

Revenue Budget 2024/25 – forecast main variances (Period 10)**Children and Family Services****Dedicated Schools Grant**

A net overspend of £17.6m 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	5,700	5.0%
Higher than budgeted numbers of High Needs students in both independent schools and mainstream schools is resulting in a 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	505	16%
Secondary Education Inclusion Partnerships are supporting a growing number of secondary students.		
Specialist Teaching Service	385	16%
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.		
High Needs Dedicated Schools Grant	205	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 £207k due to an increase in students placed in provisions outside of Leicestershire as at Spring census date than the same point the previous year.		
Early Years /Nursery Education Funding	-4,440	-4%
The Early Years budget is showing an overall underspend of £4.4m. The budget is based on the number of hours used to calculate the original 2024/25 Early Years DSG income in December 2023. Both payments and income are higher than budgeted due to the outputs of the Free Early Education Entitlement (FEEE) expansion and a higher number of 2-year-olds with working parents and a higher number of under 2s now taking up their FEEE entitlement. Changes to the methodology and timings as to when Grant income is received means part of this underspend position at the end of March 2025 will need to be ear-marked for the next term where it is likely additional spend will be incurred for those parents, we are choosing to stretch their FEEE entitlement over the full 52 weeks. As part of this overall underspend position includes the budgeted planned underspend of £1.1m as part of the payback of previous years' Early Years deficits. The Early Years DSG deficit as at 31 March 2024 was £3.1m. The plan is to clear this deficit over 4 years which would be March 2027 at the latest.		
Schools Growth / Budget Allocations	-1,130	-40%
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	-100	-18%
This is due to vacant posts in year.		
Other variances (under £100k)	-540	n/a
TOTAL	17,610	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £9.0m (7.3%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	4,075	7%
<p>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 projections based on child trajectory plans, plus new demand suggest by the financial year end this could rise to 108 children in either residential or Parent and Child Placements. This represents a 26% increase in projected placements vs budgeted position. The projected overspend has reduced since last reporting period due to the ending and stepping down of the highest cost placement this financial year (£20k plus per week).</p>		
Unaccompanied Asylum Seeking Children (UASC)	1,705	34%
<p>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 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>		
Educational Psychology Service	1,125	85%
<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 Education, Health and Care Plan (EHCP) needs assessments has further impacted the projected overspend position.</p>		
Disabled Children Service	1,005	26%
<p>Difficulties recruiting into vacancies within the service has resulted in an increased reliance on agency workers at a significantly higher cost (£0.3m). Remainder of overspend position (£0.7m) relates to increased demand across both direct payments and commissioned support due to increasing numbers eligible and needing access to short breaks and wrap around support for this cohort of children on the edge of care.</p>		
SEN Service Budget	865	34%
<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. Although some growth funding was approved for 24/25, this was insufficient to meet statutory responsibilities. A heavy reliance on agency workers to undertake 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.</p>		
Social Care Children in Need - Section 17/23 support	660	152%
<p>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'.</p>		
Frontline Social Care Service Budgets	545	4%
<p>There are further projected budget pressures linked to frontline social care service budgets – mainly within Family Safeguarding and First Response due to some recent challenges with caseload management linked to incoming service demand. Due to staffing pressures in First Response service and increased demand, additional agency staff were required for a period of time. This has led to a review of longer-term need in staffing for the service. In respect of Family Safeguarding, continued struggles to recruit experienced social workers has led to recruiting more newly qualified social workers needing agency staff working alongside them for the first 12 months. This will enable the service in 12 months' time to have a suitably experienced and skilled permanent workforce. The reliance on agency will reduce after 6 months with a significant reduction in 12 months. Agency usage and appropriateness is reviewed on a monthly basis as part of business-as-usual practice.</p>		

Departmental Financial Controls / Vacancy Control Management	-940	n/a
As a direct response to the projected overspends as described above, CFS's departmental management team have led a of review 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 net 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.		
TOTAL	9,040	n/a

Adults & Communities

The Department has a net forecast underspend of £16.5m (6.8%). The main variances are:

	£000	% of Budget
Extra Care	220	60%
Overspend due to additional changes made to the service (including floating support) after the budget was set. Additional spend is intended to assist in making progress on the savings target for service users having more higher needs by supporting through extra care.		
Residential Care and Nursing	-3,820	-4%
There is a forecast overspend for residential care (£1.1m). The trend in the second half of the year has seen an increase in service user numbers, and that has resulted in this forecast overspend position offsetting gains made. The forecast is based on 2,466 service users per week costing an average of £1,076 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, mainly due to clearing a backlog of financial assessments which has generated an additional (£3.2m) one off income and there is additional of health income (£1.3m) due to increasing numbers of service users with funding following the introduction of the Fair Outcomes Panel.		
Homecare	-2,890	-6%
The number of home care service users and average hours had been falling since the introduction of the Fair Outcomes Panel (FOP) in September 23. The budget is based on an average of 2,690 service users per week. At the start of the year there were 2,550 service users. As at December the numbers are around 2,600. Average hours per service user year to date is 10.7 per week and there is currently an upward trend. However the average cost per week is stable at £340. Invoices from suppliers from 2023/24 have been estimated to be £800k which is in line with previous years levels.		
Supported Living	-1,715	-4%
Estimated to be an increase of approximately 20 service users over the course of the year which is lower than anticipated. The forecast is lower than budget as there are lower referrals coming via Care Pathway staff but also alternative ways to commission are being pursued from the Fair Outcomes Panel and in Group Supervisory Meetings. Currently there are 520 service users at an average cost of £1,638 per week.		
Community Commissioned Services Income	-1,370	-4%
Currently forecasting overachievement for the Non-Residential Client Income budget £710k. This is mainly from the one-off processing of the backlog of financial assessments. This income may not be fully guaranteed due to charges being raised relating to the past. Total health income is forecast to over-recover by £660k as the numbers of homecare and cash payment service users with health funding has grown since the FOP came into operation.		
Home First	-1,260	-12%
Underspend relates to staffing vacancies. Recruitment is ongoing to ensure that the new HART delivery model (intake model) is fully staffed. This will have the benefit of increasing reablement capacity reducing the commissioning of external provision when there isn't adequate HART capacity.		
ASC Discharge Funding	-1,000	n/a
Additional income for reablement packages from Health element to support discharges from hospital £800k, plus £200k towards Residential Overspend.		
Better Care Fund (Balance) / Other NHS Income	-1,000	-4%
A shortfall in Discharge to Assess (D2A) recharge income of £0.7m. Offset by additional BCF and Discharge Grant income of £1.7m.		

Direct Cash Payments	-735	-2%
Underspend due to 11% reduction in service users (SU) offset by a 14% 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 1735 SU with an average weekly cost of £478 and Carers averaging at 1254 SU with an average weekly cost of £52. 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.		
Community Life Choices (CLC) Commissioned Services (Day Services)	-735	-8%
An underspend from a lower number of service users than originally budgeted for due to the Fair Outcomes Panel. The budgeted average number of service users was 669, however as at January the forecasted average is 650. It should be noted however, that there has been a noticeable increase of 5% in service user numbers which are likely to be young adults which have transitioned from the Children's and Family Services Department.		
Care Pathway - Cognitive & Physical Disability	-650	-8%
Various staffing underspends due to vacant posts across which are in the process of being recruited to.		
Supported Living, Residential and Short Breaks Team	-560	-11%
Difficult to recruit staff in current social care market across our Short Break sites leading to vacancies. Agency usage is limited under new financial controls. Operational improvements are required which were highlighted by the CQC, work is ongoing to remedy this. Work is ongoing to improve the utilisation of the Short Breaks sites.		
Care Pathway - Heads of Service (Integration, Access and Prevention) & Strategic Service Managers	-265	n/a
Additional Better Care Fund (BCF) funding for Care Act implementation £30k. Additional Prisons Grant increase of £100k for Fosse Way and £100k underspend on staffing costs.		
Social Care Investment	-150	-23%
The budget for work undertaken from other departments/external consultants for SCIP projects is likely to underspend due to a lower number of new upcoming schemes.		
Business Support & Strategy and Planning	-105	-5%
Various staffing underspends due to vacant posts across which are in the process of being recruited to.		
Other variances (under £100k)	-425	n/a
TOTAL	-16,460	n/a

Public Health

The Department has a projected underspend of £0.1m which will be transferred to the Public Health earmarked reserve.

