

Summary of 2013/14 Projected Variations

Service Delivery Unit	Total Current Variation
	£
Children's Safeguarding	527,847
Education & Skills	350,000
Family & Cohesion Services	0
Development, Business & Housing	212,000
Neighbourhood & Leisure Services	110,000
Care & Support	1,623,223
Customer & People Services	402,500
Law, Democracy & Public Protection	0
Finance, Audit & Information Governance	(204,961)
Cooperative Council Delivery Unit	0
Council Wide	(1,479,240)
Total Projected Variation	1,541,369
Call on Corporate Contingency	(1,541,369)
Projected Year End Position	0

2013/14 Revenue Budget Variations over £50,000				
Description	Budget	Variation	Comments	
	£	£		
Childrens Safeguarding				
Children in Care Placements	10,004,147	1,347,970	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. The Cost Improvement Plan is well established and is being actioned to aim to bring costs back in line with base budget. In addition to the service base budget a corporate contingency was established as part of the 2013/14 estimates to meet demand from new admissions. (Some new admissions are inevitable to keep children safe). Current forecasts are that the service is having some success in implementing the plan, and cost reductions of around £935k are being forecast to be achieved resulting mainly from "Step Down" from residential to other (cheaper) types of placements. However, this leaves around £1.3m in placement costs over budget and therefore the forecasts include use of the Contingency in full and a residual overspend of around £0.4m remains. 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 £140k of further cost reductions has been identified from further "Step down" of care placements. The number of Children in Care at 14th June: 316 compared to 31st March 2013:321	
Corporate Contingency	930,000	(930,000)	Use of one off contingency set aside as part of the budget strategy	
Staffing	5,570,317	(84,776)	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 13fte's. The final 2012/13 Safeguarding overspend included £558,617 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 £272k 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 7(Cost improvement plan target at end May- 6)	
Variations under £50k	2,980,471	194,653		
Total Children's Safeguarding	19,484,935	527,847		

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Education & Skills				
Lifelong Learning		879,690	254,786	Largely as a result of Government grants no longer being received. This issue was partially resolved through the budget strategy when around £550k of grants were identified as no longer being received. The resulting pressure will be dealt with by savings reported against other service budgets and determining whether DSG underspends can effectively be used to replace General Fund spending.
Joint/Community Use		728,600	100,000	Loss of income from Shortwood and Phoenix Schools
Miscellaneous Management costs		93,530	(60,000)	General operational underspends
Variations under £50k		10,362,020	55,214	
Total Education & Skills		12,063,840	350,000	
Family & Cohesion Services				
		16,449,970	0	Detailed monitoring has been undertaken and there are no significant variations to report
Total Family and Cohesion Services			0	
Care & Support				
Purchasing-all types of care for all client groups		37,695,160	1,700,000	The overspend now forecast is the result of savings of £1.667m taken out of purchasing budgets. The savings are expected to result from various Transformation initiatives which are as yet not resulting in decreasing costs or are being offset by growing costs of care. The overspend reported throughout 2012/13 included the significant impact of CHC clients no longer funded by the PCT, this position has been reflected within the base budget and is dependant on significant funding from the CCG including £2.771m-"Lansley funding" and £3.4m of one off's of which £2.4m although yet to be received is now agreed and £1m is part of a £3m payment received in 2011/12 and is being released over 3 years. Therefore a total of £6.1m of funding is included within the base budget to offset pressures resulting from the many pressures to impact the Social Care budget including CHC which is estimated to be costing the Council £8.5m per annum.

