

**Revenue Budget 2012/13 – main variances****Children and Young People's Service****Schools**

There is a net underspend of £4.07m. The main variances are:

	£000	% of Budget	
ICT Harnessing Technology Grant	180	16%	Financial commitment for school Broadband ceased with the cessation of the EMBC contract in October 2012; costs were greater than anticipated. DSG reserves have been held in order to meet 2012/13 costs.
Dedicated Schools Grant - Non Schools	170	-0.4%	Received £575k more DSG than estimated. Reduction of £745k for schools converting to Academy status.
Behaviour Support Service	150	4%	Shortfall in 2012/13 savings target.
Special Education Independent Schools	-2,005	-14%	Reduction in number of pupils in independent schools. The number of new pupils starting in the Autumn term was lower than forecast, additional local capacity has been achieved through places developed at Birchwood Special School, Shepshed Autism Spectrum Disorder Unit, Abington ASD Unit and the Braunstone Autism Outreach Resource Centre. Average place costs at Behavioural Emotional Social Difficulty schools have also reduced as Block Places have been used more efficiently.
Schools – Academy transfers (net impact on Delegated and DSG budgets)	-1,600	n/a	Business rates and insurance adjustments as schools convert to academies. As schools become academies the DfE calculates the amount to be taken from the County Council's DSG, including an amount for business rates. However because academies are treated as charities for business rate purposes and pay a reduced amount, this results in lower transfers of DSG.
LMS Contingency	-295	-58%	Calls on the contingency by schools have been lower than anticipated.
Nursery Education Funding	-160	-1%	Budget /funding was based on 38

(NEF)			weeks, however 2012/13 NEF was 37 weeks leading to an underspend. There will be 41 weeks in 2013/14, therefore the 2012/13 underspend will be carried forward to 2013/14 via the DSG Reserve.
Autism Intensive Support	-155	-41%	Underspend due to a combination of vacancies within the service, and the newly set up Braunstone Autism Intensive Support centre unoccupied for 6 months.
Education Admin Insurance	-125	-17%	Underspend due to the Academies programme.

### Local Authority Budget

There is net underspend of £2.42m which reduces to £0.62m (1.4%) after carry forward requests of £1.8m. The main variances are:

	£000	% of Budget	
Independent Fostering Agency	1,095	165%	Increased demand within children's social care. The number of referrals increased by 11% and the number of children in care by 15%. Overspend is also partly due to a reduction in in-house foster carers as a result of carers retiring and an increase in number of baby placements.
Fostering	-220	-4%	Underspends of £358k including delay in staff recruitment and underspend on payments to Foster Parents for equipment and clothing grants etc. There is an overspend of £138k regarding payments of Special Guardianship Orders.
Children's Agency	855	15%	Increased demand in high cost residential agency placements. Through 2012/13 the number of children in care increased by 15%.
Asylum Seekers	380	n/a	The Home Office has changed the basis for the grant payments and the service is meeting the needs of some children and young people for which it receives no Home Office income. The costs depend on the age and number of children requiring support.
Specialist Services Legal Costs	295	77%	Increased demand due to increased numbers of referrals and children in care.

Family Assessment & Safeguarding	140	5%	Increased staffing numbers and increased travel expenses.
Safeguarding Unit	125	9%	Agency staff used to cover key roles in the service where they were unable to recruit despite several attempts. These posts have now been.
Early Intervention Grant (EIG)	-1,510	n/a	Additional EIG was received for 2012/13 but because of uncertainty around future funding levels this has not been allocated to services.
Other Savings	-475	-100%	£155k early achievement of MTFs savings requirement. £150k additional Local Support Services Grant not allocated to services. £170k various savings identified from staffing budgets.
Leicestershire Connexions	-370	n/a	Contract saving arising from tender for the new service (£0.8m) offset by legal costs in clarifying the local authority position in respect of withdrawal from the two Connexions companies (£0.4m).
Attendance Improvement Service	-365	-51%	Savings as result of service ceasing at end of August - savings target exceeded.
Specialist Services Staffing	-275	-20%	Tighter controls have been placed upon the engagement of agency staff as a response to overspends in residential placements; EIG allocation not utilised.
Strengthening Families	-185	-53%	New staffing structure in place during 2012/13, which has resulted in an underspend on staffing due to delays in recruiting additional staffing from the 2012/13 approved growth bid to deliver increased internal capacity. Also underspend on Section 17/23 payments where robust management resulted in lower calls on funding.
Adoption Team	-170	-13%	Staffing underspend due to delays in recruiting to posts.
Homecare non-disabled children	-120	-100%	Reduced demand for non disabled homecare across different localities.
School Improvement	-110	-8%	Additional income received from carrying out inspections on behalf of SERCO & income from charging academies for NQT administration.
PEIP Intervention Project	-100	n/a	Two vacant parenting programme worker posts, other staff not in pension scheme and less parenting programmes ran in the Summer Term than planned.

