

APPENDIX C**Revenue Budget 2013/14 – main variances****Children and Young People’s Service****Dedicated Schools Grant**

There is a net underspend of £3.8m. The main areas are:

	£000	% of Budget	
Behaviour Support	520	n/a	Funding was set aside within the DSG earmarked fund to maintain the behaviour support service and the commissioned and personalised programme teams to August 2013. Provision was also made to maintain a transitional support team for the transfer of Key Stage 3 services to the Behaviour Partnerships. The final outturn position allows this to be met from the 2013/14 budget and funding remains in the DSG earmarked fund.
Nursery Education Funding	400	2%	Additional children identified on Autumn 2013 roll and offset by additional DSG.
Special Educational Needs	-3,040	n/a	Relates to the following issues: <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. • £0.72m additional income received from the Education Funding Agency for 16+ places at mainstream special schools; place costs already included in the MTFS budget. • The remainder of the underspend is generated through effective commissioning arrangements and additional income arising from pupils from other local authorities.

			The net underspend will be retained for additional costs in 2014/15 relating to age range changes in the schools funding formula.
Dedicated Schools Grant – Early Years	-480	n/a	The Early Years Block is the only part of the DSG settlement that is adjusted for changes in pupil numbers. Additional 3 & 4 year olds have generated additional DSG; this offsets the overspend on nursery education funding.
Early Years and Childcare	-410	-24%	Demand lower than expected for the new Two Year Old Nursery Education Funding project which is funding additional places for deprived two year olds where requested by parents.
High Needs - Education of Vulnerable Groups	-210	-6%	Underspend as result of turnover of staff across a number of different services within the group.
Alternative Provision (Schools Block element)	-150	-100%	Arrangements for how Leicestershire's Pupil Referral Unit (PRU) is to be funded have been confirmed.

Local Authority Budget

There is net underspend of £1.66m which reduces to £0.85m (1.4%) after carry forward requests of £0.81m. The main variances are:

	£000	% of Budget	
Placement Budget	1,260	9%	Overspend mainly due to increased need to place children with Independent Fostering Agencies. This is because LCC's in house foster care capacity is at present unable to cope with the increasing demand of specific needs of placements such as baby and mother and sibling group placements. Two key policies were agreed by the Cabinet on 13 December 2013, both will impact upon the number and cost of placements for children in care. Choices, the placement and sufficiency strategy will improve placement arrangements and move from residential placements to a family based care approach. In addition the Permanence Policy will ensure that appropriate arrangements are in place to secure permanent care arrangements.

Children's Social Care Legal Costs	230	60%	Significant increases in court costs for care proceedings - some as much as 50%.
Insurance Costs	170	n/a	Insurance premium costs are apportioned on a smaller base as schools convert to academies.
Transformation Costs	170	n/a	CYPS transformation related costs such as Indexing costs to be covered within the overall CYPS outturn rather than using CYPS earmarked funds.
Emergency Duty Team	50	20%	Leicester City has terminated the current arrangements for provision of the service. An interim in-house arrangement, which includes the employment of short term agency workers, from 1st October 2013, has incurred additional costs.
Specialist Assessment & Response Localities	-690	-8%	The underspend is across the three locality areas and is largely as a result of staff turnover. A number of vacant posts have not been recruited to.
Targeted Early Help – Children Centres / Youth Service	-460	-3%	Underspend largely due to a combination of staff turnover and staff vacancies.
Premature Retirement Costs	-300	-60%	The call on the provision set up in 2012/13 to pay for costs in 2013/14 has been less than expected as the number of redundancies decreased as a result of staff leaving whilst on notice of redundancy. Overall the number of requests from schools for financial support for redundancies has decreased. The increase in academies and a change in funding policy in 2011 are a factor in this reduction in expenditure. Significant pressures are expected on this budget for 2014/15 as a number of maintained schools move to sponsored academy arrangements; this underspend is subject to a carry forward request.
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	-240	-79%	The number of children supported has decreased significantly in comparison with previous years.
Adoption Team	-220	-17%	The Adoption Reform Grant (ARG) was used to appoint a number of Newly Qualified Social Workers in year on a 12 month employment contract to help deliver a more simplified Adoption system. Part of

			staff's 12 month contract will fall into the new financial year and therefore the planned slippage of the ARG money will require a carry forward into 2014/15.
0-5 Learning	-210	-12%	Staff vacancies.
Planning & Commissioning Team	-200	-30%	Staff turnover and vacancies.
Leicestershire Education Excellence Partnership	-125	-36%	Slippage within current programme of work.
Homecare - non disabled children	-120	-100%	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.
Directorate	-70	-13%	Staff savings as a result of the departmental restructure.
Safeguarding Assurance	-55	-4%	Income increased due to more schools converting to Academies and independent schools and external organisations buying training.
SEN Assessment Services	-50	-10%	Staff vacancies.
Education Children in Care	-50	-6%	Delays to recruitment and commencing of Post 16 project.
Short Breaks for Disabled Children	-50	-31%	Lower demand for financial support.