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
				The budget strategy for 2013/14 included growth of £300k for inflation on care contracts and £370k of the additional "Lansley" money received from Government. Expenditure against these sums remains uncommitted and therefore £670k is being held to meet the future costs of inflation and demand. The above reported overspend does not include this. Including this now would leave the service exposed to the effects of in year cost escalation and therefore these budgets are held to offset and therefore stabilise the current reported position. The other pressures include the demographic related increase of older people in particular who are eligible for support, inherited costs of young people in transition, reducing admission rates and shorter lengths of stay in hospital settings, increased provider costs reflected in higher placement prices, all against a historic base of T&W Council spending below the national average, though the gap has now reduced significantly
One-off Funding			(928,000)	One off funding available
Care Leavers		574,560	700,000	This overspend is based on forecast costs from 2012/13. A review of the service is expected to commence shortly and there may be in year cost reductions.
Supporting People		2,042,050	515,000	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
Staffing and operational budgets		1,275,000	(331,283)	This underspend has arisen due to vacancies in posts yet to be filled
Drugs and Alcohol Services		2,563,032	(73,952)	This is the result of contracts agreed as part of the handover of Public Health. Some contracts have been agreed at lower/higher cost than
Sexual health Services		1,012,218	58,000	This is the result of contracts agreed as part of the handover of Public Health. Some contracts have been agreed at lower/higher cost than
Variations under £50k		10,878,710	(16,542)	
Total Care & Support		56,040,730	1,623,223	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Neighbourhood & Leisure Services				
Leisure	Town park - Crazy Golf income	(50,000)	30,000	Contracts for the construction of the Crazy Golf course in Telford Town Park are out to tender and the course is expected to be operational in the Autumn. Therefore the projected income for 13/14 has been reduced in order to reflect the part year impact of the new facility.
Arts and Culture	The Place Theatre	(677,321)	80,000	The 2013/14 budget proposals included increased income from The Place of £100k. Whilst income from the pantomime is projected to be above budget and an improvement on last years income it is unlikely that the increased and challenging income target can be met.
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. It is proposed that this is funded from the budgeted contingency
Public Realm	Environmental Maintenance	4,465,574	50,000	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.
			(66,000)	One off from budgeted contingency to meet winter maintenance overspend
			(50,000)	One off from budgeted contingency to meet cost of additional grass cuts
Total Neighbourhood & Leisure Services			110,000	
Development, Business & Housing				
Facilities Management and Cleaning		(1,534,955)	50,000	The net impact of loss of school trading income on property, cleaning and facility management services
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.
Total Development, Business & Housing			212,000	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Customer & People Services				
ICT	Supplies & Services	1,041,510	302,903	Over spend against software maintenance budget for various Council systems. Budget is £243k with costs projected totalling £563k. This is in line with 2012/13.
ICT	Income	(2,672,460)	88,191	Shortfall against service specific income budget of £539k. This is in line with previous years.
Revenues & Benefits	Supplies & Services	144,300	78,432	Additional costs projected on printing and postage in line with 2012/13.
Variations Under £50k		6,147,320	(67,026)	
Total Customer & People Services			402,500	
Finance, Audit & Information Governance				
Variations Under £50k		679,770	(204,961)	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			(204,961)	
Council Wide				
Treasury			(500,000)	Benefit from low interest rates and slippage in 12/13
Housing Benefit Subsidy		(74,540)	(100,000)	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
Total Council Wide			(1,479,240)	
Total Variations			1,541,369	

Capital Approvals

Slippage

Scheme	13/14 £	14/15 £	15/16 £	Comment
Ensure That Neighbourhoods are Safe, Clean and Well Maintained	(520,000)	520,000		Funded from Prudential Borrowing
Integrated Transport				

New Allocations

Scheme	13/14 £	14/15 £	15/16 £	Comment
Improve Local People's Prospects through Education and Skills Training				
Devolved Formula Capital	-54,487			Reduced allocation due to schools converting to Academies; Standards Fund Grant
Basic Need - Contingency	630,238			1 of 2 year allocation; Standards Fund Grant
Contingency for reactive works	-190,344			Reduced allocation - approved allocation based on prior years; Standards Funds Grant
Hollinswood Primary - Infant and Junior Merger	50,000			External - School Contribution
Donnington Wood Infants - New Early Years Development	29,500			Section 106 Funding
Muxton Primary - 3 Class base extension	24,500			Section 106 Funding
Teagues Bridge Primary - 3 class base extension , Hall , Boiler & Roof	293,486			Section 106 Funding
Improve Health & Well Being of Our Communities				
Newport Fitness Facility	60,000			Prudential
Protect & Support our Vulnerable Children & Adults				
ICT Social Care Review	300,000			Prudential
Total New Allocations	1,142,892	-	-	