

**Revenue Budget 2013/14 – forecast main variances****Children and Young People's Service****Schools**

A net underspend of £3.7m is forecast. The main areas are:

	£000	% of Budget	
Special Educational Needs	-2,480	n/a	Relates to underspends on the 16+ budgets for High Needs students: <ul style="list-style-type: none"> <li>• A £1.5m contingency was included in the MTFS to ensure capacity to address any financial pressures arising from the new statutory responsibility for High Needs students aged 16 - 24 where volumes and costs could not be robustly identified at that time. Subsequent work with further education and Independent Specialist Providers now allows this contingency to be released as an underspend.</li> <li>• £0.98m unexpected additional income received from the Education Funding Agency for 16+ places at mainstream special schools; place costs already included in the MTFS budget.</li> </ul> The underspend will be retained for additional costs in 14/15 relating to age range changes in the schools funding formula.
Early Years and Childcare	-610	-36%	Demand lower than expected for the new Two Year Old Nursery Education project which is funding additional places for deprived two year olds where requested by parents.
Dedicated Schools Grant – Early Years	-480	n/a	The Early Years Block is the only one in the DSG settlement that is adjusted for changes in pupil numbers; additional 3 & 4 year olds have generated additional DSG, but additional expenditure can be contained within the 2013/14 budget.
High Needs - Education of Vulnerable Groups	-100	-3%	Underspend as result of turnover of staff across a number of different services within the group.

Local Authority Budget

A net underspend of £0.4m (0.7%) is forecast. The main variances are:

	£000	% of Budget	
Children's social care Legal Costs	380	100%	Significant increases in court costs for care proceedings - some as much as 50%.
Placement Budget	150	2%	Increase in baby and mother placements and sibling groups. The sharp decline of connected carers as result of changes in legislation has further reduced the capacity of fostering in house placements.
Emergency Duty Team	100	29%	Leicester City has terminated the current arrangements for provision of the service. An interim in-house arrangement has been put in place from 1st October, and subsequently will incur additional cost.
Operational Placements - Social Care	-340	-22%	Retendering of a contract for residential placements has resulted in savings.
Targeted Early Help	-300	-53%	The development of early help services has allowed for early efficiencies to be made with no impact on services.
Directorate	-135	-17%	Staffing savings as a result of the departmental restructure.
Homecare - non disabled children	-120	-100%	This budget significantly underspent in 2012/13 and is now projected to deliver savings.
Independent Home Care Children's and Families	-80	-10%	Contract savings delivered through the Supporting people programme.
Short Breaks for Disabled Children	-50	-31%	Lower demand for financial support

**Adults & Communities**

At this stage the Department is forecasting an overspend of £3.4m (2.6%). The main variances are:

	£000	% of Budget	
Community based spend (Direct cash payments, homecare, supported living and community life choices)	4,600	14%	<ul style="list-style-type: none"> <li>• Shortfall in Effective Support project savings of £4.9m out of £6.5m target savings, reduced to £2.5m after use of £2.4m Health funding. Further savings are being identified to offset reductions.</li> <li>• Direct payments (DP's) are projecting an overspend of £1.6m. £0.4m of the increased DP spend relates to LD Service users transitioning from the in-house day centre at Millfield onto</li> </ul>

			<p>personal budgets. £0.7m relates to additional growth pressures in mental health and physical disabilities.</p> <ul style="list-style-type: none"> <li>• Community Life Choices and Supported Living are also underspent by £0.5m due to the redistribution of budgets through the personalisation agenda. Further savings that would be expected in homecare for the same reason are not materialising, suggesting higher demographic pressures.</li> </ul>
Homecare Assessment & Reablement Team (HART)	(460)	(9%)	Underspend relating to productivity gains and substituted health funding,
Housing related support services (HRSS)	(320)	(6%)	Anticipated savings through the acceleration of the review of these non statutory services. This saving comprises various smaller savings particularly in district warden schemes for the over 65's due to a change in funding. Additionally HRSS places have been identified for Mental Health service users avoiding more expensive residential placements, following the closure of the inhouse Ashcroft residential unit a couple of years ago.
Care Pathway Staff Vacancies	(300)	(3%)	Projected recruitment drag relating to labour turnover and delays recruiting to vacancies.

