

Revenue Budget 2023/24 – forecast main variances (Period 10)**Children and Family Services**Dedicated Schools Grant

A net overspend of £8.5m 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)	240	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. This year due to the significant, unfunded pay award, this target will not be met. This is a concern moving forward as in order to bring back in budget, staffing cuts will need to be made.		
Early Years / Nursery Education Funding	-2,460	-6%
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 £1.8m to allow for the Spring Term 2023 census. This includes a prior year adjustment of £0.6m relating to 2022-23. The forecast hours paid to Providers for 2023-24 are £0.6m more than the budget, reflecting estimated Spring 2024 payments to providers. There is also a planned underspend of £0.9m as part of the payback of previous years' Early Years deficits, and centrally managed budgets are forecast to underspend by £0.4m. The deficit as at 31 March 2023 was £5.3m, so this projected £2.5m underspend will reduce this. The plan is to clear this deficit over 4 years. The Department for Education will recalculate the 2023-24 Early Years DSG income in 2024-25, based on the Spring 2024 census data. The census is still being compiled, but it could lead to a reduction in grant.		
Special Educational Needs	-2,205	-2%
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 were 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 £870k underspend against budget. Students continue to be placed in Independent Specialist Provisions. Decisions to agree placements in increasingly expensive ISPs whilst our own bases are underoccupied will have a substantial impact on the deficit position.		
Schools Growth / Budget Allocations	-1,000	-36%
This funding has been earmarked to help meet the revenue costs associated with new schools. The underspend will be transferred to the DSG earmarked reserve to fund pupil growth in future years.		
Education - Medical Grounds	-130	-23%
This is due to increased recoupmnt and vacant posts in year.		
Early Years SEN Inclusion	-110	-9%
Staff turnover and vacancy management controls are the main contributing factors driving the underspend.		
Other variances	50	n/a
TOTAL	8,520	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £12.4m (11.6%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	6,780	15%
<p>The average unit cost have increased significantly vs budgeted unit cost. For example – currently average social care external residential cost is circa £5750 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)	4,160	247%
<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 the Council 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	1,050	55%
<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 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.</p>		
Educational Psychology Service	420	32%
<p>Difficulties recruiting into vacancies in this area has resulted 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</p>		
CFS Disabled Children Service	295	7%
<p>Increased demand for support at home for children with challenging behaviour which is more costly for some children with high needs and 'on the edge of care'.</p>		
Departmental Financial Controls / Vacancy Control Management	-350	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, supported with the recent introduction of corporate-led financial controls, and 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, 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>		
Other variances	25	n/a
TOTAL	12,380	n/a

Adults & Communities

The Department has a net forecast overspend of £5.2m (2.5%). The main variances are:

	£000	% of Budget
Homecare	8,115	21%

The current weekly homecare payments are estimated to be £860k 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 £331 per SU per week compared to the budgeted value of £313. The increase is from:

- a) the delaying of admission into residential care and increased provision within the service users own home.
 - b) that lower numbers of service users are opting to take a Direct Cash Payment. The department has established a wide ranging demand management project and a Fairer Outcomes Panel to review care packages.
- There is offsetting income below of £850k from the ASC Discharge Grant and £150k other health income.

Supported Living Commissioned Services	4,585	13%
<p>The forecast assumes a projected increase of 26 service users over the course of the financial year from 470 to 496. (+6% than budgeted). Last year the increase was larger at around 51 service users. Average placement costs have risen since April and currently stand at £1,550 per week per service user (+7% than budgeted). 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 that previously reported, 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>		
Residential Care and Nursing	2,725	3%
<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 2,400 service users with an average weekly rate of £1,035.</p> <p>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 £14.8m. 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 48% 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 971 in 2023/24. The value of LAAFs has increased from an average of £258 per service user per week in 2021/22 to £292 in 2023/24. The increase in LAAFs (both volume and value) is predominantly in the older adults area.</p> <p>This overspend is offset by additional service user income of £4.8m which is mainly due to backdated arrears from working through a backlog of financial assessments and additional new service users. The allocation of the latest tranche of Market Sustainability and Improvement Fund (MSIF) has also reduced this overspend by £3.0m (not included in above figure).</p>		
Better Care Fund (Balance) / Other NHS Income	1,600	4%
<p>A shortfall in Discharge to Assess (D2A) recharge income of £3.8m. Offset by additional BCF and Discharge Grant income of £2.2m.</p>		
Community Life Choices (CLC) Commissioned Services	885	12%
<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	485	7%
<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 and growth is part of the MTFS 2024</p>		
Direct Cash Payments	340	1%
<p>Forecasting overspend due to new increased Personal Allowance rates and reduction in clawbacks of unspent service user funds. There is a 10% reduction in service users (SU) and 10% increase in SU package price. Currently averaging at 1,898 SU with an average cost of £442 and Carers averaging at 1,161 SU with an average cost of £54. 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. Forecast includes (£557K) MSIF Grant towards new SU's with new increased PA rates. Implemented in August 2023 but slow start and costs will increase over time.</p>		

