

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

A net overspend of £8.6m 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>5,120</b>	<b>6%</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>High Needs Block Development</b>	<b>-180</b>	<b>-17%</b>
A number of posts budgeted for within the HNB Development Plan will not be filled for the full financial year.		
<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>350</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>Other variances</b>	<b>-100</b>	<b>n/a</b>
<b>TOTAL</b>	<b>8,620</b>	<b>n/a</b>

Local Authority Budget

The Local authority budget is forecast to underspend by £1.8m (2.1%). The main variances are:

	£000	% of Budget
<b>Children's Social Care Fieldwork and Safeguarding Services</b>	<b>1,040</b>	<b>7%</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 inclusive of Asylum Seekers</b>	<b>-2,810</b>	<b>-7%</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 683 and are not projected to increase above the position as at April 2021 by the end of the financial year. One of the key drivers behind this current positive position is the current active work and outcomes being achieved through the Defining Children and Family Services Programme, which as result have allowed the department to over-achieve in regards to its MTFS savings targets for 2021/22. Such outcomes include reducing a number of LAC starts per year and more specifically reducing the number of residential starts where it was seen the current level of need of children in residential provision could be managed in alternative provision types and sustained through SMARTER planning. The subsequent impact has seen current placements numbers across various provision types at a lower level than budgeted for, both within external fostering and residential provision types.		
<b>Other variances</b>	<b>-80</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-1,850</b>	<b>n/a</b>

## Adults & Communities

The Department has a net forecast overspend of £5.8m (3.7%). The main variances are:

	£000	% of Budget
<b>Homecare</b>	<b>10,860</b>	<b>50%</b>
<p>The budget is based on an average weekly cost of £213 per Service User (SU) and 1,950 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 2021, 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. Some reductions are starting to be seen in the payruns, the forecast reflects these. The average weekly cost for 2021/22 is forecast to be £258 and the average number of SU over the year is forecast to be 2,370. The costs are also offset by £1.3m of income from Health for home care packages funded from the discharge scheme.</p>		
<b>Residential Care and Nursing</b>	<b>8,140</b>	<b>10%</b>
<p>The net forecast overspend arises from additional service users costs mainly due to Covid-19 £6.1m, 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 £1.1m. These additional costs will be offset by anticipated additional income in the region of (£4.7m) 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 .</p>		
<b>Supported Living Commissioned Services</b>	<b>6,215</b>	<b>30%</b>
<p>There are approximately 369 service users with an average weekly cost of £1,336 with some significant new high cost users along with increased hours being commissioned over the Covid-19 period for the remaining service users. Additional Health Funding (£2.5m - reported under the Community Income budget) linked to these users and overall approximately 66 users attract health funding. In addition prior year arrears of £0.4m and voids of £0.1m 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 £0.5m.</p>		
<b>Care Pathway - Older Adults Countywide Team</b>	<b>290</b>	<b>5%</b>
<p>Overspend is mainly due to additional costs for independent Best Interest Assessor's for Deprivation of Liberties (DOLs) and other work.</p>		
<b>Early Intervention &amp; Prevention</b>	<b>105</b>	<b>13%</b>
<p>Increased contribution to the Lightbulb programme, including costs from Q4 2020/21.</p>		
<b>NHS Discharge Income</b>	<b>-11,000</b>	<b>n/a</b>
<p>Income received from the Discharge Process Grant £6m and a one off additional grant £5m to support other additional Covid-19 costs.</p>		
<b>Community Income</b>	<b>-4,680</b>	<b>-22%</b>
<p>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 £1.6m at this stage.</p> <p>Health income is forecast to overachieve by £3.0m overall. New Supported Living clients have increased income by £2.5m, largely offsetting the additional expenditure incurred for these clients. New Learning Disability Pool direct payments service users have generated £0.85m of additional income. Offsetting these are home care recharges under HTLAH, and income from the Non Weight Bearing pathway for home care, which in total are £0.35m below budget. These two areas are likely to be due to new service users receiving funding instead from the hospital discharge scheme.</p>		
<b>Better Care Fund (BCF) contribution</b>	<b>-975</b>	<b>-5%</b>
<p>Additional BCF funding was agreed during the year for social care protection and other schemes.</p>		

