

Revenue Budget 2021/22 – main variances

Children and Family Services

Dedicated Schools Grant

There is a net overspend of £13.0m. The main variances are:

	£000	% of Budget
Special Educational Needs	6,316	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 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.		
Early Years / Nursery Education Funding	4,193	12%
Summer term hours hadn't been 'unstretched' when submitting the census which has resulted in approx. £1.7m less grant received at year end. This has not been an issue in previous years as only the spring term data has been used for census collection where no or minimal stretching occurs. The summer term census has been recalculated and a request has been made to the DfE to adjust grant funding based on revised census - awaiting outcome. This could result in approx. £1.7m increase to grant but will not be reflected until 2022/23. There is also a £1.8m overspend due to additional payments to providers to keep them solvent through Covid-19.		
Schools Growth / Budget Allocations	-2,228	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.		
DSG Income	-417	1%
Increase in 2021/22 High Needs DSG announced after budget setting.		
Education of Children with Medical Needs	-198	-36%
This area includes a budget for a number of high needs placements, which has not been fully utilised in 2021/22.		
Specialist Services to Vulnerable Groups	-79	-3%
This area has carried a number of vacancies at various points throughout the financial year, resulting in a small staffing underspend.		
Other variances	-199	n/a
TOTAL	13,038	n/a

Local Authority Budget

The Local authority budget is underspent by a net £3.7m (4.0%). The main variances are:

	£000	% of Budget
Children's Social Care - Inclusive of Children in Care, Fieldwork and Safeguarding Services	551	2%

The majority of this overspend pressures is due to staffing pressures. Nationally there is a shortage of qualified of social worker staff, recently acknowledged through further work indicating a 6% reduction nationally in applicants to undertake social work training. Further research is showing qualified social work staff do not remain in front line work on average for more than 8 years. There is also a growing number of staff moving to agency work for inflated rates of pay. All of these factors and issues are all very prevalent within Leicestershire too, and despite positive recruitment and retention activities, such as increasing number of staff undertaking the Apprenticeship Social Worker course, and Leicestershire paying market premia payments to try ensure average pay is more in line for similar posts across the region, the challenging market which still continues to see supply of social workers being limited and agencies and some nearby LA's continuing to pay more, have resulted in continued pressures and challenges for social care service budgets in Leicestershire. Furthermore, there are currently still issues within certain frontline social care localities. For instance, at Wigston – Bassett Street it has become increasingly difficult recruiting and retaining experienced Social Workers, Senior Practitioners and Team Managers. The prolonged period of instability in the team has led to higher caseloads and use of agency staff; this has further impacted on retention of experienced staff, and an additional financial pressure on the budget. In addition, in regards to section 17/23 spend for children in need, there are a number of high profile cases which require interpreting and translation services which is adding to the financial pressure on service budgets.

Children's Social Care Placements inclusive of Asylum Seekers	-3,215	-8%
Looked after Children in Care numbers increased by 8% last financial year to 705 as at 1st April 2021. The budget for 21/22 had assumed a further 8% increase in LAC numbers, LAC numbers during financial year 21/22 actually decreased by 2% to 695 LAC for Leicestershire at 31st March 2022. 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 21/22. Such outcomes include reducing a number of LAC starts per year and more specifically reducing the number of residential starts per month 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. Of this overall underspend position, circa £600k relates to the Asylum Seeker budget, partly due to increased funding rates from the Home Office versus what had been set in the budget. Part of this asylum seeker budget underspend offsets additional staffing spend in other services which has been required to be put in place to manage recent pressures and demands around asylum and the national transfer scheme, which is now a mandatory scheme. Also, Leicestershire now has a hotel for asylum seekers which support adult asylum seekers. However, there have been a number of people within the hotel who are presenting as or saying they are children. This has meant there is a legal requirement on LCC to support and assess as appropriate, so whilst this budget may be underspending, it is offsetting additional staffing costs across other service areas to support this growing pressure.		
Children's Disabled Children Service	-389	-9%
Reduced demand for Homecare/Short breaks services, compared to budgeted / pre-Covid-19 level.		
HR - Premature Retirement Costs	-198	n/a
Reduced demand, some of which is as result of the impact of Covid-19.		
Vacancy Management Controls across CFS - Non essential vacant roles	-180	n/a
A planned and measured vacancy management process has been in place across the department for the whole financial year. This directive is in response to the financial pressures across social care, mainly staffing, and therefore minimise the risk of incurring any non essential spend as appropriate. Such measures will be under continual review to ensure impact on service delivery is kept to a minimum.		
Social Care Legal Costs	-127	-8%
Lower demand than expected/budgeted.		
Other variances	-106	n/a
TOTAL	-3,664	n/a

