

Summary of 2014/15 Projected Variations

Service Area	Variation - Cabinet 24 7 14	Total Current Variation	Change
	£	£	£
Children's Safeguarding & Specialist Services	1,005,112	713,428	(291,684)
Education & Corporate Parenting	257,531	288,373	30,842
Family & Cohesion & Commissioning Services	(190,000)	(35,439)	154,561
Development, Business & Employment	118,000	107,700	(10,300)
Neighbourhood & Leisure Services	209,162	70,500	(138,662)
Adult Social Services	3,356,982	2,784,804	(572,178)
Public Health, Well Being & Public Protection	(73,037)	(200,000)	(126,963)
Customer Services	365,436	140,000	(225,436)
Law, Democracy & People Services	0	(5,349)	(5,349)
Finance, Audit & Information Governance	(1,146,334)	(1,740,334)	(594,000)
Cooperative Council Delivery Unit	0	(99,936)	(99,936)
Council Wide	(134,000)	(1,734,000)	(1,600,000)
Total Projected Variation	3,768,852	289,747	(3,479,105)
Use of uncommitted balance in Corporate Contingencies	(3,286,077)	(289,747)	2,996,330
Total Projected Variation after use of contingency	482,775	0	(482,775)
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2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Childrens Safeguarding & Specialist Services				
Children in Care Placements		8,860,341	1,156,192	The 2013/14 reported outturn position was £2.089m overspent. The budget strategy included a budget reduction of £1.200m for CiC Placements. A review of costs resulted in 2014/15 Cost Improvement Plan targets being set for both External Residential & External Fostering (£0.870m cost reduction in total). New arrangements are having an impact particularly on admissions for reasons of children's behaviour and reduction of high cost placements. 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. Corporate contingency is held to meet demand which results in unplanned placement costs. CLA number 300 as at 31/8/14.
Care leavers Accommodation costs		599,630	307,023	The 2013/14 reported outturn position was £0.344m overspent and a target has been set in the Cost Improvement plan to achieve a reduction of £0.160m from this amount. Ongoing review of care packages in the service is now in place to deliver savings in this area for remainder of the year, progress of which is regularly reviewed in the Cost Improvement Plan.
Staffing		8,377,148	(185,840)	The 2014/15 Cost Improvement Plan includes a target to reduce the use of Agency Social Workers. The final 2013/14 Safeguarding overspend included £465k for the net cost of agency staff. The current agency forecast is for outturn of £671k in 2014/15, which is offset by vacancies held in the service area. Current number of agency staff 12 (Cost improvement plan target 5 until September 2014). One of the key drivers for the use of Agency SWs is the level of demand for SW services which remains high; this is being tackled in a number of ways both Strategic and Operational.
Internal Foster Carers costs (excluding salaries, fees and allowances)		328,115	141,755	Specific pressures include travel costs £113k forecast overspend. The 2013/14 reported outturn position for travel costs was £92k overspend and a target has been set in the Cost Improvement plan for the Fostering service to achieve a reduction of £10k from this amount.
Joint Adoption Service		328,725	58,147	This overspend relates to the Joint Adoption Service hosted by Shropshire Council. Savings of £0.040m have been taken from this budget which are currently not forecast to be delivered. A West Mercia Adoption Service project is currently being undertaken which aims to deliver savings later in the financial year.
Direct Payments		185,428	115,080	Current projections are for a £115k overspend against Direct Payments, which pays for direct payment personal care for Children with disabilities.

