

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

There is a net overspend of £16.3m. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked reserve drawdown	17,027	n/a
The DSG budget in the original MTFS included an estimated HNB drawdown of £17.0m as the forecast in year overspend.		
Special Educational Needs	6,394	6%
Higher than budgeted numbers of High Needs students in FE Colleges, Independent schools and mainstream schools are resulting in 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	503	16%
Secondary Education Inclusion Partnerships are supporting a growing number of secondary students.		
Specialist Teaching Service	253	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 was not met.		
High Needs Dedicated Schools Grant	207	n/a
The budget included 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	-5,022	-8%
The Early Years budget is showing an overall underspend of £5.0m. 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. The 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	-1,779	-63%
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.		
HNB Development Programme	-707	n/a
Reduced Programme spend on HNB development workstreams supporting Transforming SEND and Inclusion in Leicestershire (TSIL) programme vs budgeted position. Partly due to maximising grant funding received through bids made into the Change Partnership Programme (CPP) pilot - the outcome of such bids were not known at budget setting.		
Education - Medical Grounds	-104	-19%
Due to vacant posts in year.		
Other variances (under £100k)	-443	n/a
TOTAL	16,329	n/a

Local Authority Budget

The Local authority budget shows a net overspend by £8.8m (7.1%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	4,953	8%
The overspend on the Children's Social Care Placement budget (£4.95m) is largely due to change in demand / numbers in relation to children in residential provision, in comparison to budgeted assumptions. The MTFS for this financial year assumes budgeted residential numbers by March 2025 to be at 86 children (this includes parent and child placements). Trend and demand analysis at the time of budget setting, based on numbers between April 2021 to January 2024, indicated that the budgeted assumption of net demand of residential numbers growing to 86 by March 2025 to be reasonable and reflective of data-driven demand analysis. However, between the period of January 2024 and summer 2024, residential numbers increased rapidly to over 100 children. The end of year position showed 108 children in residential provision (26% increase vs budgeted MTFS projection). The financial impact overall on this budget due to the change in demand is very significant.		
Unaccompanied Asylum Seeking Children (UASC)	1,474	29%
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.		
Educational Psychology Service	1,235	93%
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 overspend position.		
Disabled Children Service	810	21%
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 (£0.5m) 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.		
Social Care Children in Need - Section 17/23 support	692	152%
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'.		
Frontline Social Care Services (Child Protection / First Response / Children in Care)	545	4%
There are further budget pressures linked to frontline social care service budgets – mainly within Family Safeguarding, Children In Care and First Response due to some recent challenges with caseload management linked to incoming service demand. Firstly, key staff in First Response have been absent and due to demand, additional agency staff were agreed 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.		
SEN Service Budget	497	19%
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 overspend.		

Departmental Financial Controls / Vacancy Control Management	-1,469	n/a
As a direct response to the financial pressures which were being seen in year across the different service areas, the departmental management team undertook and continue to lead on a review of non-statutory services supported by the introduction of corporate led financial controls. Together with continued robust management and review of vacancies within the department the output of this work has delivered some net one-off in year efficiencies, and budget opportunities of £1.5m, which includes delaying recruitment to non-essential posts where appropriate, as well as maximising any grant funding to ensure such prescribed outcomes can be met in the most efficient, effective and compliant way possible. Further work is being undertaken to explore the feasibility of this work and its scope to deliver on-going future budget efficiencies.		
Other variances (net)	22	n/a
TOTAL	8,759	n/a

Adults & Communities

The Department has a net underspend of £17.3m (7.2%). 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.		
Homecare	-3,811	-8%
The number of home care service users and average hours had been falling since the introduction of the Fair Outcomes Panel in September 2023. The budget is based on an average of 2,690 service users (SU) per week. At the start of the year there were 2,550 SU. Over the year there has been a 4% growth in SU numbers. Average hours per SU are currently around 10.7 per week which has now reached a stable position, having fallen from around 11.2 hours a year earlier. The average cost per week per SU over the year is £340.		
Residential Care and Nursing	-3,215	-3%
There was an overspend for residential care expenditure of £0.8m due to an increase in service user numbers. There was average of 2,384 service users over the course of the year with an average of £1,095 per week. There are also fewer service users in shared lives residential placements creating an underspend of £0.350m. Residential service user income overachieved the income budget by £2.6m predominantly from clearing a backlog of financial assessments which has generated an additional one-off income. However this income may not be fully guaranteed due to charges being raised relating to the past and was offset by an increased allocation to the credit loss allowance. There is also additional of health income of £1.1m due to increasing numbers of service users with funding following the introduction of the Fair Outcomes Panel.		
Better Care Fund (Balance) / Other NHS Income	-2,696	11%
There was an additional £0.7m overachievement on the original Discharge to Assessment income budget of £2.8m from the utilisation of Discharge Grant monies which can be used to support discharge related costs from hospital. BCF Income received was £1.9m higher than the budget. In addition Discharge Grant monies were allocated for administrative costs (£80k).		
Home First	-1,294	-13%
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.		
Supported Living	-1,146	-3%
There was an increase of approximately 20 service users over the course of the year which is lower than anticipated. The underspend was lower than budget as there were lower referrals coming via Care Pathway but also alternative ways to commission are being pursued from the Fair Outcomes Panel and in Group Supervisory Meetings. Currently there are 526 service users at an average cost of £1,645 per week.		

