

Summary of 2018/19 Projected Variations

Service Area	Net Revenue Budget	Variation Cabinet 15 Nov	Movement	Current Variation	Variation as a % of Net Revenue Budget
	£	£	£	£	%
Business, Development & Employment	(860,684)	0	0	0	0.0%
Finance & HR	9,644,991	(2,393,040)	(550,000)	(2,943,040)	-30.5%
Cooperative Council Team	1,180,878	(5,754)	0	(5,754)	-0.5%
Children's Safeguarding & Early Help	28,721,874	2,884,064	(141,680)	2,742,384	9.5%
Education & Corporate Parenting	11,942,642	352,224	108,837	461,061	3.9%
Adult Social Care	42,424,728	61,898	0	61,898	0.1%
Governance, Procurement & Commissioning	2,884,008	(140,026)	0	(140,026)	-4.9%
Health & Wellbeing	2,635,259	288,953	0	288,953	11.0%
Customer & Neighbourhood Services	30,875,339	(471,609)	53,551	(418,058)	-1.4%
Commercial Services	2,353,790	220,461	0	220,461	9.4%
Council Wide	(10,736,350)	0	0	0	0.0%
Total	121,066,475	797,171	(529,292)	267,879	0.2%
Use of Contingency			529,292	(267,879)	
Overall Total	121,066,475	797,171	0	0	

2018/19 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Business, Development & Employment				
Planning Determination (Statutory)	Supplies & Services	5,830	94,170	Estimated planning appeal costs based on past years performance.
AP- Planning Delivery	Net impact on Income	(1,353,985)	(42,316)	Planning fee income over delivery including additional ApT income.
Regeneration & Investments	PIP	(5,446,920)	(617,031)	Early delivery of Growth fund investments, 19/20 saving already approved.
BDE	Contributions to Reserve - approved at 15 November Cabinet		724,000	Contributions to reserve to support future investment proposals
Variations under £50k		5,934,391	(158,823)	
Total Business, Development & Employment		(860,684)	0	
Finance & HR				
Treasury Management		7,559,186	(2,750,000)	Reduced borrowing costs due to low short-term interest rates. The position is regularly monitored by senior finance staff and the Council's external treasury management advisors and some longer term borrowing has already been undertaken in 2018/19 to manage the risk of interest rate exposure.
Bank Charges	Supplies & Services	64,250	(54,250)	Reduction in level of bank charges due to revised banking arrangements with lloyds. Charges projected at similar level to 2017/18.
External Audit Fees	Supplies & Services	201,590	(100,000)	Saving from renegotiation of external audit fee with Grant Thornton
Variations under £50,000		1,819,965	(38,790)	
Total Finance & HR		9,644,991	(2,943,040)	
Cooperative Council Team				
Variations under £50,000		1,180,878	(5,754)	
Total Cooperative Council Team		1,180,878	(5,754)	
Children's Safeguarding & Early Help				
CIC Placements		13,079,120	2,185,763	Projected expenditure is running at a significantly higher level than the budget and also 2017/18 expenditure (which was £14.2m). There have been a significant number of new or more expensive placements for young people with complex needs during the year, which have more than outweighed the stepdowns that have been achieved. From the Council's perspective, some of these placements are for young people with significant health needs, particularly around mental health. However, in the absence of confirmation from the CCG of the contributions they will make, the monitoring currently assumes a contribution to placements costs of £280,000. The one exception to this is CCG contributions to the prospective costs of a young person stepping down from a Tier 4 bed, for whom we have assumed a CCG contribution of half the placement costs this is in addition to the £280,000.
Leaving Care		391,542	629,050	A small number of young people have recently left care but have a very high level of need. Seven young people account for over 60% of the projected expenditure in this area.
Staffing - salaries		10,396,745	(75,063)	Significant expenditure continues to be incurred on agency staff in areas where recruitment continues to be challenging, but savings from vacancies are forecast to exceed the additional costs associated with agency staff.

