

**Revenue Budget 2019/20 – forecast main variances****Children and Family Services**Dedicated Schools Grant

A net underspend of £0.1m is forecast. The main variances are:

	£000	% of Budget
<b>Education Sufficiency - Schools Admissions</b>	<b>-110</b>	<b>-27%</b>
Vacant posts which will be filled for only part of the year. Also increased income streams via an increase in levels of fines and school appeals.		
<b>Other variances</b>	<b>30</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-80</b>	<b>n/a</b>

Local Authority Budget

The Local authority budget is forecast to overspend by £1.9m (2.6%). The main variances are:

	£000	% of Budget
<b>Asylum Seekers</b>	<b>725</b>	<b>106%</b>
Demand on this budget has significantly increased in recent years and is projected to do the same this financial year, which has resulted in an increased need for additional staffing to manage demand. The majority of these children arrive 'spontaneously' and on arrival are the statutory responsibility of the local authority in which they arrive. The Home Office have increased funding rates this financial year, which based on 2018/19 activity, is projected to reduce this year's budget pressure by £230k, but nevertheless is still not sufficient to fund the overall budget pressure for this financial year.		
<b>Children's Social Care Field Work Teams / First Response</b>	<b>550</b>	<b>6%</b>
Recruitment and retention pressures among the Children's Social workers workforce across various teams have resulted in a number of positions being filled by agency workers. There is also increased staffing levels in some services to manage workload capacity based on demand and to provide Assessed and Supported Year in Employment (ASYE) support.		
<b>Children in Care Service</b>	<b>475</b>	<b>24%</b>
Legislation changes around the Personal Advisor duty has resulted in budget pressures for 2019/20 which will require close monitoring. The Act has extended the duty for local authorities to provide support for young people through personal advisors from age 21 to age 25. Recruitment and retention pressures among the Children'S Social workers workforce across various teams have resulted in a number of vacant positions being filled by agency workers. There is also increased staffing levels in some teams to manage workload capacity based on demand and to provide ASYE support.		
<b>Fostering &amp; Adoption Service</b>	<b>380</b>	<b>12%</b>
Increased volumes of assessments which require completing in relation to kinship, mainstream and adoption has resulted in externally commissioning these assessments to ensure compliance within court timescales. There is also increased staffing levels in some teams to manage workload capacity based on demand - especially in regards to Kinship care where numbers are increasing above what was expected. The roll out of the Permanence Pilot to enable all work to match children with prospective adopters to be rolled out county wide has resulted in short term additional costs whilst capacity in locality teams is better understood and structures stabilised whilst this function moves under a dedicated team within this service.		
<b>Operational Placements</b>	<b>170</b>	<b>1%</b>
Leicestershire's looked after children (LAC) number at 31/3/2019 was 585, and budgeted for an increase of 11%. Current projections indicate a LAC increase of 12%. In addition, some children have entered the system with really high and complicated needs, which have resulted in costs of almost 100% increase in comparison to the average cost of that placement type.		
<b>Directorate</b>	<b>100</b>	<b>7%</b>
Structural short term changes to manage and oversee departmental change programmes. Also includes use of agency to cover for long term sickness whilst recruitment of vacant post is fulfilled.		
<b>PRU Transport</b>	<b>85</b>	<b>56%</b>
Demand and complexities in managing travel needs of pupils have resulted in overspend position.		

<b>Children and Families Wellbeing Service</b>	<b>-215</b>	<b>-2%</b>
Staff turnover and in year vacancies.		
<b>Disabled Children Service</b>	<b>-340</b>	<b>-8%</b>
Staff turnover and in year vacancies in addition to reduced demand on direct payments budget.		
<b>Other variances</b>	<b>0</b>	<b>n/a</b>
<b>TOTAL</b>	<b>1,930</b>	<b>n/a</b>

