

**Revenue Budget 2022/23 – Main Variances****Children and Family Services****Dedicated Schools Grant**

There is a net overspend of £5.9m. The main variances are:

|   | £000          | % of Budget |
|---|---------------|-------------|
| <b>DSG High Needs Block (HNB) earmarked fund drawdown</b>   | <b>8,882</b>  | <b>n/a</b>  |
| The DSG budget in the original MTFS includes an estimated HNB drawdown of £8.9m as the planned in year overspend.   |               |             |
| <b>Early Years / Nursery Education Funding</b>  | <b>1,026</b>  | <b>3%</b>   |
| The budget was based on the number of hours used to calculate the original 2022-23 Early Years DSG income in December 2021. The 2022-23 Early Years DSG income was increased in July 2022 by £1.4m to allow for the Spring Term 2022 census. The hours paid to Providers for 2022-23 are £2.4m more than the budget, leading to a net £1.0m overspend. However the 2022-23 Early Years Grant income will be retrospectively adjusted in 2023-24 to allow for the hours paid in Spring 2023, and it is anticipated that this adjustment will partially clear the £1.0m deficit accounted for in 2022-23, but still leave a deficit of £0.4m.   |               |             |
| <b>Schools Growth / Budget Allocations</b>  | <b>-1,764</b> | <b>-57%</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>Special Educational Needs</b>  | <b>-2,065</b> | <b>-2%</b>  |
| <p>The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. 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.</p> <p>Additionally, approximately 100 extra Early Years specialist places were identified as required from September 2022. These were not budgeted for and have resulted in an overspend in the Special School budget.</p> <p>Meanwhile a significant number of places in the C&amp;I (Communication &amp; Interaction) units and SEMH (Social, Emotional and Mental Health needs) units created over the last few years still remain empty - this particular area reports a £2.2m underspend against budget.</p> <p>Costs per student in Independent Specialist Provisions (ISP) continue to rise. This has resulted in an overspend in the ISP budget.</p> <p>Decisions to agree placements in increasingly expensive ISPs whilst the Council's own bases are underoccupied will have a substantial impact on the deficit position.</p> |               |             |
| <b>Education - Medical Grounds</b>  | <b>-104</b>   | <b>-19%</b> |
| This is due to increased recoument and vacant posts in year.  |               |             |
| <b>Early Years SEN Inclusion</b>  | <b>-97</b>    | <b>-8%</b>  |
| Staff turnover and vacancy management controls are the main contributing factors to this underspend.  |               |             |
| <b>Other variances</b>  | <b>5</b>      | <b>n/a</b>  |
| <b>TOTAL</b>  | <b>5,883</b>  | <b>n/a</b>  |

## Local Authority Budget

The Local authority budget has a net overspend by £3.1m (3.3%). The main variances are:

|  | £000         | % of Budget |
|--|--------------|-------------|
| <b>Children's Social Care Placements</b>   | <b>1,859</b> | <b>4%</b>   |
| <p>The overall Looked After Children (LAC) numbers for Leicestershire for 2022/23 have decreased by 2.3% to 680 LAC at March 2023. However in terms of the placement mix - the most costly provision types such as external residential and independent 16 plus provision, combined have both increased slightly in numbers vs budgeted position, but also the average unit cost of both have increased vs budgeted unit cost. For example – at March 2023 average social care external residential cost was £4,725 per week (5% increase on budgeted unit cost). Independent 16 plus external provision also increased, with average unit of the cohort active at March 2023 circa £1,420 per week (18% increase on budgeted unit cost). Such increases in unit cost were driven largely due to a significant increase in Quarter 4 of 2021/22 of complex needs placements for older children, with some requiring higher levels of care/support and resulting in higher cost residential/16 plus provision, and subsequently resulted in an overspend this financial year.</p>   |              |             |
| <b>SEN Service Budget</b>  | <b>501</b>   | <b>27%</b>  |
| <p>Increased service demand and complexity has resulted in the need for additional service resource to ensure demand can be managed in the most efficient and effective manner.</p>  |              |             |
| <b>Children's Asylum Seekers Budget</b>  | <b>448</b>   | <b>27%</b>  |
| <p>The rapid increase in Unaccompanied Asylum Seeker Children (UASC) in care and care leavers has required a greater resource requirement to meet their needs. The different entry routes include both the National Transfer scheme, as well as spontaneous arrivals, but more recently through the hotel dispersal scheme where requests to accommodate people placed in Asylum Dispersal Hotels in Leicestershire are made, and whilst they have been deemed adults by the Home Office, subsequently claim to be children, and creates an additional pressure for the service to manage which is not fully funded. In addition, delays in asylum claim processes mean that the Council is often accommodating young people well past 18 and the Home Office funding drops significantly at 18 but the costs do not.</p>  |              |             |
| <b>Children's Social Care - Section 17/23 (Children in Need) Budget</b>  | <b>426</b>   | <b>104%</b> |
| <p>Increase in demand for support, impacted also by cost of living pressures. Section 17 of the Children Act 1989 imposes a general duty on local authorities to safeguard and promote the welfare of “children in need” in their area. To fulfil this duty, Section 17 gives local authorities the power to provide support, including accommodation and financial subsistence to families with “children in need”. The power under section 17 can be used to support the family as a whole and to promote the upbringing of the child within the family unit. Support under section 17 is accessed via an assessment, and for the majority of cases is supporting a child whose family does not have adequate accommodation or sufficient income to meet their essential living needs. Such support is seen to be a preventative measure to prevent further escalation of support and costs. Increase in such needs and demands have risen post Covid and more recently by the current and on-going cost of living pressures. Further work has been commissioned internally to try understand such pressures and will support future analysis and its likely subsequent financial impact on the MTFS</p> |              |             |
| <b>Children's Social Care Staffing/Workforce Pressures -Social Care Fieldwork teams</b>  | <b>400</b>   | <b>3%</b>   |
| <p>The majority of this overspend is due to staffing pressures. Nationally there is a shortage of qualified social worker staff, and has recently been 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 very prevalent within Leicestershire too. Despite positive recruitment and retention activities, such as increasing the number of staff undertaking the Apprenticeship Social Worker course, and Leicestershire making market premia payments to try to 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, and subsequently contributing to the overspend.</p>                     |              |             |

|  |              |             |
|--|--------------|-------------|
| <b>Virtual School (Education Children in Care)</b>   | <b>-329</b>  | <b>-55%</b> |
| Combination of staff turnover and reduced take up of Pupil Premium Plus allocations direct by schools based on need.   |              |             |
| <b>Departmental Efficiencies / Vacancy Control Management</b>  | <b>-247</b>  | <b>n/a</b>  |
| Linked to the requirement for the department to achieve departmental efficiency savings and the need to offset some in-year budget pressures in areas of the department led to a of review non statutory services . The output of this work has delivered some one-off in year efficiencies, and budget opportunities, which including delaying recruitment to non essential posts where appropriate. Further work is being undertaken to explore the feasibility of this work and its scope to deliver on-going future budget efficiencies. |              |             |
| <b>Other variances</b>   | <b>69</b>    | <b>n/a</b>  |
| <b>TOTAL</b>   | <b>3,127</b> | <b>n/a</b>  |

### Adults & Communities

The Department has a net overspend of £3.1m (1.7%). The main variances are:

|  | <b>£000</b>  | <b>% of Budget</b> |
|--|--------------|--------------------|
| <b>Residential Care and Nursing</b>  | <b>6,597</b> | <b>9%</b>          |
| <p>The net overspend comprises:</p> <p>a)An overspend of £7.2m on residential and nursing expenditure. This is made up of a combination of:</p> <ul style="list-style-type: none"> <li>•An increase in the average cost per service user due to higher cost of placements (particularly for older adults) and continuation of the high numbers of short term service users than the pre-COVID levels (£5.4m). <span style="float: right;">•Service</span></li> <li>users not moving to supported living (£1.5m)</li> <li>•Transitions costs of £0.3m for service users transitioning from children's services.</li> </ul> <p>b)An underspend of £0.4m for shared lives residential costs due to lower numbers of service users.</p> <p>c)Residential Income was £0.2m higher than budgeted.</p>  |              |                    |
| <b>Homecare</b>  | <b>6,553</b> | <b>19%</b>         |
| <p>The overspend is mainly due to the additional arrears payments from 2021/22 of £0.7m and a significant increase in service users and average hours (£3.7m). New intensive packages of wrap-around and night care have recently been introduced which are funded from the ASC Discharge Grant ( £620k) and additional payments made to providers for staff winter retention bonuses (£1.5m) both of these are fully offset with income shown against the line for grant funding. There have been an average of 2,490 service users per week over the year at an average weekly cost per service user of £295. The average weekly cost for 2021/22 was around £260 and the average number of service users was in the region of 2,250. The increase in home care is to some extent offset by the falling numbers of people with a direct payment.</p> |              |                    |
| <b>Better Care Fund (Balance) / Other NHS Income</b>   | <b>1,810</b> | <b>7%</b>          |
| <p>An expected £6m income was budgeted for from the NHS for additional costs relating to Covid-19. There is a £2.5m shortfall in this income and £200k impact of Covid Grants. Discussions are continuing with the NHS on how they may increase their support and review practices for 2023/24. This shortfall is offset by £0.9m additional BCF income.</p>   |              |                    |
| <b>Supported Living Commissioned Services</b>  | <b>739</b>   | <b>2%</b>          |
| <p>Underlying overspend of £261k. Gained a total of 41 service users over the course of the year with an average package cost of £1,325. Currently averaging over 456 service users at £608k per week plus manual invoices and prior year arrears. Recently from December 2022, there is a sharp rise in weekly costs from 13 more high needs packages being commissioned adding £28k per week to the pay run.</p>   |              |                    |

|   |               |             |
|---|---------------|-------------|
| <b>Community Life Choices (CLC) Commissioned Services</b>   | <b>540</b>    | <b>8%</b>   |
| Overspend from increasing Band C and Band D commissioning for Learning Disability Working Age Adults from moving service users from Inhouse CLC to Independent sector CLC following the Cabinet decision to close inhouse CLC bases. This overspend is offset by an Inhouse CLC underspend. Currently averaging over 610 service users at £137k spend per week.   |               |             |
| <b>Care Pathway - Mental health and Safeguarding</b>  | <b>523</b>    | <b>8%</b>   |
| Forecast overspend on work associated with DOL's (Deprivation of Liberty orders) £700k offset by staffing vacancies.  |               |             |
| <b>Other Support</b>  | <b>482</b>    | <b>n/a</b>  |
| Other social care support that relates to the new floating support contract for Mental Health clients and the kennel contract.  |               |             |
| <b>Community Income</b>   | <b>-3,041</b> | <b>-12%</b> |
| <ul style="list-style-type: none"> <li>- Additional income from the LD Pool (£0.5m) reflecting increased numbers of learning disabilities service users with a supported living package for whom Health make a contribution. This has been offset to a large extent by reduced income from the LD Pool for residential placements.</li> <li>- Shared Care funding which commenced towards the end of 2021/22 has resulted in an additional £0.5m of income across all service areas, this income had not been built into the budget.</li> <li>- Non LD Pool Supported Living cases have generated an additional £0.5m of income.</li> <li>- The balance of the over recovery £0.5m is due to temporary health condition funding (for home care packages) which had stopped over the pandemic (hospital discharges instead were funded from the D2A funding stream) and has now been reinstated.</li> </ul> <p>Underlying client income position is £18m against a budget of £16.6m, an over recovery of £1.4m. In addition to this, a net contribution to the bad debt provision is required of £400k, leaving a net position of £17.6m. The main reason for the over recovery of income is that more service users are being commissioned Non-Residential services compared with Residential services.</p> |               |             |
| <b>ASC Discharge Grant</b>  | <b>-2,584</b> | <b>n/a</b>  |
| The Government announced a Discharge Grant for Adult Social Care in November 2022 and a plan was developed with the Integrated Care Board. This is the income which is related to additional costs incurred in Homecare related to supporting earlier discharge from hospital.  |               |             |
| <b>Direct Payments</b>  | <b>-2,578</b> | <b>-6%</b>  |
| There has been a 6% decrease in service user numbers and 12% increase in costs, with a net underspend of £1m (offset by the increasing numbers taking a managed Homecare service - separate budget heading). And an increase in the forecast clawback of unused funds of £1.6m above the £3.1m budget. The forecast is based on an average 1,957 service users with an average cost of £420 per week and carers averaging at 1,077 service users with an average cost of £52 per week.  |               |             |
| <b>Community Life Choices (CLC) / Day Services Team</b>   | <b>-1,941</b> | <b>-71%</b> |
| Underspend from closure of CLC bases following lockdown and the vacancies that are being held.  |               |             |
| <b>Care Pathway - Learning Disability and Autism</b>  | <b>-566</b>   | <b>-14%</b> |
| Underspend from vacancies that are in the process of being recruited to.  |               |             |
| <b>Care Pathway - Home First</b>  | <b>-489</b>   | <b>-6%</b>  |
| Underspend from vacancies that are in the process of being recruited to.  |               |             |
| <b>Commissioning &amp; Quality</b>  | <b>-464</b>   | <b>-25%</b> |
| Underspend from vacancies that are in the process of being recruited to.  |               |             |
| <b>Business Support &amp; Strategy and Planning</b>   | <b>-345</b>   | <b>-16%</b> |
| Underspend from vacancies that are being held.  |               |             |
| <b>Supported Living, Residential and Short Breaks Team</b>  | <b>-330</b>   | <b>-7%</b>  |
| Underspend due to vacancies and also reduction in CLC day services in co-located short break locations resulting in a reduction in staffing expenditure.  |               |             |
| <b>Care Pathway - Access and Digital Services</b>   | <b>-298</b>   | <b>-15%</b> |
| Underspend from vacancies that are in the process of being recruited to.  |               |             |
| <b>Care Pathway - Cognitive and Physical Disability</b>   | <b>-252</b>   | <b>-4%</b>  |
| Underspend from vacancies that are in the process of being recruited to.  |               |             |
| <b>Care Pathway - Heads of Service/Managers ( Operational Commissioning)</b>  | <b>-190</b>   | <b>-19%</b> |
| Underspend from vacancies that are in the process of being recruited to.  |               |             |
| <b>Care Pathway - Social Care Investment</b>  | <b>-169</b>   | <b>26%</b>  |
| Underspend from vacancies that are being held.  |               |             |
| <b>Department Senior Managers</b>   | <b>-162</b>   | <b>-14%</b> |
| Underspend from general departmental expenditure.   |               |             |

