

Summary of 2015/16 Projected Variations

Service Area	Previous Variation Cabinet 7 January 2016	Current Variation	Change
	£	£	£
Children's Safeguarding & Specialist Services	1,774,916	1,845,251	70,335
Education & Corporate Parenting	15,081	(52,762)	(67,843)
Family, Cohesion & Commissioning Services	103,616	(13,172)	(116,788)
Development, Business & Employment	100,000	12,751	(87,249)
Leisure, Culture & Facilities Management	(61,791)	(122,868)	(61,077)
Adult Social Services	1,577,002	1,000,000	(577,002)
Health, Well Being & Public Protection	100,987	33,044	(67,943)
Neighbourhood & Customer Services	(191,699)	(193,676)	(1,977)
Law, Democracy & People Services	(832,016)	(909,819)	(77,803)
Finance, Audit & Information Governance	(6,506,092)	(6,852,160)	(346,068)
Cooperative Council & Commercial Delivery Unit	(95,155)	(95,155)	0
Council Wide	0		0
Total Projected Variation	(4,015,150)	(5,348,565)	(1,333,415)
Uncommitted contingency	(4,212,000)	(4,212,000)	0
Total Projected Underspend	(8,227,150)	(9,560,565)	(1,333,415)
Transfer to Severance Fund		3,000,000	3,000,000
Transfer to Invest to Save/Capacity Fund		3,000,000	3,000,000
Total Projected Underspend after transfers	(8,227,150)	(3,560,565)	4,666,585

2015/16 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Childrens Safeguarding & Specialist Services				
Children in Care Placements		8,104,116	1,545,314	The 2014/15 reported outturn position was £1.558m overspent and at the end of that year there were 293 Children in Care. The budget strategy for 2015/16 included a budget reduction of £0.300m for Children in Care (CIC) placements. The service developed a Cost Improvement plan for 2015/16 which included target cost reductions against placements, good progress is being made against the specific areas identified but there has been additional unplanned pressure in year which has offset this. Work is ongoing to ensure forecasted step downs from high cost residential placements take place as planned to deliver forecasted cost reductions. Work also continues to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy. Most placement types are showing a reduced unit cost compared to 2014/15 in addition to a more cost effective mix of placement types. Looked after Children total was 296 as at 06/01/16.
Care leavers Accommodation costs		599,630	(191,694)	The 2014/15 reported outturn position was £0.135m overspent. A target was set in the Cost Improvement plan to achieve a cost reduction of £0.100m against this area. The current position shows an over achievement of this target which will continue to be regularly reviewed as part of monitoring of progress delivering the Cost Improvement Plan. The estimated projection for new Careleavers has been revised down based on activity in the year to date.
Staffing (Safeguarding)		7,384,869	430,422	The final 2014/15 Safeguarding overspend on staffing was £0.237m. This included £0.819m cost for agency staff. The agency forecast is for outturn of £0.8m in 2015/16. There were 12.8 agency staff at the end of December. The count includes 4 Social Workers working within the "Buffer Team". It is intended that by the end of 15/16 the total number of Safeguarding agency staff will be down to 4fte. In addition there are 2 agency posts within the Educational Psychology service. The variance is net of a contribution from the Invest to Save Fund.
Income (Specialist Services)		(807,068)	87,594	A reduction in expenditure in the jointly arranged services result in a reduced amount of income being collected from Shropshire.
Internal Foster Carers costs (excluding salaries, fees and allowances)		339,065	126,713	Specific pressures include travel costs £95k and Foster Carer training of £21.5k forecast overspend.
Joint Adoption Service		298,448	177,103	The 2015/16 budget for the service hosted by Shropshire includes savings of £70k which will not be deliverable. The cessation of the Adoption Reform Grant that part-funded this service has created an additional pressure of £90k. Increase relates to revised monitoring provided by Shropshire

