

**Revenue Budget 2021/22 – 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
<b>DSG High Needs Block (HNB) earmarked fund drawdown</b>	<b>5,650</b>	<b>n/a</b>
The DSG budget includes an estimated HNB drawdown of £5.7m as the forecast in year overspend.		
<b>Special Educational Needs</b>	<b>3,680</b>	<b>5%</b>
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 2019/20 and 2020/21 a number of these bases welcomed their first cohort of students, with more places filled during the 2021/22 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.		
<b>Schools Growth / Budget Allocations</b>	<b>-2,220</b>	<b>n/a</b>
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.		
<b>Early Years / Nursery Education Funding</b>	<b>310</b>	<b>1%</b>
The payments to providers are expected to exceed the budget due to increased numbers, based on the Summer Term 2021. The impact this may have on DfE grant for 2021/22 is not known at this stage, nor by how much the DfE grant may be reduced in respect of 2020/21 in relation to lower numbers last year.		
<b>TOTAL</b>	<b>7,420</b>	<b>n/a</b>

**Local Authority Budget**

The Local authority budget is forecast to underspend by £0.2m (0.3%). The main variances are:

	£000	% of Budget
<b>Children's Social Care Staffing</b>	<b>970</b>	<b>4%</b>
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.		
<b>Children's Social Care Placements</b>	<b>-1,200</b>	<b>-3%</b>
Looked after Children in Care (LAC) numbers increased by 8% last financial year to 705 as at 1st April 2021. The budget for 2021/22 had assumed a further 8% increase in LAC numbers, however currently LAC numbers for Leicestershire stand at 677. The subsequent impact has seen current placements numbers across various provision types at a lower level than budgeted for.		
<b>TOTAL</b>	<b>-230</b>	<b>n/a</b>

## Adults & Communities

The Department has a net forecast overspend of £13.5m (8.6%). The main variances are:

	£000	% of Budget
<b>Homecare</b>	<b>10,520</b>	<b>52%</b>
The budget is based on an average weekly cost of £213 per SU and 1950 SU per week on average. The budget was prepared assuming that client numbers and average hours per client would return to pre Covid-19 levels by April 21, both having increased due to the hospital discharge scheme. However this reduction has not occurred as the discharge scheme is now continuing. At the start of the year there were 2,310 service users. An Action Plan has been developed by DMT to address the overspend and this includes prioritising the reviews of packages for home care clients and improved commissioning practices. Health partners have been advised that the current levels of commissioning are unsustainable for LCC. It is expected that any reductions will only be visible for pay runs from late August onwards, the forecast will reflect these once they occur. The average weekly cost for 2021/22 is forecast to be £262 and the average number of SU over the year is forecast to be 2,370. The costs are also offset by £0.8m of income from Health for home care packages funded from the discharge scheme.		
<b>Residential Care and Nursing Income</b>	<b>4,950</b>	<b>8%</b>
The net forecast overspend arises from additional service users costs mainly due to Covid-19 (£5.3m), transitions costs from children's services (£0.9m), and loss of Income as a result of Covid-19 due to the decline in the chargeable number of service users (£1.9m). These additional costs will be offset by anticipated additional income in the region of £3.2m from the NHS discharge Covid-19 fund. There are currently an average of 2,390 service users with an average gross care package cost of £840 per week .		
<b>Supported Living Commissioned Services</b>	<b>4,615</b>	<b>23%</b>
There are approximately 15 high cost service users that are increasing the pay run by £67k per week which are currently being investigated to see whether they qualify for Health Funding (£3.5m). In addition prior year arrears of £600k and voids of £90k are being forecast. In addition there will be further growth of new service users from Residential Care to Supported Living through TOM project/MH Accommodation Moves. Increased package costs are also being incurred from CLC bases being closed and additional support being commissioned for Supported Living service users (£400k).		
<b>Care Pathway - Older Adults Countywide Team</b>	<b>305</b>	<b>5%</b>
Overspend is mainly due to additional costs for independent Best Interest Assessor's for Deprivation of Liberties (DOLs) and other work.		
<b>Early Intervention &amp; Prevention</b>	<b>240</b>	<b>29%</b>
Increased contribution to Lightbulb programme including an invoice relating to Q4 2020/21 for £93k .		
<b>Strategic Commissioning &amp; Quality</b>	<b>175</b>	<b>11%</b>
Overspend largely due to increased temporary staffing and unbudgeted Covid-19 expenditure.		
<b>Heads of Service &amp; Lead Practitioners (Learning Disabilities)</b>	<b>120</b>	<b>25%</b>
Additional staffing relating to Temporary Practice Educator and other posts not budgeted for.		
<b>Communities and Wellbeing</b>	<b>110</b>	<b>2%</b>
Overspend relates to reduction of income due to Libraries being closed as a result of Covid-19 and reduced Adult Learning income (25%) and general room hire (50%) due to Ways of Working Project.		
<b>Community Income</b>	<b>-3710</b>	<b>-17%</b>
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. The income surplus is forecast to be £1.5m at this stage.		
Health income is forecast to overachieve by £2.2m overall. New Supported Living clients have increased income by £2.2m, largely offsetting the additional expenditure incurred for these clients. New Learning Disability Pool direct payments service users have generated £250k of additional income and day care services income is higher by £100k. Offsetting these are home care recharges under HTLAH, and income from the Non Weight Bearing pathway for home care, which in total are £350k below budget. These two areas are likely to be due to new service users receiving funding instead from the hospital discharge scheme.		
<b>Better Care Fund (BCF) contribution</b>	<b>-995</b>	<b>-5%</b>
Additional BCF funding was agreed during the year for social care protection and other schemes.		