Community Income	-3,720	-12%
Non-Residential Service User Income at this stage appears on track to overachieve the budget of £18.1m by £1.1m, due to increasing chargeable service users, as more service users are receiving a Non-Residential Service. Also the average chargeable amount per service user has increased as forecast. Supported Living packages are generating an extra £1.6m, £400k is due to increased funding for Direct Payments clients and £700k for home care packages is mostly due to temporary health condition funding continuing at late 22-23 levels. CLC health 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.		
Market Sustainability and Improvement Fund (MSIF) - Tranche 2	-3,670	n/a
This is the MSIF second tranche for 23/24 that is currently uncommitted and available for offsetting the overspend in Residential Care. Allocation to be decided.		
Community Life Choices (CLC) / Day Services Team	-1,610	-86%
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.		
Home First	-1,120	-12%
Difficulties in recruiting to posts and vacancies are the main causes of the underspend in both the HART and Home first teams £754k. MSIF Monies have been allocated for the 2 Week Review Team that is currently being recruited to increasing the underspend by £366k.		
ASC Discharge Grant	-900	n/a
Health grant towards costs of discharge placements in homecare.		
Supported Living, Residential and Short Breaks Team	-685	-13%
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 - Heads of Service (IAP) & Strategic Service Managers	-535	-134%
Staffing budget underspend relating to posts that have been paused in preparation for £500k MTFs Saving relating to restructures in department.		
Department Senior Management	-350	-23%
MSIF Monies have been allocated towards specific contracts and general costs.		
Early Intervention & Prevention -Extra Care	-315	-48%
Underspend due to retendered contract having a lower cost element.		
Care Pathway - Access and Digital Services	-305	-10%
Underspend mainly due to vacancies in the Customer Service Centre.		
Business Support & Strategy and Planning	-235	-11%
Underspend from vacancies that are in the process of being recruited to.		
Care Pathway - Cognitive and Physical Disability	-225	-3%
Underspend from vacancies that are in the process of being recruited to.		
Care Pathway - Learning Disability and Autism	-220	-5%
Underspend from vacancies that are in the process of being recruited to.		
Other variances (under £100k)	-185	n/a
TOTAL	5,160	n/a

Public Health

The Department has a projected underspend of £0.5m which will be transferred to earmarked reserves.

	£000	% of Budget
Public Health earmarked reserve	460	n/a
Net forecast underspend on Public Health budgets to be offset by a contribution to the Public Health earmarked reserve. Uncertainties on future grants.		
NHS Health Check programme	105	26%
Overspend mainly due to payment to GPs not going through in 2022/23 . Not alerted until 2023/24.		
Local Area Co-ordination	60	6%
Green Homes Income of £62k not brought forward from previous financial year.		
0-19 Children's Public Health	-345	-4%
Underspend due to vacancies within Teen Health team and running cost underspend.		
First Contact Plus	-60	-17%
Underspend due to vacancies within team.		
Sexual Health	-60	-2%
Underspend due to lower take up of Pre-Exposure Prophylaxis (PrEP) and an underspend on emergency hormonal contraception pharmacy costs.		
Other variances (under £50k)	-160	n/a
TOTAL	0	n/a

Environment and Transport

The Department is forecasting a net underspend of £2.1m (2.1%). The main variances are:

	£000	% of Budget
Mainstream School Transport	1,800	46%
Increase in overall number of students entitled to mainstream transport and rise in the number of routes, increased in big bus operational costs resulting in higher contract costs, limited bus capacity leading to a larger number of pupils being transported by taxi. Many mainstream bus contracts were rolled forward into the 2023/24 academic year and will be in place until Easter 2024. A retendering process will then be undertaken which should achieve savings in the new financial year		
Social Care Transport	1,650	34%
Continued rise in the number of commissioned journeys for Social Care Transport combined with increased operating costs. Closer working relations developed with Social Workers to improve more efficient transport modelling.		
Landfill	1,000	28%
Overspend arising from diversion of waste from treatment/EfW to landfill in order to conserve capacity for Persistent Organic Pollutants (POPs) waste treatment.		
SEN Transport	630	3%
Continued growth in pupil numbers. To mitigate costs an SEN network review is in progress to maximise fleet usage and reduce solo taxi contracts.		
Reactive Maintenance	620	27%
Forecast overspend due to general maintenance and defect repairs, out of hours emergencies and non-illuminated sign maintenance (£822k) which is partially offset by a £200k underspend on road markings due to excessive wet weather affecting programme delivery and road stud programme unable to be undertaken due to road space allocation issues.		
Public Bus Services	475	20%
Overspend due to higher than budgeted spend on local bus services due to decision to delay implementation of the Passenger Transport Programme. This is offset by the underspend on concessionary travel.		