Children's Centres Central Management	-100	n/a	£43k underspend from Homesafety grant to be carried forward to 2013/14, staffing savings of £38k and other one off savings also achieved in year.
Human Resources budgets	-95	-8%	Increased underspend due to less redundancies for school based staff including teachers as a result of new controls being implemented.
Early Learning & Childcare Central Services Team	-95	n/a	Savings on pension contributions with existing staff not being part of pension scheme and savings due to staff vacancies.
Young People at Risk	-90	-11%	Contract savings during the year.
Education Psychology Service	-90	-7%	Increased amounts of external income together with savings on staffing budgets.
Children's Centres Co-ordinators	-90	n/a	Underspend due to vacancies in the Business Support Team during a period of restructure; travel cost also less than budgeted.

### **Adults & Communities**

There is a net underspend of £4.55m (3.6%). The main variances are:

	£000	% of Budget	
Community Based: Independent	4,060	13%	Increased demands as Personalisation is rolled out across all districts and more people helped to live independently at home.
Residential	-3,430	-7%	Reduced demands as more people helped to live at home plus higher income levels than budgeted for due to relative wealth of service users in Leicestershire.
Strategy & Commissioning	270	4%	Timing of care management system replacement (reserves carried forward for 13/14) offsetting underspends on area office running costs.
Communities & Wellbeing	150	2%	Delays to implementing service restructure. Future year's MTFS savings have been rephased to reflect a more realistic delivery timetable considering the complexity of the programme.
Community Based: in house inc. Shared Lives & Homecare Assessment & Reablement Team (HART)	-1,690	-16%	The majority of this variance relates to health grant investments in HART reablement service resulting in an underspend of Council's budgeted funds.

Housing-related support services	-750	-14%	Planned commissioning of housing related support to fall into 2013/14.
Services for the Disabled	-610	-20%	Efficiencies as a result of the new tender agreement and equipment being recycled.
Health and Learning Disability Transfer Funding	-830	-4%	Combination of unspent grants and higher proportion of health funding for Continuing Health Care cases.
Adult Learning	-560	n/a	Clawback from the Skills Funding Agency for 2011/12 contract underperformance less than originally anticipated.
Care Pathway Teams	-480	-6%	Timing of recruiting vacancies and spending health grants.
Supported Living	-380	-3%	Staffing vacancies and early achievement of efficiencies as staffing structures are under review and some are now completed.
Mental Health Management	-110	-36%	Mainly due to a significant change to the training programme which resulted in a one-off gap in the schedule of training

### **Highways and Transportation**

There is a net overspend of £0.2m which increases to £1.27m (2.3%) after carry forward requests of £1.07m requiring Cabinet approval (see Appendix B). The main variances are:

	£000	% of Budget	
Winter Maintenance Service	650	40%	The budget of £1.6m is overspent by £0.65m during 2012/13 due to the severe winter weather, particularly during March.
Mainstream school transport	500	8%	Home to school transport/ review of discretionary elements (denominational & 16+) savings item within the MTFs not being implemented at this stage (£735k), offset by lower demand and savings arising from e-auctions.
Local Bus Services	295	10%	Budget includes a £250k saving for "Review of Supported Bus Network". The saving has not been achieved in 2012/13, due to delays in the approval of the policy. In addition, short term emergency contracts required as a result of the saving not being achieved have added to the cost of the service.
Contribution from Operations (Leicestershire Highways Operation)	175	-60%	A surplus of £116,000 is reported for 2012/13 (budgeted surplus £290,000) The level of return is below what it has been in previous years (largely due to the poor weather over the summer months).

Departmental General Costs	180	n/a	The original 2012/13 budget included two efficiency savings totalling £310,000 which have not been achieved as originally envisaged. It has been possible to mitigate the effect of this to £180,000 through identifying other savings within the budget, and additional income. This has been resolved going forward into 2013/14.
Highways Staffing	140	3%	Reduction in the amount of staff time charged to the Capital Programme, partly offset by an underspend on staff salaries due to vacancies and turnover.
Structural Maintenance	-395	-5%	Mainly due to slippage on flood alleviation/ flood risk schemes (£0.27m) for which a carry forward request has been submitted to allow the programme of works to be completed in 2013/14.
External Income	-340	83%	Additional income from Developers to cover inspection of works, design checking and process administration associated with new housing developments.
Community Transport	-305	-44%	Budget includes funding from the Department for Transport to fund Community Transport Projects which will be utilised during 2013/14. A carry forward request has been made to allow for the commitments made to be met in 2013/14.
Social Care Transport	-175	-4.6%	Growth included in the Budget of £480,000 for increased demand was more than needed due to a reduction in the number of placements, leading to an underspend of £175,000.
Traffic Data Collections & Surveys	-170	-79%	Underspend due to a combination of additional income, slippage on a Telemetry system and slippage on some data collection work while the update of the Leicester & Leicestershire Integrated Transport Model (LLITM) project is completed. A request to carry forward this underspend has been made.
Public Rights of Way	-100	80%	Due to the revenue contribution to the capital Connect 2 project not being required until 2013/14. A carry forward request has been made to allow for the contribution to the capital project to be made in 2013/14.
Fleet Transport	-100		Surplus on the Fleet Trading Account for which a carry forward request has been made, to be used as a contribution towards the future replacement of Passenger Transport vehicles.

