

Revenue Budget 2024/25 – forecast main variances (Period 4)**Children and Family Services****Dedicated Schools Grant**

A net overspend of £20.4m is forecast. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked reserve drawdown	17,025	n/a
The DSG budget in the original MTFS includes an estimated HNB drawdown of £17.0m as the forecast in year overspend.		
Special Educational Needs	5,200	5.0%
Higher than budgeted numbers of High Needs students in both Independent schools and mainstream schools is resulting in forecast overspend for the year. This is partially offset by vacant places at ASD (autistic spectrum disorder) and SEMH (social emotional and mental health) units.		
Secondary Education Inclusion Partnerships	480	15%
Secondary Education Inclusion Partnerships are supporting a growing number of secondary students.		
High Needs Dedicated Schools Grant	470	n/a
The budget includes estimated 24/25 High Needs Grant of £108.456m as published by the DfE in December 2023. This has been updated in July 2024 and includes a reduction in grant value of £471k due to an increase in students placed in provisions outside of Leicestershire as at Spring census date than the same point the previous year		
Specialist Teaching Service	365	15%
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 is forecast not to be met		
Schools Growth / Budget Allocations	-445	-16%
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.		
Early Years /Nursery Education Funding	-2,450	-4.0%
The Early Years budget is showing an overall underspend of £2.5m. The budget is based on the number of hours used to calculate the original 2024/25 Early Years DSG income in December 2023. The forecast hours paid to providers for 2024/25 are £6.3m more than the budget. £1.2m of this is due to there being 39 paid weeks in the financial year April to March, a period covering two academic years. The funding is based on 38 weeks. It is expected that this will balance out in a future year. Payment forecast is also expected to increase by £5.1m due to an increased number of children compared to the budget. This is due to a higher number of 2-year-olds with working parents than originally forecasted by the DfE and a higher number of under 2s now being forecasted by DfE.		
The DSG grant has been increased to allow for the difference between the Spring 2024 census and the Spring 2023 census. There will be additional DSG income to fund the increase of 2-year-olds with working parents and the additional forecast for under 2-year-olds. The estimated increase to DSG Grant is £5.1m for the 2-year-olds with working parents, £555k for Spring 2024 census, £1.2m for under 2's and £336k relation to prior year adjustment which we are receiving this year. This gives a total increase of £7.3m for the DSG Grant.		
There is also a planned underspend of £1.1m as part of the payback of previous years' Early Years deficits, and centrally managed budgets are forecast to underspend by £0.4m. The Early Years DSG deficit as at 31 March 2024 was £3.1m. The plan is to clear this deficit over 4 years. The DfE will recalculate the 2024/25 Early Years DSG income to allow for the Summer and Autumn Censuses which will count the additional 2-year-olds and under 2s, entitled to funding as part of the Early Years expansion.		
Education - Medical Grounds	-60	-11%
This is due to vacant posts in year.		
Other variances	-145	n/a
TOTAL	20,440	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £9.1m (7.5%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	4,930	8%
Change in demand/numbers in relation to children in residential provision, in comparison to budgeted assumptions is showing a projected significant overspend position for this financial year. The MTFs for this financial year assumes budgeted residential numbers by March 25 to be at 86 children (includes Parent and Child placements). Trend and demand analysis at the time of budget setting looking back from April 21 to Jan 24 would suggest budgeted assumption of net demand of residential numbers growing to 86 by March 25 to be reasonable and reflective of data-driven demand analysis. However, between the period of Jan-24 and now, residential numbers increased rapidly, and the financial impact of this change is significant. Current projection suggest could end financial year with 112 children in either residential or Parent and Child Placements. This represents a 30% increase in projected placements vs budgeted position.		
Unaccompanied Asylum Seeking Children (UASC)	2,120	43%
The continued 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, and 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.		
SEN Service Budget	1,000	39%
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. Although some growth funding was approved for 24/25, this was insufficient to meet statutory responsibilities. 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. Meanwhile mediation costs remain high, adding to the forecast overspend.		
Educational Psychology Service	915	69%
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 projected overspend position.		
Social Care Children in Need - Section 17/23 support	370	90%
Increased demand, including 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'.		
Departmental Financial Controls / Vacancy Control Management	-260	n/a
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.		
Other variances	-5	n/a
TOTAL	9,070	n/a

