

Summary of 2013/14 Projected Variations

Service Area	Previous Variations*	Total Current Variation	Change since last report to Cabinet
	12/12/13 Cabinet		
	£	£	£
Children's Safeguarding	1,110,328	948,492	(161,836)
Education & Corporate Parenting	(91,342)	(215,427)	(124,085)
Family & Cohesion Services	(140,318)	(138,205)	2,113
Development, Business & Employment	386,570	200,000	(186,570)
Neighbourhood & Leisure Services	(21,900)	(21,900)	0
Care & Support	3,955,657	4,434,680	479,023
Public Health	(239,302)	(643,238)	(403,936)
Customer & People Services	(248,389)	(216,654)	31,735
Law, Democracy & Public Protection	149,164	156,164	7,000
Finance, Audit & Information Governance	(1,257,558)	(1,290,901)	(33,343)
Cooperative Council Delivery Unit	(44,943)	(91,149)	(46,206)
Council Wide	(4,232,501)	(3,917,395)	315,106
Total Projected Variation	(674,534)	(795,533)	(120,999)

* adjusted for approved virements relating to savings and 1% pay award

2013/14 Revenue Budget Variations over £50,000				
Description	Budget	Variation	Comments	
	£	£		
Childrens Safeguarding				
Children in Care Placements	10,037,072	2,053,827	The 2012/13 reported outturn position was £2.397m overspent. The budget strategy included growth of £600k and a review of costs resulting in a Cost Improvement Plan. In addition to the service base budget a corporate contingency was established as part of the 2013/14 estimates to meet demand which results in unplanned placement costs. Current forecasts are that the service is having some success in implementing the plan, and cost reductions of around £733k are being forecast to be achieved resulting mainly from "Step Down" within Placements. However, this leaves around £2.1m in placement costs over budget and therefore the forecasts include use of the Contingency in full and a residual overspend of around £1.1m remains. This has increased since the last monitoring report mainly due to extended placements. Work continues to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy, and currently around £34k of further cost reductions has been identified from further "Step down" of care placements. The number of Children in Care at 16th January 2014 : 304 compared to 31st March 2013:321	
Corporate Contingency		(930,000)	Use of one off contingency set aside as part of the budget strategy	
Other placement and parent assessments	487,430	128,614	Parenting assessments forecast overspend of £106k, relating to growth in both residential and community based assessments for babies. Resource Allocation Management Panel (RAMP) scrutiny will assist in controlling further costs. The forecast includes a small contingency for the remainder of the year.	
Staffing	4,903,883	(167,245)	The Cost Improvement Plan referred above also includes a target to reduce the use of Agency staff from the numbers called upon in 2012/13 of around 14fte's. The final 2012/13 Safeguarding overspend included £559k for the net cost of agency staff after accounting for vacancy savings - a total of £814k was spent on agency workers in 2012/13. The current forecast is for an outturn of around £403k in 2013/14 with the target number of agency staff being reduced down to 2 by the end of 2013/14. Current number of agency staff 8(Cost improvement plan target at end Dec- 2)	
Variations under £50k	2,385,372	(136,704)		
Total Children's Safeguarding	17,813,757	948,492		

2013/14 Revenue Budget Variations over £50,000				
Description	Budget	Variation	Comments	
	£	£		
Education & Corporate Parenting				
Corporate Parenting	222,849	(97,764)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position	
ICT Commissioning	411,228	(69,531)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position	
Supply Agency	(56,297)	56,073	Reserves previously used to support this budget have been fully spent	
Joint/Community Use	728,600	85,051	Loss of income from Shortwood School arising from requirement to implement a new funding formula for schools.	
Advisory Management & Support	490,652	(63,529)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position	
Traded Advisory	(20,837)	(40,156)	Additional income forecast from traded services to schools compared to budget	
Education Services Grant	(2,930,000)	82,293	Revised Grant projection following the conversion of several secondary schools to Academies - ESG is paid at a reduced rate for pupils in academies.	
School Transport	2,780,055	(100,000)	Current projected expenditure is at a similar level to 2012/13 which would result in a saving against the 2013/14 budget.	
Miscellaneous Mgt & Admin	73,530	(51,892)	Review of spending and a revision to forecasts within the service has resulted in savings being identified	
Variations under £50k	9,138,019	(15,972)		
Total Education & Corporate Parenting	10,837,799	(215,427)		
Family & Cohesion Services				
Transport	2,806,087	143,233	The overspend reported on Transport is arising in 2013/14 due to savings being taken out of the budget of £533k(out of £857k total Transport savings) which has not yet been delivered in full. There is a review of transport underway, this is unlikely to deliver savings this year so this overspend is likely to prevail unless met from one off's or action is undertaken to meet this elsewhere in the Service area	
Cohesion	3,212,381	(192,523)	Review of spending and a revision to forecasts within various service areas within cohesion has resulted in savings being identified	
Housing	735,724	80,155	The main cause of this overspend results from a shortfall in rents collected against target for BTW owned/operated properties and more recently a forecast increase in the expected levels of spending on repairs and maintenance. These properties are operated as part the homelessness service	
Early Intervention	4,709,239	(136,010)	A review of expenditure against budgets in the Children's and Family Centres and Early Intervention and family service has resulted in the savings reported	
Other variations under £50k	5,646,506	(33,060)	Savings within various budgets which are already subject to action to deliver savings or are already underspending in year	
Total Family and Cohesion Services	17,109,937	(138,205)		

