

Revenue Budget 2021/22 – forecast main variances (Period 10)**Children and Family Services****Dedicated Schools Grant**

A net overspend of £8.1m 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	6,170	8%
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 will not be seen until future years. Additionally, the numbers of pupils in mainstream settings that receive top-up funding is rising rapidly.		
DSG Income	-415	1%
Increase in 2021/22 High Needs DSG announced after budget setting.		
Education of Children with Medical Needs	-210	-38%
This area includes a budget for a number of high needs placements, which has not been fully utilised to date in 2021/22.		
High Needs Block Development	-180	-17%
A number of posts budgeted for within the HNB Development Plan will not be filled for the full financial year.		
Early Years SEN Inclusion	-65	-7%
This area has carried a number of vacancies at various points throughout the financial year, resulting in a forecast staffing underspend.		
Schools Growth / Budget Allocations	-2,220	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.		
Early Years / Nursery Education Funding	-530	-1%
Based on the Autumn 2021 data, the hours paid to providers are expected to be less than the number of hours currently assumed in the Dedicated Schools Grant. The DfE has recalculated the 2021/22 DSG to allow for the Summer 2021 and Autumn 2021 census, this is a change from previous years where the whole adjustment was made in the next financial year. There will still be an adjustment in the next financial year based on the spring 2022 census. The early years balance will go into the DSG reserve and cover any further reduction in grant following the spring term census.		
Other variances	-80	n/a
TOTAL	8,120	n/a

Local Authority Budget

The Local authority budget is forecast to underspend by £2.2m (2.4%). The main variances are:

	£000	% of Budget
Children's Social Care Fieldwork and Safeguarding Services	640	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.		

Children's Social Care Placements inclusive of Asylum Seekers	-2,780	-7%
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 686 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 a result have allowed the department to over-achieve in regards to its MTFS savings targets for 2021/22. Such outcomes include reducing the 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.		
Other variances	-40	n/a
TOTAL	-2,180	n/a

Adults & Communities

The Department has a net forecast overspend of £2.8m (1.8%). The main variances are:

	£000	% of Budget
Residential Care and Nursing	9,840	15%
The net forecast overspend arises from additional service users costs mainly due to Covid-19 of £7.8m, transitions costs from children's services of £0.9m, and loss of Income as a result of Covid-19 due to the decline in the chargeable number of service users of £1.1m. These additional costs will be offset by anticipated additional income in the region of (£5.0m) from the NHS discharge Covid-19 fund (see separate variance below). There are currently an average of 2,350 service users with an average gross care package cost of £850 per week .		
Homecare	8,910	41%
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 implemented which has reduced the overspend through 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. The average weekly cost for 2021/22 is forecast to be £257 and the average number of SU over the year is forecast to be 2,250. The costs are also offset by £1.5m of income from Health for home care packages funded from the discharge scheme.		
Supported Living Commissioned Services	5,665	28%
There are approximately 390 service users with an average weekly cost of £1,300 with some significant new high cost users, £5.3m . Additional Health Funding (£2.6m, reported separately) is 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. There will be further growth of new service users from Residential Care to Supported Living through the Target Operating Model (TOM) project/MH Accommodation moves. Increased package costs are also being incurred because of CLC bases being closed and additional support being commissioned for Supported Living service users.		
Direct Cash Payments	270	1%
A small overspend is mainly due to being unable to recover some cash payments that have been made.		
Care Pathway - Older Adults/Mental Health Countywide Team	145	3%
Overspend is mainly due to additional costs for independent Best Interest Assessors for Deprivation of Liberties (DOLs) and other work.		
NHS Discharge Income	-12,810	n/a
Income received from the Discharge Process Grant £7.8m and a one off additional grant £5m to support other additional Covid-19 costs.		

Community Income	-4,930	-23%
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.		
Health income is forecast to overachieve by £3.3m overall. New Supported Living clients have increased income by £2.9m, largely offsetting the additional expenditure incurred for these clients. New Learning Disability Pool direct payments service users have generated £0.8m of additional income. Offsetting these are home care recharges under Help to Live At Home (HTLAH), and income from the Non Weight Bearing pathway for home care, which in total is £0.4m below budget. These two areas are likely to be due to new service users receiving funding instead from the hospital discharge scheme.		
Better Care Fund (BCF) contribution	-980	-5%
Additional BCF funding was agreed during the year for social care protection and other schemes.		
Community Life Choices (CLC) / Day Services Team	-810	-33%
Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held.		
Community Life Choices (CLC) commissioned services	-600	-10%
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.		
Supported Living, Residential and Short Breaks	-445	-9%
Underspend from closure of Residential and Short Break bases following lockdown and the vacancies that are being held pending an action plan.		
Care Pathway - Learning Disabilities- Working Age Adults Team	-315	-10%
Underspend due to staffing vacancies.		
Business Support	-200	-11%
Underspend due to staffing vacancies pending an Action Plan.		
Community Care Finance	-190	-16%
Underspend due to staffing vacancies.		
Care Pathway - Older Adults/Mental Health - Working Age Adult Team	-175	-7%
Underspend due to staffing vacancies.		
Care Pathway - Learning Disabilities- Countywide Team	-130	-18%
Underspend due to staffing vacancies.		
Direct Services Review	-130	-64%
Underspend on furniture and maintenance budgets		
Care Pathway - Learning Disabilities- Working Age Adults Team	-125	-18%
Underspend due to staffing vacancies.		
Shared Lives -Community Life Choices (CLC) commissioned services	-125	-24%
Underspend on Shared Days due to lower number of service users and carers.		
Care Pathway - Older Adults/Mental Health - Heads of Service & Lead Practitioners	-125	-63%
Underspend due to staffing vacancies.		
Other variances (under £100k)	90	n/a
TOTAL	2,830	n/a