Adults & Communities

The Department has a net forecast underspend of £12.7m (5.3%). The main variances are:

	£000	% of Budget
Other Support	165	n/a
Other support contracts including on for animal care £80k and a floating support contract (£85k) in place from April 24 to June 24 for people in there own homes which is not expected to resume .		

Residential Care and Nursing	-3,160	-3%
There is a relatively small underspend forecast for residential care. This underspend (£0.8m) reflects a dip in service user numbers in the previous few months compared to the expected level of service user numbers. The forecast is based on 2,439 service users per week costing an average of £1,074 per week. There are also fewer service users in shared lives residential placements creating an underspend (£0.4m). Residential service user income is currently forecasting a significant increase in income this is mainly due to clearing a backlog of financial assessments which has generated an additional (£1.0m) one off income and there is additional of health income (£1.0m) due to increasing numbers of service users with funding.		
Homecare	-2,665	-5%
The number of home care service users (SU) and average hours has been falling since the introduction of the Fair Outcomes Panel (FOP) in September 2023. The budget is based on an average of 2,690 SU per week. The forecast has an average 2600 SU per week and an average cost per SU of £345 per week. Invoices from suppliers from 2023/24 have been estimated to be £800k which is in line with previous years.		
Direct Cash Payments	-2,535	-6%
Underspend due to 11% reduction in service users (SU) offset by a 13% increase in SU package cost. SU numbers have decreased since budget setting and level of new SU have halved, which is likely due to the effects of the Fair Outcomes Panel. Averaging at 1738 SU with an average weekly cost of £474 and Carers averaging at 1251 SU with an average weekly cost of £53. MSIF Grant received towards new SU's with increased Personal Assistant rates. This was implemented in August 2023 but has had a slow start with costs assumed to increase over the year.		
Supported Living	-1,315	-3%
Estimated to be an increase of approximately 35 service users over the course of the year. Two schemes are coming online with places of 16 and 15 respectively which should be allocated by the end of Sept. Thereafter normal growth in placements would be expected. The forecast is lower than budget as there are less referrals coming via Care Pathway staff into the Pathway to Supported Living team, partly due to the level of vacancies within the Care Pathway but also alternative ways to commission are being pursued from the Fair Outcomes Panel and in Group Supervisory Meetings.		
Community Life Choices (CLC) Commissioned Services (Day Services)	-910	-10%
Currently service user numbers peaked in October-23 and since then numbers have been decreasing rather than increasing which has been the historical trend. This is likely due to the effects of the Fair Outcomes Panel.		
Home First	-600	-6%
Underspend relates to approximately 15 FTE staffing vacancies. Recruitment is ongoing to ensure that the new HART delivery model (intake model) is fully staffed.		
Supported Living, Residential and Short Breaks Team	-435	-9%
Difficulties in recruiting staff in the current social care market across the Short Break sites leading to vacancies. Agency usage has been limited under new financial controls. Operational improvements are in progress and upon completion, a wider action plan at the site will be expected to take place.		
ASC Discharge Grant	-400	n/a
Additional income for reablement packages from Health element of the Discharge Grant.		
Care Pathway- Heads of Service (Integration, Access and Prevention) & Strategic Service Managers	-140	-2%
Additional Better Care Fund (BCF) funding for Care Act implementation £30k and £110k underspend on staffing costs.		
Care Pathway -Mental Health & Safeguarding (MH&S)	-140	-7%
Various staffing and other minor underspends due to vacant posts across which are in the process of being recruited to.		
Other variances (under £100k)	-605	n/a
TOTAL	-12,740	n/a

Public Health

The Department has a projected balanced position, with no significant variances (above £50k).