<b>Community Life Choices (CLC) / Day Services Team</b>	<b>-750</b>	<b>-31%</b>
Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held.		
<b>Supported Living, Residential and Short Breaks</b>	<b>-670</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) 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>Reablement (HART) &amp; Crisis Response</b>	<b>-420</b>	<b>-9%</b>
Underspend due to staffing vacancies and challenges recruiting due to Covid-19. Additional resources will be recruited to as part of the Target Operating Model (TOM) work to encourage the transfer of cases out of HTLAH reablement into HART, this work is in progress.		
<b>Care Pathway - Learning Disabilities- Working Age Adults Team</b>	<b>-210</b>	<b>-7%</b>
Underspend due to staffing vacancies.		
<b>Community Care Finance</b>	<b>-180</b>	<b>-16%</b>
Underspend due to staffing vacancies.		
<b>Business Support</b>	<b>-140</b>	<b>-8%</b>
Underspend due to staffing vacancies pending an Action Plan.		
<b>Care Pathway - Older Adults/Mental Health - Working Age Adult Team</b>	<b>-115</b>	<b>-4%</b>
Underspend due to staffing vacancies.		
<b>Other variances (under £100k)</b>	<b>-130</b>	<b>n/a</b>
<b>TOTAL</b>	<b>5,840</b>	<b>n/a</b>

### Public Health

The Department has a projected £30,000 net overspend. There are no significant variances.

### Environment and Transport

The Department is forecasting a net underspend of £0.6m (0.8%). The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Landfill</b>	<b>1,180</b>	<b>13%</b>
Overspend due to: - £35k due to more trade waste - £200k due to 2,000 additional tonnes arising to landfill (related to Covid-19) - £300k increased costs resulting from direct deliveries to landfill (offset by lower bulk haulage costs - see below) - £462k increased tonnage from MBT (Mechanical Biological Treatment) contract (see corresponding underspend below) - £92k 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>Additional investment in Roads</b>	<b>2,000</b>	<b>n/a</b>
Due to the County Council's improving position for the current financial year £2 million of the department's underspend will be redirected toward roads maintenance funding. Transferring resources now will allow the work to be scheduled within the current financial year.		
<b>Reactive Maintenance</b>	<b>315</b>	<b>16%</b>
Unbudgeted maintenance spend on cattle grids, kerbs conservation, specialist fencing items, the Wymeswold bank collapsing and costs for traffic management.		
<b>Dry Recycling</b>	<b>-910</b>	<b>-41%</b>
Underspend due to improved forecast on paper and card recyclable prices.		

<b>H &amp; T Network Staffing &amp; Administration</b>	<b>-470</b>	<b>-62%</b>
Underspend due to additional S38 & S184 infrastructure income as developers were increasing rates of development as lockdowns eased (Broadnock coming online could increase things further). In addition there are a number of vacant posts in Flood Alleviation and Traffic and Signals contributing to the underspend.		
<b>Treatment &amp; Contracts</b>	<b>-420</b>	<b>-5%</b>
£462k 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>Concessionary Travel</b>	<b>-335</b>	<b>-7%</b>
Underspend due to the decision that concessionary travel reimbursements will be made based on actual bus service levels rather than purely at 2019/20 levels. Under DfT guidance local authorities are permitted to reduced payments to operators where operating mileage falls below 100% of pre-Covid levels.		
<b>Mainstream School Transport</b>	<b>-330</b>	<b>-10%</b>
Underspend forecast due to savings achieved by review of bus and taxi contracts during summer 2021, plus additional £213k income received from DfE for the Extended Rights to Home to School Travel Grant.		
<b>Passenger Fleet</b>	<b>-310</b>	<b>n/a</b>
Forecast underspend due to ongoing reduced demand for Fleet services due to Covid-19, particularly Adult Social Care services (and some SEN). This has led to some Fleet routes being decommissioned and 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 shared transport).		
<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>Departmental Costs</b>	<b>-230</b>	<b>-50%</b>
Bad debt provision was created in 2020/21 for accident repair claim due to uncertainty regarding return of funds. Agreement has been reached in 2021/22 that this will be paid.		
<b>HS2</b>	<b>-225</b>	<b>-54%</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. Best estimate now assuming that the Hybrid Bill will not happen until 2022/23, and many consultant costs will not be incurred this financial year.		
<b>Income</b>	<b>-190</b>	<b>13%</b>
Underspend forecast due to additional income from trade waste.		
<b>Staffing &amp; Admin</b>	<b>-125</b>	<b>-10%</b>
Underspend due to vacant posts currently not filled in the Projects and Resources and the Environment Policy and Strategy team.		
<b>Staffing, Admin &amp; Depot Overheads</b>	<b>-105</b>	<b>5%</b>
Forecast underspend largely due to vacancies held in the Commercial and Business team including Team Manager post.		
<b>Staffing &amp; Admin Resourcing</b>	<b>-100</b>	<b>-3%</b>
Underspend due to vacant posts.		
<b>Composting Contracts</b>	<b>-100</b>	<b>-6%</b>
Underspend forecast on composting due to lower tonnages.		
<b>Other variances</b>	<b>5</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-650</b>	<b>n/a</b>

