

Revenue Budget 2020/21 – forecast main variances**Children and Family Services**Dedicated Schools Grant

A net overspend of £9.5m is forecast. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked fund drawdown	9,550	n/a
Budget included an estimated HNB drawdown of £9.5m as the planned in year overspend.		
Special Educational Needs and Disabilities (SEND)	1,170	2%
The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. During 19/20 a number of these bases welcomed their first cohort of students, with more places forecast to be filled during the 20/21 academic year. The increase in demand however has resulted in these places being filled with new demand as opposed to having the desired impact on existing numbers. Due to set-up costs the full effect of the programme won't be seen until future years. Additionally, the numbers of pupils in mainstream settings that receive top-up funding is rising rapidly.		
High Needs Block Development / Inclusion Partnerships	-470	-34%
The High Needs Recovery Plan included the further development of 4 inclusion projects by the Secondary Education Inclusion Partnerships (SEIP's) which as a result of a change to the approach to inclusion, will now not be progressed.		
Early Years / Nursery Education Funding	-450	2%
The DfE are continuing to pay nursery grant at pre-Covid 19 levels. These funds will be used to help ensure sufficient childcare providers remain sustainable. Providers are being paid in Autumn 2020 based on the number of children in Autumn 2019. The balance in the Early Years Reserve was £176,000 deficit as at 1st April 2020, so an in-year surplus of £450,000 would leave a potential balance of £274,000.		
Education of Children with Medical Needs (CMN)	-155	-6%
Following implementation of the Inclusion Service Review Action Plan, Case reviews have decreased the numbers of young people in the system who are supported back into education at an earlier stage. The projected underspend is also due to the recoupment of funding from schools for CMN placements.		
Other variances	-155	n/a
TOTAL	9,490	n/a

Local Authority Budget

The Local authority budget is forecast to overspend by £3.2m (3.9%). The main variances are:

	£000	% of Budget
Operational Placements	3,000	9%
<p>Current projections are based on a 8% LAC (Looked after Children) increase from March 20 position. Whilst MTFS growth was based on a 14% increase, there has been an increase in unit costs based on the current cohort of children and new placements coming into system in comparison to projected unit costs made at time of MTFS submission. This has resulted in the current projected overspend position.</p> <p>For example current average weekly External Residential Unit costs to social care is £4000 p/w (£3500 p/w assumption built into MTFS Growth - 14% increase). Similar trends across external 16 plus and IFA placements. 16plus current average weekly unit costs £1400 vs £1000 built into MTFS assumptions - 40% increase. IFA current weekly average costs £ 810 vs £790 built into MTFS assumptions - 3% increase. Over the last 6 months, a number of children have required a residential placements as result of their very complex needs, and subsequently led to very high cost placements. This helps further explain the reason why the average unit costs have increased above initial projected levels as per the MTFS.</p> <p>In addition, recently over the last month, we have seen a direct impact of changes to case law and practice in regards to parent and child placements, and as a result have a direct impact on the projected budget position for this financial year. For example, the new standard is there must be a high standard of justification that must be shown by a local authority seeking an order for separation requires it to inform the court of all available resources that might remove the need for separation.</p>		
Children's Social Care Staffing	1,630	7%
<p>The MTFS had identified growth for a number of staff roles across various service areas based on current demand and need. A number of those roles had been filled with agency workers, given the current challenges around recruitment and retention within social care. Prior to Covid-19, plans has been in place for an intense recruitment drive and plan to reduce the need for agency workers. However, the current pandemic caused severe disruption to those plans, and not only did short term reactive measures which involved having to increase workforce capacity to allow for service continuity across our statutory services, it subsequently also meant such increased capacity had to be met from the agency market at an increased cost. In addition, whilst we have seen positive recruitment drives for social workers, a number of new recruits are newly qualified and therefore in a lot cases have needed to be supported by more qualified social workers in the short term, and unfortunately based on the current demand for qualified experienced social workers, this is having to be met from the agency market.</p>		
Social Care Legal Costs	415	37%
<p>Overspend due to increased volume of new court proceeding being issued over the last 2 months, with this trend projected to continue for the remainder of the financial year.</p>		
Vacancy Management across all non essential vacant roles	-1,255	-13%
<p>A planned and measured vacancy management process is in place across service areas for all non critical and essential job roles. This directive is in response to the financial pressures across social care and minimises the risk of incurring any non essential spend for the remainder of this financial year. Such measures will be under continual review to ensure impact on service delivery is kept to a minimum.</p>		
Asylum Seekers Budget	-370	-26%
<p>Increased Home Office Funding rates for this financial year has resulted in a reduced financial pressure on this budget compared to what has been projected when budget was set.</p>		
Disabled Children's Service	-245	-6%
<p>Combination of turnover of staff and reduced services as result of the impact of Covid 19, especially within the homecare and short breaks service areas.</p>		
Other variances	-25	n/a
TOTAL	3,150	n/a

