

Revenue Budget 2023/24 – forecast main variances (Period 6)**Children and Family Services**Dedicated Schools Grant

A net overspend of £12.2m 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. | | |
| Secondary Education Inclusion Partnerships | 805 | 34% |
| Secondary Education Inclusion Partnerships are supporting a growing number of secondary students. | | |
| Specialist Teaching Service (STS) | 335 | 14% |
| 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 | -1,630 | -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 | -100 | -8% |
| Staff turnover and vacancy management controls are the main contributing factors driving the underspend. | | |
| Education - Medical Grounds | -75 | -14% |
| This is due to increased recoupmnt and vacant posts in year. | | |
| Other variances | 55 | n/a |
| TOTAL | 12,220 | n/a |

Local Authority Budget

The Local authority budget is forecast to overspend by £9.6m (9.3%). The main variances are:

| | £000 | % of Budget |
|--|--------------|-------------|
| Children's Social Care Placements | 6,570 | 13% |
| 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. | | |
| Other sufficiency issues impacting on budget position include: | | |
| <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. | | |

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| Unaccompanied Asylum Seeking Children (UASC) | 1,770 | 107% |
| 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 the Council are often accommodating young people well past 18 and the Home Office funding drops significantly at 18 but the costs do not. | | |
| SEN Service Budget | 865 | 48% |
| 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 Education, Health and Care Plan (EHCP) 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. | | |
| Educational Psychology Service | 350 | 29% |
| Difficulties recruiting into vacancies in this area has resulting in an increased reliance on locums at a significantly higher cost. Increased demand due to an increase in the number of EHCP needs assessments has further impacted the overspend position | | |
| Other variances | 45 | n/a |
| TOTAL | 9,600 | n/a |

Adults & Communities

The Department has a net forecast overspend of £6.6m (3.2%). The main variances are:

| | £000 | % of Budget |
|---|--------------|--------------------|
| Homecare | 8,260 | 21% |
| The current weekly homecare payments are estimated to be £880k per week. The forecast provides for an average of 2,730 service users (SU) for the year, this is 7% 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. | | |
| The increase is from: | | |
| a) delaying admission into residential care and increased provision within the service user's own home. | | |
| 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. There is some offsetting from ASC Discharge income £700k. | | |

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| Residential Care and Nursing | 4,535 | 5% |
| <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.</p> <p>The main driver of the increases are:</p> <p>1. 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) estimated to be a net £7.2m. The forecast cost of LAAFs in 2023/24 (based on current volumes and values of LAAFs) is £15.0m. 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 50% 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 984 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.</p> <p>2. An increase in the residential banded rate and the implementation of a nursing rate in October, estimated to be £2.1m. These increases are funded through the Market Sustainability and Improvement Fund (part 1) grant, which is included on a separate line below.</p> <p>This overspend is offset by additional service user income of £2.6m 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 (part 2) to reduce this overspend by £3.6m (identified on a separate line below).</p> | | |
| Supported Living Commissioned Services | 3,885 | 11% |
| <p>The forecast assumes a projected increase of 30 service users over the course of the financial year from 470 to 500. Last year the increase was larger at around 51 service users. Average placement costs have risen since April and currently stand at £1,525 per week per service user (+3%). The majority of the increase in service users are 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. The forecast overspend has increased from Period 4, however much of this is met by additional Health income relating to these higher cost service users, which has increased and is listed on the Community Income line.</p> | | |
| Better Care Fund (Balance) / Other NHS Income | 1,575 | 6% |
| <p>A shortfall in Discharge to Assess (D2A) recharge income of £3.2m. Offset by additional BCF and Discharge Grant income of £1.7m.</p> | | |
| Community Life Choices (CLC) Commissioned Services | 935 | 13% |
| <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 | 430 | 6% |
| <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> | | |
| Adult Learning | 180 | n/a |
| <p>Overspend due to Children and Families Services (CFS) planning to 'Cease to Maintain' a number of Educational Health Care Plans (EHCPs). As a result the Transitions Learning Programme is likely to have fewer High Needs learners in the next academic year resulting in reduced income. The service is unable to reduce staffing or close the service until the legal process has been completed by CFS.</p> | | |
| Market Sustainability and Improvement Fund (MSIF) - Tranche 2 | -3,670 | n/a |
| <p>This is the MSIF second tranche for 2023/24. It can be used to offset eligible spend that was already planned.</p> | | |