2018/19 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Assessments		367,003	(166,133)	The variation reflects the creation of an in house service offering mother and baby assessments which has reduced the requirement for external assessments to be undertaken.
Children with Disabilities		38,050	77,950	The variation is due to adaptations made to a house to enable a young person to move from residential accommodation to foster carers. The investment will be more than offset by savings in placement costs.
Children in Care Adoption Allowances		180,340	61,636	There has been a significant increase (from 18 to 27) in young people adopted since the start of the year, with a corresponding increase in adoption allowances. Whilst this has created a budget pressure in this area, an increase in adoptions is likely to be positive for the financial situation of Safeguarding as a whole as, it means that the children and young people are not being placed in more expensive options.
Joint Adoption Service		506,987	78,103	T&W is part of a joint adoption service with Shropshire Council. An increased budget for the service was agreed between the two authorities earlier in the year and a repeat of the underspend against budget in 2017/18 is unlikely to be achieved. See also comment above regarding adoption allowances
Under £50k		2,906,625	307,690	
TOTAL		27,866,412	3,098,996	
Use of contingency			(500,000)	
Independent Review - Staffing		533,824	124,271	The cost of the agreed staffing numbers currently exceeds the available budget.
Independent Review - Under £50k		321,638	19,117	
Total Children's Safeguarding & E.H.		28,721,874	2,742,384	
Education & Corporate Parenting				
Specialist Services		616,826	137,018	The service has recently restructured but in the context of increasing numbers of children and young people with high needs, the service has not yet been able to reduce costs sufficiently to achieve the savings target. Work is ongoing to increase the amount of traded income generated by the Education Psychology service and to use grant funding flexibly to offset costs where possible.
School Transport (pre 16)		2,515,653	457,943	Expenditure on home to school transport is currently forecast to be at a similar level to 2017/18, but last year and this year's budgets included significant savings targets. There is on going work in this area to deliver these savings, 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 has been reduced from September 2018 and further reductions will be made in future years as denominational transport ceased for new pupils in September 2017. and changes in catchment areas will also reduce the number of coaches required. However, expenditure on transport is being impacted by the increase in the numbers of children and young people with high needs in the area, as the majority of expenditure on education transport is related to high needs. This is offsetting some of the savings that are being delivered.

2018/19 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Transport (post 16)		165,420	211,140	This area has recently transferred across to Education & Corporate Parenting from Business, Development & Employment. There has been a significant increase in the costs of transporting post 16 high needs pupils from September 2018, with a small number of young people accounting for a significant proportion of the overall variation.
Corporate Parenting		201,684	(144,010)	Looked after Children (LAC) are entitled to a higher rate of Pupil Premium Grant (PPG) and the grant is overseen by each local authority's virtual head. The grant can be used both for the local authority's duties and also allocated to the schools attended by LACs. An increase in the PPG being allocated to T&W has enabled more of the costs of the Corporate Parenting team to be funded by PPG, thus producing a budget saving.
Variations under £50,000		8,443,059	(201,030)	
Total Education & Corporate Parenting		11,942,642	461,061	
Adult Social Care				
Purchasing - all client groups		50,487,442	1,432,493	Although there is some pressure relating to the purchase of block care packages for ALD residential clients, projections for most other client groups are currently showing the benefits of Social Care Interventions. However, the implementation lead time for some of the interventions has resulted in some expected cost reduction in services taking longer to achieve, this is particularly true of the movement of clients to independent living in supported accommodation, and the delivery of reductions to the numbers in the current My Options day care services. Some of this pressure will be offset by the "Winter Funding" grant detailed below.
Income generation:	Client contributions	(5,379,623)	(512,989)	It is difficult to forecast the level of client contributions for the year as they are means tested based on capital wealth and income of the client being cared for. The estimates are based on current known information and it is anticipated that the level of income will be more than the original base estimate.
	Health contributions	(926,000)	(150,000)	Continued successful negotiation with the CCG in receiving a contribution to clients with a partial health need or full health funding in a few cases in addition to an increased contribution to reablement activity means that current forecast income is in excess of the budget set.
	Government Grant	(6,574,234)	(745,903)	The variation reflects the "Winter Funding" grant recently announced by Government, the Council's allocation being £774,291 in 2018/19. This will be used to offset the pressure projected within purchasing and operational teams which arises from the need to improve Delayed transfers of care performance, thereby getting patients home quicker and freeing up hospital beds.
Operational teams	Employee and operational expenditure	5,237,306	43,483	This pressure will be offset by the "Winter Funding" grant detailed above.
Variations under £50k		(420,163)	(5,186)	
Total Adult Social Care		42,424,728	61,898	
Governance, Procurement & Commissioning				
Assurance services		72,302	(54,344)	Largely arising from additional income generated from providing advice and support re GDPR/Data protection