Adults & Communities

There is a net overspend of £2.4m (1.5%). The main variances are:

	£000	% of Budget
Residential Care and Nursing	11,697	12%

<p>The £11.7m overspend arises from additional service users costs mainly due to Covid-19 (£9.0m), transitions costs from children's services (£1.4m), and loss of Income as a result of Covid-19 due to the decline in the chargeable number of service users (£1.3m). These additional costs will be offset by additional income in the region of £6.4m from the NHS discharge Covid-19 fund. There were an average of 2,430 service users with an average gross care package cost of £845 per week.</p>		
Homecare	8,673	40%
<p>The commissioned services budget was based on an average weekly cost of £213 per service user and 1,950 service users 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. At the start of the year there were 2,310 service users which by the end of the year had reduced to 2,220. The average weekly cost for 2021/22 is around £260 and the average number of service users was in the region of 2,230. The costs are also offset by £1.5m of income from Health for home care packages funded from the discharge scheme. In addition approximately £500k of arrears have been in the year.</p>		
Supported Living Commissioned Services	5,684	28%
<p>There has been approximately 390 service users with an average weekly cost of £1,300 with some significant new high cost users. Additional Health Funding (£2.6m) is linked to these users and overall approximately 66 users attract health funding. In addition prior year arrears of £400k and voids of £90k are being forecast. Increased package costs have also been incurred from CLC bases being closed and additional support being commissioned for Supported Living service users.</p>		
Direct Cash Payments	216	1%
<p>A small overspend is mainly due to being unable to recover some cash payments that have been made.</p>		
Early Intervention & Prevention -Carers and Community assessments	157	19%
<p>Overspend related to additional contribution agreed to support the Lightbulb project based in Blaby £60k and a £93k Lightbulb Blaby invoice relating to Q4 20/21 that wasn't accrued for and has to be paid in 21/22. Offset by savings elsewhere in Early Help and Prevention.</p>		
NHS Discharge Income	-12,965	n/a
<p>Income received from the Discharge Process Grant £7.9m and a one off additional grant £5m to support other additional Covid-19 costs.</p>		
Community Income	-5,183	-24%
<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 additional income is £1.6m.</p> <p>Health income has overachieved 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 £0.9m 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 £350k below budget. These two areas are likely to be due to new service users receiving funding instead from the hospital discharge scheme.</p>		
Better Care Fund (BCF) contribution	-998	-5%
<p>Additional BCF funding was agreed during the year for social care protection and other schemes.</p>		
Community Life Choices (CLC) / Day Services Team	-863	-35%
<p>Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held.</p>		
Community Life Choices (CLC)/Day Services Commissioned Services	-565	-10%
<p>Underspend caused by reduced number of service users receiving a service following lockdown and the reopening of CLC bases with the independent sector. Return to normal provision is slower than expected.</p>		
Reablement (HART) & Crisis Response	-499	-10%
<p>Underspend due to staffing vacancies and challenges recruiting during Covid-19. Additional resources will be recruited to as part of the ongoing Target Operating Model (TOM) work to encourage the transfer of volumes out of HTLAH reablement into HART and this work is currently in progress. This saving is partially offset by the additional staff from a failed provider and Discharge Response Team recruited into Crisis Response Team.</p>		
Supported Living, Residential and Short Breaks	-490	-10%
<p>Underspend from closure of Residential and Short Break bases following lockdown and the vacancies that are being held pending an action plan.</p>		
Care Pathway - Learning Disabilities- Working Age Adults Team	-413	-13%