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Care & Support				
Purchasing-all types of care for all client groups		38,920,160	2,976,280	The purchasing of Care from external providers continues to be a pressure on the Adult Social care budget. This is the result of increased demand for care mainly arising from the evident increasing complexity of cases with a small proportionate increase in numbers, one of the main causes being the impact of the NHS review of clients who were formerly funded by the NHS from Continuing Healthcare Funds. The costs of care purchased are currently growing month on month and this overspend has increased by £231k on that previously reported.
Financial Improvement Plan savings achieved:				The Management Team are dealing with the pressures on the Adult Social Care budget by a number of actions developed as part of a Financial Recovery plan. The actions taken will deliver savings over the period of this financial year and the period of the budget planning to 2017. The financial impacts in reducing the overspend reported above evaluated so far are set out below:
Financial Improvement Plan savings achieved:	High Cost ALD placements		(154,985)	A review of high cost placements has resulted in reducing the cost of some care placements
Financial Improvement Plan savings achieved:	Decommissioned blocks		(88,000)	A review of usage of pre-purchased beds has resulted in the decommissioning of more than one contract
Financial Improvement Plan savings achieved:	Recovered duplicate payments		(32,758)	Recovery of payments made in error
Financial Improvement Plan savings achieved:	SLA savings		(47,700)	A review of the SLA's with the Third Sector and Advocacy groups has resulted in a small reduction in the usage and cost of service provision
Revised purchasing variation after delivering savings identified in the Financial Improvement Plan and delivered in 2013/14			2,652,837	
Income-CCG contributions towards CHC		(500,000)	500,000	Within the forecasts reported in previous monitoring reports £2.4m was anticipated (but not budgeted) from the CCG as a contribution towards the increased care costs being met by the Council for clients who would formerly have been funded by the NHS from Continuing Healthcare funds(as referred above). During the course of the year discussions have taken place with NHS Colleagues about increasing this contribution, and a further £0.5m was added to the expected income in the base budget as part of additional savings/income requested in the current financial year. The CCG are considering this request and it is likely CCG contributions will increase to £4.4m by 2015/16, correspondence is awaited to confirm this. However, it is unlikely that the level of contribution expected in the current year of £2.9m will be realised with £2.4m looking the likely contribution, leaving a significant shortfall in 2013/14.

