

APPENDIX 2

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

A net underspend of £3.95m is forecast. The main areas are:

| | £000 | % of Budget | |
|---------------------------|--------|-------------|---|
| Nursery Education Funding | 350 | 2% | Additional children identified on Autumn roll. |
| Special Educational Needs | -2,880 | n/a | <p>Relates to the following issues:</p> <ul style="list-style-type: none"> • 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. • £0.44m unexpected additional income received from the Education Funding Agency for 16+ places at mainstream special schools; place costs already included in the MTFS budget. • Management of independent school admissions and restricting of block contracts has resulted in savings of £0.5m • £0.25m additional recoupment income has been identified • £0.23m additional DSG income received for units • £50,000 saving from cheaper mix of places being used when available • £0.11m overspend on hospital school – being reviewed <p>The underspend will be retained for additional costs in 14/15 relating to age range changes in the schools funding formula.</p> |
| Early Years and Childcare | -500 | -29% | 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 | -190 | -6% | Underspend as result of turnover of staff across a number of different services within the group. |
| Alternative Provision (Schools Block element) | -180 | -100% | Arrangements for how Leicestershire's Pupil Referral Unit (PRU) is to be funded have been confirmed. It is likely that no additional funding will be required in assisting the PRU to make the transition to its new funding arrangements. |

Local Authority Budget

A net underspend of £0.53m (0.9%) is forecast. The main variances are:

| | £000 | % of Budget | |
|------------------------------------|------|-------------|---|
| Placement Budget | 900 | 12% | Increased demand on independent fostering agency/ secure placements budget (£1.24m) - In house capacity unable to cope with the increasing demand of specific needs of placements such as baby and mother and sibling group placements. Also retendering savings of children's social care contracted bed places - the Hive (£0.34m) and change in other block contract arrangements is offsetting the budget pressure on the placement budget. |
| Disabled Children Service | 300 | 10% | Demand for direct payments has continued to grow and is a preferred option for families as they have increased control and flexibility over the support services they receive. |
| Children's social care Legal Costs | 250 | 66% | Significant increases in court costs for care proceedings - some as much as 50%. |
| Emergency Duty Team | 155 | 44% | 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 2013, and |

| | | | |
|--|------|-------|---|
| | | | subsequently will incur additional costs. |
| Specialist Assessment & Response Localities | -500 | -6% | The underspend is across the three locality areas and is largely as result of staff turnover. |
| Targeted Early Help | -300 | -53% | The development of early help services has allowed for early efficiencies to be made with no impact on services. |
| Asylum Seekers | -200 | -67% | The number of children supported has decreased significantly in comparison with previous years. |
| Targeted Early Help – Children Centres / Youth Service | -170 | -2% | Staff vacancies and turnover (£0.18m) and reduced payments to Districts (£40,000), partly offset by one-off building maintenance costs (£50,000). |
| Directorate | -135 | -26% | Staff 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. |
| Planning & Commissioning Team | -110 | -17% | Staff vacancies. |
| Early Learning & Childcare Central Services Team | -100 | -20% | Staff vacancies. |
| Safeguarding Assurance | -95 | -6% | Income increased due to more schools converting to Academies and independent schools and external organisations buying training. |
| Alternative Provision (Local Authority Budget element) | -90 | -100% | Arrangements for how Leicestershire's Pupil Referral Unit (PRU) is to be funded have been confirmed. It is likely that no additional funding will be required in assisting the PRU make the transition to its new funding arrangements. |
| Independent Home Care Children's and Families | -80 | -10% | Contract savings delivered through the Supporting people programme. |
| SEN Assessment Services | -55 | -11% | Staff vacancies. |
| Short Breaks for Disabled Children | -50 | -31% | Lower demand for financial support |