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Variations under £50k		1,802,215	321,071	
			(1,200,000)	Corporate Contingency is held as part of the budget strategy for 2014/15 and was set at £1.200m for possible use across CiC Placements budget lines.
Total Children's Safeguarding & Specialist Services		20,481,602	713,428	
Education & Corporate Parenting				
Miscellaneous Special School Expenditure		34,338	66,997	Some additional premature retirement costs and remissions expenditure forecast compared to budget
Miscellaneous Secondary School Expenditure		3,138,195	51,103	Redundancy costs at secondary schools, arising from staffing changes in response to falling pupil numbers, resulting in higher costs than budgeted
Joint/Community Use		135,585	71,489	Joint use costs at Shortwood Primary no longer able to be financed by Dedicated Schools Grant (DSG) since introduction of new DfE funding rules.
Education Services Grant		(2,680,000)	(62,477)	ESG is primarily determined by the number of pupils in schools, particularly maintained schools, which is somewhat higher than budgeted. The notified allocation from the Education Funding Agency of £2,792,477 would deliver £112,477 more than budgeted, but this has been adjusted downwards by £50,000 to take account of the possible impact of academy conversions during 2014/15. A much lower level of ESG per pupil is paid for academies
School Improvement Advisory Service		75,377	(112,562)	Additional income forecast from trading following restructure creating more traded posts. In addition there has been a net salary saving as a result of staff commencing in post in September rather than April.
Multicultural Development Team		8,952	62,770	Lower expected buy-in by schools and lack of agreed de-delegation from schools have led to a significant shortfall against budgeted income.
Transport		2,718,663	54,632	Pressure arising on School Transport following budget reductions in 2014/15-see comment included in Family, Cohesion and Commissioning Services below.
Variations under £50,000		7,251,514	156,421	
Total Education & Corporate Parenting		10,682,624	288,373	

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Family, Cohesion & Commissioning				
Transport		303,144	(49,250)	The commissioning of Transport Services provided to Adult Social Services and Education and Corporate Parenting is delivered by the Commissioning Unit from within Family, Cohesion and Commissioning, and is recharged to the service areas for whom the Transport is provided. The respective transport budgets are held by Adult Social Services, Education & Corporate Parenting and Neighbourhood & Leisure, with Management and staffing budgets held by FCC. Public Transport is managed within Neighbourhood & Leisure Services. A transport review was undertaken in response to the requirement to deliver significant savings targets. The review has recommended actions to deliver savings which have been adopted by the Council in a range of between £644k and £784k. The respective Transport users are undertaking to deliver these actions to reduce the costs of transport in line with the recommendations. The Period 5 monitoring report includes the impact of the budget reduction and reports spending pressures in the respective service areas therefore, pressures are reported within Adult Social Services, Education and Corporate Parenting and Neighbourhood & Leisure. The underspend reported within FCC is due to the previously reported restructure of the service resulting in staff savings which is part of the agreed package of savings referred above although at a slightly reduced level. This saving offsets pressures reported on Transport elsewhere in this report. As the year progresses, and savings are achieved the reported pressures across all areas should reduce, and will be consolidated
Cohesion		2,536,892	(60,000)	Staff savings across Cohesion of £100k offset by a loss of income of £40k on housing from reduced number of properties being utilised, there will be a commensurate saving in costs of £23k reported in Development, Business & Employment.
Youth Offending Service		348,147	(136,000)	The Council contributes to the Regional Youth Offending Service, and the 2013/14 outturn for that service has just been reported as a surplus of income over expenditure. The surplus is being returned to the funding partners in accordance with the level of contribution made in year. Therefore, a one off sum of £73k will be returned to the Council this year and this is unbudgeted. The 2014/15 contribution from funding authorities is also reduced resulting in further cost reductions to this service.