|  |              |             |
|--|--------------|-------------|
| <b>Communities and Wellbeing</b>   | <b>-137</b>  | <b>-2%</b>  |
| Underspend mainly due to staff vacancies.  |              |             |
| <b>Community Life Choices (CLC) -Shared Lives Commissioned Services</b>                | <b>-134</b>  | <b>-25%</b> |
| Reduction in the number of CLC placements made with the available shared lives carers. |              |             |
| <b>Strategic Commissioning - Managers</b>  | <b>-107</b>  | <b>35%</b>  |
| Underspend from vacancies that are being held.   |              |             |
| <b>Other variances (under £100k)</b>   | <b>-333</b>  | <b>n/a</b>  |
| <b>TOTAL</b>   | <b>3,124</b> | <b>1%</b>   |

### Public Health

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

|  | <b>£000</b>  | <b>% of Budget</b> |
|--|--------------|--------------------|
| <b>Public Health Leadership</b>  | <b>1,503</b> | <b>n/a</b>         |
| Variance is due to a transfer from reserve not required, +£3.8m, retained grant income used across the remainder of PH -£2.1m, underspend on staffing -£155k, overspend on running costs +£44k and additional income -£54k.  |              |                    |
| <b>Substance Misuse</b>  | <b>111</b>   | <b>3%</b>          |
| Variance is due to an overspend on Residential Rehab places +£43k, incorrect prior year estimates +£13k and additional payments to Turning Point +£54k.  |              |                    |
| <b>0-19 Children's Public Health</b>   | <b>-695</b>  | <b>-8%</b>         |
| Following an unsuccessful tender for Teen Health, the provision was brought in house. The underspend is due to the delay in recruiting the in-house team -£356k, reduced spend on the Contain outbreak management fund (COMF) -£527k offset by the requirement not to draw down funding from reserve |              |                    |
| <b>Programme Delivery</b>  | <b>-440</b>  | <b>-33%</b>        |
| Variance is due to a significant underspend on running costs -£140k and reduced spend on COMF -£300k.  |              |                    |
| <b>Health Protection</b>   | <b>-117</b>  | <b>-18%</b>        |
| The variance is due to an underspend on COMF -£96k and an underspend on running costs -£21k.   |              |                    |
| <b>First Contact Plus</b>  | <b>-92</b>   | <b>-12%</b>        |
| Variance is due to an overspend on COMF +£49k, reduced spend on the Practical Support grant -£233k offset by the requirement not to draw down funding from reserve +£77k and a minor overspend on core staffing +£15k.   |              |                    |
| <b>Mental Health</b>   | <b>-90</b>   | <b>-39%</b>        |
| The variance is due to an underspend on running costs -£113k, reduced spend on COMF -£6k, offset by the requirement not to draw down funding from reserve +£29k.   |              |                    |
| <b>Local Area Co-ordination</b>  | <b>-67</b>   | <b>-4%</b>         |
| Variance is due to reduced spend on COMF -£17k and reduced spend on the Practical Support grant -£61k offset by an overspend on running costs +£11k.   |              |                    |
| <b>Other variances (under £50k)</b>  | <b>-113</b>  | <b>n/a</b>         |
| <b>TOTAL</b>   | <b>0</b>     | <b>n/a</b>         |

## Environment and Transport

The Department has a net underspend of £1.8m (2.0%). The main variances are:

|   | £000         | % of Budget |
|---|--------------|-------------|
| <b>SEN - External</b>   | <b>2,202</b> | <b>14%</b>  |