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Reablement and In House ALD service provision	Staffing costs	3,269,020	381,000	This overspend relates to salaries including overtime paid to staff delivering in house support services as part of care for ALD clients in services operated by the Council. The forecasts for all in house Community based services is being reviewed with a view to utilising enablement workers more widely and reducing premium rates paid for overtime etc
Care Leavers		684,430	329,400	This overspend at the end of 2012/13 was around £700k. The current forecasts reveal an improved position with overall lower cost care packages being awarded than last financial year. A review of the service is underway and reporting and there may be further in year cost reductions.
Supporting People		2,022,050	511,000	A large part, £385k of this overspend is as a result of the additional savings agreed with WHT expected to result from a claim against Housing Benefit by the WHT. The remainder is forecast to arise from demand on the service
Transport		854,640	144,522	This is a forecast based on 2012/13 outturn, the most significant is as a result of transporting ALD clients
Public Health Funding		(465,067)	0	Public Health Grant appropriated against eligible spending in Adult Social Care
Other variations under £50k		1,901,967	(84,079)	The movement from the last reported monitoring is a decrease in forecast spending of £89k an improvement in the period of reporting
Total Care & Support		46,687,200	4,434,680	
Public Health				
Staffing and operational budgets		1,275,000	(468,626)	This underspend has arisen due to vacancies in posts yet to be filled and
Drugs and Alcohol Services		2,563,032	(48,952)	This figure relates to a number of general underspends, some of a one off nature, arising in the internal service. The service is facing significant cost pressures which they have sought to manage within the overall position but it is likely that the figure shown here will reduce prior to year end.
Sexual health Services		1,010,968	79,800	This overspend results from a number of previously unknown cost pressures within the service. These will be addressed as part of the overall Public Health budget in 2014/15.
NHS Health Checks		456,910	(78,750)	This figure relates to a number of underspends now expected in contracts for NHS Health Checks
Variations under £50k		2,677,910	(126,710)	Savings in year on Infection Control and contingencies.
Total Public Health		7,983,820	(643,238)	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Neighbourhood & Leisure Services				
Leisure	Net impact of variances across a number of Leisure Centres and Facilities	760,000	250,000	Net impact of variances across a number of Leisure Centres and Facilities, including variances in income and the costs of leasing new equipment and additional costs arising from the new Dawley Sports and Learning Community.
Arts and Culture	The Place Theatre	(677,321)	63,000	The 2013/14 budget proposals included increased income from The Place of £100k. Income from the pantomime is projected to be above budget and an improvement on last years income and this will partially address the income target.
Public Realm	Winter Maintenance	586,527	66,000	Additional pressures on the severe weather budget anticipated in order to maintain a service based upon an average winter. This figure will increase if we get periods of prolonged severe weather during winter 2013/14. This is funded from the budgeted contingency.
	Environmental Maintenance	4,465,574	(66,000)	One off from budgeted contingency to meet winter maintenance overspend, agreed in July 2013.
Highways & Neighbourhood Management			25,000	Following requests from the public and Members two additional grass cuts have been carried out as an additional to the existing TWS contract following service reductions in 2011/2012. It is proposed that this is funded from the budgeted contingency.
	Rapid Response Highways Gangs	312,000	(25,000)	One off from budgeted contingency to meet cost of additional grass cuts, agreed in July 2013.
	Service Wide		212,000	Several highways gangs operating at the start of year, now reduced down to 2 highways gangs.
	Street lighting	1,194,000	(200,000)	One off capitalisation of Consultancy and other schemes.
	Waste	11,025,000	(72,000)	Savings a result of change of lamps more energy efficient, plus below the capped rate on energy costs.
Variations under £50k			(436,000)	A number of savings arising from general and recycling waste.
			161,100	
Total Neighbourhood & Leisure Services			(21,900)	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Development, Business & Employment				
Lifelong Learning	Loss of Grant & Salaries	879,690	304,000	Largely as a result of Government grants no longer being received.
Estates & investments	Rental Income	(56,000)	56,000	The retail unit to the front of the Bingo & Bowling recently constructed in Southwater was planned to be operational in 13/14. However due to construction within the area ongoing, the part year budgeted rental income for 2013/14 cannot be achieved. The unit continues to be actively marketed.
Estates & investments	PIP rationalisation		198,000	The ongoing rationalisation of the PIP has resulted in an in year pressure of £183k. Whilst individual investments have been prudent and developed on a business case basis, funding has been secured through the disposal of very poor properties, which have high yields. However, they do not represent good long term investments and would not support the income target long term. Whilst rationalisation has resulted in a pressure it will deliver certainty in terms of income moving forward. £88k of this has been identified as an ongoing pressure but pressures are greater this year due to the timing of disposals against acquisitions which has left a period where there is no income stream. Moving forward consideration will be given to using prudential borrowings to secure new property before disposal occurs to reduce impact on the income target as costs of borrowing are likely to be lower than loss of rent.