Direct Cash Payments (DP)	-1,116	-2%
Underspend due to 2.45% reduction in service users (SU) leading to a £1.2m underspend. The number of new package starts have decreased by 30%, since the introduction of the Fair Outcomes Panel leading to lower service user numbers. DP clawback was £100k lower than budgeted, and the Department is working to improve the clawback process. Currently there are 1,726 service users receiving a Cash Payment and 1,279 Carers receiving a Carers Cash Payment. Over the course of the year, the Department has actively encouraged the uptake of Personal Assistants by DP recipients. This was implemented in August 2023 but has had a slow start with numbers expected to scale up over 2025/26 with the recruitment of Direct Payments Support Team.		
Care Pathway - Cognitive & Physical Disability	-817	-10%
Various staffing underspends due to vacant posts during the course of the year, which were being recruited to.		
Community Life Choices (CLC) Commissioned Services (Day Services)	-808	-9%
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 March the average is 653. It should be noted however, that there has been a noticeable increase of 6% in working age adult service user numbers which are likely to be young adults which have transitioned from the Children's and Family Services Department.		
Care Pathway - Heads of Service (Integration, Access and Prevention) & Strategic	-597	n/a
Additional Better Care Fund (BCF) funding for Care Act implementation £30k. Additional Prisons Grant increase of £150k for Fosse Way Prison. Vacancies throughout the year and an underspend on staffing costs due to slippage in the recruitment of a specialist social care consultants to improve on Continuing Healthcare practices.		
Supported Living, Residential and Short Breaks Team	-414	-8%
An underspend due to difficulties in recruiting staff in the current social care market across Short Break sites leading to vacancies. A targeted recruitment campaign is underway to improve recruitment rates which should yield benefits in 25/26. Work is ongoing to improve the utilisation of the Short Breaks sites as part of departmental project. Operational improvements are required which were highlighted by the Care Quality Commission (CQC), work is ongoing to remedy this.		
Access & Digital Services	-275	-8%
Underspend on customer services due to staff vacancies (£259k) and other staff vacancies across remaining Access & Digital Teams (£72k). This is partially offset by an overspend of £56k in Adults Social Care Finance which includes additional temporary staff recruited in Adult Social Care Finance to support the processing of assessments and cases.		
Care Pathway - Learning Disability & Autism (LD&A)	-254	-5%
Various staffing underspends due to vacant posts during the course of the year, which were being recruited to.		
Social Care Investment	-225	-34%
The budget for work undertaken from other departments/external consultants for Social Care Investment Plan (SCIP) projects underspent due to a lower number of new upcoming schemes.		
Business Support & Strategy and Planning	-205	-10%
Various staffing underspends due to vacant posts during the course of the year, which were being recruited to.		
Care Pathway - Mental Health & Safeguarding (MH&S)	-168	-2%
Various staffing underspends due to vacant posts during the course of the year, which were being recruited to.		
Community Commissioned Services Income	-130	0%
Total health income exceeded the budget by £0.25m as the numbers of home care and cash payments service users with health funding grew when the Fair Outcomes Panel first came into operation and were higher than budgeted at the start of the year. There was an overall shortfall in the Non-Residential Client Income budget of £0.1m. There was additional income raised over the course of the year mainly from the one-off processing of the backlog of financial assessments. However, this income may not be fully guaranteed due to charges being raised relating to the past and was offset by an increased allocation to the credit loss allowance.		
Communities and Wellbeing	-124	-2%
Staffing underspend from vacant posts across the Communities services (£278k) offset by an overspend within Adult Learning Service (£153k) from the closure of the Transitions Learning Programme service and the Multiply Project coming to an end, higher than expected accommodation rental costs and pay award increases which were not funded by the ESFA.		
Other variances (under £100k)	-266	-4%
TOTAL	-17,341	n/a