### Adults & Communities

The Department is forecasting a net underspend of £1.4m (1.0%). The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Supported Living</b>	<b>1,665</b>	<b>10%</b>
Overspend forecast due to the Target Operating Model (TOM) programme target of moving 5 Learning Disabilities service users per month from Residential Care into Supported Living. Currently there are an additional 15 service users receiving Supported Living. It is forecast that there will be a phased increase to 60 service users over the year. Additional service users are expected from the opening of Brookfields. However, this hasn't been forecast until a completion date is set and initial moves take place. There will be a corresponding underspend on Residential Care service user numbers which offsets this variance.		
<b>Home Care</b>	<b>1,345</b>	<b>8%</b>
Overspend forecast at this stage - additional maintenance hours being commissioned as a result of increased service user numbers receiving a Help to Live at Home (HTLAH) service compared with the budget. Current average number of service users is 1,840 with an average weekly cost of £188. (Outturn 2018/19: Average service users 1,770 and weekly cost of £184). This should be considered in conjunction with the decreasing numbers of service users in weekly Direct Payments and the underspend being reported there. It is expected that over the course of the year, there is potential for additional service users to be given Homecare packages as part of implementation and rollout of the TOM work to reduce the number of residential care admissions, whilst at the same time reducing the average package size per service user through better commissioning practice.		
<b>Community Income</b>	<b>850</b>	<b>4%</b>
Learning Disabilities pooled income (£1.4m) with health is lower than budgeted as the number of service users are falling and this will continue as further 100% funded service users are removed from the pool over the course of the year. The reduction in pool income should be offset by a reduction to demand led expenditure. The overall budget is offset by an additional £0.6m of income being forecast that is mainly a result of a higher average chargeable amounts being received from service users. As new service users are entering the system their average chargeable amount is higher than those exiting the system - therefore the average chargeable amount increases over time. A small increase in chargeable service users is also expected through the TOM work looking to keep service users in Non-Residential Care rather than Residential Care.		
<b>Early Help &amp; Prevention Secondary Services (e.g. Carers &amp; Community Assessments)</b>	<b>185</b>	<b>75%</b>
Correction of a 2018/19 year end reserved debtor and an increase in the cost of the Lightbulb Partnership project due to additional staffing costs arising from pay inflation increments and a new manager post increasing the County Council's contribution by £55k.		
<b>Communities and Wellbeing</b>	<b>145</b>	<b>3%</b>
Overspend mainly relates to further efficiency savings that to date have not been achieved, additional CCTV costs in libraries, loss of income at Bosworth Heritage Centre due to visitor numbers and staffing to cover for long term sick in museums service.		
<b>Safeguarding, Deprivation of Liberties (DOLS) &amp; Court of Protection</b>	<b>105</b>	<b>4%</b>
Overspend on Safeguarding relates to additional market premia and agency costs.		
<b>Residential Care and Nursing</b>	<b>-2,465</b>	<b>1%</b>
Reduction in number of service users and lower average cost of packages (£1.3m). There are an average of 2,230 service users and an average gross care package cost of £741 per week (before the impact of the 2019/20 fee review which is in the process of being implemented). As part of the TOM programme a number a service users will be transferring to supported living which will result in a reduction of approximately £2m residential expenditure. These are offset by a reduction in health income of £0.9m due to changes to the LD pool budget arrangements.		

<b>Direct Payments</b>	<b>-1,950</b>	<b>5%</b>
The underspend is due to the net impact of a 5.7% reduction in number of service users and a 6.2% increase in package price equating to a decrease of £1.95m in total. - Forecast 2,340 service users per week receiving an average package of £320.60 (2018/19 Outturn: Annual average 2,498 per week with an average package of £292.11). - Forecast 705 Carers per week receiving an average packaged of £45.93 (2018/19 Outturn: Annual average 492 Carers per week with an average package of £45.32).		
<b>Homecare Assessment and Reablement Team (HART) &amp; Crisis Response</b>	<b>-605</b>	<b>-13%</b>
Staffing and travel underspend forecast at this stage. It is expected that additional resources will be recruited as part of the TOM work to encourage transfers from HTLAH reablement into HART, however at this stage this hasn't occurred. A full review will be undertaken once the TOM work is completed.		
<b>Community Life Choices (CLC) / Day Services Team</b>	<b>-535</b>	<b>-19%</b>
Underspend due to changes within the services and service users (CLC policy) and vacancies being held pending the implementation of action plans for co-location as part of savings. Review of service users is still ongoing, action plan will take place once this has occurred.		
<b>Supported Living, Residential and Short Breaks</b>	<b>-385</b>	<b>-8%</b>
Reduction in service users in Hamilton Court residential and managing vacancies at Hamilton Court and The Trees. Review of service users ongoing.		
<b>Aids, Adaptations and Assistive Technology</b>	<b>-165</b>	<b>-7%</b>
Staffing vacancies pending stabilisation of services and possible changes to internal service.		
<b>Other variances (under £100k)</b>	<b>370</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-1,440</b>	<b>n/a</b>