Adults & Communities

At this stage the Department is forecasting an overspend of £4.5m (3.4%). Further work is being undertaken to review the forecasts. The main variances are:

| | £000 | % of Budget | |
|---|-------|-------------|--|
| Community Based Services (Direct payments, homecare | 5,740 | 7% | There has been a transfer of costs within these budgets as more service users are supported in their own home instead of |

| | | | |
|---|--------|-----|--|
| and supported living) | | | residential settings. The overspend mainly relates to the challenges of meeting the £6.5m Effective Support Efficiency Saving as well as increasing demands, particularly for people with Mental Health and Physical Disabilities. A movement of cost from in-house day services provision to the independent sector has also contributed. |
| Residential services | 990 | 2% | The population in residential care has remained flat year on year. The adverse variance relates to reducing levels of income from service users contributing to their own care and delays achieving efficiencies through expanding the Shared Lives Adult placement service and Incentivisation of Providers efficiency. |
| Community Based In-house (Community Life Choices and HART reablement service) | -1,060 | -9% | Majority of underspend relates to maximising the use of health funding releasing other more flexible LCC funding in the HART Service. A forecasted underspend at Coalville Resource Centre due to staff turnover has also contributed. |
| Housing related support and voluntary sector services | -320 | -6% | Anticipated savings through acceleration of the review of housing related support services. |
| Care Pathway Staff Vacancies | -210 | -2% | Recruitment drag due to high levels of turnover. |
| Adult Learning | -250 | n/a | Lower performance clawback than expected from the Skills Funding Agency (£100k) and temporary delays filling lead tutor posts (now filled) across all curriculum areas (£150k). |
| Services for the Disabled | -240 | -6% | Efficiencies relating to greater recycling of equipment. |
| Other infrastructure | -150 | -2% | Various smaller savings in office overspends and timing to fill vacancies. |

Environment and Transportation

At present the Department is forecast to underspend by £0.96m (1.1%). The main variances are:

| | £000 | % of Budget | |
|--|------|-------------|--|
| <u>Highways</u> | | | |
| Contribution from Operations (Leicestershire Highways Operation) | 310 | -67% | The forecast contribution from LHO operations is estimated to be around £310k less than the budgeted figure of £460k. This is an 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. |
| Highway Structural Maintenance | 260 | 3% | Overspend mainly due to an increase in the required level of patching and pothole repairs, in part due to severe weather conditions in March 2013. |
| Highways Safety Maintenance | 130 | 7% | Potential overspend on the Gully Emptying budget, due to the need to increase the frequency of emptying to help reduce the risk of flooding. |
| Highways Management | 55 | 3% | 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. |
| Street Lighting/Signs | -80 | -2% | Saving on planned maintenance. |
| <u>Transportation</u> | | | |
| Social Services Transport | 65 | 2% | Slight overspend currently forecast due to increased demand. |
| Mainstream School Transport | -330 | -5% | Saving expected as a result of E auctions and contract procurement. |
| Transport Policy & Strategy | -300 | -74% | One off growth (£0.2m) not utilised in 2013/14, due to staff working on other major projects and delivering the 2013/14 capital programme. In addition uncertainty with where major housing developments are going to be located caused by delays within the District Councils in delivering their core strategies, has held up progression of advance work on potential major schemes. A carry forward will be requested to fund work in 2014/15 to cover work mainly around strategic junction schemes. In addition there is a forecast £50,000 saving on staffing costs due to staff vacancies and turnover. Income from developers is also forecast to be £50,000 over the budgeted income target. |
| Concessionary Travel | -260 | -4% | Forecast demand for journeys is less than budgeted, based on information for the year to date. The 2013/14 budget included growth of £90,000. |
| Fleet Trading Account | -110 | -28% | Saving mainly due to the removal of the Yellow Bus service, which had been operating at a slight loss, and savings on both fuel usage and cost. These savings are reduced by a reduction in income from the School Meals Service as a result of academies. |

| | | | |
|---|------|------|--|
| Sustainable Travel Group Staffing | -95 | -5% | Forecast underspend due to staff turnover and vacancies. |
| Environment | | | |
| MBT Contracts | 680 | 14% | Additional tonnage of 8,200, of which 7,200 redirected from disposal (see note on Disposal Contracts below) and 1,000 redirected from Energy from Waste. |
| Recycling Household Waste Sites Contracts | 125 | 4% | Forecast overspend due to a delay in delivering the service reduction of reduced opening hours, which came into effect at the end of October 2013. |
| Green & Wood Waste | 50 | 9% | Additional haulage mainly due to a change in the treatment of wood waste following recent Environment Agency guidance. |
| Disposal Contracts | -860 | -10% | A forecast reduction in tonnage of 6,400 mainly due to the redirection of waste to the MBT facility (7,200 tons) in order to secure a reduced gate fee £0.82m. This is partly offset by a forecast increase in waste of 800 tons. In addition a reduction in street sweepings amounting to a saving of £0.17m. |
| Recycling Credits | -180 | -3% | Based on returns received from the districts to date a saving of £0.18m is forecast. This is due to a number of factors including the wet weather during April and May 2013 but also that the budget is based on a tonnage estimate in excess of actual tonnages experienced last year. |
| Waste Initiatives | -105 | -50% | Forecast underspend due to a re-focus on how initiatives are delivered. |
| Climate Action Team | -70 | -36% | Forecast underspend mainly due to slippage/delays on the Green Deal Project as a result of awaiting decisions from other partners. |
| Green & Wood Waste | -65 | -5% | Forecast reduction in tonnage (4,500) leading to a forecast underspend. |
| Waste Staffing Budgets | -55 | -6% | Forecast underspend due to staff turnover and vacancies. |

