

Summary of 2016/17 Projected Variations

Service Area	5 Jan Cabinet Variation	Current Variation	Change
	£	£	£
Business, Development & Employment	(70,000)	(70,000)	0
Finance & HR	(4,138,317)	(4,537,800)	(399,483)
Cooperative Council Team	(99,800)	(99,800)	0
Children's Safeguarding	3,790,132	4,150,374	360,242
Education & Corporate Parenting	252,807	152,115	(100,692)
Early Help & Support	4,122,667	4,211,798	89,131
Legal, Procurement & Commissioning	(224,820)	(270,313)	(45,493)
Health & Wellbeing	44,949	(254,763)	(299,712)
Customer & Neighbourhood Services	(436,215)	(482,202)	(45,987)
Commercial Services	(160,000)	(160,000)	0
Council Wide	(739,976)	(739,976)	0
Total Projected Variation	2,341,427	1,899,433	(441,994)
Use of Contingency	(2,341,427)	(1,899,433)	441,994
Total Projected Underspend	0	0	0

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Business, Development & Employment				
Development Management & Planning Policy	Income	(2,359,323)	(100,000)	Additional Planning application income projected based upon current phasing of applications, however the phasing is subject to change throughout the year. This is offset by costs associated with Planning Enquiries anticipated in 2017.
Inward Investment & Business Support	Employees	868,250	(75,000)	Early delivery of restructure saving.
Estates & Investment	Income	(6,519,620)	105,000	This reflects the net current projections for Service charge voids.
Total Business, Development & Employment			(70,000)	
Finance & HR				
Treasury Management		8,508,460	(3,500,000)	Benefits arising from current low interest rates and lower borrowing than anticipated in the earlier part of the year.
Customer & Corporate Finance	Employees	873,025	(100,606)	Underspend from vacant posts which are being held vacant to contribute towards 2017/18 savings targets.
Print Services	Income	(274,180)	60,365	Shortfall against income targets due to reduced volume of work coming through the Print Room.
Human Resources	Income	(322,596)	(78,156)	Additional income generated from Services to Schools. This is mainly due to new business from external schools.
PFI Contribution to Sinking Fund	Third Party Payments		(700,000)	Updated sinking fund assumptions following updated projections mean a reduction in the contribution to the fund for 2016/17
Variations Under £50k			(219,403)	Underspends from vacant posts, bank charges and additional income generated.
Total Finance & HR			(4,537,800)	
Cooperative Council Team				
Delivery & Planning	Employees	657,145	(69,905)	Underspend from vacant posts not being recruited to pending restructure launched in September 2016.
Variations Under £50k			(29,895)	
Total Cooperative Council Team		657,145	(99,800)	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Children's Safeguarding				
Children in Care Placements		9,502,127	3,353,923	Children in Care Placements continues to add pressure to the Children's Safeguarding budget. Looked after Children total was 390 as at 31/12/2016 an increase of 25 within the reporting period. However the projected number for 31/03/17 is 369. The 2015/16 reported outturn position was £1.7m overspent and at the end of the year there were 299 Children in Care. The budget strategy for 2016/17 included a budget increase of £1.4m for Children in Care (CIC) placements. The service is developing a Cost Improvement plan for 2016/17 to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy with the objective of targeting cost reductions against placements.
Care leavers Accommodation costs		379,786	(95,959)	The 2015/16 reported outturn position was £0.135m overspent. The outturn projection reflects a significant reduction in placement costs.
Staffing		7,135,577	578,216	The final 2015/16 Safeguarding overspend on staffing was £0.9m. This included £0.69m overspend for agency staff. The budget strategy for 2016/17 included a budget increase of £0.6m. The projected outturn variance in 2016/17 for agency staff is an overspend of £0.7m. There were 13.8 agency staff at the end of December including 3 within the Family Connect Service. The agency projection assumes an increase of 1 worker by the end of March.
Internal Foster Carers costs (excluding salaries, fees and allowances)		300,897	178,748	Specific pressures the most significant of which are travel costs £93k and Foster Carer training £21k.
One off Balances			(500,000)	
Assessment		250,565	299,028	The 2015/16 reported outturn position was £0.12m over spent. In year pressure reflects an increase volume in activity (CIN and CP plans).
Legal		243,083	114,000	The 2015/16 reported outturn position was £50k under spent. In year pressure reflects an increase volume in activity (CIN and CP plans) and an increase in the use of external barristers.
Variations under £50,000		3,770,298	98,874	
Independent Review - Staffing		666,605	109,268	The significant pressure in this area is the cost of agency staff where the current projection is £107k against a budget of £0.
Independent Review - Under £50k		76,358	14,276	
Total Children's Safeguarding		22,325,296	4,150,374	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Education & Corporate Parenting				