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| Market Sustainability and Improvement Fund (MSIF) - Tranche 1 | -3,520 | n/a |
| This relates to the MSIF first tranche for 2023/24. This is offsetting increases in Residential and Nursing Care fees, reducing waiting times and staff retention in the care sector. This offsets some of the additional costs in commissioned services. | | |
| Community Income | -2,430 | -8% |
| The majority of the variance is due to health income from Supported Living service user packages which are generating an extra £1.1m, £300k is due to increased funding for Direct Payment clients and £350k for home care packages is mostly due to temporary health condition funding continuing at late 22-23 levels. Community Life Choices income is lower by £200k, this is mostly as a result of clients moving at the end of 2022-23 onto Personal Health Budgets when the LCC day centres closed. Non-Residential Service User Income at this stage appears on track to overachieve the budget of £18.1m by £0.9m, due to increasing chargeable service users, as more service users are receiving a Non-Residential Service such as homecare. | | |
| Community Life Choices (CLC) / Day Services Team | -1,430 | -83% |
| 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. | | |
| ASC Discharge Grant | -745 | n/a |
| Funding from NHS offsetting expenditure in Homecare and other costs. | | |
| Supported Living, Residential and Short Breaks Team | -720 | -15% |
| 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. | | |
| Home First | -355 | -4% |
| Underspend from additional health monies forecasted to come in to offset Brokerage Staffing costs of £140k within the Crisis Response Service and Homefirst Management costs of £47k. The Crisis Response Service has a recruitment freeze leading to lower forecasted staffing spend of £90k. HART has reduced their staffing forecast by £50k due to slowed filling of vacant posts and Homefirst staffing forecast has lowered due to trainee recruitment £20k. | | |
| Care Pathway - Access and Digital Services | -310 | -11% |
| Underspend mainly due to vacancies in the Customer Service Centre. 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. | | |
| Direct Payments | -150 | 0% |
| Budgetted clawback from service users has increased by £0.9m. However this is offset by an increase in costs of £0.75m due to 8% reduction in service users (SU) and 12% 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 1,916 SU with an average cost of £439 and Carers averaging at 1,151 SU with an average cost of £54. | | |
| Business Support & Strategy and Planning | -150 | -8% |
| Underspend from vacancies that are in the process of being recruited to. | | |
| Care Pathway - Cognitive & Physical Disability (C&PD) | -120 | -2% |
| Underspend from vacancies that are in the process of being recruited to. | | |
| Commissioning & Quality | -105 | -6% |
| Underspend from vacancies that are in the process of being recruited to. | | |
| Other variances (under £100k) | -5 | n/a |
| TOTAL | 6,590 | 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 | 170 | n/a |
| Net underspend on Public Health budgets to be offset by a contribution to the Public Health earmarked reserve. Uncertainties on future grants. | | |
| Public Health Leadership | 75 | n/a |
| Overspend on running costs (+£87k) and reduced Rutland income (+£18k), offset by underspend on staffing (-£29k) | | |
| Programme Delivery | -80 | -10% |
| Underspend due to vacancies within team. | | |
| 0-19 Children's Public Health | -55 | -66% |
| Underspend due to vacancies within Teen Health team. | | |
| Other variances (under £50k) | -110 | n/a |
| TOTAL | 0 | n/a |

Environment and Transport

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

| | £000 | % of Budget |
|--|-------|-------------|
| SEN Transport | 2,100 | 10% |
| 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. Following detailed analysis this has shown an increase in SEN users and number of contracts issued as a result of a high number of contract handbacks taking place. 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 | 1,960 | 55% |
| 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 are resulting in more taxi use. Daily costs per school day are continuing to rise alongside a greater rate of school children using the service. | | |
| Social Care Transport | 1,840 | 41% |
| 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 | 1,420 | 39% |
| Overspend as waste is diverted into landfill rather than through treatment and Energy from Waste (EFW). As capacity must be conserved for treatment of Persistent Organic Pollutants (POPs) waste. More waste into landfill than anticipated causing overspend variance. Subsequently this is net off by the underspend on Treatment & Contracts. | | |
| Reactive Maintenance | 640 | 28% |
| 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 with higher than expected reactive maintenance requests. | | |
| Fleet Services | 180 | n/a |
| Forecast overspend due to the increased cost of parts and labour for fleet services. | | |