## Environment

There is a net underspend of £1.011m which reduces to £1,000 after carry forward requests of £1.010m, including requests of £0.53m requiring Cabinet approval (see Appendix B). The main variances are:

	£000	% of Budget	
Mechanical, Biological Treatment (MBT) Contracts	505	12%	Overspend due to an inflationary increase in the gate fee of 4.3% and additional tonnage of 4,000 tonnes. This includes the redirection of 5,000 tonnes to this facility from disposal contracts.
Recycling Credits	-365	-7%	Underspend due to the following: 1) From April 2012 Melton started to charge for garden waste collections which has resulted in a reduction in tonnages and hence recycling credits. 2) Changes to guidance means that due to the way street sweepings are recycled the District Councils can no longer claim credits against them. 3) The weather in March led to an approximately 60% reduction in the amount of green waste collected by the District Councils which resulted in a reduction in the amount of recycling credits paid.
Disposal Contracts	-305	-4%	When the original budget was calculated in September 2011 the estimated tonnage was 94,000 tonnes. The actual tonnage for 2012/13 is 89,700 tonnes. The actual includes the redirection of 5,000 tonnes to the MBT facility and a cost of £70,000 for the increase in gate fee from one of the providers.
Waste income	-165	-18%	Increase in income from the recycling of electrical equipment.
Waste Strategy Implementation	-140	-91%	Mainly due to costs on the new Waste Database System slipping into 2013/14.
Energy From Waste	-95	-9%	A reduction of 1,700 tonnes from the 15,000 tonnes built into the budget, off set by an inflationary increase of £30,000.
Climate Action Green Issues	-90	-29%	Mainly due to Grants and other contracts entered into during 2012/13 for which there is outstanding work which is due to be completed during 2013/14. Carry forward requests have been submitted to allow this committed expenditure to be met from the 2013/14 budget once the work is completed.

Recycling Household waste Sites (RHWS)	-80	-2%	Mainly due to a reduction in the bonus payment to the main contractor as a result of contract extension negotiations. Also due to a reduction in the general repairs and maintenance spend at the sites.
Food Waste Treatment	-70	-50%	Food Waste Collection Service operated by Harborough District Council ceased in November resulting in an underspend

### **Chief Executives**

There is a net underspend of £1.44m which reduces to £0.86m (5.2%) after carry forward requests of £0.58m. The main variances are:

	£000	% of Budget	
Strategy, Partnership & Communities - Policy	-330	-9%	Mainly relates to unforeseen changes to programme and/or project plans and unanticipated reduction in funding required from partnership projects.
Trading Standards	-280	-16%	Relates mainly to staffing vacancies held in advance of action plans and a higher than forecast level of income generation arising from licensing and the disposal of specialist equipment. Additional funding also received from the Food Standards Agency for animal feed enforcement and testing for horsemeat.
Registrars	-280	-264%	Slippage in digitalisation of records and additional income from an increase in ceremonies mainly weddings.
Strategic Partnerships & Communities - Performance Improvement	-135	-16%	Mainly relates to staff turnover and delays in appointment to a vacant post together with a higher than forecast level of success in trading with academies due in part to a new pricing strategy.
Democratic Services	-120	-19%	Underspend relates to a vacant post, maternity leave and the non-use of growth funding for the establishment and support of the Police and Crime Panel, the impact of which is still being assessed alongside that of other developments.
Legal	-110	-9%	Delays in recruitment to vacant posts (net of the additional cost of Locums) and an increase in income from ESPO resulting from the conclusion of a major litigation matter.



### Corporate Resources

There is a net underspend of £1.29m which reduces to £0.83m (2.4%) after carry forward requests of £0.46m. The main variances are:

	£000	% of Budget	
Facilities Management	450	27%	£0.35m overspend on the outdoor residential service, which transferred from CYPs during the financial year. Quorn and Aberglasyn are due to be closed and other options are being explored to help the service achieve a breakeven position by 2014/15. Other trading services overspent by £0.1m while initiatives are implemented to help those services break even.
East Midlands Shared Services	120	7%	An underspend on running costs through extra income achieved and early savings (£0.4m), offset by additional costs of £0.5m incurred for contractors and transitional arrangements to manage the implementation programme.
ICT Delivery	-515	-6%	Underspend due to vacancies partially offset by spend on contractors for one off projects. Also underspend due to lower requirement on the computer (PC) refresh budget.
School Food Support Service	-350	n/a	Increase in meal uptake and reduction in staff uniform and cleaning expenditure
Accounting	-240	-9%	Underspend due to vacancies.
Strategic ICT	-235	-10%	Underspend on staffing due to secondments to Operational ICT and difficulty in recruiting the right quality of candidate to vacant posts.
Learning & Development	-200	-8%	Unspent training budgets as a result of action plans across departments being delayed and suitable training courses not being identified.
Property Services general	-200	-2%	Property Services phase 2 review was implemented with effect from 1st January and this early implementation has resulted in an underspend on staffing costs.
County Farms	-170	63%	Underspend due to increased rental income and fewer vacant plots.
Procurement	-165	-22%	Underspend due to vacancies and unspent carry forward money for the Olympics.

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