### **Environment and Transportation**

At present the Department is forecast to underspend by £0.51m (0.6%). The main variances are:

	£000	% of Budget	
Highway Structural Maintenance	450	5%	Overspend mainly due to forecast increase in patching activity.
Contribution from Operations (Leicestershire Highways Operation)	200	-44%	The forecast contribution from LHO operations is estimated to be around £200k less than the budgeted figure of £460k. This is an early estimate based on the latest monitoring within LHO. LHO turnover is typically in excess of £20m and so variations of this order in terms of a surplus can easily occur and will depend on the exact balance of work undertaken during the year.
Highways Safety	130	7%	Potential overspend on the Gully Emptying

Maintenance			budget, due to the need to increase the frequency of emptying to help reduce the risk of flooding.
Highways Management	100	5%	Forecast overspend mainly due to the use of additional agency staff, to help deliver the planning and preparation of this year's and next year's capital programme.
Fleet Trading Account	155	42%	Mainly due to a reduction in income from the School Meals Service as a result of academies.
Social Services Transport	65	2%	Slight overspend currently forecast due to increased demand.
Concessionary Travel	-500	-8%	Forecast demand for journeys is less than budgeted, based on information for the year to date. The 2013/14 budget included growth of £90k.
Mainstream School Transport	-330	-5%	Saving expected as a result of E auctions and contract procurement.
Transport Policy & Strategy	-220	-32%	One-off growth included in budget for additional advance design of capital schemes unlikely to be utilised in 2013/14, but will be required in 2014/15 to cover work mainly around strategic junction schemes.
Community Transport	-170	-20%	DfT Grant for Community Transport Support carried forward from 2012/13 of £334k unlikely to be fully spent in 2013/14. Possible transfer into reserve for use in 2014/15.
MBT Contracts	670	14%	Additional tonnage of 8,000 (see note on Disposal Contracts below).
Haulage Contracts	115	20%	Additional haulage mainly due to a change in the treatment of wood waste following recent Environment Agency guidance.
Disposal Contracts	-995	-11%	A forecast reduction in tonnage of 8,500 mainly due to the redirection of waste to the MBT facility in order to secure a reduced gate fee £860k. In addition a reduction in street sweepings amounting to a saving of £135k
Recycling Credits	-200	-4%	Based on early indications from the returns received from the districts to date a saving of £200k is forecast. This is due to a number of factors including the wet weather during April and May but also that the budget is based on a tonnage estimate in excess of actual tonnages experienced last year.
Waste Initiatives	-65	-31%	Forecast underspend due to a re-focus on how initiatives are delivered.

**Chief Executives**

An underspend of around £0.64m (4.2%) is forecast. The main variances are:

	£000	% of Budget	
Local Welfare Provision	-400	-37%	Forecast underspend is based on actual activity in the first six months of the financial year. There is a similar picture throughout the UK and is a result of a tightening of criteria and providing vouchers to buy specific items instead of cash payments.
Democratic Services	-95	-15%	Relates mainly to staffing vacancies and non-use of growth funding allocated for the establishment and support of the Police and Crime Panel. It was initially assumed that additional resources were required for implementation but to date this has been absorbed.

**Corporate Resources**

An underspend of around £0.82m (2.4%) is forecast. The main variances are:

	£000	% of Budget	
Strategic ICT	85	4%	Overspend relates to consultancy on essential ICT resilience work.
Accounting	-235	-9%	Underspend on staffing - planned vacancies continue to be held, plus additional vacancies during 2013/14 due to secondments. Early achievement of efficiency savings.
Health & Safety	-165	-33%	Additional trading income.
Operational Property: Industrial Properties and Farms	-120	-15%	Underspend relates to County Farms from reduced overhead costs and increased rental income arising from rent and investment reviews.
Corporate HR	-115	-11%	Underspend on staffing from posts held open to achieve future years efficiency savings.
Operational IT	-100	-1%	One off transitional savings in software licensing and unfilled vacant posts partially offset by one off recruitment costs and spend on contractors used for backfill while staff are seconded to projects.

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