Environment and Transport

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

	£000	% of Budget
Mainstream School Transport	1,040	25%
Increase in overall number of students entitled to mainstream school transport and a rise in the number of routes. Bus operational costs have also increased resulting in higher contract costs, which combined with limited bus capacity, has resulted in a greater number of pupils being transported by taxi. Furthermore, additional costs are expected following DfE statutory change to Mainstream home to school transport policy, which becomes effective from September 2024.		
Reactive Maintenance	1,025	43%
Overspend in reactive repairs to meet demands, network deterioration and comply with policy.		
SEN Transport	705	3%
Based on 2023/24 outturn position until the new transport management system figures are robustly tested, including £674k overspend. Also includes additional anticipated growth of £118k for 2024/25 that was not included in original MTFs growth bid. Overspend reduced by £95k due to contract savings expected to arise from contract		
Street Lighting Maintenance	110	3%
Overspend due to street lighting maintenance structural programme adding pressure to remaining areas of the budget which is partly offset by street lighting energy dimming savings.		
Dry Recycling	-600	-23%
Mainly due to higher dry recycling materials income, prices higher than expected.		
Social Care Transport	-385	-6%
Forecast outturn based on 2023/24 outturn position until the new transport management system is robustly tested. Expected growth figure in 2024/25 reduced by £136k to reflect new expectations. Underspend figure includes £250k ongoing contract savings achieved in 2023/24.		
Staffing , Admin & Depot Overheads	-365	-32%
Underspend due to increased Highways Network Management income and staffing vacancies which is partly offset by a shortfall in capital recharge income.		
Highways & Transport - Staffing & Admin	-310	-10%
Underspend due to vacancies across the service area.		
Highways & Transport Network -Staffing & Admin	-280	-18%
Underspend due to vacancies across the service area.		
Passenger Fleet	-245	-122%
Overall underspend on passenger fleet due to vacant driver and escort posts, net of additional vehicle hire and maintenance costs.		
Road Safety	-150	-32%
Forecast underspend due to School Crossing Patrol vacancies in the service area.		
Staffing & Admin Delivery	-125	-4%
Underspend due to vacancies across the service area.		
Other variances (under £100k)	-220	n/a
TOTAL	200	n/a

Chief Executive's

The Department is forecasting a minor net overspend of £30k (0.2%). The main variances are:

	£000	% of Budget
Planning Services	155	23%
Variance due to the continuing reduced planning fee income.		
Departmental Items	150	n/a
Departmental-wide saving for staffing vacancy held in this budget. Overspend here is offset by underspends elsewhere in the department.		
Growth Service	-230	-19%
Underspend due to forecast staffing vacancies.		
Registrars	-80	n/a
Variance due to reduced staffing costs (-£42k) and extra income (-£38k).		
Democratic Services and Administration	-60	-4%

Variance due to staffing vacancies.		
Other variances (under £50k)	95	n/a
TOTAL	30	n/a

Corporate Resources

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

	£000	% of Budget
Corporate Resources Schemes	500	n/a
This £500k contribution will help offset a forecast loss of £1.8m that will be funded from the sinking fund relating to the divestment of certain Pooled Property investments.		
ICT	-325	-3%
The underspend mainly relates to vacancies within the different teams (£697k), offset by spend on consultants and specialists £76k. Overspend forecasts for Software Licences £176k, Hardware £108k and other IT services £79k. Additional income for Project and Visio usage (£67k) across the organisation.		
Audit & Insurance	-90	-4%
Additional Audit income as City audit contract extended by 2 months plus increased income from recharges.		
Operational Property	-75	-3%
Staffing vacancies across several Operational Property Teams.		
Learning and Development	-75	-5%
Underspend forecast on training budgets, this will continue to be reviewed as part of financial controls.		
Other variances	-215	n/a
TOTAL	-280	n/a

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