Underspend due to staffing vacancies.		
Department Senior Management and Departmental Expenditure	-257	-30%
Underspend due to additional income to support departmental projects.		
Business Support	-244	-13%
Underspend due to staffing vacancies pending an Action Plan.		
Community Care Finance	-232	-20%
Underspend due to staffing vacancies.		
Care Pathway - Older Adults/Mental Health - Older Adults Team	-227	-5%
Underspend due to staffing vacancies.		
Strategic Commissioning & Quality Team	-214	-13%
Underspend due to staffing vacancies.		
Communities and Wellbeing	-207	-4%
Mainly due to underspends in staffing and additional income.		
Care Pathway - Older Adults/Mental Health - Working Age Adult Team	-188	-7%
Underspend due to staffing vacancies.		
Care Pathway - Older Adults/Mental Health - Head of Service/Lead Practitioners	-172	n/a
Underspend due to staffing vacancies and income.		
Care Pathway - Learning Disabilities- Countywide Team	-155	-22%
Underspend due to staffing vacancies.		
Direct Services Review	-112	56%
Underspend on furniture and maintenance budgets		
Other variances (under £100k)	-6	n/a
TOTAL	2,437	n/a

Public Health

The Department has a projected £0.6m 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	591	n/a
Net underspend on Public Health budgets offset by a contribution to the Public Health earmarked reserve. Uncertainties on future grants.		
Public Health Leadership	315	-1%
Overspends on Agency staff and general running costs. Additional PH Grant income used to fund NHS Agenda for Change pay increase relating to 0-19 service.		
Quit Ready	134	25%
The overspend is due to an increase in the demand for Pharmacotherapy (£100k) and an overspend on postage (£25k).		
Sexual Health	-592	-15%
Significant underspend on Out of Area Genito/Urinary Medicine (-£290,000), GP Clinic Based Services (-£131,000) and the Sexual Health Services contract (-£115,000) due to the impact of Covid on activity based services.		
NHS Health Check Programme	-326	-65%
The underspend is a result of the significant drop in these services provided and reclaimed by GPs due to the impact of Covid-19.		
Substance Misuse	-70	-2%
Reduction in the number of placements to residential rehabilitation.		
Other variances	-52	n/a
TOTAL	0	n/a

Environment and Transport

There is a net underspend of £3.7m (4.4%). The main variances are:

	£000	% of Budget
Landfill	1,039	11%
Overspend due to: - £71k due to more trade waste - £323k due to more direct deliveries to landfill - £553k increased tonnage from MBT (Mechanical Biological Treatment) contract - £92k due to an under reserve at 2020/21 year-end		
Highways & Transport Operations Services - Staffing & Admin	587	-33%
£2m revenue contribution to capital approved to support the patching budget. Partly offset by £400k over recovery of income on Highways Network Management, £430k increased capital income over recovery as a result of the contribution. £125k over recovery of income on the sign shop after a new stream of work has been conducted and vacancy savings along with an over accrual from 2020/21.		
Social Care External	494	23%
Increased costs due to a rise in demand for children's social care transport. There has also been an 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.		
Reactive Maintenance	435	22%
Unbudgeted maintenance spend on cattle grids, kerbs conservation, specialist fencing items, the Wymeswold bank collapsing and costs for traffic management after high winds and floods impacting the need to carry out reactive maintenance.		
Environment & Waste commissioning - Initiatives	335	43%
A reduced transfer for staffing costs due to vacancies has slightly offset a contribution to reserves for market premia within waste.		
Staffing & Admin Delivery	202	13%
Overspend in relation to increased agency and call out costs to fulfil highways operations works throughout the year.		
Development & Growth	148	15%
Overspend is a result of a £246k contribution to capital in relation to Newton Europe after a capital review, partly offset by vacancy savings.		
Fleet Services	140	n/a
Overspend due to under recovery of vehicle spares and vehicle maintenance labour costs from operational areas within the County Council (mostly E&T). This has resulted in an overspend for Fleet Services, but a reduction in costs in other areas (including Highways, Passenger Fleet Transport and Winter Maintenance). Processes for recharging will be reviewed in 22/23 to ensure that full recharges are made.		
SEN External	-1,470	-10%
Underspend 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 continued to impact spending in 2021/22 with some contracts suspended due to Covid-related pupil absences. Service review work undertaken during summer 2021 helped to reduce costs. Better value was achieved from Passenger Fleet by allocating more high need / high cost pupils onto Fleet vehicles. An increased number of pupils with a Personal Transport Budget (PTB) also led to reduced costs in 2021/22. This will contribute to the MTFS savings target in 2022/23. Another contributing factor to the underspend was the delay of SENA referrals at the beginning of the 2021/22 academic year. Many users were without transport for a number of weeks at the start of term, so consequently costs were reduced.		
Dry Recycling	-752	-34%
Underspend due to improved recyclable prices on paper and card throughout 2021/22. Increased tonnages are offset by increased material income and a contribution to reserves for Ashby Canal Reed Bed.		
H & T Network Staffing & Administration	-627	-73%