### Public Health

The Department is forecasting a net underspend of £0.3m. The main variances are:

	<b>£000</b>	<b>% of Budget</b>
<b>Local Area Co-ordination</b>	<b>60</b>	<b>8%</b>
Forecast reduced income due to partnership income arrangements being reviewed.		
<b>Sexual Health</b>	<b>-80</b>	<b>-2%</b>
Community Based Services claims are 25% below budget.		
<b>NHS Health Check programme</b>	<b>-75</b>	<b>-14%</b>
Improved data analysis of claims has reduced the number of duplicate health check claims which has reduced forecast costs.		
<b>Other Public Health Services</b>	<b>-70</b>	<b>-26%</b>
Forecast income due to partnership income arrangements being reviewed.		
<b>0-19 Children's Public Health</b>	<b>-60</b>	<b>-1%</b>
The forecast underspend relates to the cessation of the Understanding and Managing Risk contract on 31.08.19. This contributes to the MTFS savings.		
<b>Other variances</b>	<b>-45</b>	<b>n/a</b>
<b>TOTAL</b>	<b>-270</b>	<b>n/a</b>

**Environment and Transport**

The Department is forecasting a net overspend of £2m (2.9%). The main variances are:

	£000	% of Budget
<b>Special Educational Needs</b>	<b>1,600</b>	<b>15%</b>
<p>The forecast has been updated by analysing the value of taxi invoices received to date in 2019/20 and projecting forward expenditure for the remainder of the year (including a 4% per assumption for in-year growth and inflation). The forecast position is largely due to continuing growth in demand, increased solo contracts and greater complexity of transport provision to meet passengers' needs. The cost per day of providing SEN transport rose rapidly during 2018/19 after budgets were set for 2019/20 and is continuing to increase during 2019/20. Further analysis needs to be undertaken to examine in detail the reasons for the large increase in the cost per day of providing SEN transport.</p> <p>Delays in implementing savings are also a factor in the forecast overspend. Following a delay in receiving the outcome of the judicial review into the proposed SEN post-16 Personal Transport Budget (PTB) policy, a decision was made at the end of June to pause the policy implementation for a year. This has resulted in an estimated additional £0.4m of costs in 2019/20. The judicial review found in Leicestershire's favour and it is now planned to implement the saving in 2020. A further saving of £0.2m that was due to be delivered from implementing an Alternative Fleet Provision has been suspended whilst work is undertaken on the SEN post-16 PTB pause.</p> <p>The impact of voluntary PTB take up for post-16 students could reduce the overspend, but it is difficult to forecast the numbers who may wish to follow this option. Parents have been asked to contact LCC if they wish to continue with the PTB option for the new academic year in September.</p> <p>Further work to reassess the forecast overspend will be required once new academic year transport patterns have settled down. The 4% growth / inflation assumption that has been factored into the forecasting model will also be challenged and reviewed. Given trends over the past 12 months, it may be that the 4% figure is too low and needs to be revised.</p>		
<b>Public Bus Services</b>	<b>510</b>	<b>26%</b>
<p>Overspend forecast largely due to the cost of subsidising additional bus services / routes that became no longer commercially viable during 2018/19. In addition to this, during 2019/20 a bus operator has unexpectedly terminated the contracts of two further services. It is estimated that it will cost an additional £50k in 2019/20 to award emergency tenders for these routes (£0.1m full year effect). This cost is included in the forecast overspend figure of £0.5m.</p> <p>Local bus service savings are being implemented during 2019/20 as part of the Passenger Transport Policy (PTP) project. Phasing and delays in implementing some savings are also contributing to the overspend position. It is still anticipated that the full £0.4m PTP saving will be achieved by the end of 2020/21, but this could be affected by further bus operator contract changes and the impact this has on bus service provision planning.</p>		
<b>H &amp; T Network Management - Staffing &amp; Admin</b>	<b>305</b>	<b>n/a</b>
<p>The department is currently reviewing the full cost and income implications from pre-application charges.</p>		
<b>Recycling &amp; Household Waste Sites</b>	<b>120</b>	<b>4%</b>
<p>Forecast of overspend on income due to fall in market prices particularly for textiles. This is offset slightly by a forecast underspend on staffing due to lower agency costs and vacant posts.</p>		
<b>Mainstream School Transport</b>	<b>-325</b>	<b>-9%</b>
<p>Underspend forecast based on reduction in pupil numbers and fewer contracted services required.</p>		
<b>Landfill</b>	<b>-200</b>	<b>-3%</b>
<p>Waste tonnages are forecast to be approximately 2,000 tonnes lower than budget.</p>		
<b>Dry Recycling</b>	<b>-100</b>	<b>-5%</b>
<p>Market values being received for dry recycling materials are higher than budget.</p>		
<b>Other variances</b>	<b>70</b>	<b>n/a</b>
<b>TOTAL</b>	<b>1,980</b>	<b>n/a</b>