Adults & Communities

The Department has a net underspend of £6.0m (4%). The main variances are:

	£000	% of Budget
Homecare	3,665	0
There is a forecast variance due to the costs of Covid-19 hospital discharge patients estimated at £3.9m; provider Covid-19 support payments of £1.3m and IPCF grant costs of £2.6m. IPCF grant income and NHS Discharge Fund will net off most of this element of the overspend. Additional impact of April 20 contract inflation estimated at £430k and an increase in the number of service users (SU) (£3m) is also included in the overspend. The forecast for Home Care is based on an average SU number over the year of 2,150 at an average weekly cost per person of £240.		
Additional Other COVID costs	2,645	n/a
Additional Covid-19 expenditure includes additional provider payments, supporting shielding, PPE purchases for all council services, supporting management of Covid-19, food packages for service users being discharged from hospital and additional accommodation.		
Community income	2,655	12%
As a result of Covid-19 the decline in the chargeable number of service users (SU) has increased further to 500 SU who usually provide approx. £84/week of income, therefore the loss of income is forecast to be £2.3m at this stage. It is expected that the number of chargeable service users will increase over time as the effect of Covid-19 and social distancing diminish, however this is yet to be observed.		
Health recharges for Home Care are £600k lower than budgeted which is due to falling service user numbers with CHC (Continuing Health Care) funding likely to be due to new cases being eligible for recharge against the Covid-19 health funding. Agency income for Supported Living of £700k will not be achieved, however this should be compensated for by an equivalent saving on expenditure. The Learning Disabilities (LD) Pool income for non-residential SU is below budget by £400k as service user numbers are reducing. It is anticipated that around £1.5m of NHS Discharge Funding will cover loss of income.		
Residential Care and Nursing	1,215	2%
The net forecast overspend of £1.2m arises from several areas. Firstly, anticipated additional payment costs to providers of approximately £3m (including £1m of additional annual inflation to fees) and payment for infection protection control of £8.8m, additional service user cost of £5m due to Covid-19 and loss of Income as a result of Covid-19 due to the decline in the chargeable number of service users (£4.4m) These additional costs will be offset by anticipated additional income in the region of £11m from the NHS discharge Covid-19 fund and infection control grant of £8.8m. There are currently an average of 2,400 service users with an average gross care package cost of £825 per week.		
Communities and Wellbeing	325	6%
Overspend mainly relates to reduction of income due to Libraries, Museums and Heritage sites being closed as a result of Covid-19 £300k and £99k related to Adult Learning services. These are off set by underspends on staffing and other overheads.		
Care Pathway East- Older Adults Team	115	5%
Overspend relates to market premia, agency cost and additional staffing cost for Help with the Recovery and vacancies and business as usual (BAU) planning.		
Reablement (HART) & Crisis Response	-1,125	-24%
Underspend due to staffing vacancies and challenges recruiting during Covid-19. It is expected that additional resources will be recruited to as part of the Target Operating Model (TOM) work to encourage the transfer of volumes out of HTLAH reablement into HART and this work is currently in progress.		
Better Care Fund Contribution	-930	-5%
Additional BCF funding was agreed during the year for social care protection and other schemes.		
Supported Living	-710	-4%