| <p>Overspend of £2.2m arising for the following reasons:</p> <ul style="list-style-type: none"> <li>- £710k non-achievement of MTFS saving in 2022/23. This is due to the non-implementation the 'should cost' method of procurement for SEN taxi transport in summer 2022 following a delay in receiving autumn term applications from the Children and Family Services department. Staff turnover in Transport further delayed updates to the 'should cost' model to reflect fuel price rises and increasing driver / escort costs. Transport market conditions have changed significantly since the original 'should cost' model work was undertaken resulting in reduced ability for LCC to influence market prices. Achievability of these savings will therefore need to be reviewed.</li> <li>- £460k cost increases higher than inflation</li> <li>- £80k under reserve from 21/22 leading to higher costs in 22/23</li> <li>- £950k due to market pressures on SEN transport including a high number operators being unable to honour contracts at agreed price levels resulting in contracts being handed back and even higher prices. In addition to this procurement of transport in the 22/23 academic year has not been made at the optimal value for money level due to delays in receiving transport applications. This has led to spot purchasing in many cases.</li> </ul> <p>Reviews of transport provision for 2023-24 academic year will seek to rationalise routes where possible and work to place high cost contracts onto Fleet continues.</p> |              |             |
| <b>Social Care Transport - External</b>   | <b>1,799</b> | <b>77%</b>  |
| <p>£1.8m overspend arising from an increase in taxis being commissioned for Social Care transport. This increase is partly due to the reduction in the number of Fleet routes being operated due to unavailability of drivers and a greater demand for solo transport as a result of the Covid pandemic. The overspend on ASC taxis is partially offset by an underspend on Passenger Fleet transport (see below). A full review of all social care transport is currently underway to ensure that passengers are being transported in the most cost effective way and that fleet capacity is being fully utilised. This review is beginning to achieve savings (£72k achieved in 22/23), but the full year effect will not be felt until 2023/24.</p>  |              |             |
| <b>Mainstream School Transport</b>  | <b>1,059</b> | <b>31%</b>  |
| <p>Overspend due to higher costs and market conditions. Contract prices have risen due to increased tender prices following the hand-back of eleven contracts. Retendering of these contracts has led to considerably higher costs. In addition, there are a greater number of children travelling to school by taxi as they are not going to their nearest school. This is a national trend.</p> <p>Operators are struggling to recruit drivers leading to reduced bus capacities. A higher number of taxis have therefore had to be used in some cases.</p>   |              |             |
| <b>Treatment &amp; Contracts</b>  | <b>893</b>   | <b>10%</b>  |
| <p>Overspend is a result of more tonnages being sent to energy for waste sites.</p>   |              |             |
| <b>Recycling &amp; Household Waste</b>  | <b>465</b>   | <b>11%</b>  |
| <p>Overspend due to increased costs of repair and maintenance for fleet at RHWS sites along with increased use of hire vehicles and increased energy costs. Costs for waste market premia has also contributed to the overspend.</p>  |              |             |
| <b>Fleet Services</b>   | <b>230</b>   | <b>n/a</b>  |
| <p>Overspend partly due to non-achievement of £100k MTFS saving following a delay implementing a new contract for parts that is expected to achieve savings. This contract has now been agreed and implemented and the required savings are expected to arise in 2023/24. The remaining £126k of the overspend is due to extremely high inflation levels for parts in 2022/23. Further analysis of part spending to be undertaken in 2023/24.</p>   |              |             |
| <b>Reactive Maintenance</b>   | <b>193</b>   | <b>9%</b>   |
| <p>Overspend as a result of the increasing need to respond to issues on the highways, increased demand for maintenance gangs, out of hour responses and road markings with the latter being offset from reserve funding.</p>  |              |             |
| <b>Environmental Maintenance</b>  | <b>170</b>   | <b>4%</b>   |
| <p>Overspends to meet the network requirements on cutting back vegetation for safety reasons and meeting policy requirements for gully emptying slightly offset by forestry underspends due to low staffing levels.</p>   |              |             |
| <b>Road Safety</b>  | <b>108</b>   | <b>20%</b>  |

