

**APPENDIX 2****Revenue Budget 2014/15 – forecast main variances****Children and Family Services****Dedicated Schools Grant**

A net underspend of £0.69m is forecast. The main area is:

	£000	% of Budget	
Special Educational Needs	-620	-1%	The underspend relates to contingency funding set aside for the first full year of post 16 high need support and for increased costs relating to the change in the participation age. Many young people prefer to keep their placement options open until exam results are known but early indications allow for part of the contingency to be released. A full reconciliation of leavers will take place at the end of September.

**Local Authority Budget**

A net overspend of £0.82m (1.3%) is forecast. The main variances are:

	£000	% of Budget	
Placement Budget	2,500	14%	Overspend mainly due to increased need to place children with Independent Fostering Agencies (IFA). This is because, whilst Leicestershire's children in care numbers are well below the national average / statistical neighbours, numbers increased suddenly during Qtr. 4 of the financial year 2013/14 as a result of increased national public awareness in the light of national high profile serious case reviews. Although there is an active drive to recruit new in house foster carers, the number of mainstream foster carers over the last 12 months suffered a net decrease mainly as result of carers retiring. This subsequently means that the County Council's in house provision remains saturated. With the increasing demand of specific needs of placements such as baby & mother and sibling group placements, placements are having to

			be made externally. The majority are being placed in IFA's, which has seen these placements increase by 31% since this point last year.
Specialist Assessment & Response Services	-545	-6%	The underspend is across the three locality areas and is due to management decisions taken to freeze a number of vacant posts/hours across teams.
Disabled Children Service	-540	-14%	The service is required to deliver savings in 2015/16 and has taken opportunities to reduce costs as they have arisen, including not allocating uncommitted grant funding to providers.
Pupil Referral Unit (PRU) Transport	-150	-52%	Reduced costs arising from establishing Oakfield as Key Stage 1 and 2 provision only and therefore the demand on the PRU transport budget will be reduced.
Targeted Early Help - Children Centres / Youth Service	-140	-1%	Underspend largely due to staff vacancies.
Safeguarding Assurance	-90	n/a	Expected income to be received during the year increased due to more schools converting to Academies and Independents buying the training.
Administration and Committees	-65	-11%	Underspend due vacant posts within the establishment which are unlikely to be filled.
Education Psychology Service	-60	-5%	Service expected to attract additional income from commissioned projects.
Heads of Strategy	-50	-7%	Part year vacancies within year.

### **Adults & Communities**

At this stage the Department is forecasting an overspend of £3.8m (2.8%). The main variances are:

	£000	% of Budget	
Home care	1,270	5%	Increased levels of demand and above inflationary pricing pressures have seen homecare costs increase by over 5% year on year. Demand pressures are a result of service user's increasing levels of need. Above inflationary pricing pressures are being driven by sector wide issues of capacity shortage and increasing wage costs being experienced by providers, relating to staff travel and other incentives to recruit and retain skilled staff.

Supported Living	1,150	8%	The number of new placements is expected to exceed the growth that had been included in the MTF5. In addition to this, a number of existing placements were identified where the funding position between the County Council and neighbouring Councils was unclear due to ordinary residence rules. This resulted in a review of the relevant funding responsibilities of each council and the transfer (in both directions) of the funding of some of these cases. The net position resulted in an increased cost for the County Council.
Residential and nursing care	760	1.6%	The overall number of placements made in care homes has not increased, but the average cost of each placement is higher. The reasons for this are the increasing frailty and dependency of older people at the time they enter a care home, and increased complexity of need of younger disabled people requiring a care home placement.
Direct Cash Payments	670	2.6%	The increases in direct payments are for similar reasons to those for home care. The increased level of spend on direct payments should, however, be mirrored by a decrease in the volume of care commissioned by the Council. The fact that both are increasing is indicative of rising demand and cost pressures.
Efficiencies and Service Reduction shortfalls	650	n/a	A shortfall in achieving savings has arisen due to delays implementing plans for delivery. This is partly linked to the need to undertake public consultation and other statutory changes relating to services such as Deprivation of Liberty. The key risks relate to in-house and other service reviews; libraries and museums and "Limiting service users choice of support to the most cost effective option". Some mitigating savings have been sourced already (short term Communities and Wellbeing infrastructure savings and Early Intervention and Prevention) and the department is looking to identify other areas of savings to compensate for the remaining shortfall.
Integrated Adult System (IAS) resources	350	6%	Temporary resources are needed to stabilise system, interface, payment and data issues arising from the IAS Social Care and Payments system