Underspend following Covid-19 and a slight reduction in service users. In addition a delay in the movement of service users from Residential Care to Supported Living (through TOM project), following Covid-19, together with a slowdown in new growth of service users entering Supported Living therefore underspend of £0.7m. Covid-19 Extra Payments to providers of £400k is forecast to be made and IPCF of £67,600 payments (off set by income from Grant).

Community Life Choices (CLC) commissioned services	-520	-20%
Underspend following lockdown and the closure of CLC bases within the independent sector and service users either receiving no service or a vastly reduced service. Discussions are ongoing on a potential new CLC framework over the Covid-19 period. Forecast includes approx. £4k of Covid-19 extra payments to providers.		
Community Life Choices (CLC) / Day Services Team	-480	-18%
Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held pending an action plan.		
Supported Living, Residential and Short Breaks	-470	-10%
Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held pending an action plan.		
Aids, Adaptions and Assistive Technology	-150	-9%
Underspend on the expected spend on equipment following Covid-19 and a reduction in the commissioning of works. Demand is expected to bounce back following the end of the lockdown period.		
Care Pathway West- Older Adults Team	-135	-4%
Underspend from temporary staffing vacancies.		
Other variances (under £100k)	-140	n/a
TOTAL	5,960	n/a

Public Health

The Department is forecasting a net underspend of £0.1m. The main variances are:

	£000	% of Budget
Public Health Advice	160	15%
The overspend is due to the Homelessness Grant, received last year, being transferred to Leicester City Council.		
Sexual Health	-300	-7%
This is a demand led service that has seen a significant lack of activity due to the Covid-19 pandemic. It is difficult to predict whether there will be a surge in activity once the lockdown restrictions ease due to the nature of the service.		
Other variances	20	n/a
TOTAL	-120	n/a

Environment and Transport

The Department is forecasting to budget. The main variances are:

	£000	% of Budget
Special Educational Needs Transport	1,540	11%
<p>The current estimated overspend on SEN Transport for 2020/21 is £1.3m. This forecast is largely based on the estimated potential impact contract price increases due to Covid-19 from September 2020 (£1.5m extra for the financial year). Most new transport arrangements for the 2020/21 academic year have now been put in place. The forecast is based on an assumed 20% over budget position for taxis for the period from July 2020 to March 2021.</p> <p>The overall forecast for the 2020/21 financial year has been reduced by savings made between April and July 2020, due to fewer journeys being made and the 25% retainer being paid to taxi companies.</p> <p>The forecast also includes £200k additional costs in the 2020/21 financial year to provide additional services high risk service users (high medical or behavioural need). No social distancing is assumed for other service users.</p> <p>Additional funding of £541k for Home to School and College Transport has been allocated by DfE for the first half term of the 2020/21 academic year. This grant can be used to fund additional services to allow social distancing. It is therefore assumed that £50k of this grant will be used for SEN transport. A further £50k grant income has been included in the forecast on the assumption that the grant will continue until at least the end of 2020.</p> <p>The forecast also includes additional costs of £180k in 2020/21 relating to the decision to pause implementation of post 16 PTBs until September 2021.</p> <p>In addition to the impact of COVID19, there is likely to be a general continued growth in demand and greater complexity of transport provision to meet passengers' needs as has been seen in recent years. The impact of these factors will have to be monitored during 2020/21 alongside the additional costs that are arising due to COVID19.</p>		
Landfill	750	9%
<p>Forecasting £0.7m over budget due to increased tonnage due to Covid-19 as people stay at home. This is partially offset by tonnage reductions on Treatment Contracts due to lower tonnages at Recycling and Household Waste Sites.</p>		
Dry Recycling	360	18%
<p>Forecast overspend due to increased tonnages of kerbside dry recycling materials (card, glass, paper, cans and plastic bottles) as a result of more food being consumed at home during the Covid-19 lockdown period.</p>		
Recycling & Household Waste Sites	275	8%
<p>Forecast overspend of £289k due to reduction in income from recyclable materials (including reuse income) during the Covid-19 outbreak and £58k lost income from charging at Recycling and Household Waste Sites. Overspend reduced by forecast income from furloughed staff.</p> <p>£50k underspend for RHWS haulage anticipated resulting from lower bulk haulage contract costs resulting from lower wood tonnages and fuel savings.</p>		
Concessionary Travel & Joint Arrangements	275	6%
<p>Potential overspend of £275k due to anticipated additional concessionary travel reimbursements costs to one bus operator. These estimated costs have arisen following a review of the methodology for making concessionary travel reimbursements as requested by the DfT. This review considered the way in which bus routes are split between rural and non-rural journeys. Further work still needs to be undertaken to confirm the figures.</p>		