Miscellaneous School Expenditure		7,605,254	14,922	A forecast over spend on remissions is being partly offset by lower forecast premature retirement contributions.
Specialist Services		642,105	139,446	The overspend in this area is due to savings targets not currently forecast to be achieved in 2016/17. Current monitoring indicates this will not be offset until 2017/18 at the earliest.
Early Years & Childcare		214,321	78,611	Only part year salary savings target achieved in 2016/17 as restructure takes effect from September 2016. Further savings will be achieved in 2017/18 due to full year impact.
Joint/Community Use		125,255	26,823	A shortfall in income relating to Shortwood is being partly offset by a forecast reduction in net costs for other joint use areas
Advisory management and school improvement traded Advisory Service		286,213	183,999	Additional income target currently forecast not to be achieved in the context of the service's reorganisation, including part of the area moving to the Severn Teaching Alliance Teaching School from September 2016. The position of the service will be kept under review during the year as the impact of the new arrangements becomes clearer.
School Transport		2,755,093	130,000	The overspend in this area is due to the savings target not currently forecast to be achieved in 2016/17. Also reflects an increase in the number of students requiring transport, e.g. at Queensway
Education Services Grant		(1,820,185)	(181,815)	Fewer academy conversions now appear likely to take place in 2016/17 than forecast and Charlton's conversion has been delayed until later in the year.
Contribution from Reserves			(200,000)	One off application of Reserves
Variations under £50,000		1,616,776	(39,871)	
Total Education & Corporate Parenting		11,424,832	152,115	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Early Help & Support				
Purchasing	Provision of all types of care to eligible clients	42,188,894	6,890,814	There is continued and increased pressure on the budgets determined for the delivery of care to adults. Since the last monitoring position the forecast projections have increased across all types of care by £470k. However, in the periods in between reports costs had risen by over £630k, and there has been a reduction in the last month of around £160k. The projections reflect actual expenditure to date and projections for care orders in place at the end of October and include any other intelligence we have about movements since and therefore is the most up to date information available. This significant pressure is the subject of a Cost Improvement Plan(CIP). This includes a number of strategies to both reduce demand and transform the provision of care from traditional Community based support and placements to support packages based wherever possible on Direct Payments with care being delivered by Personal Assistants and other innovative personalised solutions to care. In the months prior to this report numbers of clients increased but not significantly. The large increase in costs arose from reviews/changes in care for existing clients in care. Client numbers have reduced in Older People and ALD in Period 9 reported here. There is turnover(starters and leavers) and the costs of new or reviewed packages of care are higher than the costs of those ceasing. Part of the reason for increasing care costs could be the complexity of the care required, and almost certainly the price or unit cost of care required. The recent monitoring of care has revealed that average prices had stabilised in most areas or even fallen following a number of years of growth. In this monitoring period there has again been some limited growth in average unit costs of care. Further work continues to be done as part of the CIP to identify the types of care and providers where pressures are arising in order to determine further actions that may be required to deal with the unit cost of care being purchased.
Contingency		2,500,000	(2,500,000)	The Budget Strategy included this contingency as budgetary growth for 2016-18, the next two years. This contingency budget is a "Safety net" and is part of the strategy to transform the delivery of services.
Income		44,688,894	4,390,814	
		(16,408,680)	568,303	This shortfall in income largely arises from a shortfall against the target income to be generated from the CCG. A significant part of what is reported here is an adjustment to income paid to part fund the loss in recent years of CHC income, the income lost is £1.2m but this is offset by reductions in expenditure in purchasing. An improving position is emerging from joint funded (TWC and CCG) Packages of Care, an agreement born out of the overall review of Learning Disability clients who have a Health Care need, but includes other care groups as well. Client contributions for the period have increased.
Transport		669,838	130,608	Transport is a continued area of scrutiny. It is considered within the aforementioned Cost Improvement Plan and is an integral part of the strategy around the transformation of the delivery of care in the future. It is intrinsically linked to the future delivery of care discussed above in the paragraph on Purchasing care