Chief Executives

An underspend of around £1.3m (9.1%) is forecast. The main variances are:

| | £000 | % of Budget | |
|-------------------------|------|-------------|--|
| Local Welfare Provision | -400 | -37% | Forecast underspend is based on the latest projection. 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. |
| New Homes Bonus | -290 | -70% | At its November 2013 meeting Cabinet agreed to support the development of 13 affordable bungalows at the East Midlands Housing Association Extracare site in Blaby (Winchester Road). However, work on this part of the development will not commence until 2014/15. |
| Trading Standards income | -230 | 14% | Largely due to unplanned income from DEFRA and Public Health relating to animal feed enforcement and illicit tobacco sales respectively. Also additional income from providing business advice. |
| Performance & Improvement | -90 | -12% | Improved trading position with Academies generating additional income this year. |
| Democratic Services | -90 | -14% | 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. |
| Registrars income | -60 | 56% | Increased trading income from National Checking Service and other registrars activities. |
| Environmental Control income | -50 | 12% | Increased fee income from developers and monitoring sites. |
| Policy & Partnership Team staff savings | -50 | -8% | Vacancies are being held open in expectation of a staff review during 2014 |

Corporate Resources

An underspend of around £0.97m (2.8%) is forecast. The main variances are:

| | £000 | % of Budget | |
|---------------------------------|------|-------------|---|
| 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. |
| 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 Human Resources | -100 | -9% | Underspend on staffing, as vacancies are being held. |
| Strategic Property | -90 | -8% | Underspends (£0.14m) mainly due to |

| | | | |
|---|-----|------|--|
| | | | additional income gained from trading activities, partially offset by overspend on the cost of disposing of assets (£50,000). |
| Corporate Facilities Management, Utilities, Rates & Maintenance | -75 | -1% | Increased income from sale of Facilities Management contracts and services. |
| Corporate Health & Safety | -75 | -15% | Additional trading income from academies and other customers. |
| Residential & Conference Services | -50 | -20% | Costs associated with the closure of Quorn and Aberglasyn centres have not been as high initially budgeted for. In addition there have been lower operating costs following a restructure at Beaumanor Hall. |
| Operational IT | -70 | -1% | Underspend on staffing – vacancies being held. |
| Learning & Development | -65 | -3% | Additional income and unspent carry forwards. |
| Emergency Management & Business Continuity | -50 | -17% | Vacancies and unspent carry forward monies relating to contingency which was not required. |
| Corporate Projects | -50 | -17% | Departmental contingency not fully required. |

Public Health

An underspend of £1.8m (100%) is forecast. The main variances are:

| | £000 | % of Budget | |
|---|------|-------------|---|
| Leicester-Shire & Rutland Sport (LRS) | -660 | -100% | The cost of the LRS programme can be met from ringfenced Public Health Grant which means that the LCC contribution is not required in 2013/14. |
| Olympic Legacy | -380 | -100% | The cost of Olympic Legacy public health-related expenditure can be met from ringfenced Public Health Grant, in place of funding carried forward from 2012/13. |
| Public Health | -350 | -100% | The cost of the Public Health programme can be met from ringfenced Public Health Grant which means that the LCC contribution is not required in 2013/14. |
| Drug and Alcohol Action Team (DAAT) | -240 | -100% | The cost of the DAAT programme can be met from ringfenced Public Health Grant which means that the LCC contribution is not required in 2013/14. |
| Teenage Pregnancy & Young Person Substance Misuse | -160 | -100% | The cost of the Teenage Pregnancy and Young Person Substance Misuse budget can be met from ringfenced Public Health Grant which means that the LCC contribution is not required in 2013/14. |

This page is intentionally left blank