<b>Supported Living, Residential and Short Breaks</b>	<b>-680</b>	<b>-14%</b>
Underspend from closure of Residential and Short Break bases following lockdown and the vacancies that are being held pending an action plan.		
<b>Community Life Choices (CLC) / Day Services Team</b>	<b>-675</b>	<b>-28%</b>
Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held.		
<b>Community Life Choices (CLC) commissioned services</b>	<b>-500</b>	<b>-8%</b>
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.		
<b>Aids, Adaptations and Assistive Technology</b>	<b>-270</b>	<b>-16%</b>
Underspend due to staffing vacancies and reduction in expenditure on equipment due to Covid-19.		
<b>Care Pathway - Working Adults Team (LD)</b>	<b>-195</b>	<b>-6%</b>
Underspend due to staffing vacancies and challenges recruiting.		
<b>Care Pathway - Working Adults Team (OAMH)</b>	<b>-135</b>	<b>-6%</b>
Underspend due to staffing vacancies and challenges recruiting.		
<b>Heads of Service &amp; Lead Practitioners (OAMH)</b>	<b>-115</b>	<b>-5%</b>
Underspend due to staffing vacancies.		
<b>Other variances (under £100k)</b>	<b>-280</b>	<b>n/a</b>
<b>TOTAL</b>	<b>13,480</b>	<b>n/a</b>

### Public Health

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

	<b>£000</b>	<b>% of Budget</b>
<b>Public Health Earmarked Fund</b>	<b>20</b>	<b>n/a</b>
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.		
<b>Other variances</b>	<b>-20</b>	<b>n/a</b>
<b>TOTAL</b>	<b>0</b>	<b>n/a</b>

### Environment and Transport

The Department is forecasting a net underspend of £1.4m (1.7%). The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Landfill</b>	<b>1,145</b>	<b>13%</b>
Overspend due to: - £200k due to 2,000 additional tonnes arising to landfill (related to Covid-19) - £300k more resulting from direct deliveries to landfill (offset by lower bulk haulage costs - see below) - £460k increased tonnage from MBT (Mechanical Biological Treatment) contract (see corresponding underspend below) - £90k due to an under reserve at 2020/21 year-end - £90k error in calculation of the gate fee The forecast is subject to the ongoing improvements in the Covid-19 situation and any further lockdowns could increase waste volumes to landfill.		
<b>Passenger Fleet</b>	<b>-620</b>	<b>n/a</b>
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. 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).		