	£000	% of Budget
Public Health earmarked reserve	100	n/a
Net forecast underspend on Public Health budgets to be offset by a contribution to the Public Health earmarked reserve.		
0-19 Children's Public Health	475	5%
Variance mainly due to the Agenda for Change payment (+£514k), offset by Teen Health underspends on Continence support (-£40k).		
Community Delivery	165	14%
Variance is mainly due to transfer from reserves (+£54k) not required as other cost centres underspending, and investment in Warm Homes (+£108k).		
NHS Health Check programme	75	17%
Overspend due to higher activity on Health Checks by GPs than there has been in the past few years.		
Public Health Leadership	-430	2%
Includes additional Public Health grant (-£868k) to fund Agenda for Change costs, and a transfer from reserve (+£416k) not required to offset underspends on other cost centres.		
Sexual Health	-290	-7%
Contraception net underspend of -£172k due to reduced activity and -£112k underspend on Sexual Health Advice due to re-negotiated contract.		
Other variances (below £50k)	-95	n/a

TOTAL	0	n/a
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Environment and Transport

The Department is forecasting a net underspend of £0.7m (0.6%). The main variances are:

	£000	% of Budget
Mainstream School Transport	1,395	31%
Overspend continues to reflect increased costs and reduced competition which have meant that contract prices have remained high and not been able to recover from the fuel crisis. This position reflects that of authorities across the country. Forecast includes anticipated additional cost of policy change from September 2024 to meet new DfE requirements. Forecast overspend position includes £610k relating to growth that has been experienced over recent years due to an increased number of service users and also an increased proportion of pupils requiring taxi transport to accommodate both the increase and disparity of routes. Growth has been included in the new 2025 MTFS budget.		
Reactive Maintenance	1,355	44%
Overspend in reactive repairs to meet demands, network deterioration and comply with policy, in addition to additional costs due to recent flooding and storm damage events.		
Highways & Transport - Staffing & Admin Delivery	700	20%
Overspend due to a shortfall in capital recharge income and overtime costs.		
Social Care Transport	655	9%
Forecast reflects savings work undertaken to reduce costs as part of the Assisted Transport Programme. Overspend includes £399k due to an under reserve in 2023/24, plus additional costs arising from unanticipated ad-hoc bookings for social care transport.		
Treatment and Contracts	430	3%
Overspend due to diversion from landfill into Energy from Waste (EfW) and Refuse Derived Fuel (RDF) Treatment.		
SEN Transport	420	2%
Forecast overspend reflects the impact of additional growth in service users during 2023/24 and 2024/25, over and above predicted growth. Original forecast growth in taxi / Personal Travel budgets (PTB) service users was 5.54% in 2023/24 and 8.64% in 2024/25. Actual growth was 8.28% in 2023/24 and is predicted to be 9.57% in 2024/25. The budget allocation for growth was therefore too low in both 23/24 and 24/25. Growth has been included in the new 2025 MTFS budget. The additional demand being experienced by LCC reflects the position of authorities across the country.		
Environmental Maintenance	195	3%
Forecast variance as a result of additional flooding and storm damage events.		
Highways & Transport - Staffing & Admin	105	3%
Overspend due to capital recharge income shortfall partly offset by vacancies across the service area.		
Staffing , Admin & Depot Overheads	-2,405	-155%
Underspend due to additional capital recharge income, increased Highways Network Management permitting and Temporary Traffic Regulation Orders (TTRO) income, staffing vacancies, vehicle access income and highways operatives labour/overhead.		
Dry Recycling	-1,225	-46%
Mainly due to higher dry recycling materials income, prices higher than expected.		
Landfill	-660	-16%
Underspend due to diversion from landfill into Energy from Waste (EfW) and Refuse Derived Fuel (RDF) Treatment.		
Passenger Fleet	-595	n/a
Overall underspend on passenger fleet due to vacant driver and escort posts, net of additional vehicle hire and maintenance costs.		
Haulage and Waste Transfer	-190	-7%
Lower bulk haulage than budgeted due to operational changes and lower fuel prices.		
Highways & Transport Network -Staffing & Admin	-155	-8%
Underspend due to vacancies across the service area which are partly offset by a shortfall in developer income and capital recharge income.		
Development and Growth	-145	-11%
Underspend due to vacancies across the service area which are partly offset by a capital recharge income shortfall.		