Estates & investments	PIP - other	(5,487,000)	124,000	Net impact of void PIP properties. These continue to be marketed actively and the monitoring of voids will feed into the investment portfolio rationalisation above.
Estates & investments	Southwater Multi Storey Car park	(162,000)	162,000	The multi storey car park currently being constructed in Southwater is planned to be operational by 1st April 2014. Therefore the part year budgeted income for 2013/14 cannot be achieved.
Estates & investments	MOD Feasibility Costs	-	350,000	MOD Donnington feasibility costs. To be funded from Corporate contingency.
One off Funding	Central contingency funding		(350,000)	Contribution from central contingency as recommended in this report.
Development, Business & Employment	Salaries		(81,000)	Budget held centrally by AD for incremental increases in salaries to top of scale. This pressure will be passed to SDU to deliver year on year.
Property & Design			(108,000)	Planned use of one off funding and grant control reserves and capitalisation to maximise resources.
Development Management	Planning & Building Reg Applications	(1,248,000)	(182,000)	Net of one off over achievement of Planning Application income as a result of BSF programme & other schemes.
Business & Development Planning	Salaries		(223,000)	Various one off savings including vacancy management within Business and Development Planning.
Variations Under £50k			(50,000)	
Total Development, Business & Employment			200,000	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Customer & People Services				
ICT	Income	(2,658,840)	(230,657)	Additional income generated from project work. This has been used to offset additional staff costs for projects and also the over spends in ICT from the PC replacement programme as outlined below.
ICT	Income	(3,812,720)	84,398	Shortfall against service specific income budget of £539k. This is in line with previous years however work is ongoing to win new business from Shropshire Schools and small businesses.
ICT	Capital Financing	281,570	95,947	Impact of corporate PC replacement programme reflecting the move to thin client devices. This is the overspend arising from leased equipment. In total the PC replacement programme is £128k over budget. This is being offset by additional project income.
Revenues & Benefits	Supplies & Services	600,480	78,425	Additional costs projected on printing and postage as a result of the Governments Welfare Reforms and increase in postage particularly in Revenues to aid collection challenges eg summonses up by 45% this is in line with 2012/13.
Revenues & Benefits	Income	(362,740)	120,059	Shortfall against printing income target. An element of this is due to loss of work from services requesting printing from external providers.
People Services	Employees	1,355,020	(100,329)	Under spend from vacant posts that are being held vacant due to restructure of the service.
Catering	Income	(2,427,520)	(98,698)	Additional income from an increase in the number of paid meals served in schools due to an increase in take up.
FM & Cleaning	Income	(241,610)	62,424	Projected shortfall on income target against homecare.
Variations Under £50k		11,967,456	(228,223)	
Total Customer & People Services			(216,654)	
Finance, Audit & Information Governance				
Treasury		-1275230	(1,086,000)	Benefit from low interest rates and slippage in 12/13
Variations Under £50k		0	(204,901)	Under spends mainly arising from staffing due to vacant posts and back fill arrangements. £15k saving from Life Assurance Policy due to reducing numbers of staff on old Wrekin terms.
Total Finance, Audit & Information Governance			(1,290,901)	
Law, Democracy & Public Protection				
Licensing	Income	(381,600)	166,700	Shortfall against licensing income mainly arising from taxi drivers choosing to renew
Land Charges	Income	(54,570)	(120,326)	Additional income generated from Land Charges. A review is currently being
Legal	Employees	1,000,410	64,195	Costs of locum solicitors taken on to address capacity issues within the service.
Car Parking			111,000	As previously reported.
Variations Under £50k		1,593,690	(65,405)	
Total Law, Democracy & Public Protection			156,164	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Co-Operative Delivery Unit				
Corporate Marketing - Sponsorships	Income	(57,010)	57,010	Provider of roundabout sponsorship scheme went into administration. Only £20k of income is anticipated for the year which will cover income due from the company in administration in respect of 2012/13.
Delivery & Planning	Employees	584,094	(111,523)	Under spends from reduction in hours and vacant posts.
Variations Under £50k		892,256	(36,636)	
Total Co-Operative Delivery Unit			(91,149)	
Council Wide				
Housing Benefit Subsidy		(13,980)	(303,713)	Variation from budget as a result of recovery of overpayments. It should be noted that there is no spend to date on B & B accommodation as the temporary leased accommodation has been used and has not been at full capacity as yet.
Central Government Grant Refund			(731,000)	The Revenue Support Grant settlement included a reduction in funding relating to central support costs of academies; the information and formula used to calculate this has been changed which results previously disadvantaged local authorities receiving a refund. £351k was returned to the Council in 2012/13; £731k is expected in 2013/14.
Purchase Rebates		(202,500)	(148,240)	Surplus dividend from West Mercia Energy
One Off Resources and Additional Funds			(2,368,000)	Mainly one off resources and some uncommitted ongoing budgets identified to contribute to the Care & Support overspend
Net benefit from savings delivered in 2013/14			(390,702)	In year savings net of the additional cost of the 1% pay award.
Variances under £50,000			24,260	
Total Council Wide			(3,917,395)	
Total Variations			(795,533)	