**Chief Executives**

The Department is forecasting a net underspend of £0.5m (4.3%). The main variances are:

	£000	% of Budget
<b>Planning Services</b>	-330	-74%
Increase in planning fee income, which is not expected to be ongoing, and there are a number of vacancies for which recruitment is proving difficult.		
<b>Democratic Services and Administration</b>	-145	-10%
There are vacancies due to staff turnover. These are being held whilst a review of support services across Member Services and Civic Support is carried out.		
<b>Other variances</b>	5	n/a
<b>TOTAL</b>	<b>-470</b>	<b>n/a</b>

**Corporate Resources**

The Department is forecasting a net overspend of £0.1m (0.2%). The main variances are:

	£000	% of Budget
<b>Commercial Services</b>	550	-21%
Continuing challenge from a 2018/19 outturn overspend of £0.4m, pay inflation of £0.8m and the 2019/20 savings target of £0.5m means it is likely that Leicestershire Traded Services (LTS) will have a shortfall in contribution during 2019/20.		
<b>Customer Service Centre</b>	340	17%
The Customer Service Centre is facing increased pressures and has only achieved previous years' savings target as a result of one off savings from attrition. In order to maintain service levels, the service has agreed to over recruit by ten posts to ensure attrition is covered. Additionally, Customer Service assistants have recently had their posts regraded, increasing expenditure by £70k per annum. Additional workloads are also anticipated from the change in legislation from August 2019 regarding Blue Badge eligibility for people with 'hidden disabilities'.		
<b>Information &amp; Technology</b>	-430	-4%
The Information & Technology Service has carried some vacancies since last financial year awaiting an action plan to review middle management of the service. The action plan is now complete and posts are starting to be filled, but some vacancies still exist, resulting in underspends across the service.		
<b>Insurance</b>	-315	-17%
Early achievement of saving in relation to contributions to liabilities. Earmarked funds are at an appropriate level allowing the planned saving to be made early. This will see the contribution to earmarked funds reduce from £1.1m to £0.8m.		
<b>Commissioning Support Unit (CSU)</b>	-60	-6%
An action plan implemented at the end of 2018/19 to deliver a new structure. Savings partly off-set by some one-off work to update contract documentation which required agency input.		
<b>Other variances</b>	-25	n/a
<b>TOTAL</b>	<b>60</b>	<b>n/a</b>

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