Adults & Communities

There is a net overspend of £4.63m (3.5%). The main variances are:

	£000	% of Budget	
Community Based Services – Independent Sector(Direct Payments, Home Care, Community Life Choices and Supported Living)	6,870	21%	The overspend is due to a combination of pricing pressures for community based services; increasing demands and reduced income levels of service users to contribute to their care as well as one off circumstances in the current year. The average weekly homecare hours received per person has increased, reflecting increasing demands. Pricing pressures have been experienced in homecare (particularly rural areas or where there is a lack of available employment resulting in higher wage rates and agency staff) and for supported living and day service framework prices. An element of cash direct payments overspend will relate to inherent pricing pressures (an equivalent inflationary increase equates to £0.6m pa). There has also been a shift from in-house

			<p>services to the independent sector as service users have increased choice and control over the services they receive.</p> <p>Under delivery against the effective support project also contributes to the overspend where £4.4m (including £2.4m Health Transfer Funds) will be achieved against a £6.5m target.</p> <p>In addition to this, following a legal challenge by home care providers there has been a change in the payment arrangements for the service. This has resulted in additional backdated costs of £0.4m that relate to previous financial years.</p> <p>Continuing to review packages to ensure the most cost effective care option and a focus on outcome based commissioning (rather than time and task) will help to constrain demand in future years.</p> <p>The ongoing transfer of health funding has been agreed as part of wider planning around the use of the Better Care Fund.</p> <p>The County Council has included growth of £2.5m in the 2014/15 to 2017/18 MTFS to fund the ongoing shortfall and associated pricing pressures through renegotiating supported living contracts (£0.4m).</p>
Residential & Nursing Care	1,050	2%	<p>The residential population has remained relatively flat year on year but 2013/14 has recently seen an increase in higher cost younger adult placements. Delays in achieving efficiencies through provider incentivisation also contribute to the overspend.</p>
Bad debts provision	270	n/a	<p>An increase in the provision as a result of increasing debts in terms of size and age.</p>
Community Based Services – In house (Community Life Choices and HART reablement service)	-1,530	-16%	<p>Proactive vacancy management controls are in place at in house community bases as attendances are reducing. This is because more service users are choosing other services in the independent sector to meet their needs and outcomes through the use of direct payments.</p> <p>The underspend in the HART service is partly as a result of using Health Transfer monies to support the service releasing LCC mainstream funding, and partly as a result of vacancies and productivity improvements.</p>

Care Pathway Teams and Management	-750	-5%	Vacancies held within the various teams to help reduce the overall departmental overspend. Certain services are due to be reviewed during 2014/15; where this is the case vacancies are being held to mitigate the cost of potential redundancies. Some additional income from health has been provided for to account for additional social care staffing on weekends where there has been a push to increase hospital discharges.
Housing Related Support and voluntary support	-460	-6%	Contract negotiations with providers have resulted in savings on existing services for older people pending further remodelling in 2014/15. Voluntary sector savings have been generated working with the third sector to deliver efficiencies.
Adult Learning	-315	n/a	Underspend on tutor budgets where not all of the funded tutor hours have been required.
Strategy and Commissioning	-205	-1%	Underspend mainly due to staff vacancies within the Strategic Commissioning team and reduced running cost expenditure in locality offices. Additional income from other authorities sharing the "Choose My Support" E-Marketplace.
Communities and Wellbeing	-195	-3%	Vacancy management in advance of future efficiencies.

Environment and Transportation

There is a net underspend of £3.16m which reduces to £0.89m (1.1%) after carry forwards of £2.27m. The main variances are:

	£000	% of Budget	
Highways			
Contribution from Operations (Leicestershire Highways Operation)	660	-156%	LHO operations are reporting a deficit of £0.23m rather than a budgeted surplus resulting in a forecast overspend of £0.66m. This is in part due to the way in which work is packaged and issued to LHO. Work is being undertaken looking at the full 'Plan, Prepare , Do' cycle within the Department which will improve this going forward. Also, LHO moved from LHMIS (a bespoke but very out of date and unfit for purpose management/financial information) to Oracle towards the end of the financial year. To help mitigate against the transitional issues arising from switch over, it was agreed that all internal works items would