Public Health

The Department shows a balance position, after earmarked reserves movements. The main variances are:

	£000	% of Budget
Community Delivery	292	25%
Variance mainly due to overspend on Warm Homes (+£87k) through increased expenditure and reduced income, transfer from reserve not used (+£226k) offset by an underspend on Oral Health materials (-£10k).		
0-19 Children's Public Health	201	2%
Variance due to the Agenda for Change payment (+435k) and transfer from reserve not required (+£72k) offset by Teen Health running cost underspends (-£306k).		
Mental Health	78	17%
Variance largely due to transfer from reserve not required (+£108k) offset by additional Health contributions (-£28k).		
Public Health Leadership	-551	2%
Includes additional PH grant (-£868k) to fund Agenda for Change costs plus underspend on staffing (-£175k) mainly offset by overspend on running costs (+56k) and transfer from reserve not required (+£436k).		
Sexual Health	-214	-5%
Online Sexual Health overspend (+£210k) offset by Out of Area underspend (-£145k), Contraception overall underspend (-£166k) due to reduced activity and underspend on Sexual Health Advice due to re-negotiated contract (-£112k).		
Other variances (below £50k)	194	n/a
TOTAL	0	n/a

Environment and Transport

The Department has a net underspend of £1.8m (1.6%). The main variances are:

	£000	% of Budget
Mainstream School Transport	1,527	33%
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 additional cost of policy change from September 2024 to meet new DfE requirements. 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	1,486	59%
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.		
Social Care Transport	588	8%
Overspend due to additional taxi costs that are met by an underspend on Passenger Fleet. Overspend also includes £399k due to an under reserve in 2023/24.		
Treatment and Contracts	484	3%
Overspend due to diversion from landfill into Energy from Waste (EfW) and Refuse Derived Fuel (RDF) Treatment.		
Highways & Transport - Staffing & Admin Delivery	461	13%
Overspend due to a shortfall in capital recharge income and greater overtime costs than expected, in addition to absorbed contribution from reserves for flooding (£40k) and market premia (£11k) through department underspends.		
Highways & Transport - Staffing & Admin Resourcing	379	20%
Absorbed contribution from reserves for Assisted Travel project resource (£379k) from departmental underspends.		

Environmental Maintenance	374	6%
Overspend on gulley emptying as a result of additional flooding and storm damage events in addition to absorbed contribution from reserves for flooding (£225k) through department underspends.		
Concessionary Travel	305	7%
Overspend due to additional concessionary travel reimbursement costs in 2024/25 arising from a greater number of passenger journeys and a higher reimbursement rate. This overspend is met by a corresponding underspend in local buses revenue support.		
Environment & Waste Management - Management & Admin	251	10%
Absorbed contribution from reserves £0.5m through departmental underspends partly offset by vacancies across Department and Business Management.		
Highways & Transport - Staffing , Admin & Depot Overheads	-2,898	-187%
Underspend due to additional capital recharge income, increased Highways Network Management permitting and Temporary Traffic Regulation Orders (TTRO) income, external street lighting works income, staffing vacancies, vehicle access income and highways operatives labour/overhead. This is partly offset by absorbed contribution from reserves for Commuted Sums (£127k) through departmental underspends.		
Dry Recycling	-1,347	-51%
Underspend mainly due to higher dry recycling materials income, prices higher than expected.		
Landfill	-850	-21%
Underspend due to diversion from landfill into Energy from Waste (EfW) and Refuse Derived Fuel (RDF) Treatment.		
Passenger Fleet	-426	n/a
Overall underspend due to vacant driver and escort posts, net of additional vehicle hire and maintenance costs.		
Haulage and Waste Transfer	-327	-13%
Lower bulk haulage than budgeted due to operational changes and lower fuel prices.		
Public Bus Services	-300	-13%
Underspend on local buses budget to fund corresponding overspend on concessionary travel reimbursements. (Additional BSIP grant used to fund bus service support in 24/25, while local bus budget funds overspend on concessionary travel).		
Highways & Transport Network -Staffing & Admin	-248	-14%
Underspend due to vacancies across the service area which are partly offset by a shortfall in developer income.		
SEN Transport	-219	-1%
Underspend of £0.2m due to ongoing targeted tendering work. A full review of growth allocated for 2025/26 will be undertaken in the new year.		
Development and Growth	-186	-14%
Underspend due to vacancies across the service area which are partly offset by a capital recharge income shortfall.		
Waste Management - Income	-171	11%
Increased Trade Waste Income.		
Street Lighting Maintenance	-163	-6%
Underspend mainly due to street light dimming pilot savings.		
Recycling & Household Waste	-148	-3%
Underspend due to reduced costs of recycling and household waste haulage due to operational changes and lower waste site staffing, partially offset by increased property repairs.		
Composting Contracts	-139	-7%
Reductions of composting waste tonnages due to the weather.		
Waste Management - Initiatives	-108	-36%
Underspend on environmental policies and initiatives due to reduced capacity for service delivery and lower take up of planned initiatives.		
Other variances (under £100k)	-123	n/a
TOTAL	-1,798	n/a