|   |               |             |
|---|---------------|-------------|
| Overspend due to depletion of the balance of contributions, held in an earmarked reserve, from Leicester, Leicestershire, Rutland Road Safety partnership, that were used towards school crossing patrols. Due to the pandemic no surpluses have been contributed from the partnership over the past few years. The department are looking at options to increase contributions.<br>Also includes increased maintenance works on Public Rights of Way as a result of issues relating to bridges and byways.   |               |             |
| <b>Dry Recycling</b>  | <b>-1,695</b> | <b>-69%</b> |
| Underspend due to income from recyclable materials being significantly higher than budgeted. This is due to favourable prices for recyclables. Lower recycling tonnage than expected.   |               |             |
| <b>Highways and Transport Network - Staffing &amp; Admin</b>  | <b>-1,270</b> | <b>n/a</b>  |
| Underspend due to additional income (£800k) from section 38 and 278 fees, increased capital income (£100k) and vacancies across various teams.  |               |             |
| <b>Concessionary Travel</b>   | <b>-1,209</b> | <b>-25%</b> |
| Overall underspend of £1.2m due to policy decision to make concessionary travel reimbursements at lower than pre-Covid levels in 2022/23, as per guidance from the Department for Transport ('Alternative Recovery Strategy').<br>The forecast underspend is reduced by £57k due to outstanding payments relating to 2021/22 that have been made 2022/23.<br>Outturn figure also includes underspend of £225k relating to budget unrequired to meet appeals costs in 2022/23.   |               |             |
| <b>Landfill</b>   | <b>-909</b>   | <b>-9%</b>  |
| Lower tonnages due to increased use of energy for waste sites, less use of landfill.  |               |             |
| <b>Highways &amp; Transport - Staffing &amp; Admin</b>  | <b>-722</b>   | <b>-31%</b> |
| Underspend as a result of additional income in the form of recharges to capital, network data sales and vacancies throughout various teams.   |               |             |
| <b>Passenger Fleet</b>  | <b>-591</b>   | <b>n/a</b>  |
| Underspend largely due to vacant driver and escort posts, which is partly offset by additional agency and overtime costs. Recruitment of drivers is currently very difficult.<br>Fewer Adult Social Care fleet routes have been operated as a result of the driver shortage and a higher number of passengers are being transported in taxis following greater demand for solo transport during the pandemic. This has resulted in an underspend for Passenger Fleet but an overspend on Social Care Taxis (see below). Social care transport arrangements are currently being reviewed with a view to moving service users away from taxis and onto lower cost Fleet transport where possible.<br>Actual income is below budget due to reduced traded services income. |               |             |
| <b>Winter Maintenance</b>   | <b>-499</b>   | <b>-23%</b> |
| Underspend due to a mild winter resulting in less activity on the highways for winter maintenance.  |               |             |
| <b>Development &amp; Growth</b>   | <b>-375</b>   | <b>-32%</b> |
| Underspend due to staffing vacancies and inability to recruit to posts.   |               |             |
| <b>Public Bus Services</b>  | <b>-357</b>   | <b>-17%</b> |
| Costs for local bus services (including Park and Ride) remain high due to contract inflation and lower fare revenues because bus patronage levels have not returned to pre-Covid levels. Income from the employers' parking schemes at P&R sites has also fallen significantly. These losses have been met by additional funding from DfT in 2022/23. This one-off funding of £1.34m from DfT is currently only expected to continue for the first quarter of 2023/24. Work is therefore currently underway to review services to prevent a budget overspend in future years.   |               |             |
| <b>Composting Contracts</b>   | <b>-213</b>   | <b>-11%</b> |
| Lower tonnages due to dry weather affecting green waste volumes.  |               |             |
| <b>Environment &amp; Waste - Staffing and Admin</b>   | <b>-177</b>   | <b>-12%</b> |
| Underspend due to staffing vacancies..  |               |             |
| <b>Initiatives</b>  | <b>-142</b>   | <b>-16%</b> |
| Underspend as a result of lower uptake of waste initiatives, reduced spend on the residual waste project and underspends on Ash dieback due to lack of capacity. Waste and environment initiatives lower uptake on projects. Reduced consultancy fees on environment and waste strategy.  |               |             |
| <b>WEEE Funding</b>   | <b>-137</b>   | <b>n/a</b>  |
| Underspend due to higher scrap values than budgeted.  |               |             |
| <b>Income - Waste Management</b>  | <b>-118</b>   | <b>8%</b>   |
| Underspend as increased tonnage on truck waste service, therefore more income received.   |               |             |
| <b>Traffic Controls</b>   | <b>-111</b>   | <b>-8%</b>  |
| Underspend due to lower energy cost for signals traffic.  |               |             |
| <b>Other variances</b>  | <b>-440</b>   | <b>n/a</b>  |

