

Revenue Budget 2023/24 – forecast main variances (Period 4)**Children and Family Services****Dedicated Schools Grant**

A net overspend of £11.9m is forecast. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked reserve drawdown	13,330	n/a
The DSG budget in the original MTFs includes an estimated HNB drawdown of £13.3m as the forecast in year overspend.		
Special Educational Needs	595	1%
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. Additional Early Years specialist places have been identified as required from September 2023. These were not budgeted for and have resulted in an overspend in the Special School budget. Meanwhile a significant number of places in the C&I (Communication & 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 £800k underspend against budget. Students continue to be placed in Independent Specialist Provisions (ISP). This has resulted in an overspend in the ISP budget. Decisions to agree placements in increasingly expensive ISPs whilst our own bases are underoccupied will have a substantial impact on the deficit position.		
Specialist Teaching Service (STS)	245	10%
The STS Service is a fully HNB funded service, with a fixed budget envelope, and does not receive inflation in response to pay awards. It also has a built-in annual savings target which is usually achieved through in-year vacancy savings. As yet, these potential savings are yet to be fully identified.		
Early Years / Nursery Education Funding	-1,600	-4%
The budget is based on the number of hours used to calculate the original 2023-24 Early Years DSG income in December 2022. The 2023-24 Early Years DSG income was increased in July 2023 by £1.7m to allow for the Spring Term 2023 census (this includes a prior year adjustment of £600k relating to 2022-23). There is also a planned underspend of £0.9m as part of the payback of previous years' Early Years deficits. The forecast hours paid to Providers for 2023-24 are £1.2m more than the budget.		
Schools Growth / Budget Allocations	-500	-18%
This funding has been earmarked to help meet the revenue costs associated with new schools. The underspend will be transferred to the DSG earmarked fund to fund pupil growth in future years.		
Early Years SEN Inclusion	-130	-10%
Staff turnover and vacancy management controls are the main contributing factors driving the underspend.		
Education - Medical Grounds	-80	0%
This is due to increased recoupment and vacant posts in year.		
Other variances	20	n/a
TOTAL	11,880	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £7.9m (7.6%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	5,460	11%
<p>The overall LAC numbers for Leicestershire for financial year 2023/24 look relatively stable in line with recent years. However, in terms of the placement mix - whilst the most costly provision types such external residential increased slightly in numbers but in line with budgeted position, the average unit costs have increased significantly vs budgeted unit cost. For example – currently average social care external residential cost is circa £5,750 per week (20% increase on budgeted unit cost). The combination of complexity of need makes these children and young people 'unattractive' to the market (need includes violence, aggression as result of experiencing trauma) and results in the use of high cost (£10k+/week/child) interim provisions until behaviour stabilises or another placement can be found.</p> <p>Other sufficiency issues impacting on budget position include:</p> <ul style="list-style-type: none"> •Lack of step-down from residential placements (10 children who have been waiting long periods for family-based placements), with continued searches and work with providers to try to identify homes •Slow recruitment pipeline for mainstream carers, nationally. Particularly impacting on availability of placements for older children and those with more complex needs. 		
Unaccompanied Asylum Seeking Children (UASC)	1,920	117%
<p>The rapid increase in 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, which creates an additional pressure for the service to manage which is not fully funded. In addition, delays in asylum claim processes mean that we are often accommodating young people well past 18 and the Home Office funding drops significantly at 18 but the costs do not.</p>		
SEN Service Budget	1,140	64%
<p>Increased service demand and complexity has resulted in need for additional service resource to ensure demand can be managed in the most efficient and effective manner. A heavy reliance on agency workers to undertake plan writing and tribunal work has resulted in a significant forecast overspend in this area. A second Service Manager post has been created to help deliver whole-system change within SEN. Meanwhile mediation costs remain high, adding to the forecast overspend.</p>		
Departmental Financial Controls / Vacancy Control Management	-640	n/a
<p>As a direct response to the projected overspends as described above, CFS's departmental management team have led a review of non statutory services, together with a robust management and review of vacancies within the department, with the output of this work projecting to deliver some one-off in year efficiencies, and budget opportunities, (£0.6m) which included 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.</p>		
TOTAL	7,880	n/a

Adults & Communities

The Department has a net forecast overspend of £7.8m (3.9%). The main variances are:

	£000	% of Budget
Homecare	7,320	19%
<p>The current weekly homecare payments are estimated to be £880k per week. The forecast provides for an average of 2,700 service users (SU) for the year, this is 6% higher than the budgeted number of 2,540. Current average package costs (or hours) are also 6% higher than budgeted (excluding the fee uplift of 8.4%) at £332 per SU per week compared to the budgeted value of £313.</p> <p>The increase is from:</p> <p>a) delaying admission into residential care and increased provision within the service user's own home.</p> <p>b) lower numbers of service users are opting to take a Direct Cash Payment. The department has established a wide ranging demand management project and this is currently prioritising an analysis of home care data to establish whether any internal changes in practice have led to the higher spend and to what extent this has been as a result of external influences. The project is also reviewing existing savings activity to ensure these are on track to meet the MTFS targets.</p>		

Residential Care and Nursing	3,380	4%
<p>The projected overspend is mainly due to increases in the average weekly cost per residential placement over and above the planned inflationary increases to the banded rates. This is a continuation of the pressure experienced in 2022/23 which led to an overspend. There are an average 2,390 service users with an average weekly rate of £1,017. The main driver of the increases are where the authority has agreed funding above the banded rates to ensure that the service is provided with a suitable care placement (known as Local Authority Agreed Funding-LAAF). The forecast cost of LAAFs in 2023/24 (based on current volumes and values of LAAFs) is £14.6m. This compares to the 2022/23 cost of LAAFs of £12.6m, and the 2021/22 cost of LAAFs of £10.0m. The forecast 2023/24 cost is a 46% increase on the 2021/22 costs. This increase in the costs of LAAFs is a combination of both an increase in the volume and value of LAAFs. The volume of LAAFs has increased from 742 service users per week having a LAAF in 2021/22 to 951 in 2023/24. The value of LAAFs has increased from an average of £258 per service user per week in 2021/22 to £294 in 2023/24. The increase in LAAFs (both volume and value) is predominantly in the older adults area. This overspend is offset by additional service user income of £1.48m which is mainly due backdated arrears from working through a backlog of financial assessments. The department is also investigating the allocation of the latest tranche of Market Sustainability and Improvement Fund to reduce this overspend by £3.6m.</p>		
Supported Living Commissioned Services	2,885	8%
<p>The forecast assumes a projected increase of 40 service users over the course of the financial year from 470 to 510. Last year the increase was larger at around 51 service users. The majority of the increase in service users is from those service users either transitioning from Children's Social Care, living at home with their parents or moving from a Hospital/Residential setting into Supported Living. They represent new growth in numbers rather than a movement of existing service users from Residential Care, which was the primary driver under the TOM Programme. The Dynamic Purchasing System used by Supported Living commissioners is increasing the supply of additional Supported Living schemes facilitating the increase in the number of placements that can be made. Average placement costs currently stand at £1,400 per week per service user.</p>		
Better Care Fund (Balance) / Other NHS Income	1,130	4%
<p>A shortfall in Discharge to Assess (D2A) recharge income of £2.8m. Offset by additional BCF and Discharge Grant income of £1.7m.</p>		
Community Life Choices (CLC) Commissioned Services	635	9%
<p>Overspend with the transition of service users from inhouse CLC services to the independent sector. This overspend should be viewed alongside the underspend within CLC/Day Services within Direct Services as internal bases are closed and staff action plans are conducted. A virement will take place for 2024/25 to increase this budget. The forecast includes the assumption of the remaining bases closing and the transfer of the remaining service users to the independent sector.</p>		
Other Support	500	n/a
<p>Other social care support includes £150k for kennel costs and £330k for floating support contract for mental health.</p>		
Care Pathway - Mental health and Safeguarding	260	4%
<p>Overspend predominantly caused by the Liberty Protection Safeguards and the contracted out Best Interest Assessor and Paid Person Representative spend, even after a £350k contribution from reserves. A more sustainable funding position is required for this service, as reserve funding has been used for multiple years.</p>		
Market Sustainability and Improvement Fund (MSIF) - Tranche 2	-3,670	n/a
<p>This is the MSIF second tranche for 23/24. It can be used to offset eligible spend that was already planned.</p>		
Community Life Choices (CLC) / Day Services Team	-1,445	-84%
<p>Following the Cabinet decision to close CLC bases, there are vacancies within the services, pending staffing action plans. Service users are being transitioned to the independent sector demand led CLC budget. This is linked to an MTFs saving. Next year this underspend will cease.</p>		
Community Income	-1,335	-4%
<p>The majority of the variance is due to additional income for home care packages for people with a temporary health condition £0.8m. The numbers of people receiving this type of funding increased during 2022-23 due to the removal of hospital discharge funding for home care mid year. The numbers funded seen at the end of 2022-23 have continued into 2023-24. There is also continuing increase in the number of chargeable service users who are receiving other non residential services and the average amount per service user is also increasing.</p>		