Chief Executive's

The Department has a net underspend of £0.8m (4.7%). The main variances are:

	£000	% of Budget
Departmental Items	125	n/a
Departmental-wide saving for staffing vacancy held in this budget. Overspend offset by underspends elsewhere in the department.		
Coroners	119	7%
Overspend due to higher University Hospitals of Leicester (UHL) costs for the winter period and an increase in the costs invoiced from Leicester City Council, largely due to a high profile inquest.		
Legal Services	62	1%
Variance is largely due to a reduced transfer from reserve (+£120k) and lower income (+£204k), offset by an underspend on demand-led budgets (-£252k).		
Growth Service	-478	-38%
Underspend largely due to staffing vacancies (-£363K), reduced spend on consultants (-£77k) and lower recharges (-£36k).		
Democratic Services and Administration	-237	-16%
Variance due to staffing vacancies (-£190k) and additional income (-£72k) from the Home Office, Leicester City Council and Committee Room hire offset by an overspend on running costs (+£25k).		
Business Intelligence	-89	-5%
Variance mainly due to additional income (-£123k) and underspend on staffing vacancies and general running costs (-£20k) offset by additional Tableau licence costs (+£52k) .		
Trading Standards	-70	-3%
Variance is mainly due to underspend on staffing (-£186k) and additional income (-£75k) offset by a transfer to reserve (+£200k) to fund the Trading Standards database implementation costs in 2025/26.		
Civic Affairs	-62	-51%
Variance mainly due to reduced number of Civic events in year (-£48k) and lower cost of running an electric Civic car (-20k).		
Management & Administration	-52	-7%
Underspend largely due to staffing vacancies (-£50k).		
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)	-101	n/a
TOTAL	-783	n/a

Corporate Resources

The Department has a net underspend of £1.1m (2.6%). The main variances are:

	£000	% of Budget
Corporate Resources Schemes	1,360	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.		
Corporate Resources Schemes - Investing in Leicestershire Programme	500	n/a
Contribution from the overall departmental position to help offset a loss of £1.8m that is being funded from the sinking fund relating to the divestment of certain Pooled Property investments.		
Corporate Resources Schemes - Departmental Earmarked Reserve	400	n/a
Contribution from the overall departmental position to offset one-off costs related to the relocation of the data centre to a third party host from Romulus Court.		

ICT	-782	-6%
The underspend mainly relates to vacancies within the different teams due to the difficult recruiting market for specific vacancies.		
Operational Property	-583	-7%
Reduced energy costs and staffing vacancies across several Operational Property Teams.		
Strategic Finance	-463	-9%
Vacancies and additional staffing income from recharges across Strategic Finance services.		
Commercial Services	-248	-42%
Difficult trading conditions across the commercial sector have started to ease in part due to the transformation of some of the services. Commercial services have had temporary additional funding of £1m to support them through these challenges.		
East Midlands Shared Services (EMSS)	-240	-10%
The Council's share of the EMSS underspend due to vacancies.		
Learning and Development	-192	-13%
Early achievement of savings. Underspend due to staffing and escalated controls and tightened governance on training.		
Corporate Projects	-139	56%
Reduction in requirements for project expenditure.		
Human Resources	-139	-6%
Underspend due to staffing vacancies and increase in income.		
Audit & Insurance	-132	-6%
Additional income for Internal Audit as the Leicester City Council audit contract extended and increased income from ESPO and Pensions.		
Other variances (under £100k)	-426	n/a
TOTAL	-1,084	n/a