2015/16 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Direct Payments		174,361	61,829	The 2014/15 overspend for direct payments of personal care for children with disabilities was £105k. Work is ongoing both to look for cost reductions in direct payments care packages and towards implementation of Education Health and Care plans from 1st April 2016.
Children not in Care / in Need costs		4,780	211,514	Specific pressure of £103k for 3rd party fees for children placed with adoption agencies. Section 17 variance is £108k, this is for payments made to carers to support keeping children at home as opposed to in care. Both payments are an alternative to higher care related costs. There is a planned reduction in cost of £40k for Section 17 payments in 2015/16, this forms part of the service's Cost Improvement plan.
Contingency			(750,000)	Specific contingency set aside as part of the budget strategy
Variations under £50k		3,560,489	146,455	Pressures including Childminding, Computer Software & licences and Mother and Baby assessments are partially offset by underspends in Short breaks spot contract and cost reduction in Legal fees.
Total Children's Safeguarding & Specialist Services		19,658,690	1,845,251	
Education & Corporate Parenting				
Miscellaneous School Expenditure		7,819,930	90,049	Projected expenditure above budget on remissions for schools is £120k which is currently being partly offset by anticipated savings on the funding of redundancies for schools.
Transport		2,827,316	(67,630)	Although this budget is showing an underspend currently, notably transport costs to Queensway are projected to be £114k higher than 2014/15, linked to the significant expansion of provision.
Variations under £50,000		1,187,924	(75,181)	There is an overspend relating to the funding of Shortwood Pool for which no budget is available due to the changes in the Government's school funding of joint use, further work needs to be undertaken across a number of service areas within the Council to solve this ongoing shortfall. However, underspends in other budget areas are currently projected to more than offset this.
Total Education & Corporate Parenting		11,835,170	(52,762)	
Family, Cohesion & Commissioning				
Cohesion including Homelessness/ Housing Needs		2,624,038	(110,636)	Income projections improving as further anticipated housing income is received together with the changing profile of projected occupancy levels within temporary accommodation. Some improvement projected in expenditure on travellers sites.

2015/16 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Transport Contracting & Commissioning	Supporting People Contracting	1,258,589	202,333	The variation above budget arises from the Supporting People service. The budget has been reduced in line with the Adults Cost Improvement Plan by £425k in 2015/16, and £208k of cost reductions from contract re-tendering have been achieved so far in this year (these savings equate to £417k in a full year). The service continues to be under review to deliver further savings.
Use of One offs		-	(26,439)	Use of one off funding
Variations under £50k		5,767,084	(78,430)	Family Connect overspend previously reported because the variation was over £50k is now under £50k so included within this line. This improvement is in line with previously reported intentions to pull the overspend back.
Total Family, Cohesion & Commissioning		9,649,711	(13,172)	
Adult Social Services				
Purchasing		42,989,603	3,585,945	The reported position reflects a further improvement in the projections for the year of purchased care costs. This follows a trend of reductions in expenditure since the early part of the 2015/16 financial year. However, there remains a significant pressure on this budget and overall within Adult Social Care. The Management Team continue to progress the actions within the Cost Improvement Plan (CIP) and the progress made to date results in around £3m of savings projected to be achieved by the end of the year and these are reflected in the forecasts in this monitoring report. However, underlying pressures remain and these continue to offset savings being made i.e. increasing rates for residential placements since the start of the year although again progress has been made in stabilising some of these. The Cost Improvement Plan forms part of a strategic approach to managing costs through a programme of transformation. If the plans are delivered in full in 2015/16 then the contingency funding included below would not be required. For the time being the forecast position suggests that the reported £2.5m of contingency will be required and the requirement for support for the pressures within Adult Social Services is reflected in the draft 2016-18 budget strategy.
Income		(17,070,287)	389,871	The income budget has been adjusted to reflect savings in order to re-present the position on income. The current projection is for a shortfall from the contributions collected towards the cost of care of around £253k, and a shortfall on income expected from the CCG towards joint packages of care of around £242k. The shortfall is partially offset by an over recovery of estimated grant income in year.

