

Summary of 2019/20 Projected Variations

Service Area	Net Revenue Budget	Current Variation	Variation as a % of Net Revenue Budget
	£	£	%
Business, Development & Employment	(1,481,064)	0	0.0
Finance & HR	3,284,674	(2,100,000)	-63.9
Cooperative Council Team	1,356,884	0	0.0
Children's Safeguarding & Family Support	30,921,310	1,598,553	5.2
Education & Corporate Parenting	11,613,506	673,205	5.7
Adult Social Care	42,395,547	491,890	1.2
Governance, Procurement & Commissioning	2,771,440	114,871	4.1
Health & Wellbeing	2,386,320	0	0.0
Customer & Neighbourhood Services	29,184,023	(164,199)	-0.6
Commercial & Housing Services	1,468,207	433,000	29.5
Council Wide	(2,487,527)	(74,000)	3.0
Total	121,413,320	973,320	0.8
Use of Contingency		(973,320)	
Overall Total	121,413,320	0	

2019/20 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Business, Development & Employment				
Regeneration & Investment	PIP Income & NNDR	(5,301,121)	208,000	Income and NNDR pressures arising from a number of void properties including Hollinswood House and Euston Way. A planned refurbishment programme for Hollinswood House was approved in 18/19 to enable it to compete in the market and will be marketed in 19/20 as well as Euston Way. The market for Office space remains challenging.
	Growth Fund Income	(2,666,469)	(183,000)	Early delivery of Growth fund investments due to improved tenant phasing,
	Contribution from Reserves	-	(25,000)	One off reserves
Variations under £50k		6,486,526		
Total Business, Development & Employment		(1,481,064)	0	
Finance & HR				
Treasury Management		11,193,249	(2,000,000)	Savings arising from Treasury Management Activities
External Audit Fee		201,590	(100,000)	Underspend against audit fee due to new contract with Grant Thornton
Variations Under £50k		(8,110,165)	0	
Total Finance & HR		3,284,674	(2,100,000)	
Cooperative Council Team				
Variations under £50k		1,356,884	0	No variations to report
Total Cooperative Council Team		1,356,884	0	
Children's Safeguarding & Family Support				
CIC Placements		15,368,825	2,242,012	Equivalent expenditure in 2018/19 was around £16.5m, so the current projection for 2019/20 represents an increase in expenditure of around £1m compared to last year. The 2019/20 projection is based on the assumption that the majority of current placements continue until the end of the financial year, unless the child turns 18 over this period. Thus, if the service is able to step-down further children as is planned, particularly children currently in residential placements, then the actual expenditure may be less than that currently forecast. However, there have already been a number of cases in which a child's placement has become more expensive. This illustrates the risk that the forecast could potentially increase as well as decrease, as the year progresses. Total numbers of children in care have increased in recent months, from 377 in February to 394 in May.
16+ Children in Care		730,179	104,110	Costs associated with young people over 16 increased significantly in 2018/19 as a result of a small number of high cost cases, generally children already in residential placements transferring to a post 16 placement. The full-year impact of support for these young people is now included in the projections for 2019/20
Staffing - salaries		10,873,123	332,495	Recruitment continues to be challenging, requiring the appointment of short-term agency staff. Agency appointments generally cost around one third more than an equivalent substantive LA appointment, resulting in additional pressure to the Safeguarding budget. The extent of the variation as the year progresses will depend upon the balance between the numbers and costs of agency staff and the savings generated by vacancies, not all of which (e.g. short-term vacancies) will be covered by agency staff.

2019/20 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Assessments		368,903	-60,133	Many assessments are now completed internally, reducing the need for more expensive external assessments
Children with Disabilities		948,932	200,000	The overall cost of direct payments is likely to be in excess of budget provision. However direct payments represent excellent value for money and a deficit here likely means that children's care requirements are met in a cost-effective manner, reducing the need for more expensive care packages
Children in Care Adoption Allowances		181,270	50,000	There is a budget pressure in this area, due to the number of adopted children and the associated costs, but in principle adoptions are a positive solution for children and for the financial situation of Safeguarding as a whole, as it means that the children and young people concerned are not placed in more expensive options.
Joint Adoption Service		509,609	50,000	T&W is part of a joint adoption service with Shropshire Council. Early indications from Shropshire Council are that the contribution required to support this service is likely to be in excess of the budget for 2019/20. See also comment above regarding adoption allowances
Contribution from Reserves		-924,238	-98,337	
Health Funding		-580,000	0	
Under £50k		2,561,152	375,391	
TOTAL		30,037,755	3,195,538	
Use of contingency		0	-1,647,000	
TOTAL		30,037,755	1,548,538	
Independent Review - Staffing		701,940	28,985	Additional post to cover long-term sickness
Independent Review - Under £50k		181,615	21,030	
Total Children's Safeguarding & Family Support		30,921,310	1,598,553	
Education & Corporate Parenting				
School Transport		2,792,716	444,574	The variation is currently forecast to be at a similar level to that reported in the 2018/19 financial year outturn. The majority of expenditure on home to school transport is related to the transport of pupils with high needs. Because of this, the increase in the number of pupils with high needs and the complexity of these needs (a national issue, not one confined to T&W) is putting upwards pressure on transport costs. Work to mitigate these cost pressures is on-going, including encouraging parents to transport their children to school where possible and more sharing of taxis. The number of coaches required to transport children to mainstream schools reduced from September 2018 and further reductions will be made in future years as denominational transport ceased for new pupils in September 2017. There may be further opportunities for additional savings once the current review of Home to school transport is completed. A report will be brought to Members in the near future.