|              |               |            |
|--------------|---------------|------------|
| <b>TOTAL</b> | <b>-1,846</b> | <b>n/a</b> |
|--------------|---------------|------------|

### Chief Executive's

The Department has a net underspend of £0.1m (0.7%). The main variances are:

|  | <b>£000</b> | <b>% of Budget</b> |
|--|-------------|--------------------|
| <b>Coroner's Service</b>   | <b>533</b>  | <b>44%</b>         |
| The variance is due to the increased UHL costs for post mortems which are invoiced via Leicester City and significantly higher than expected Leicester City costs not invoiced to the County Council until March 2023.   |             |                    |
| <b>Legal Services</b>  | <b>158</b>  | <b>3%</b>          |
| The overspend is due to an underspend on staffing (-£210k), an underspend on running costs (-£55k), reduced income and staffing recharge (£171k), additional costs of outsourcing for historical childcare cases (£112k) and other external legal support (£135k).   |             |                    |
| <b>Planning Services</b>   | <b>102</b>  | <b>17%</b>         |
| A downturn in the economy has resulted in work on developments slowing down/not being started. Planning and monitoring fee income is significantly lower as a result.  |             |                    |
| <b>Freeport</b>  | <b>0</b>    | <b>n/a</b>         |
| The Freeport costs will initially be funded from LCC reserves (cash flowed) but will subsequently be reimbursed from retained business rates growth generated once Freeport goes live. Expenditure of £992k in 2022/23, to be funded from corporate earmarked reserves. (This is in addition to a net £716k funded by the Council in 2021/22). |             |                    |
| <b>Registrars</b>  | <b>-398</b> | <b>n/a</b>         |
| Income was higher than originally budgeted for due to an increase in business following Covid restrictions. Casual staff costs were reduced as more ceremonies took place during the week, which has increased the net position of surplus income.   |             |                    |
| <b>Democratic Services and Administration</b>  | <b>-160</b> | <b>-11%</b>        |
| Underspend due to staff vacancies (-£136k) and additional income (-£23k).  |             |                    |
| <b>Growth Service</b>  | <b>-151</b> | <b>-10%</b>        |
| Underspend due to ongoing staff vacancies which will not be filled prior to the conclusion of the Growth Service review (-£239k), offset by an overspend on running costs (+£88k).   |             |                    |
| <b>Policy and Communities</b>  | <b>-119</b> | <b>-6%</b>         |
| Underspend due to ongoing staff vacancies (-£85k) and an underspend on the H4Ukraine grant (-£34k).  |             |                    |
| <b>Trading Standards</b>   | <b>-68</b>  | <b>-4%</b>         |
| Variance due to vacancies not filled prior to the end of the financial year (-£80k), the recovery of some prosecution costs and additional income received relating to 2021-22 that wasn't anticipated (-£19k) offset by an overspend on running costs (+£31k).  |             |                    |
| <b>Other variances</b>   | <b>-10</b>  | <b>n/a</b>         |
| <b>TOTAL</b>   | <b>-113</b> | <b>n/a</b>         |

