

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		6,370,176	0	
Total Business, Development & Employment		(1,597,414)	0	
Finance & HR				
Treasury Management		11,193,249	(2,600,000)	Savings arising from Treasury Management Activities
External Audit Fee		201,590	(102,408)	Underspend against audit fee due to new contract with Grant Thornton
Bank Charges	Supplies & Services	117,130	(62,130)	Underspend against bank charges as a result of the banking arrangements with Lloyds. Consistent with 2018/19.
Revenues	Income	(914,320)	56,262	Shortfall against Court Fees income, in line with amounts received in 2018/19
Variations Under £50k		(7,312,975)	(47,993)	
Total Finance & HR		3,284,674	(2,756,269)	
Cooperative Council Team				
Community Participation	Employees	556,980	(76,824)	Staffing saving from vacant post, officer on maternity leave and two officers not in the pension scheme.
Organisational Development & Delivery	Employees	684,495	(64,546)	Staffing saving from vacant post, officer on maternity leave and two officers not in the pension scheme.
Variations under £50k		115,409	(16,104)	No variations to report
Total Cooperative Council Team		1,356,884	(157,474)	
Children's Safeguarding & Family Support				
CIC Placements		15,368,825	1,889,144	The variation reflects an increase in expenditure compared to 2018/19 as well as the impact of a shortfall against the expected cost improvement measures. 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 had increased at the beginning of the year, from 377 in February to 394 in May but have stabilised in recent months, to 398 at the beginning of September.

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16+ Children in Care	730,179	351,507	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	10,849,773	-250,353	Recruitment continues to be challenging resulting in vacancies within the service.
Staffing - Agency Costs		904,088	In some cases vacancies will need to be covered by agency appointments which 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. In specific areas of the service agency staff are being placed to maintain levels of caseload appropriate to the experience of staff. The net position on the staffing numbers taking into account unfilled vacancies and additional support equate to an additional 7.97 FTE staff.
Children with Disabilities	948,932	202,583	The overall cost of direct payments is likely to be in excess of budget provision. However direct payments generally represent excellent value for money compared to more expensive care packages and so additional expenditure in this area can be cost effective overall.
Children in Care Adoption Allowances	181,270	79,147	There is a budget pressure in this area, due to the number of adopted children and the associated costs. However, 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	132,354	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	-233,237	
Health Funding	-580,000	0	A zero variation is currently forecast, but there is a significant risk that the health contribution for 2019/20 will be less than the budgeted figure.
Under £50k	2,927,743	597,950	
TOTAL	30,012,093	3,673,182	
Use of contingency	0	-1,647,000	
TOTAL	30,012,093	2,026,182	
Independent Review - Staffing	701,940	30,742	Additional post to cover long-term sickness
Independent Review - Under £50k	181,615	22,034	
Total Children's Safeguarding & Family Support	30,895,648	2,078,958	
Education & Corporate Parenting			

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School Transport		2,925,716	463,725	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 on the Authority's transport policies will be brought to Members in the near future.
Post 16 Transport		176,450	274,690	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		7,750,759	28,981	
Total Education & Corporate Parenting		10,852,925	767,396	
Adult Social Care				
Purchasing - all types of Long term care	Residential/Residential EMI care, Nursing/Nursing EMI care, Homecare, Direct Payments, Shared Lives, Supported Accommodation and Supported Living, Daycare: Spot and Block contracts	49,324,299	2,346,075	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
Purchasing-short term reablement care(through BCF)	Bed based care and Homecare for up to 6 weeks	2,349,280	457,988	Pressure on the operation managed through Better Care Fund to facilitate the efficient discharge of patients from hospital and hospital avoidance. The Better Care Fund is governed by a Pooled Fund agreement between the CCG and the Council which establishes the services, outcomes and funding etc of the operation. This agreement includes risk sharing arrangements between the Council and the CCG. The pressure reported here has been notified to the CCG as part of financial reporting. The anticipated contribution from the CCG is £579k, of which £350k has previously been anticipated. Following the increase in projected expenditure the CCG have been advised that a further £229k contribution is required from both organisations and the Council's contribution (from reserves) is reported below. This will be discussed with a view to agreement at the next BCF Board meeting
Income	Client contributions	(5,536,800)	(830,608)	Impact of the volume of care purchased giving rise to contributions offsetting the Long term care pressure above

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Operational Locality Teams		5,921,680	(230,247)	Vacancies and lead times in recruiting
My Options-Adults & Children's services	Trading accounts	334,050	(189,806)	Projected net underspend against base budget for Adults and Children's services. Adults budgeted net costs of operation was £189k is instead projected to make a surplus of around £40k from a turnover of £5m
Contribution from reserves		-	(229,000)	One off funding to meet Council share of pressure reported above on short term reablement provision
Other	Variations under £50k	(9,662,912)	(340,948)	
Total Adult Social Care		42,729,597	983,454	
Governance, Procurement & Commissioning				
Legal Services	Employees	1,173,580	155,430	Includes costs of agency staff to cover the demand. Steps are being taken to reduce the reliance of the team on agency staff over the current financial year so as to achieve a more sustainable position.
Legal Services	Income	(1,247,176)	50,514	Shortfall against the budget for legal income generated. The budget for income is being reviewed as part of a re-consideration of the business model within Legal ahead of the 20/21 budget
Other	Variations under £50k	2,832,576	0	
Total Governance, Procurement & Commissioning		2,758,980	205,944	
Health & Wellbeing				
Variations under £50k		2,052,270	(59,137)	
Total Health & Wellbeing		2,052,270	(59,137)	
Customer & Neighbourhood Services				
Environmental Maintenance	Third Party Payments	3,964,870	(168,065)	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.
Signs & Signals	Premises Related Expenditure	197,570	(66,619)	Underspend on electricity costs for lit signs and signals as a result of the LED lighting programme.

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T & W Footpath Lighting	Premises Related Expenditure	662,670	(85,019)	Underspend against electricity for footpath lighting as a result of the roll out of the LED lighting programme across the Borough. This variation has reduced since last reported as additional one off repair costs have been identified as the programme comes to its completion.
Variations under £50k		24,841,723	164,392	
Total Customer & Neighbourhood Services		29,666,833	(222,089)	
Commercial 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 unsustainable 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.
Commercial Projects	Income	(75,000)	75,000	This pressure relates to a target to generate additional income from the solar farm by installing a private wire. However, we have decided it is not prudent to progress this, as there is a risk that this would adversely affect our Feed in Tariff accreditation with Ofgem. Instead, we are investigating alternative energy projects, but these are longer-term projects that will not be delivered in 2019/20.
Leisure Operations	Aspirations - Income	(1,981,944)	438,000	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		5,069,691	82,000	
Total Commercial Services		2,479,017	595,000	
Corporate				
Staff Miscellaneous		964,280	(74,000)	Reduction in recharges for Pension Benefits from Shropshire County Pension Fund
Variations under £50k		(4,030,374)	40,000	
Total Corporate		(3,066,094)	(34,000)	
Total		121,413,320	1,401,783	