<b>H &amp; T Network Staffing &amp; Administration</b>	<b>-510</b>	<b>-59%</b>
Underspend due to additional S38 & S184 infrastructure income as developers were increasing rates of development as lockdowns eased. In addition there are a number of vacant posts in traffic and signals contributing to the underspend.		
<b>Treatment &amp; Contracts</b>	<b>-420</b>	<b>-5%</b>
£460k underspend forecast due to lower tonnage through MBT (Mechanical Biological Treatment) landfill contract (corresponding overspend in landfill line above). This is partially offset by a £40k forecast overspend on RDF (Refuse Derived Fuel) due to increased waste tonnages.		
<b>Haulage &amp; Waste Transfer</b>	<b>-300</b>	<b>-14%</b>
Forecasting £0.3m underspend due to more direct deliveries to landfill. Landfill will be £0.3m overspent as a result (see above).		
<b>Dry Recycling</b>	<b>-225</b>	<b>-11%</b>
Underspend forecast due to improved forecast on paper and card recyclable prices. Increased tonnages are anticipated, however this is offset by increased material income.		
<b>Mainstream School Transport</b>	<b>-205</b>	<b>-6%</b>
Underspend forecast due to savings achieved by review of bus and taxi contracts during summer 2021.		
<b>Staffing &amp; Admin Resourcing</b>	<b>-185</b>	<b>-5%</b>
Underspend due to vacant posts currently not filled in the Highways Control team.		
<b>H &amp; T Staffing &amp; Admin</b>	<b>-175</b>	<b>-10%</b>
Underspend due to increased income received on Asset Management and Major Programmes for capital work carried out and recharged by agency staff.		
<b>HS2</b>	<b>-175</b>	<b>-42%</b>
Underspend due to work not progressing at anticipated speed as there has been a delay to Government announcements in respect of the approval of the Hybrid Bill.		
<b>Other variances</b>	<b>260</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-1,410</b>	<b>n/a</b>

### Chief Executive's

The Department is forecasting a net underspend of £20,000 (0.1%). The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Coroner's Service</b>	<b>85</b>	<b>8%</b>
Increase in the number of cases, partly due to Covid-19.		
<b>Policy and Communities</b>	<b>55</b>	<b>3%</b>
Overspend due to impact of job share during pandemic/recovery phase.		
<b>Democratic Services and Administration</b>	<b>-110</b>	<b>-8%</b>
Variance due to staff vacancies, no requirement for lease car and reduced travelling expenses.		
<b>Other variances</b>	<b>-50</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-20</b>	<b>n/a</b>

### Corporate Resources

The Department is forecasting a net underspend of £0.1m (0.3%). The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Commercial Services</b>	<b>1,600</b>	<b>-93%</b>
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 has continued into August. Mitigating action in the form of furloughing of staff has been taken.		
<b>Leisure &amp; Hospitality</b>	<b>105</b>	<b>n/a</b>
Overspend is largely due to the newly opened Colliery Café at Snibston. Restricted opening of the broader site due to Covid-19 has impacted on trading at the café.		

<b>Information &amp; Technology</b>	<b>-460</b>	<b>-4%</b>
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Reduction in print costs (£154k) and vacant posts also impacting on project delivery.		
<b>CAIF</b>	<b>-120</b>	<b>5%</b>
Greater than anticipated income generated during first quarter of the financial year.		
<b>Business Support</b>	<b>-110</b>	<b>-12%</b>
Vacant supplies and recruitment drag.		
<b>Strategic Property</b>	<b>-95</b>	<b>-4%</b>
Vacant supplies and recruitment drag.		
<b>Operational Property</b>	<b>-80</b>	<b>-4%</b>
Staff vacancies held unfilled ahead of staff structure review.		
<b>Other variances</b>	<b>90</b>	<b>n/a</b>
<b>TOTAL</b>	<b>930</b>	<b>n/a</b>

#### **Central Items - Central Expenditure budgets**

These budgets are forecast to have a net underspend of £0.2m.

	<b>£000</b>	<b>% of Budget</b>
<b>Financial Arrangements - ESPO surplus</b>	<b>-110</b>	<b>n/a</b>
Latest estimate of 2020/21 share of surplus is higher than accrued for in 2020/21 accounts and 2021/22 latest		
<b>Financial Arrangements - Enterprise Zone business rates income</b>	<b>-70</b>	<b>n/a</b>
Income received relating to the Enterprise Zones in Charnwood and Hinckley & Bosworth.		
<b>Other variances</b>	<b>30</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-150</b>	<b>n/a</b>