Public Bus Services	180	8%
Overspend of £180k forecast due to Covid-19 related issues. Forecast includes: - £260k delay of savings due to the decision to pause the Passenger Transport Policy implementation, but it is assumed that £170k of this shortfall can be funded using the Supported Bus Services Grant in 2020/21. - £318k loss of Park and Ride income during site closures and reduced income for the remainder of the financial year. - £180k lost income from employee parking schemes at Park and Ride sites during the Covid-19 lockdown period. - £150k lost bus fare revenue due to reduced passenger numbers throughout the whole of 2020/21. - £175k potential costs of commercial deregistrations. - £165k costs for additional capacity at peak times. - The above overspends are offset by assumed income of £898k from the Covid-19 Bus Services Support Grant (CBSSG) (this figure is still to be confirmed).		
H & T Operations management	145	48%
Overspend due to under recovery on recharge to capital for agency staff.		
Mainstream School Transport	140	4%
The forecast net overspend includes the estimated potential impact of contract price increases due to Covid-19 (£245k). Most new transport arrangements for the 2020/21 academic year have now been put in place. The forecast is based on an assumed 10% over budget position for taxis for the period from July 2020 to March 2021. The forecast also includes £330k additional costs in the 2020/21 financial year to provide additional services to replace some commercial services and some routes where children from different schools previously travelled on the same bus. No social distancing is assumed for other service users. Additional funding of £541k for Home to School and College Transport has been allocated by DfE for the first half term of the 2020/21 academic year. This grant can be used to fund additional services to allow social distancing. It is therefore assumed that £150k of this grant will be used for mainstream school transport. A further £150k grant income has been included in the forecast on the assumption that the grant will continue until at least the end of 2020.		
Highways Design & Delivery - Staffing, Admin & Depot Overhead Costs	-2,355	-105%
Underspend due to additional recharges to capital due to additional grants received for capital schemes and vacant posts. Due to Covid-19 recruitment has been slowed and full recruitment for services maybe impacted for the whole year there is also additional spend relating to agency staff.		
Treatment Contracts	-395	-4%
Forecasting underspend due to reduced tonnage during Covid-19. This is due to lower volumes of waste at Recycling and Household Waste Sites during the site closures.		
HS2	-210	-52%
Underspend due to planned Government HS2 Phase 2b hybrid Bill process delayed beyond the originally anticipated June 2020 start (to 2021/22 at the earliest), so mandatory Parliamentary Agents and consultant support will not be required until that time.		
Ash Die back	-200	-50%
Underspend due to social distancing measures on inspections meaning less work can be completed as quickly. Also some communications work has not been completed as communications regarding Covid-19 have taken priority.		
Staffing & Admin Policy & Strategy (Environment & Waste)	-185	-15%
Forecast underspend due to multiple vacancies.		
Staffing & Admin Commissioning	-165	-15%
Underspend due to staff vacancies which is being slightly offset by reduction in income and recharges to capital.		
Other variances	-85	n/a
TOTAL	70	n/a