			implementation. This resource is needed short term to ensure continuity of payments to providers; income assessment and collection; and bad debts whilst implementing permanent system change and enhancements to meet statutory requirements and opportunities for future savings through more automated processes.
Community Life Choices	230	2.5%	Cost pressures are a result of a higher proportion of younger adults with very complex needs and increasing the Shared Lives service for day services.
Deprivation of Liberty (DOLS)	150	35%	Increased "DOLS" assessments and reviews expected following recent legislation changes.
Service User Income	-520	1%	Service user contributions to the costs of their care are projected to be 1% higher than the prudently set budget (set to reflect reducing levels experienced in 2013/14 and welfare benefits tightening). This is a sensitive budget item that varies depending on the relative level of wealth and ability to pay of service users.
Prevention Review	-410	5%	2015/16 savings target is on track for early delivery to coincide with contract start dates.
Homecare Assessment & Reablement Team (HART)	-380	7%	Vacancies and health funding have led to this underspend. This also assumes that additional resources ( up to 25 fte homecare assistants) will be recruited to create more reablement capacity which will have a positive impact on service users maintaining their independence longer and a reduced need for ongoing packages (usually home care).

### **Environment and Transportation**

At present the Department is forecast to underspend by £0.35m (0.4%). The main variances are:

	£000	% of Budget	
<b><u>Transportation</u></b>			
Special Education Needs	250	4%	Increased costs carried forward from 2013/14 into the first four months (April to July) due to more solo transport required for SEN pupils with high needs in 2013/14 continuing into 2014/15.

Concessionary Travel & Joint Arrangements	-450	-8%	Forecast underspend due to lower usage based on the first 3 months of the financial year and a change in eligibility criteria. Forecast will vary through the year based on any changes in bus fares and weather.
Mainstream School Transport	-290	-5%	Underspend due to reduced demand arising from increased charges, a school arranging their own transport and more commercial options being available at several schools.
<b><u>Environment</u></b>			
Landfill	775	13%	Overspend due to additional waste costs; £180k as a result of increased tonnages due to improving economy, £300k due to more commercial waste being handled(although offset by additional income). Balance is due to difficult recycling market conditions, with more rejected material having to go to landfill.
Recycling & Household Waste Sites	-195	-6%	Lower bonus payable due to reduced recycling and reduced inflationary pressure.
Haulage	-175	-17%	Reduced haulage due to use of third party transfer and more use of Syston transfer station.
Waste Management Income	-75	-8%	Additional trade waste income partially offset by a decrease in income from recycling.

### **Chief Executives**

An underspend of around £0.38m (3.3%) is forecast. The main variances are:

	£000	% of Budget	
Coroners	50	6%	The overspend relates to the South Leicestershire Coronial Service which is run by Leicester City Council on the County's behalf. The 2013/14 charge was significantly more than forecasted and accrued for, due to a rise in the number of cases and complexity of those cases.
Democratic Services	-210	-12%	£120k of this saving relates to the early achievement of efficiency savings which were expected in later financial years. There is also an underspend relating to staff vacancies in the new staff structure.

Strategic, Partnerships & Communities	-50	-1%	Underspend relates to staff vacancies which have been left unfilled pending a staff review of the whole service expected to commence towards the end of 2014/15.
Legal	-50	-3%	Staff vacancies.
Registrars	-50	n/a	Increased income due to more residents using Registrars Services.

### **Corporate Resources**

An underspend of around £0.58m (1.7%) is forecast. The main variances are:

	£000	% of Budget	
Property Disposals	150	60%	Overspend forecast based on an increased anticipated level of capital receipts.
ICT	-270	-4%	Staff turnover savings.
Traded Services	-200	n/a	On the basis that Traded Services over-performed against targets in 2013/14, although this is partially accounted for through the current year MTFS targets being more ambitious; further over-performance is expected.
Facilities Management Contracts	-95	7%	Increased income from clients.
Learning & Development	-75	-4%	A number of posts are being held vacant, pending a review next year.