2015/16 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Transport		657,593	155,459	The 14/15 ASS transport budget was reduced by £229k as a result of the recommendations made in the Transport Review. A Transport Review Project Group has been set up to look at ways to reduce Adult Social Services expenditure on Transport and identify a more robust transport policy in a bid to reduce the overspend. There has been some improvement since the last report resulting in a reduction of £16k to the pressure
Contingency			(2,500,000)	Specific contingency set aside as part of the budget strategy
Use of one offs		(1,244,000)	(475,000)	Use of one off reserves
Variations under £50k		9,641,840	(156,275)	
Total Adult Social Services		34,974,749	1,000,000	
Public Health, Wellbeing & Public Protection				
Public Health				
Staffing and operational budgets		986,565	(24,519)	Underspend relates to various operational budgets in Public Health
Smoking Cessation Contract		562,100	(205,000)	Projection based on forecasted number of quitters continuing to reduce partly due to popularity of e-cigarettes.
Working Age - Healthy Lifestyles & Health trainers		876,940	(130,000)	In year vacancies within Telford & Wrekin Health trainers teams and Healthy lifestyle hubs.
Variations under £50k		6,482,206	(316,000)	Various underspends across Early Help offer and NHS Health checks
Public Health Grant			772,764	Confirmed loss of Public Health Grant announced in the Chancellors budget.
Public Protection				
Variations under £50k		1,295,476	(50,458)	
Civil Resilience				
Variations under £50k		540,204	(13,743)	
Total Public Health, Wellbeing & Public Protection		10,743,491	33,044	
Leisure, Culture & Facilities Management				
Leisure Services	Service Wide	2,837,590	166,435	The income targets for the Leisure centres are challenging. The BSF building works at Oakengates have impacted on this facility along with new income targets set for the proposed Synthetic Turf pitch. Swimming income projections have been revised due to the successful channel shift to Direct Debit, this has resulted in a one off consequence in year, although swimming income variances remain favourable.

2015/16 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
FM & Cleaning & Catering	Variations Under £50k	547,700	(289,303)	Underspends in FM & Cleaning from vacant posts for part of the year and additional income generated from caretaking and helpdesk calls. Additional income is being projected for paid meals in Primary Schools due to an increase in uptake of meals following the autumn term.
Total Leisure, Culture & Facilities Management		3,385,290	(122,868)	
Development, Business & Employment				
Regeneration & Investment	Property Investment Portfolio Income	(4,862,330)	400,000	This reflects the current projections for income, service charges, MSCP and operational costs, net of one off use of reserves.
Property & Design	Admin Buildings	2,334,884	(111,000)	One off savings as a result of Admin Buildings rationalisation.
Development Management & Planning Policy	Supplies & Services	5,830	76,170	Indicative Legal costs associated with current Planning enquiries.
Development Management & Planning Policy	Income	(1,436,920)	(134,419)	Overachievement of Planning application fee income due to trends in market and S106 contributions.
Whole Service Area	Vacancy management		(218,000)	One off vacancy management savings across whole Service Area.
Total Development, Business & Employment		(3,958,536)	12,751	
Neighbourhood & Customer Services				
ICT	Various	59,286	216,503	Unavoidable budget pressure from an increase in the number of Microsoft Licenses required across the Council £179.6k. This over spend has been met from ICT budgets over the last 3 years however due to the reduction in ICT budgets during the last 12 months in order to deliver savings there is no longer the capacity to fund these costs going forward.
Waste & Neighbourhood Services	Supplies & Services - Waste Disposal	497,790	61,663	One off pressure from Wood disposal arising from higher unit costs as a result of Moody's site being closed until September 2015.
Waste & Neighbourhood Services	Various		(61,663)	Waste disposal mitigation - variations under £50k
Waste & Neighbourhood Services	Supplies & Services	454,630	98,000	Costs Relating to the settlement of SITA cost pass through. This has been funded from service underspends in year which has released a reserve of £170k that is required to offset costs relating to grounds maintenance mapping in 2016/17.
Transport & Highways Development	Employees	3,267,921	(245,000)	One off vacancy management savings across Transport & Highways Development
Variations Under £50k		27,345,532	(263,179)	
Total Neighbourhood & Customer Services			(193,676)	