Public Health

The Department has a projected £1m net underspend, which will be contributed to the Public Health earmarked reserve, resulting in a forecast net nil position.

	£000	% of Budget
Public Health Earmarked Reserve	1,045	n/a
Net underspend on Public Health budgets offset by a contribution to the Public Health earmarked reserve. Uncertainties on future grants.		

Sexual Health	-595	-15%
Significant underspend mainly on Out of Area Genito/Urinary Medicine (£290k), GP Clinic Based Services (£131k) and the Sexual Health Services contract (£115k) due to the impact of Covid-19 on activity based		
NHS Health Check Programme	-340	-68%
The underspend is a result of the significant drop in these services provided and reclaimed by GPs due to the impact of Covid-19.		
Other variances	-110	n/a
TOTAL	0	n/a

Environment and Transport

The Department is forecasting a net underspend of £3.3m (4.0%). The main variances are:

	£000	% of Budget
Highways & Transport Operations Services - Staffing & Admin	950	-48%
£2m revenue contribution to capital to support the patching budget. Offset by £0.6m over recovery of income on Highways Network Management, £0.2m underspend resulting from previous inflation claim and variances due to capital income over recovery after the £2m contribution and vacancies across the service area.		
Landfill	720	8%
Overspend due to: - £35k due to more trade waste - £130k due to additional tonnes arising to landfill (related to Covid-19) - £460k increased tonnage from Mechanical Biological Treatment (MBT) contract - £90k due to an under reserve 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.		
Reactive Maintenance	485	25%
Unbudgeted maintenance spend on cattle grids, kerbs conservation, specialist fencing items, the Wymeswold bank collapsing and costs for traffic management.		
Social Care External	275	13%
Profile spend shows an increase in costs from September due to a rise in demand for children's social care transport. There is also the ongoing impact of Covid with more solo taxi transport journeys being commissioned by ASC for vulnerable adults and less users being placed on a fleet vehicle to achieve social distancing. As a result, several ASC Fleet vehicles have been decommissioned and replaced with more taxis. A review of this is required but the outcome of the ASC review of Day Service provision is awaited that will impact on the future demand for ASC transport. This has led to an overspend on taxi services, but an underspend on social care Fleet.		
Environmental Maintenance	190	4%
Overspend due to an increase in gully emptying and increase spend on drainage repairs based on current commitments and schedules, slightly offset by a reduction in forestry works due to capacity issues as a result of vacancies.		
Environment & Waste commissioning - Initiatives	115	14%
No draw down from the waste reserve, causing an overspend, which is slightly offset by small underspends on low applicants for waste grants.		
Dry Recycling	-1,240	-56%
Underspend due to an improved forecast on paper and card recyclable prices. Increased tonnages are anticipated. However, this is offset by increased material income.		

