities

The Department has a net forecast overspend of £14.5m (9.5%). The main variances are:

	£000	% of Budget
Homecare	8,465	45%
The budget is based on an average weekly cost of £213 per service user(SU) and 1,950 SU per week on average and was prepared assuming that client numbers and average hours per client would return to pre Covid-19 levels by April 2021, both having increased due to the NHS hospital discharge scheme. At the start of April 2021 there were 2,280 SU and the forecast has assumed that the number of SU will reduce during the summer as the NHS discharge scheme reduces from 6 weeks paid support to 4weeks and throughout September/October, as the discharge funding comes to an end. The average weekly cost for 2021/22 is forecast to be £264 and the average number of SU over the year is forecast to be 2,230. These costs are also offset by £1m of income from Health for home care packages funded from the discharge scheme.		
Residential Care and Nursing Income	4,715	12%
As a result of Covid-19 the chargeable number of residential service users has declined. In addition, there is an ongoing trend of lower residential service users from the Target Operating Model (TOM) project which is transferring users to Homecare. There are currently around 1,700 long term service users who provide approximately £230/per week of income, prior to Covid-19 there were 300 more. There has been an increase in Non-Residential income which offsets this trend (£1m). An action plan is in place to ensure all financial assessments are reviewed.		
Supported Living Commissioned Services	2,695	15%
There are approximately 10 high cost service users that are increasing the pay run by £3k per week which are currently being investigated to ensure that these package costs are accurate (£1.560m). In addition an increase in the average hours commissioned of approx £1.050m for remaining service users (through service users not being able to go to CLC) and voids forecast of £90k. There is also further growth of new service users from Residential Care to Supported Living through the Target Operating Model (TOM) project/Mental Health Accommodation moves that take place.		
Residential Care and Nursing Commissioned Services	2,040	2%
The forecast overspend of £2m arises from several areas. Firstly, additional service users costs mainly due to Covid-19 and additional cost for complex needs (£4.8m), transitions costs from children's services (£0.9m) offset by a reduction in budgeted service numbers of around 30 (£1.1m). Additional costs will also be offset by anticipated additional income in the region of £2.6m from the NHS discharge Covid-19 fund. There are currently an average of 2,350 service users with an average gross care package cost of £850 per week .		
Strategic Commissioning & Quality	190	12%
Overspend largely due to increased temporary staffing and unbudgeted Covid-19 expenditure.		
Heads of Service & Lead Practitioners (Learning Disabilities)	125	25%
Additional staffing relating to Temporary Practice Educator and other posts not budgeted for.		
Better Care Fund (BCF) contribution	-950	-5%
Additional BCF funding was agreed during the year for social care protection and other schemes.		
Supported Living, Residential and Short Breaks	-700	-15%
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 (CLC) / Day Services Team	-635	-26%
Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held.		

Community Income	-525	-2%
As a result of the shift of service users into Non-Residential Services following Covid-19, the volume of chargeable service users has increased compared to previous years. In addition the review of NHS Covid-19 funded service users has increased the number of chargeable service users on the charging run. There are approximately 3,400 chargeable service users contributing around £96 per week. The income surplus is forecast to be £950k at this stage. Health recharges for Home Care under HTLAH are £500k lower than budgeted which is likely to be due to new cases being eligible for recharge against the Covid-19 hospital scheme funding. Additional income from the LD Pool for Supported Living is forecast of £150k. The balance of the variance, £100k, is mainly as a result of lower income for home care from the Non Weight Bearing pathway.		
Community Life Choices (CLC) commissioned services	-350	-6%
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.		
Care Pathway - Working Adults Team (LD)	-205	-6%
Underspend due to staffing vacancies and challenges recruiting during Covid-19. 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.		
Care Pathway - Working Adults Team (LD)	-205	-6%
Underspend from temporary staffing vacancies.		
Other variances (under £100k)	-210	n/a
TOTAL	14,450	n/a

Public Health

The Department has a projected balanced position. The main variances are:

	£000	% of Budget
Public Health Earmarked Fund	240	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-19.		
Programme Delivery	-155	-20%
Reduced activity due to Covid-19.		
Weight Management Service	-80	-30%
Reduced activity due to Covid-19.		
Other variances	-5	n/a
TOTAL	0	n/a

Environment and Transport

The Department is forecasting a net underspend of £0.3m (0.4%). The main variances are:

	£000	% of Budget
Landfill	850	9%
Overspend due to: £300k more waste resulting from direct deliveries to landfill (offset by lower bulk haulage costs - see below), £462k increased tonnage from MBT contract (see corresponding underspend below) and £92k due to an under accrual at 2020/21 year-end. The forecast is subject to the ongoing improvements in the Covid-19 situation and any further lockdowns could increase waste volumes to landfill.		
Recycling & Household Waste	300	8%
Forecast includes £40k for increased costs at RHWS sites due to Covid-19. This includes welfare units, PPE, uniforms and consumables. Forecast also includes estimated costs of £250k for the year to remove the RHWS booking system in July 2021. This figure includes a £50k initial sum to remove the system plus ongoing traffic management costs.		

Passenger Fleet	-500	-485%
Forecast underspend due to ongoing reduced demand for services, particularly Adult Social Care services (and some SEN). This has resulted in a large number of vacancies for drivers and escorts (43 FTEs). Future demand for ASC services and traded work is difficult to predict (relies on easing of restrictions (both nationally and within LCC) and on service user's appetite to resume transport).		
Treatment & Contracts	-460	-5%
£462k underspend forecast due to lower tonnage through MBT landfill contract (corresponding overspend in landfill line above).		
Haulage & Waste Transfer	-300	-16%
Forecasting £300,000 underspend due to more direct deliveries to landfill. Landfill will be £300k overspent as a result (see above).		
Staffing & Admin Resourcing	-190	-5%
Underspend due to vacant posts.		
Dry Recycling	-100	-5%
Underspend forecast due to improved forecast on paper and card recyclable prices. Increased tonnages are anticipated however, this is offset by increased material income.		
Other variances	110	n/a
TOTAL	-290	n/a

Chief Executive's

The Department is forecasting a net overspend of £0.3m (2.4%). The main variances are:

	£000	% of Budget
Legal Services	130	5%
Additional temporary staffing to cover additional Covid-19 related work.		
Policy and Communities	75	4%
Additional expenditure for staffing, contracts and community litter picking.		
Coroner's Service	55	
Additional contract costs.		
Other variances	95	n/a
TOTAL	300	n/a

Corporate Resources

The Department is forecasting a net overspend of £1.2m (3.6%). The main variances are:

	£000	% of Budget
Commercial Services	1,500	-87%
Continuation of difficult trading conditions, worsened by the impacts of Covid-19. Delays in lifting trading restrictions and social distancing requirements have had a significant impact on trading. This is expected to continue until late July. Mitigating action in the form of furloughing of staff has been taken.		
Information & Technology	-205	-2%
Vacant posts and long-term sickness.		
Education Catering	-80	65%
Underspend through expansion of the service by gaining contracts with additional schools, most notably in Luton, is expected to lead to higher net contribution than originally expected.		
Other variances	5	n/a
TOTAL	1,220	n/a

Central Items - Central Expenditure budgets

These budgets are forecast to have a net underspend of £0.1m.

	£000	% of Budget
Financial Arrangements - Enterprise Zone business rates income	-70	n/a
Income received relating to the Enterprise Zones in Charnwood and Hinckley & Bosworth.		
Other variances	-30	n/a
TOTAL	-100	n/a

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