### Chief Executive's

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

	<b>£000</b>	<b>% of Budget</b>
<b>Coroner's Service</b>	<b>155</b>	<b>14%</b>
There has been an increase in the number of cases, partly due to Covid 19. Assistant Coroners are undertaking more casework resulting in additional staffing costs.		
<b>Departmental Items</b>	<b>100</b>	<b>n/a</b>
The staffing vacancy and agency control saving of £100k is held here, with the expectation that individual service areas will contribute towards it through gaps in recruiting to vacant posts.		

<b>Policy and Communities</b>	<b>60</b>	<b>3%</b>
Additional staffing		
<b>Democratic Services and Administration</b>	<b>-120</b>	<b>-9%</b>
Variance due to staff vacancies and reduced travelling expenses.		
<b>Growth Service</b>	<b>-65</b>	<b>-5%</b>
Variance due to staffing vacancies in the Growth Unit and the Economic Growth teams. Recruitment is ongoing.		
<b>Registrars</b>	<b>-55</b>	<b>55%</b>
Income levels are forecast to be higher based on current activity and departure of the Service Manager have caused the underspend.		
<b>Other variances</b>	<b>-75</b>	<b>n/a</b>
<b>TOTAL</b>	<b>0</b>	<b>n/a</b>

### Corporate Resources

The Department is forecasting a net overspend of £0.6m (1.7%). The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Commercial Services</b>	<b>1,750</b>	<b>n/a</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 in the first half of the year. School Food has been and will be susceptible to future absences due to Covid-19. Mitigating action in the form of furloughing of staff has been taken.		
<b>EMSS LCC Contribution</b>	<b>130</b>	<b>7%</b>
Increase in LCC partner contribution towards EMSS to cover cost of LCC share of prior years pay award and inflation previously funded from reserves (£132k)		
<b>Information &amp; Technology</b>	<b>-620</b>	<b>-6%</b>
Approx. £290k underspend expected as a result of not fully utilising all of the funds for MS Teams licensing and Contact Centre this year to date - delayed due to other projects such as Ways of Working. £180k relates to staff vacancies in several of the ICT teams linked to recruitment drag, maternity and long term sickness. Reduction in print costs (£154k) and vacant posts also impacting on project delivery.		
<b>CAIF</b>	<b>-225</b>	<b>9%</b>
Income ahead of forecast for the first half of the year in the CAIF non direct property portfolio. Expect to be ahead of plan at the year end.		
<b>Operational Property</b>	<b>-145</b>	<b>-7%</b>
Staff vacancies held unfilled ahead of staff structure reviews.		
<b>Learning &amp; Development</b>	<b>-85</b>	<b>-6%</b>
Underspend caused by two main reasons - cost reductions in staffing (reduction in FTE & Maternity Leave) and departments not releasing staff to satisfy commitments to required training.		
<b>Strategic Property</b>	<b>-65</b>	<b>-3%</b>
Vacancies and recruitment drag.		
<b>Other variances</b>	<b>-150</b>	<b>n/a</b>
<b>TOTAL</b>	<b>590</b>	<b>n/a</b>

### Central Items - Central Expenditure budgets

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

	<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 forecast exceeds amount budgeted for.		
<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>60</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-120</b>	<b>n/a</b>

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