SEN External	-1,005	-7%
Underspend forecast partly due to unspent £500k temporary Covid budget growth in final term of 2020/21 academic year. Some contracts were paused / cancelled as a result of pupil isolation due to Covid and therefore costs were lower. £250k of underspend due to over-reserve at 2020/21 year-end. Actual costs relating to January - March 2021 were lower than anticipated due to over-estimation of costs during lockdown period (fewer SEN contracts ran due to Covid). Covid-19 continues to impact spending in 2021/22 with some contracts suspended due to Covid-related pupil absences. Service review work undertaken during summer 2021 has also helped to reduce costs. Better value is being achieved from Passenger Fleet by allocating more high need / high cost pupils onto Fleet vehicles.		
Concessionary Travel	-625	-12%
Underspend due to the decision that concessionary travel reimbursements will be made based on actual bus service levels rather than purely at pre Covid-19 levels. Under DfT guidance local authorities are permitted to reduce payments to operators where operating mileage falls below 100% of pre-Covid levels.		
H & T Network Staffing & Administration	-600	-79%
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.		
Passenger Fleet	-430	n/a
Forecast underspend due to ongoing reduced demand for Fleet services due to Covid-19, particularly Adult Social Care services. 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 and depends on service users' appetite to resume shared transport.		
Haulage & Waste Transfer	-295	-14%
Forecast underspend due to more direct deliveries to landfill.		
Mainstream School Transport	-280	-8%
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.		
Recycling & Household Waste	-280	-8%
Underspends on higher recyclable income, staffing underspends and agreed compensation payment from contractor slightly offset by overspend on Barwell security.		
Departmental Costs	-220	-48%
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 £197k of this debt will be repaid. This has therefore led to an underspend, alongside a reduction in Occupational Health Referral costs.		
Waste Management - Income	-220	15%
Underspend forecast due to additional income from trade waste.		
HS2	-200	-49%
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.		
Composting Contracts	-180	-11%
Underspend forecast on composting due to lower tonnages and gate fees.		
Highways & Transport Operations Resourcing - Staffing & Admin	-125	-3%
Underspend due to vacant posts.		
Waste Electrical and Electronic Equipment (WEEE) Funding	-105	n/a
Sustained higher levels on scrap metal prices has resulted in additional net income.		
Environment & Waste Management Commissioning - Staffing & Admin	-115	-9%
Underspend due to vacant posts currently not filled in the Projects and Resources and the Environment Policy and Strategy team.		
Other variances	-155	n/a
TOTAL	-3,340	n/a

Chief Executive's

The Department is forecast to be overspent by £0.1m (1.1%). The main variances are:

	£000	% of Budget
Coroners	380	35%
There has been a significant increase in the costs charged as well as an increase in the number of cases. The Assistant Coroners are undertaking more casework resulting in additional staffing costs.		
Freeport	0	n/a
The Freeport costs will initially be funded from LCC reserves (cash flowed) but will be offset by retained business rates generated once Freeport goes live. Cash flowing is at risk if designation doesn't actually happen but currently this risk looks low. Forecast expenditure of £336k in 2021/22, to be funded from corporate earmarked reserves.		
Legal Services	80	3%
Variance largely due to anticipated shortfall in income.		
Policy and Communities	60	3%
Overspend due to impact of job share during pandemic/recovery phase.		
Democratic Services and Administration	-140	-10%
Variance due to staff vacancies and reduced travelling expenses.		
Trading Standards	-120	-7%
Underspend due to staff vacancies.		
Economic Growth	-75	-11%
Underspend due to staff vacancies.		
Registrars	-55	56%
Income levels are forecast to be higher based on current activity and the departure of the Service Manager has reduced staffing costs.		
Other variances	10	n/a
TOTAL	140	n/a

Corporate Resources

The Department is forecasting a net overspend of £1.0m (2.8%). The main variances are:

	£000	% of Budget
Commercial Services (Commercialism, LTS Property and Country Parks)	2,285	n/a
Overspend due to difficult trading conditions, as a result of restrictions related to Covid-19 including the most recent Omicron variant. Losses have been mitigated through the use of furlough (£0.25m) and Sales, Fees and Charges (SFC) claims (£0.27m)		
Audit and Insurance	185	8%
Forecast overspend predominantly driven by increased insurance premium costs, reflecting trends in the wider market environment.		
Building Maintenance	60	3%
Maintenance pressures on sites within the corporate estates partially related to Covid-19 have caused an overspend on the central maintenance fund.		
Information & Technology	-715	-7%
Underspend due to a reduction in print costs, which is likely to materialise in full given the impact of the Omicron variant on returning to the office. The MS teams rollout has now begun, but was delayed due to other crucial projects such as Ways of Working, leading to an underspend. Vacancies across the service also contribute to the forecast underspend.		
Communications & Digital Services	-245	-24%
Underspend driven by the use of COMF (Contain Outbreak Management Funding). This funding, provided by central government, is being used to offset eligible expenditure incurred to help prevent Covid-19 outbreaks in Leicestershire.		
Operational Property	-155	-8%
Staff vacancies held unfilled ahead of staff structure reviews.		

Learning & Development	-125	-9%
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.		
Building Running Costs	-90	3%
Lower premises costs at various sites due to lower occupancy as a result of the pandemic.		
Customer Services	-75	-3%
Higher than expected attrition rates, coupled with the challenges of backfilling vacant roles and a reduction in staffing costs.		
CAIF	0	0%
Greater than anticipated income generated throughout the financial year (forecast £230k), to be transferred to earmarked reserve.		
Other variances	-145	n/a
TOTAL	980	n/a

Central Items - Central Expenditure budgets

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

	£000	% of Budget
Financial Arrangements - ESPO surplus	-110	n/a
2020/21 share of surplus is higher than accrued for in 2020/21 accounts and 2021/22 latest forecast exceeds amount budgeted for.		
Financial Arrangements - Enterprise Zone business rates income	-70	n/a
Income received relating to the Enterprise Zones in Charnwood and Hinckley & Bosworth.		
Other variances	-20	n/a
TOTAL	-200	n/a

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