Underspend due to £536k additional S38 & S184 infrastructure income as developers were increasing rates of development as lockdowns eased. In addition there are underspends on Traffic & Signals for consultancy costs after no suitable candidates to undertake the work and vacant posts throughout the year.		
Concessionary Travel	-555	-11%
Underspend due to the decision that concessionary travel reimbursements would be made based on registered service mileage rather than at full pre-Covid levels from August 2021. Under DfT guidance local authorities were permitted to reduce payments to operators in 2021/22 where operating mileage fell below 100% of pre-Covid levels.		
Passenger Fleet	-525	n/a
Underspend due to ongoing reduced demand for Fleet services in 2021/22 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.		
Winter Maintenance	-486	-25%
A mild winter and a reduction in works scheduled have resulted in the large underspend for winter maintenance.		
Waste Management - Income	-375	26%
Underspend due to additional income from trade waste.		
Mainstream School Transport	-358	-10%
Underspend 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	-321	-9%
Underspends are a result of higher recyclable income, staffing underspends and agreed compensation payment from contractor, slightly offset by overspend on Barwell security and higher prices for repair and maintenance works on Recycling Household Waste Sites.		
Composting Contracts	-266	-17%
Underspend due to lower tonnages and gate fees.		
HS2	-234	-56%
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, which will not happen until 2022/23, and many consultant costs not incurred this financial year.		
Treatment & Contracts	-198	-2%
Underspend due to Mechanical Biological Treatment (MBT) tonnages going to landfill £553k offset by a £355k overspend on Refuse Derived Fuel (RDF) as a result of increased tonnages.		
H&T Staffing & Admin	-176	-9%
Underspend due to additional income through capital recharges within transport policy and increased income for rechargeable network data.		
Waste Electrical and Electronic Equipment (WEEE) Funding	-127	n/a
Sustained higher levels on scrap metal prices has resulted in additional net income.		
Departmental Costs	-117	-26%
Bad debt provision was created in 2020/21 for accident repair claim due to uncertainty regarding return of funds, which was subsequently paid on 2021/22. Also, a reduction in Occupational Health Referral costs.		
Staffing & Admin Resourcing	-110	-3%
Underspend due to vacancies throughout the year across Highways Operations.		
Haulage & Waste Transfer	-101	-5%
£323k underspend due to more direct deliveries to landfill, partially offset by increased costs for fuel usage, Bardon Waste Transfer Station upfront costs and increased use of agency.		
Other variances	-288	n/a
TOTAL	-3,706	n/a

Chief Executive's

There is a net overspend of £0.1m (0.6%). The main variances are:

	£000	% of Budget
Coroners	611	55%
There has been a significant increase in the costs charged (Post Mortem costs have doubled) 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. The net cost funded by reserves is £715,981.		
Legal Services	160	6%
Variance largely due to shortfall in income.		
Registrars	-267	n/a
The underspend is due to an increase in income over budgeted levels. Notice of marriage and certificates income is higher than previously expected and activity has improved due to the lack of Covid restrictions on weddings. The departure of the Service Manager has reduced staffing costs.		
Trading Standards	-93	-6%
Variance due to a number of staff vacancies held for the majority of the financial year.		
Planning Services	-90	-17%
Underspends on running costs and increased income.		
Democratic Services and Administration	-115	-8%
Variance due to ongoing staff vacancies, no requirement for lease car a reduction in travelling expenses.		
Civic Affairs	-81	-48%
Due to the impact of Covid lockdowns the number of events in the year was significantly reduced. Additionally, a number of events were cancelled which were expected to be held January to March such as a Volunteers Reception (now taking place in April) and County Service (now taking place in May).		
Subscriptions	-70	-62%
Variance due to LCC not renewing LGA subscription (-£65k) and the County Council Network (-£20k), however, need to fund Midland Engine membership (+£15k)		
Other variances	17	n/a
TOTAL	72	n/a

Corporate Resources

There is a net overspend of £1.1m (3.2%). The main variances are:

	£000	% of
Commercial Services (Commercialism, LTS Property and Country Parks)	2,239	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)		
CAIF	523	-12%
Firs Farm environmental damage, illegal waste disposal on tenanted farm and remedial clear up work required is estimated to cost in the region of £2.4m. Work is due to take place during 2022. A Provision has been established in 2021/22 funded from £1.9m, being the balance held in the CAIF reserve, built up from previous CAIF returns. The net balance of £0.5m is an overspend on the departmental outturn.		
Building Maintenance	144	6%
Maintenance pressures on sites within the corporate estates partially related to Covid-19 have caused an overspend on the central maintenance fund.		
Building Running Costs	135	4%
The overspend is due to £140k business rates related to the Industrial Heritage Museum. NWLDC rates service has been contacted to reassess whether the level of rates is correct given the change in use and if the bill needs to be split to various services at the site.		
Commissioning Support	72	67%
Overspend predominantly caused by one-off litigation costs related to the Waste 2020 project.		
Information & Technology	-798	-7%
Underspend due to a reduction in print costs, given the impact of the Omicron variant on staff returning to the office. Delays in the rollout of Microsoft teams throughout the financial year, due to other crucial projects such as Ways of Working. Vacancies across the service caused by challenges with recruitment.		
Operational Property	-281	-13%
Staff vacancies held unfilled ahead of staff structure reviews.		

Communications & Digital Services	-237	-23%
Underspend driven by the use of Contain Outbreak Management Funding (COMF). This funding, provided by central government, is being used to offset eligible expenditure incurred to help prevent Covid-19 outbreaks in Leicestershire.		
Learning & Development	-220	-16%
The majority of the underspend has been caused by a lack of commitment from departments to compulsory and optional training, with service pressures across the authority taking precedence. There has also been a small reduction in FTE within the service, and some maternity leave.		
Unallocated / Projects	-170	-44%
Not required budget for projects or CAIF contingency.		
Customer Services	-121	-5%
Higher than expected attrition rates and the challenges of recruiting.		
Strategic Property	-116	-5%
Vacant positions and recruitment drag.		
Business Support	-73	-8%
Underspend caused primarily by challenges related to recruitment. A lower than expected spend on Corporate Resources referrals to occupational health has also increased the underspend.		
Other variances	85	n/a
TOTAL	1,182	n/a

Central Items - Central Expenditure budgets

These is a net underspend of £0.3m (9.7%).

	£000	% of Budget
Financial Arrangements - ESPO surplus	-124	n/a
2020/21 share of surplus is higher than accrued for in 2020/21 accounts and 2021/22 provisional surplus exceeds amount budgeted for.		
Financial Arrangements - Enterprise Zone business rates income	-72	n/a
Income received relating to the Enterprise Zones in Charnwood and Hinckley & Bosworth.		
Other variances	-100	n/a
TOTAL	-296	n/a