2019/20 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Post 16 Transport		176,450	292,346	This area transferred into Education & Corporate Parenting from Business, Education and Employment in 2018, coinciding with a significant increase in the costs of transporting post 16 high needs pupils from September 2018. This was due to a small number of young people with significant transport costs joining the cohort. In 2019/20, the full year transport costs of these young people will be incurred, further increasing the projected expenditure compared to the previous year. Post 16 transport is impacted by the same high needs issues outlined above, but also has additional pressures arising from the Government's extension of potential entitlement to education for high needs pupils to age 25, as part of the September 2014 SEND reforms. This has led to some pupils in post 16 education extending their education beyond 19, with a continuation of associated transport costs. Dedicated post 16 SEND officers have recently been appointed, with a remit to review the provision of all students to ensure that it is appropriate and provides positive progression. Independent travel training programmes will also be offered to a greater number of students where this is appropriate.
Variations under £50,000		8,644,340	-63,715	
Total Education & Corporate Parenting		11,613,506	673,205	
Adult Social Care				
Purchasing - all types of care		39,055,780	1,474,300	Difference in forecast net expenditure against five year model which included various transformation strategies. The variation is being investigated and is certainly to do with variation from the assumed activity or rates forecast and is impacting income recovery as detailed below
Income	Client contributions	(5,536,800)	(726,000)	Impact of the volume of care purchased giving rise to contributions offsetting the pressure above
Operational Locality Teams		5,921,680	(257,000)	Vacancies and lead times in recruiting
Other	Variations under £50k	2,954,887	590	
Total Adult Social Care		42,395,547	491,890	
Governance, Procurement & Commissioning				
Legal Services		1,062,280	94,309	Lower than expected fee income, lower costs recovered from legal action and pressure on printing budgets from childcare proceedings.
Other	Variations under £50k	1,709,160	20,562	
Total Governance, Procurement & Commissioning		2,771,440	114,871	
Health & Wellbeing				
Variations under £50k		2,386,320	0	
Total Health & Wellbeing		2,386,320	0	

2019/20 Revenue Budget Variations over £50,000				
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Customer & Neighbourhood Services				
Environmental Maintenance	Various	3,920,210	(167,520)	Underspends from the new Grounds & Cleansing Contract with Idverde as a result of the delivery of savings earmarked for 2020/21 early in 2019/20.
TWS Holding Account	Third Party Payments	-	(66,778)	One off refund in relation to pensions as a result of the winding up of the TWS contract.
New Roads and Streetworks Act	Various	(326,450)	(74,436)	Additional permit income projected for the year in line with income levels received in 2018/19.
Off Street Car parking	Income	(219,180)	52,180	Shortfall against income targets for Ironbridge Car Parks. This is consistent with shortfalls experienced in 2018/19.
T & W Footpath Lighting	Premises Related Expenditure	662,670	(168,518)	Underspend against electricity for footpath lighting as a result of the roll out of the LED lighting programme across the Borough.
Variations under £50k		25,146,773	260,873	
Total Customer & Neighbourhood Services		29,184,023	(164,199)	
Commercial & Housing Services				
Housing	Homelessness - Income	(533,730)	175,000	A report was taken to S&FP which identified a number of ongoing pressures with limited mitigating options, short-term action is being taken in 19/20 but leaves an ongoing unstainable pressure. The pressure relates to rental income shortfall in relation to the move from one large refuge to two smaller properties to meet the needs of the client group and relatively lower occupancy levels at XRoads due to the need to ensure the right mix of clients to minimise safeguarding issues. The Housing team will review options to help mitigate these pressures in 19/20.
		0	(175,000)	One off use of Reserve created from 18/19 outturn to mitigate the above pressure.
Leisure Operations	Aspirations - Income	(1,981,944)	433,000	Income pressures within Leisure linked to the impact of new competitors entering the gym market locally. An action plan is in place to mitigate this pressure as far as possible.
Variations under £50k		3,983,881	0	
Total Commercial & Housing Services		1,468,207	433,000	
Corporate				
Staff Miscellaneous		964,280	(74,000)	Reduction in recharges for Pension Benefits from Shropshire County Pension Fund
Variations under £50k		(3,451,807)	0	
Total Corporate		(2,487,527)	(74,000)	
Total		121,413,320	973,320	

Capital Approvals - by Service Area

Appendix 3

Slippage						
Scheme	Service Area	Funding Source	19/20 £	20/21 £	21/22 £	Later Yrs £
Highways/Footpaths	Customer & Neighbourhood Services	Prudential	(900,000.00)	900,000.00		
Telford Growth Package	Customer & Neighbourhood Services	External	(2,702,443.02)	2,702,443.02		
Telford Growth Package	Customer & Neighbourhood Services	Prudential	504,267.82	(504,267.82)		
All Other Schools Schemes	Education & Corporate Parenting	Grant	(17,765,000.00)	17,765,000.00		
Total			(20,863,175.20)	20,863,175.20	0.00	0.00

New Allocations						
Scheme	Service Area	Funding Source	19/20 £	20/21 £	21/22 £	Later Yrs £
Safer Routes to Schools	Customer & Neighbourhood Services	External	11,800.00			
Every Day Telford -Pride in your Community	Co-operative Council	Revenue	(4,779.48)			
Highways/Footpaths	Customer & Neighbourhood Services	Prudential	350,000.00			
Rights of Way	Customer & Neighbourhood Services	Revenue	100,000.00			
Total			457,020.52	0.00	0.00	0.00