Supported Living, Residential and Short Breaks Team	-950	-19%
Underspend due to vacancies and also reduction in day services in co-located short break locations causing a reduction in staffing forecasts. Savings offset overspend in commissioned services and linked to an MTFS saving.		
Care Pathway - Access and Digital Services	-220	-11%
Underspend mainly due to vacancies in the Customer Service Centre (CRC). Note that this does not include the new CSC element due to transfer across from Corporate Resources - this continues to be included in the Corporate Resources monitoring until the budget transfer is agreed.		
Commissioning & Quality	-170	-9%
Underspend from vacancies that are in the process of being recruited to.		
Direct Payments	-150	0%
Forecasting clawbacks at (£4m), which has increased by (£0.9m). Forecasting a net overspend of £763k due to 6% reduction in service users (SU) and 13% increase in SU package price. The reduction in SU is reflecting that more new SU are choosing to take a managed homecare service over a cash payment. The increase in SU package price most likely reflects the higher cost of homecare and supported living being commissioned that are also being reflected in the cash payments budget for those recipients. In addition, higher support may have been commissioned to compensate those service users that could no longer visit a buildings-based service for a community life choices service. Currently averaging at 1,912 SU with an average cost of £439 and Carers averaging at 1,136 SU with an average cost of £53.		
Care Pathway - Learning Disability and Autism	-125	3%
Underspend from vacancies that are in the process of being recruited to.		
Care Pathway - Cognitive and Physical Disability	-115	-2%
Underspend from vacancies that are in the process of being recruited to.		
Other variances (under £100k)	-120	n/a
TOTAL	7,810	n/a

Public Health

The Department has a projected underspend of £0.2m which will be transferred to earmarked reserves.

	£000	% of Budget
Public Health earmarked reserve	160	n/a
Net underspend on Public Health budgets to be offset by a contribution to the Public Health earmarked reserve. Uncertainties on future grants.		
Quit Ready, First Contact Plus, Programme Delivery and Teen Health teams	-130	n/a
Staffing vacancies across these areas.		
Other variances (under £50k)	-30	n/a
TOTAL	0	n/a

Environment and Transport

The Department is forecasting a net underspend of £0.7m (0.8%). The main variances are:

	£000	% of Budget
Social Care Transport	1,345	30%
A rise in the number of commissioned journeys for Social Care Transport. Work is being undertaken to understand the cause of this increase, although it is likely to be a legacy of the Covid-19 pandemic that has led to an increase in solo journeys. Other factors could include changes in Adult Social Care policy, commissioning approach needing to be reviewed and driver shortages within Fleet services. The Transformation Unit are currently leading on work to gain a greater insight into the reasons behind this growth and to quantify the impact of this on the budget in 2023/24 and future years. Other mitigating action taken includes a request to A&C to review commissioning policy and approach being applied with a view to becoming less risk adverse in assessments thereby reducing the number of solo journeys being commissioned. All external funding opportunities are also being maximised through a planned review of demand and associated costs for Health Social Care.		
Landfill	765	23%
Overspend as waste is diverted into landfill rather than treatment. As capacity must be conserved for treatment of Persistent Organic Pollutants (POP) bulky waste.		