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| Recycling and Household Waste | 175 | 4% |
| Overspend due to increased haulage for additional movement of POP material (legislation implications) and increased repairs and maintenance at RHWS sites. | | |
| Treatment & Contracts | -2,025 | -12% |
| Underspend due to waste tonnages being lower than anticipated and diverting waste away from Energy for Waste and Refuse Derived Fuel facilities to landfill following legislation changes for POPs impacting on the cost of disposing bulky waste. | | |
| Highways & Transport Network - Staffing & Admin | -1,085 | n/a |
| Underspend forecast due to additional s38 & 278 fees (£900k) and vacancies across various teams. | | |
| Staffing, Admin & Depot Overheads | -870 | 46% |
| Forecast underspend due to vacancies (£600k) and additional income from Temporary Transport Regulation Orders (TTRO) and network licencing (£500k), offset by reduced fee income for structures and street lighting (£200k). | | |
| Passenger Fleet | -855 | 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 | -500 | -19% |
| Underspend due to external income received based on current market performance. | | |
| Staffing & Admin Delivery | -265 | -6% |
| Forecast underspend due to staff vacancies. | | |
| Haulage & Waste Transfer | -235 | -10% |
| Underspend in relation to reduced haulage costs with the redirection of waste going to landfill, additionally a delay in procuring a Hydrotreated Vegetable Oil fuel supplier corporately has led to reduced costs. | | |
| H & T Staffing & Admin | -210 | -9% |
| Underspend forecast as a result of high level vacancies across various teams. | | |
| Concessionary Travel | -175 | -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 | -165 | -26% |
| Underspend forecast as a result of high level of vacancies across various teams. | | |
| Composting Contracts | -160 | -8% |
| Underspend in relation to forecast tonnages being 5,000 less than expected. | | |
| Management & Admin | -155 | -7% |
| Underspend due to vacant posts. | | |
| HS2 | -105 | -37% |
| Underspend in relation to vacancies. | | |
| Development & Growth | -100 | -9% |
| Underspend forecast as a result of high level vacancies across various teams. | | |
| Other variances | -300 | n/a |
| TOTAL | 1,110 | 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 | 400 | 33% |
| Forecast based on activity to date. This overspend is a combination of an increase in both the number and complexity of post mortems exacerbated by the 2021/22 increase in UHL prices. The lack of detailed information from partners, who provide the coronial services for North and South Leicestershire, is making forecasting difficult. | | |
| Departmental Items | 115 | n/a |
| Departmental-wide saving for staffing vacancy held in this budget. Overspend offset by underspends elsewhere in the department. | | |
| Legal Services | 85 | 2% |
| The variance is due to vacant posts, which are proving difficult to recruit to, being filled by Locums which is more expensive. | | |

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|---|-------------|-------------|
| Trading Standards | 50 | 3% |
| £50k overspend on statutory Food Compliance activities. | | |
| 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. | | |
| Democratic Services and Administration | -85 | -6% |
| Underspend due to staffing vacancies. | | |
| Growth Service | -65 | -10% |
| Underspend due to staffing vacancies. | | |
| Other variances | -195 | n/a |
| TOTAL | -70 | n/a |

Corporate Resources

The Department has a net forecast overspend of £0.3m (0.7%). The main variances are:

| | £000 | % of Budget |
|---|-------------|--------------------|
| Commercial Services (Commercialism - catering and professional services, Country Parks and LTS Property) | 605 | 45% |
| 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 (CSC) | 50 | 3% |
| Savings of £0.1m were included in this year's MTFS related to additional attrition experienced last year and these are unlikely to be fully 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 has transferred the Adult Social Care CSC back to A&C. | | |
| ICT | -220 | -2% |
| The projected underspend is mainly due to staff vacancies. | | |
| Strategic Property | -50 | -2% |
| Significant number of vacancies offset by agency costs. | | |
| Corporate HR | -50 | -2% |
| Staffing underspend due to delays in recruitment. | | |
| Other variances | -55 | n/a |
| TOTAL | 280 | n/a |

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