			be settled at initial target price rather than, for example, allowing consideration of any potential compensation events that might have allowed additional charges to be applied. The impact would be nil on the bottom line of the Department but would have provided more income for LHO with greater spend on client budgets. External income was not impacted by this.
Street Lighting/Signs	70	2%	Small overspend on urgent reactive signs maintenance due to the required levels of reactive maintenance that was needed to be undertaken.
Highways Environmental Maintenance	50	3%	Overspends on storm damage and unrecovered accident debris.
Highway Structural Maintenance	-1,055	-13%	Underspend mainly due to receipt of additional funding from DfT at the end of March 2014 for flood damaged roads, £1.49m.
Highways Safety Maintenance	-200	-12%	Underspends on road markings (£0.1m), routine sign maintenance (£40,000) and planned street lighting maintenance (£0.11m), partly offset by an overspend on Gully Emptying of £50,000.
Technical Services	-120	-17%	Underspend primarily due to the receipt of a DEFRA Grant for Sustainable Drainage Systems of £88,000 for 2013/14 which was only notified on 27th March. This has been requested as a carry forward.
Winter Maintenance	-60	-4%	Due to the adverse weather in early April 2013 there are costs relating to the previous winter season within the 2013/14 accounts. However, due to the last winter being mild the number of times the gritters have been out and the amount of salt used is lower than in previous years resulting in the underspend overall.
Engineering Design Team	-55	40%	Underspend due to a saving on staffing costs due to staff vacancies and turnover (£0.2m). This underspend is reduced due to a shortfall in staff fees charged to the capital programme.
<u>Transportation</u>			
SEN Transport	395	6%	Overspend due to increased demand and complexity of transport provision required.
Social Services Transport	180	5%	Overspend due to increased demand and complexity of transport provision required.
Traffic Management	110	28%	Overspend due to a number of additional Traffic Regulation Order schemes that have had to be completed which were not previously in the planned work for 2013/14.

Mainstream School Transport	-995	-14%	Savings as a result of E auctions and contract procurement, and additional income from Remote Colleges.
Transport Policy & Strategy	-490	-121%	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. This is requested to be carried forward. 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. In addition there is a £50,000 saving on staffing costs due to staff vacancies and turnover. Income from developers is also £240,000 over the budgeted income target.
Concessionary Travel	-320	-5%	Demand for journeys is less than budgeted. The 2013/14 budget included growth of £90,000.
Fleet Trading Account	-210	-52%	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.
Community Transport	-170	-20%	DfT Grant for Community Transport Support carried forward from 2012/13 of £0.33m not fully spent in 2013/14. Carry forward request to use this balance in 2014/15.
Area Traffic Control	-140	-18%	Underspend due to savings from new contract with Leicester City Council. A carry forward request has been made to fund a range of schemes in 2014/15.
Revenue Support to Bus Operators	-120	-4%	Underspend due to contract procurement.
Sustainable Travel Group Staffing	-100	-5%	Underspend due to staff turnover and vacancies.
Environment			
MBT Contracts	750	15%	Additional tonnage of 8,800, of which 6,300 redirected from disposal (see note on Disposal Contracts below) and 1,250 redirected from Energy from Waste.
Recycling Household Waste Sites Contracts	70	2%	Overspend due to a delay in delivering the service reduction of reduced opening hours, which came into effect at the end of October 2013.
Disposal Contracts	-740	-9%	Reduction in tonnage of 5,250 mainly due to the redirection of waste to the MBT facility

			(6,300 tons) in order to secure a reduced gate fee, partly offset by an increase in waste of 500 tonnes (leading to a net underspend of £0.57m). In addition a reduction in street sweepings amounting to a saving of £0.17m.
Waste Initiatives	-130	-61%	Underspend due to a re-focus on how initiatives are delivered.
Climate Action Team	-120	-60%	Underspend mainly due to slippage/delays on the Green Deal Project as a result of awaiting decisions from other partners.
Waste Strategy	-100	-6%	Funding within the Waste Strategy budget not utilised in 2013/14.
Green & Wood Waste	-95	-8%	Reduction in tonnage (4,000) leading to an underspend. This underspend would have been greater but the cost per tonne has increased as a result of Environment Agency guidance following a review of how wood waste is treated in the future in order to ensure compliance with the guidance.
Energy from Waste	-85	-8%	Underspend from redirection of 1,250 tonnes to the MBT as noted above.
Waste Staffing Budgets	-80	-8%	Underspend due to staff turnover and vacancies.
Recycling Household Waste Sites – general	-60	-14%	£ 25,000 of the underspend is as a result of re-negotiation of site licences at the various RHWS with the Environment Agency. In addition less maintenance and repairs are required at RHWS sites compared to previous year, as a result of previous capital investment in the sites.