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Early Help & Support restructure(launched 12th September 2016 / end of consultation 27th October 2016)		9,212,726	(246,755)	The restructure of Early Help & Support and the Business Support restructure has brought together budgets from across Adults and Children's services in order to deliver savings of £2.575m. The saving reported here in 2016/17 exceeds the target reduction in year (budget reported is reduced by £1.145m) by £247k, this has resulted from vacant posts held since 1st April 2016 as well as the impact of the estimated reduction to costs the restructure will deliver in 2016/17
One off Resources			(200,000)	Use of one off resources
Variations under £50,000		4,565,383	(431,172)	
Total Early Help & Support		42,728,161	4,211,798	
Legal, Procurement & Commissioning				
Strategic Procurement		744,626	(72,781)	Vacancies within the Procurement and contracts team have resulted from Voluntary redundancies and are delivering savings in year. There are future savings proposals based on restructure in this area and these will potentially be realised as budget reductions if approved
Commissioning		2,398,342	(93,230)	Vacancies within the Procurement and contracts team have resulted from Voluntary redundancies and are delivering savings in year. There are future savings proposals based on restructure in this area and these will potentially be realised as budget reductions if approved
Variations under £50,000		438,251	(104,302)	The inclusion of contributions from one off funds such as capacity fund have resulted in the reduction of some forecast costs which were originally being met by the service
Total Legal, Procurement & Commissioning		3,581,219	(270,313)	
Health & Wellbeing				
Public Health				
Variations under £50,000		10,070,445	(126,729)	Reflects reduced participation within Service contracts
Culture & Wellbeing				
Variations under £50,000		1,048,590	(51,560)	
Civil Resilience & Coroners Service				
Variations under £50,000		517,798	-	
My Options				

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Variations under £50,000		260,947	(76,474)	
Total Health & Wellbeing		11,897,780	(254,763)	
Customer & Neighbourhood Services				
Service & Contract Development	Employees	417,220	(70,774)	Vacant posts which will not be recruited to due to forthcoming restructure
T & W Footpath Special Fund	Various	708,830	(75,687)	Reduction in spend against planned maintenance due to the forthcoming upgrade of street lights pending the outcome of the tender process currently being undertaken.
Highway Lighting General Fund	Various	1,098,970	(50,086)	Under spends arising from reduced energy costs through the installation of new LED lighting.
Concessionary Travel	Various	1,637,030	(93,887)	Reduction in the number of actual concessionary passes being issued. This is in addition to the £100k saving put forward for 2016/17.
Waste & Neighbourhood Services	Various	10,758,030	86,188	Currently includes a contingency budget to cover any unforeseen increase in waste disposal costs however projections are on track to be within budget by year end.
Structures & Geotechnics	Income	(650,650)	205,074	Mainly due to vacant posts in this team which has reduced the level of income generating work. These posts are currently being recruited to
Housing Benefit Subsidy	Various	(127,500)	(496,490)	Impact of reduced costs of Housing Benefit due to benefits review work and data matching exercises undertaken. This has led to an improved position on recovery of overpayments and also a reduced cost of benefits going forward.
Variations Under £50k	Various		13,460	
Total Customer & Neighbourhood Services			(482,202)	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Commercial Services				
ICT	Various	75,566	272,000	There are a number of pressures currently highlighted in ICT including: growth in the cost and number of Microsoft licenses, due to more employees using ICT to do their jobs effectively and the move to digitally enabled and mobile technology; network contract costs and software support costs (storage area network and back-up environment) are also higher than anticipated. Costs relating to the purchase of thick/thin/laptop client devices are also likely to create a pressure throughout the year.
ICT	Income	2,345,440	(92,000)	One off capitalisation of salary costs across ICT projects
Property & Design	Operational & Admin Buildings	7,513,417	(147,000)	Early closure of a number of properties in addition to one off reduced spend on R&M and Utilities.
Property & Design	Facilities Management	851,604	(66,000)	One off saving from vacancy management and part year restructure savings
Variations under £50,000			(127,000)	A number of one off savings across whole service area.
Total Commercial Services			(160,000)	
Council wide				
Transforming Telford Balance	One off Balance		(649,000)	Transforming Telford residual balance following closure of the company
Purchase Rebates	Income	(471,000)	(50,255)	Rebate received in October 2016 from West Mercia Energy is £50k higher than the budget. This is based on West Mercia Energy's Audited Accounts for 31st March 2016.
Agency Rebate	Income	(2,500)	(85,721)	Rebate received up to the end of September in respect of Agency costs incurred. £24k of this relates to 2015/16 but was not received until 2016/17.
S131 Grant	Income		(80,000)	The estimated S31 grant provided to compensate Local Authorities for business rates reliefs agreed by Central Government.
Staffing Costs			125,000	Shortfall in delivery of saving target due to the retention of some essential user allowances and phasing-in of reductions to mileage rates resulting in a part-year impact in 2016/17.
Total Council wide			(739,976)	
Total Variations			1,899,433	