### Corporate Resources

The Department has a net overspend of £1.6m (4.1%). The main variances are:

|   | <b>£000</b>  | <b>% of Budget</b> |
|---|--------------|--------------------|
| <b>Commercial Services</b>  | <b>2,902</b> | <b>n/a</b>         |
| The main variance relates to continuing pressures in Commercial Services +£2.3m, which includes recovery from the pandemic and general inflationary pressures, notably within the catering service. Work is underway to increase income and reduce costs. Whilst this is expected to deliver improvements in 2023/24 and beyond, the immediate benefits are likely to be limited and still result in an adverse variance for 2023/24. |              |                    |



|   |              |             |
|---|--------------|-------------|
| <b>Investing in Leicestershire Programme</b>  | <b>621</b>   | <b>-10%</b> |
| Overall £0.6m adverse to target. Bad debt provision of £0.3m and timing of private debt income of £0.3m are the main variances.   |              |             |
| <b>Audit and Insurance</b>  | <b>254</b>   | <b>11%</b>  |
| Increased insurance premiums, delays to certain income generating service activities, and the loss of insurance and audit income from academy schools.  |              |             |
| <b>Building Maintenance</b>   | <b>136</b>   | <b>5%</b>   |
| Overspend due to additional programmed works aimed at reducing future reactive spend.   |              |             |
| <b>Information &amp; Technology</b>   | <b>-770</b>  | <b>-6%</b>  |
| Vacancies throughout the service area alongside delays in several key procurement exercises.  |              |             |
| <b>Commissioning Support</b>  | <b>-293</b>  | <b>-24%</b> |
| A contribution of £283,928 exists on the Household Support Fund cost centre, mainly related to administrative and other overheads incurred across the authority but not charged directly to the HSF cost centre. A small underspend also exists on the commissioning support cost centre. |              |             |
| <b>Strategic Property</b>   | <b>-278</b>  | <b>-11%</b> |
| Underspend largely due to staff vacancies across multiple Strategic Property teams.   |              |             |
| <b>Operational Property</b>   | <b>-223</b>  | <b>-8%</b>  |
| Underspend largely due to staff vacancies within multiple teams.  |              |             |
| <b>Communications and Digital Services</b>  | <b>-200</b>  | <b>-18%</b> |
| The underspend has mainly been driven by the continual existence of Contain Funding, coupled with vacancies throughout the service area and additional income from greater service provision  |              |             |
| <b>Strategic Finance and Pensions</b>   | <b>-168</b>  | <b>-4%</b>  |
| The underspend has predominantly been driven by the existence of vacancies and timing delays in filling vacant posts.   |              |             |
| <b>Corporate Human Resources</b>  | <b>-127</b>  | <b>-6%</b>  |
| The underspend has mainly been driven by the existence of vacant posts.   |              |             |
| <b>EMSS LCC contribution</b>  | <b>-123</b>  | <b>-6%</b>  |
| Reduction in LCC share of EMSS partner contribution due to a more favourable outturn position than budgeted.  |              |             |
| <b>Unallocated/Projects</b>   | <b>-77</b>   | <b>-20%</b> |
| Money set aside for projects and developments that was not required to be spent during 2022/23.   |              |             |
| <b>Other variances</b>  | <b>-29</b>   | <b>n/a</b>  |
| <b>TOTAL</b>  | <b>1,625</b> | <b>n/a</b>  |

This page is intentionally left blank