Recycling and Household Waste	180	4%
Increased haulage cost associated with transport of POP material from landfill to treatment (legislation implications) (£ 47k) plus increase in repairs and maintenance costs at RHWS sites (£110k) and net reduction in income following anticipated legislative changes wef Jan 2024 restricting charges at RHWS (£25k).		
Treatment & Contracts	-1,975	-12%
Underspend due to a reduction in treatment/EfW as waste is diverted into landfill to preserve capacity for POPs incineration.		
Concessionary Travel	-1,260	-31%
Underspend based on current forecast concessionary travel reimbursement levels during 2023/24.		
Dry Recycling	-850	-33%
Better than expected market prices on sale of dry recycling materials.		
Staffing, Admin & Depot Overheads	-720	61%
Forecast underspend due to vacancies, less reactive events expenditure and additional income from Temporary Transport Regulation Orders (TTRO) and network licencing are slightly offset by reduced fee income for structures and street lighting.		
Highways & Transport Network - Staffing & Admin	-660	-63%
Underspends forecast due to additional s38 & 278 fees (£371k) and vacancies across various teams.		
Highways & Transport - Staffing & Admin	-575	-21%
Underspends forecast as a result of vacancies across various teams.		
Passenger Fleet	-550	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.		
Staffing & Admin Delivery	-310	-7%
Underspend in relation to vacancies.		
Haulage & Waste Transfer	-300	-12%
Reduction in haulage costs as a result of less waste going direct to landfill and a delay in procuring Hydrotreated Vegetable Oil (HVO) fuel supplier.		
Development & Growth	-255	-21%
Underspends forecast as a result of high level vacancies across various teams.		
Road Safety	-180	-26%
Underspend forecast as a result of vacancies across teams.		
Traffic Controls	-135	-40%
Underspend due to Members Highway Fund income and signals energy charges.		
HS2	-130	-44%
Forecast underspend due to HS2 ceasing.		
Waste Electrical and Electronic Equipment (WEEE) Funding	-120	n/a
Increased income from the sale of metal.		
Composting Contracts	-115	-6%
Lower than expected tonnages.		
Other variances (under £100k)	-330	n/a
TOTAL	-2,110	n/a

Chief Executive's

The Department is forecasting a net underspend of £0.2m (1.5%). The main variances are:

	£000	% of Budget
Coroner's Service	365	31%
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	55	1%
The variance is due to vacant posts, which are proving difficult to recruit to, being filled by Locums which are more expensive.		
Registrars	-255	n/a
Wedding fee income was higher than budgeted in the first half of the financial year. This trend has slowed down over the winter months but is expected to increase again towards the end of the financial year.		
Democratic Services and Administration	-150	-10%
Underspend mainly due to staffing vacancies (-£97k) and underspend on running costs (-£57k).		
Growth Service	-110	-8%
Underspend due to staffing vacancies.		
Other variances (under £50k)	-260	n/a
TOTAL	-240	n/a

Corporate Resources

The Department has a net forecast underspend of £0.8m (2.0%). The main variances are:

	£000	% of Budget
Commercial Services (Commercialism - catering and professional services, Country Parks and LTS Property)	745	53%
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 award places significant pressure on commercialism especially services employing staff on lower grades e.g. catering. It is likely that those pressures persist and deepen into 2024/25. The Chancellors announcement of £11.44 for the national living wage for 1 April 24 will add 5-10% onto staff costs.		
Building Maintenance Costs	220	8%
Additional costs relating to unexpected reactive maintenance costs including patching, collapsed sewage works. Controls have been put in place to delay non-urgent work to the beginning of 24/25 to manage the 23/24 overspend.		
ICT	-890	-7%
This underspend mainly relates to vacancies within the different teams (£600k). Also a reduction in IT equipment requirement this year and contract savings on smart phones (£291k).		
Strategic Finance and Pensions	-280	-6%
Staffing underspend due to vacancies, delays in recruiting to posts.		
Oracle Fusion and Planning & Budgeting (PBCS) Developments	-165	-39%
Limited additional commissioning of system and reporting developments for Fusion and PBCS during 2023/24.		
Corporate HR	-165	-7%
Staffing underspend due to vacancies, huge problems in recruiting.		
Learning and Development	-115	-8%
Gaps in recruiting to vacant posts.		
Operational Property	-90	-4%
Staffing turnover and vacancies across several teams.		

Departmental Management	-55	-8%
Staffing due to vacancy, now filled.		
Other variances	-45	n/a
TOTAL	-840	n/a

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