SEN Transport	600	3%
Delays in receipt of applications for SEN Transport from CFS combined with the effects of a shrinking transport sector - a consequence of driver shortages and inflation - that has led to a general upward shift in transport costs. At the same time demand is rising along with heightened complexity of need. Issues relating to changes in demand and market capacity are being seen nationally, with Leicestershire fairing better than the national average in terms of cost increase despite a larger increase in the number of students travelling.		
Mainstream School Transport	500	14%
Delays in processing Mainstream School Transport applications due to vacancies and limited resource capacity within the Transport team; allocation of placements outside residential area by CFS and limited bus capacity.		
Reactive Maintenance	360	17%
Forecast overspend in general maintenance and out of hours emergencies. Calculation based on current year actuals to meet the policy requirements on a deteriorating network.		
Recycling and Household Waste	210	5%
Overspend due to increased haulage through Persistent Organic Pollutants (POPs) legislation implications.		
Environmental Maintenance	120	2%
Forecast overspend due to cost of delivering full width rural grass cut (completed every 3 years in line with current policy) and the cost of employing external resources at higher prices (due to an inability to recruit required number of strimmer operatives) to support the urban cut on footpaths and route to schools .		
Staffing, Admin & Depot Overheads	-1,250	67%
Forecast underspend due to vacancies (£550k), additional income from Temporary Transport Regulation Orders (TTRO) and network licencing (£400k) and (£500k) target in relation to overspends on the highways maintenance programme whilst mitigating actions are identified. All slightly offset by reduced fee income for structures and street lighting (£200k).		
Highways & Transport Network - Staffing & Admin	-1,000	n/a
Underspends forecast due to additional s38 & 278 fees (£900k) and vacancies across various teams.		
Treatment & Contracts	-890	-6%
Underspend due to a reduction in treatment as waste is diverted into landfill.		
Passenger Fleet	-340	n/a
Underspend due to vacant driver and escort posts, which is partly offset by additional agency and overtime costs, plus additional vehicle hire and maintenance costs. Recruitment of drivers is currently very difficult.		
Dry Recycling	-300	-12%
Underspend due to external income received based on current market performance.		
Staffing & Admin Delivery	-230	-5%
Forecast underspend due to staff vacancies.		
Concessionary Travel	-170	-4%
Underspend based on current forecast concessionary travel reimbursement levels during 2023/24, offset by anticipated additional costs to support local bus services.		
Road Safety	-135	-16%
Underspends forecast as a result of high level of vacancies across various teams.		
Other variances	-295	n/a
TOTAL	-710	n/a

Chief Executive's

The Department is forecasting a net underspend of £0.1m (0.5%). The main variances are:

	£000	% of Budget
Coroner's Service	410	34%
Forecast based on activity to date. Lack of visibility of UHL invoices is making forecasting difficult and Leicester City Council, who are providing the Coronial Service, have been asked to provide greater detail.		
Departmental Items	115	n/a
Departmental-wide saving for staffing vacancy held in this budget. Overspend offset by underspends elsewhere in the department.		
Registrars	-375	n/a
Wedding fee income continues to be higher than budgeted and this trend is expected to continue for the remainder of the financial year.		
Growth Service	-80	-6%
Underspend due to staffing vacancies.		

Management and Administration	-50	-8%
Underspend due to staffing vacancies.		
Business Intelligence	-50	-3%
Underspend due to vacancies (-£70k) and lower running costs (-£8k), offset by reduced income (+£26k)		
Other variances	-50	n/a
TOTAL	-80	n/a

Corporate Resources

The Department has a net forecast overspend of £0.6m (1.6%). The main variances are:

	£000	% of Budget
Commercial Services (Commercialism - catering and professional services, Country Parks and LTS Property)	720	60%
Pressure in Commercial Services is on-going; this includes recovery from the pandemic but also additional pressures through the increase in national living wage and general inflationary pressures. The local government workers pay offer places significant pressure on commercialism, especially services employing staff on lower grades e.g. catering. It is likely that those pressures will persist into 2024/25.		
Customer Service Centre	105	5%
Savings of £0.1m were included in this year's MTFS related to additional attrition experienced last year and these are unlikely to be achieved now as attrition is running lower than budgeted levels, which although an adverse impact on the budget has a positive impact on service and staff. The CSC is also undergoing a transitional phase as the Adult Social Care CSC transfer back to A&C and the remaining service is remodelled.		
ICT	-160	-1%
The projected underspend is mainly due to staff vacancies.		
Operational Property	-65	-3%
Staffing underspends.		
Other variances	30	n/a
TOTAL	630	n/a