Chief Executive's

The Department is forecasting a net overspend of £1.5m (12.3%). The main variances are:

	£000	% of Budget
Policy & Communities	1,610	93%
The variance is due to forecast expenditure of £1.6m for Covid-19 related Community grants.		
Registrars	280	-279%
There is forecast to be a significant shortfall in income due to the Covid-19 impact on Wedding Ceremonies. Estimated furlough income of £25k is reflected in the forecast.		
Legal Services	140	6%
Additional temporary posts agreed for Covid-19 and A&C additional work plus the use of extra Locum resources to cover vacant posts.		
Trading Standards	50	3%
Agency support for Covid-19 PPE procurement support activities.		
Growth Unit	-200	-35%
The variance is due to ongoing staffing vacancies which are expected to continue for the remainder of the financial year plus an internal recharge of £55k which won't be taking place.		
Democratic and Administration	-165	-12%
The variance is due to ongoing vacancies as well as a reduction in travel, post and printing costs.		
Planning Services	-115	-26%
The forecast underspend is due to vacant posts that are proving difficult to recruit to. Planning fee income is expected to be at budgeted level.		
Civic Affairs	-95	-57%
The variance is due to reduced costs as a result of ongoing Covid-19 restrictions.		
Other variances	5	n/a
TOTAL	1,510	n/a

Corporate Resources

The Department is forecasting a net overspend of £8.0m (23.6%). The main variances are:

	£000	% of Budget
Commercial Services	4,740	n/a
A £4.7m overspend is being forecast at period 6 which is a result of the pandemic and difficult trading continuing from 2019/20. Difficult trading conditions continue and have been seriously compounded by lockdown forcing either the scaling back or temporary closure of a number of commercial services. Recovery plans are being developed to address continuing operational losses and develop an optimum portfolio of commercially sustainable services going into 21/22. This may result in some services discontinuing. The net overspend is inclusive of £1.6m furlough income.		
Information & Technology	2,060	20%
Overspend anticipated on hardware and software to support the increases in homeworking during Covid-19 lockdown.		
Corporate Asset Investment Fund	1,115	-47%
Overspend related to delays related to Airfield Farm and LUSEP, partially Covid-19 related. Both expected to achieve the expected returns by 2021/22.		
Working from Home Allowance	580	n/a
£0.6m estimate of cost of other equipment (non-PC) required by staff to adapt to working safely at home.		
County Hall	225	18%
Overspend represents both a continuation of the 2019/20 overspend (£0.15m) due to additional cleaning charges, security costs, energy costs and lower income than expected as well as the additional Covid-19 costs associated with cleaning, signage and building changes (£0.07m). This has been offset in part by a reduction in some costs such as water and electricity due to lower usage of the building.		

Insurance	125	8%
£0.1m net overspend related to rises insurance premiums partially offset by staff vacancies.		
Major Conditions Improvement Works	100	4%
£0.1m overspend related to additional works required as a result of Covid-19 throughout the corporate estate.		
Strategic Property	-220	-8%
£0.2m staffing saving arising from a delay due to Covid-19 in recruitment to vacant posts following a staffing review.		
Commissioning Support Unit	-145	-10%
£0.1m underspend in relation to staff vacancies.		
Learning and Development	-140	-10%
£0.1m projected underspend as a result of not being able to deliver courses as expected due to Covid-19 lockdown.		
Customer Service Centre	-140	-10%
£0.1m underspend in relation to staff vacancies.		
Supported Employment	-115	-19%
£0.1m underspend largely as a result of furlough income as vulnerable staff are shielding from the pandemic.		
Other variances	-145	n/a
TOTAL	8,040	n/a