2015/16 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Finance, Audit & Information Governance				
Treasury Management		10,454,180	(6,727,000)	Savings from Treasury Management activities including £5.327m benefit from rescheduling historic and PFI debt repayments which is following considerable technical analysis and discussions with our external auditors and is prudent in the current exceptionally challenging financial climate.
Housing Benefit Subsidy		(143,029)	82,949	A significant amount of work has been undertaken by the benefits team on rent reviews which has resulted in identification of additional benefit overpayments. This has resulted in a reduction in the level of subsidy received.
Variations Under £50k		0	(208,109)	Variations mainly arising from vacant posts plus £36k underspend on external audit fee with KPMG as a result of a reduction in the main audit fee
Total Finance, Audit & Information Governance			(6,852,160)	
Law, Democracy & People Services				
Single Status		1,045,000	(800,000)	Underspend as single status will not be implemented in 2015/16
People Services		(1,656,990)	(80,658)	Additional income generated from selling services
Variations Under £50k		331,640	(29,161)	Saving on pension contributions for Members as they are no longer eligible to make pension contributions.
Total Law, Democracy & People Services			(909,819)	
Co-Operative Council & Commercial Delivery Unit				
Delivery & Planning	Employees	761,450	(68,296)	Underspends from vacant posts, maternity leave and staff not at top of grade
Variations Under £50k		108,630	(26,859)	
Total Co-Operative Council & Commercial Delivery Unit			(95,155)	
Total Variations			(5,348,565)	

Capital Approvals - by Service Area

Appendix 3

Virements						
Scheme	Service Area	15/16 £	16/17 £	17/18 £	Later Yrs £	Comment
Housing Company - Housing	Development Business & Employment		1,500,000			Prudential
Commercial Investment Project	Development Business & Employment		(1,500,000)			Prudential
Slippage						
Scheme	Service Area	15/16 £	16/17 £	17/18 £	Later Yrs £	Comment
ICT/ eGov	Customer Services	16,200		(16,200)		Prudential
Housing	Development Business & Employment	(110,000)			110,000	Capital Receipts
Dawley Regeneration	Development Business & Employment	(70,000)	70,000			Prudential
Finance Fees	Development Business & Employment	(100,000)	100,000			Prudential
Housing Company - Housing	Development Business & Employment		(10,000,000)	10,000,000		Prudential
Telford Growth Package	Neighbourhood and Leisure Services	(1,103,000)	1,103,000			Grant
Ironbridge Gorge Stability	Neighbourhood and Leisure Services	(381,897)	381,897			Prudential
LED Lighting Invest To Save	Neighbourhood and Leisure Services	95,635	(95,635)			Prudential
Building Schools for the Future	Education and Corporate Parenting	(2,720,000)	2,720,000			Capital Receipts
Total		(4,373,062)	(5,720,738)	9,983,800	110,000	

New Allocations						
Scheme	Service Area	15/16 £	16/17 £	17/18 £	Later Yrs	Comment
ICT/ eGov	Customer Services	(16,200)				Revenue
Telford Growth Package	Neighbourhood and Leisure Services	220,000	4,680,000			Grant
Telford Growth Package	Neighbourhood and Leisure Services	0	2,200,000			Grant
Highways & Bridges Capital Maintenance	Neighbourhood and Leisure Services	10,391				External
Integrated Transport	Neighbourhood and Leisure Services	62,032				External
Integrated Transport	Neighbourhood and Leisure Services	18,000				Revenue
Integrated Transport	Neighbourhood and Leisure Services				2,817,000	Grant
Day Opportunities for Adults with Learning Difficulties	Adult Care & Support	10,000				Revenue
Total		304,223	6,880,000	-	2,817,000	