Chief Executives

There is an underspend of £1.25m which reduces to £0.97m (6.6%) after carry forwards of £0.28m. The main variances are:

	£000	% of Budget	
Coroners Service	65	9%	Higher costs due to increasing complexity of investigations.
New Homes Bonus	-290	-70%	NHB funding has been targeted at affordable rural housing and Extracare schemes. In November 2013 Cabinet approved a contribution of £0.29m to a scheme in Blaby to build 13 bungalows. However, this is part of a larger programme and will not commence until late into 2014/15. It is proposed that this funding be

			transferred to an earmarked fund.
Trading Standards income	-185	11%	Largely due to unplanned income from DEFRA and Public Health relating to animal feed enforcement and illicit tobacco sales respectively. The additional work has been absorbed by the service.
Environmental Control income	-180	40%	Significantly increased income from planning application and site monitoring fees are the main reasons for this underspend. In 2012/13 fee income was £95,000 lower than it is in 2013/14. It is not yet understood whether the increase is a trend but more will be known during 2014/15.
Strategy, Partnership & Communities Staffing	-135	-2%	Vacancies are being held open in expectation of a staff review during 2014/15 to deliver 2014 MTFS savings.
Democratic Services	-110	-18%	Relates mainly to staffing vacancies and absorption of the funded work to support the Police and Crime Panel. There is a saving of £0.11m relating to these issues in the 2014 MTFS.
Youth Justice and Safer Communities – Youth Crime Prevention	-105	-10%	Mainly due to staff vacancies resulting from the freezing of recruitment to certain posts affected by efficiency savings, as well as other vacancies through secondments and maternity leave.
Registrars income	-100	93%	Increased trading income from National Checking Service and other registrars activities.
Youth Justice and Safer Communities – Pathfinder	-90	-153%	External funding received from partners in 2013/14 will be used in 2014/15. A request to carry-forward funding has been made.
Youth Justice and Safer Communities – Basic Skills	-80	-252%	Funding provided by YMCA as part of a three year funding agreement which completes at the end of 2014/15. A request to carry-forward this funding has been made.
Legal Income	-65	4%	Attributable to increased income from charging.

Corporate Resources

There is an underspend of £1.58m which reduces to £1.23m (3.5%) after carry forwards of £0.35m. The main variances are:

	£000	% of Budget	
Corporate Projects	420	170%	One off expenditure on transformation, finance and efficiency projects and increase in bad debt provision for the department.
Corporate Facilities Management (FM), Utilities, Rates & Maintenance	285	3%	Overspend on properties that are due to be disposed of (£0.16m) and the trading deficit at Melton Sports Centre.
Central Print	70	-36%	Decrease in internal work and tough trading conditions have meant that Central Print missed its profit target but service still made a contribution overall.
School Food Support Service	-695	n/a	Combination of improved labour cost per meal and additional income through growth in school meals and other activities. A carry forward request has been submitted to support the kitchen upgrades required to deliver the free infant school meals in an efficient way.
Learning & Development	-400	-16%	Unspent training budgets as a result of departmental and operational plans slipping.
Health & Safety	-145	-29%	Growth in trading of the service and vacancies.
Strategic ICT	-130	-5%	Lower running costs and staffing underspend.
Strategic Property	-125	-12%	Underspend from additional valuation and capital fees offset by overspend on property disposals (£0.25m) caused by increase in the both the number of assets being sold and the increased complexity.
Corporate Human Resources	-115	-11%	Vacancies arising from staff turnover.
Industrial Properties and Farms	-105	18%	Reduced overhead costs and increased income arising from rent and investment reviews.
Residential & Conference Services	-95	-39%	Underspend due to lower than anticipated cost of closing Quorn and Aberglasyn Centres and an improved trading performance at Beaumanor.
Communications	-80	-8%	Additional income gained from selling marketing services.
Emergency Management & Business Continuity	-70	-24%	Underspend on partners contingency fund which was not utilised.
Sites Development	-65	-19%	Increased income gained from external clients.
Customer Services	-55	-3%	Underspend from staff turnover and lower general running costs.
Procurement	-50	-9%	Staff vacancies.

Public Health

There is an underspend of £1.5m (83.4%). The main variances are:

	£000	% of Budget	
Leicester-Shire & Rutland Sport (LRS)	-750	-86%	The cost of the County Council's contribution to the County Sports Partnership can be met from ringfenced Public Health Grant which means that the LCC contribution is not required in 2013/14. This includes the short term funding used for increasing participation in sport by young people and adults.
Public Health	-350	-100%	The cost of the County Council's contribution to Public Health 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 County Council's contribution to 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.