Management and Admin	-115	-5%
Underspend due to vacancies across Department and Business Management.		
Staffing and Admin	-110	-5%
Underspend due to vacancies and timing of recruitment across E&W Commissioning.		
Initiatives	-105	-35%
Underspend on environmental policies and initiatives due to reduced capacity for service delivery and lower take up of planned initiatives.		
Income	-100	7%
Increased Trade Waste Income.		
Other variances (under £100k)	-120	n/a
TOTAL	-670	n/a

Chief Executive's

The Department is forecasting a net underspend of £0.5m (3.2%). The main variances are:

	£000	% of Budget
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.		
Legal Services	55	1%
Variance due to an overspend on staffing due to the use of Locums to fill vacancies (+£44k), unfunded Education Solicitor post (+£59k), increased running costs (+£52k), reduced transfer from reserves (+£60k) and lower income (+£60k), offset by an underspend on demand-led budgets (-£220k).		
Growth Service	-400	-31%
Underspend mainly due to forecast staffing vacancies (-£365k) and lower running costs (-£53k).		
Democratic Services and Administration	-205	-14%
Variance due to staffing vacancies.		
Trading Standards	-70	-3%
Variance due to staffing vacancies (-£199k) and additional income (-£76k), offset by increased running costs (+£50k) and a transfer to reserve of £153k for the implementation of the new Trading Standards database.		
Business Intelligence	-70	-4%
Variance due to -£98k additional income offset by increased staffing and running costs (+£28k).		
Registrars	0	0%
Underspend of £200k mainly due to increased income as a result of buoyant demand for wedding ceremonies, offset by a £200k transfer to reserve to fund refurbishment work at the South Wigston Registration Office.		
Other variances (under £50k)	0	n/a
TOTAL	-540	n/a

Corporate Resources

The Department has a net forecast underspend of £1.0m (2.4%). The main variances are:

	£000	% of Budget
Corporate Resources Schemes - Investing in Leicestershire Programme	500	n/a
Contribution from the overall departmental position to help offset a forecast fall in the net asset value of £1.8m that will be funded from the sinking fund relating to the divestment of certain Pooled Property investments.		
Corporate Resources Schemes - Departmental Earmarked Reserve	500	n/a
Contribution from the overall departmental position to offset costs related to the relocation of the data centre to a third party host from Romulus Court.		
Corporate Resources Schemes	360	n/a
Contribution towards a sinking fund for corporate buildings including the need to move to more efficient boilers and country parks large infrastructure risks including future structural repairs for bridges and buildings.		

ICT	-910	-6%
The underspend mainly relates to vacancies within the different teams due to the difficult recruiting market for specific vacancies.		
Corporate Projects	-230	-70%
Reduction in requirements for project expenditure.		
Strategic Finance	-215	-4%
Vacancies and additional staffing income from recharges across Strategic Finance services.		
Operational Property	-205	-3%
Reduced electricity costs and staffing vacancies across several Operational Property Teams.		
East Midlands Shared Services (EMSS)	-160	-6%
The Councils share of the EMSS underspend due to vacancies.		
Learning and Development	-120	-8%
Early achievement of savings. Underspend forecast mainly on training budget, this will continue to be reviewed as part of financial controls.		
Human Resources	-110	-5%
Underspend due to staffing vacancies.		
Other variances (under £100k)	-380	n/a
TOTAL	-970	n/a

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