2018/19 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Legal Service		1,098,611	61,910	Pressure arising from reduced level of income generated and printing /operational costs
Budgeted recharges for the above services		(1,170,913)	0	
Variations under £50k		2,884,008	(147,592)	Largely down to achievement of income generation which is included in the proposals for savings over the next two years, and some savings on general operational budgets
Total Governance, Procurement & Commissioning		2,884,008	(140,026)	
Health & Wellbeing				
My Options	Trading Account	467,001	111,184	Community wellbeing and Community support, day services and homecare services respectively are the areas of the business under pressure. Overall income generation remains strong with the Community day service being at capacity, however the costs of operating the services has increased on last year and this is resulting in reduced contributions to offset other costs of operation. The position is reviewed monthly and this has been a steadily improving projection for the year with cautious optimism that the outturn will continue to improve as the year progresses
Variations under £50k		2,168,258	177,769	
Total Health & Wellbeing		2,635,259	288,953	
Customer & Neighbourhood Services				
Concessionary Travel	Supplies & Services	1,653,820	(67,680)	Reduction in costs of concessionary travel as a result of lower take up of service.
Waste Management	Employees	307,900	(51,748)	Post being held vacant to contribute towards future savings targets.
Sweeping	Third Party Payments	276,870	(131,845)	Underspend on waste due to the tonnage for sweepings being significantly lower than budget, this is consistent with reduced tonnages experienced in 2017/18.
Street lighting	Premises Related Expenditure	607,780	(163,259)	Reduction in electricity costs due to the implementation of the LED efficiency programme across the Borough
Highway Lighting	Premises Related Expenditure	779,910	(116,564)	
Trading Standards	Employees	349,510	(74,100)	Early delivery of restructure savings which is being used to offset income pressures in the current year
Transfer to Reserves	Approved at 15 November 2018 Cabinet		225,000	To fund essential play area maintenance in 2019/20
Variations Under £50k		26,899,549	(37,862)	
Total Customer & Neighbourhood Services		30,875,339	(418,058)	
Commercial Services				
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2018/19 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Housing & Nuplace	Temporary Accommodation - Income	(236,510)	120,461	Rental income shortfall in relation to the move from one large refuge to two smaller properties to meet the needs of the client group. This reduction in size has led to an income shortfall. The use of the second property has now been reviewed and the best option is to use as temporary accommodation for larger families, which will help to mitigate this pressure.
	Temporary Accommodation - Contribution from reserves	0	(60,000)	Use of one off reserves in relation to temporary accommodation pressure.
BIT - Architects & Building Fee	Net position	(979,375)	(168,327)	Net over delivery on fee income arising from additional project work.
Variations under £50k		3,569,675	328,327	Projected income pressures within Leisure linked to the potential impact of new competitors entering the gym market locally, the full impact of which is currently being reviewed but could significantly increase this pressure. An action plan is in place to mitigate this pressure as far as possible. There is also a projected pressure for the Arthog Outdoor Education Centre which is linked to some periods of closure to carry out improvements to the centre and a reduction in bookings from Shropshire Schools between January-March 2019. An action place is in place to mitigate this pressure as far as possible.
Total Commercial Services		2,353,790	220,461	
Corporate				
Total Corporate		(10,736,350)	0	
Total		121,066,475	267,879	

Capital Approvals - by Service Area

Appendix 3

Slippage							
Scheme	Service Area	Funding Source	18/19 £	19/20 £	20/21 £	21/22 £	Later Yrs £
All Other School schemes	Education & Corporate Parenting	Grant	(1,069,111.46)	1,069,111.46			
Newport Innovation & Enterprise Package	Customer & Neighbourhood Services	Grant	(1,500,000.00)	1,500,000.00			
LED Lighting Invest to Save	Customer & Neighbourhood Services	Prudential	(270,000.00)	270,000.00			
Property Investment Programme	Development Business and Employment	Prudential	(900,000.00)	900,000.00			
Housing Company- Housing	Development Business and Employment	Prudential	(2,800,000.00)	2,338,000.00	462,000.00		
Managing the funding of the capital programme	Finance and Human Resources	Capital Receipts	(12,000.00)	12,000.00			
Managing the funding of the capital programme	Finance and Human Resources	Prudential	12,000.00	(12,000.00)			
Total			(6,539,111.46)	6,077,111.46	462,000.00	0.00	0.00

New Allocations							
Scheme	Service Area	Funding Source	18/19	19/20	20/21	21/22	Later Yrs
All Other School schemes	Education & Corporate Parenting	Grant	416,880.40		4,316,914.54		
Legacy Fund	Co-operative Council	Revenue	(50,000.00)				
Safer Routes to Schools	Customer & Neighbourhood Services	Revenue	600,000.00				
Highways & Bridges Capital Maintenance	Customer & Neighbourhood Services	Grant	1,530,000.00				
Every Day Telford -Pride in your Community	Customer & Neighbourhood Services	Revenue	(19,719.65)				
Play Area Surface Improvements	Customer & Neighbourhood Services	Revenue		225,000.00			
Property Investment Programme	Development Business and Employment	Revenue	799,000.00				
Digital Advertising	Commercial Services	Prudential	258,000.00				
Leisure Capital Schemes	Commercial Services	Revenue	130,000.00				
Asset Management Plan - General Works & Surveys	Commercial Services	Prudential		300,000.00	300,000.00	300,000	
Asset Management Plan - General Works & Surveys	Commercial Services	Grant	53,904.00				
Managing the funding of the capital programme	Finance and Human Resources	Capital Receipts	41,000.00	(182,000.00)	(2,014,000.00)		
Managing the funding of the capital programme	Finance and Human Resources	Prudential	(41,000.00)	182,000.00	2,014,000.00		
Total			3,718,064.75	525,000.00	4,616,914.54	300,000.00	0.00