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Contracting & Commissioning		3,306,896	234,000	Following the Contracting and Commissioning restructure an overspend is being reported in this area. This is predominately due to the movement of Supporting People from Adult Social Services which is forecast to overspend by £380k, and this pressure is identified and being managed in the Adult Social Services Cost Improvement Plan. This is partially offset by savings following restructure.
Other variations under £50k		3,653,953	(24,189)	
Total Family, Cohesion & Commissioning		10,149,032	(35,439)	
Adult Social Services				
Purchasing-all types of care for all client groups including purchase of in house services		39,643,845	6,278,591	Updated forecasts for Period 5 continue to reveal pressure on the Adult Social Services budget with a purchasing outturn overspend of £6.3m being projected(very little change from that reported in July). Included in the total savings target of £7.7m for all Adult Social Care Services (including ALD) is £4.051m targeted at purchasing budgets which have been reduced. Plans to reduce costs and therefore reduce the overspend are in place, being subject to rigorous monitoring, management and review. The total Adult Social Services overspend is the net after savings already achieved of around £2.1m has been reflected. The current forecast for all Adult Social Services is that there are savings being pursued to reduce costs and sufficient with £3.4m of one off funding to eliminate the overspend in 2014/15, however, the one off funding would have to be replaced with further savings in 2015/16. In the recent review of Social Care by Capita there were a number of recommendations to improve performance and make savings and these form a part of the action plans underpinning the latest savings proposals.
Transport		651,746	221,181	The 14/15 ASS transport budget was reduced by £229k as a result of the recommendations made in the Transport Review. A number of proposals have been agreed to be delivered in 2014/15 and if they are successfully implemented the overspend will reduce but it is now unlikely that the impact of the proposals will achieve the target given that we are almost half way through the financial year. A Transport Review Project Group has recently been set up to look at ways to reduce Adult Social Services expenditure on Transport.
Other variations under £50k		(3,367,255)	(441,968)	An increased projection for income together with a reduced projection for staffing and supplies & services has meant that this projected underspend has increased.
Use of one off ASS funding		0	(900,000)	Use of One Off reserves held within Adult Social Services

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Adult Social Services draw-down budget			(2,240,000)	Set aside as a specific draw-down budget for Adult Social Services as part of 2013/14 year end
Adult Social Services - NHS England Funded		133,000	(133,000)	Additional funding from Government to protect Social Care Services
Total Adult Social Services		37,061,336	2,784,804	
Public Health, Wellbeing & Public Protection				
Public Health				
Staffing and operational budgets		1,093,953	(111,017)	Part year vacancies and underspends on other staffing budgets (£73k).
Variations under £50k		6,541,858	(72,983)	
Public Protection				
Variations under £50k		1,849,690	(16,000)	
Total Public Health, Wellbeing & Public Protection		9,485,501	(200,000)	
Neighbourhood & Leisure Services				
Transport & Highway Development	Public Transport & Concessionary Travel	1,959,675	50,000	Service transferred from Family & Cohesion - savings to mitigate this are shown below
			(50,000)	Management action to find efficiencies related to current Subsidised Bus services.
Variations under £50k	Transport & Highway Development		(161,000)	One off savings arising from vacancy management prior to restructure.
Leisure Facilities & Services	Income - Oakengates Leisure Centre	225,490	69,500	Impact on Income as a result of the construction of new school and subsequent closure of Leisure facilities during key building works.
	Income - Horsehay Golf Complex	(270,890)	72,000	There has been a national downturn in the use of Golf courses which has impacted on this shortfall of income in addition to competition from other courses.
	One off savings		(105,000)	Use of one off funding included within current savings proposals.
	Variations under £50k		116,000	A number of small overspends across a number of areas.

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Highways & Neighbourhood Management	Income - Highways & Engineers	(1,339,480)	119,000	Income pressure associated with Engineers income target caused through imbalance from previous Portfolio restructuring.
	Supplies & Services		(67,000)	Street Lighting energy savings.
Waste & Neighbourhood Services Performance Management	Waste Disposal - TWS contract	757,670	158,000	The existing TWS contract pressures for disposal of Wood & Hazardous at CRC's; Green Waste at Kerbside, along with bin replacement costs.
	Supplies & Services		(120,000)	One off savings from Green waste disposal.
	Variations under £50k		(31,000)	A number of small one off savings across a number of areas.
Neighbourhood & Leisure Services	Variations under £50k		20,000	
Total Neighbourhood & Leisure Services		1,332,465	70,500	
Development, Business & Employment				
Regeneration & Investment	Southwater Car Park - Income	(348,000)	200,000	As anticipated, delays to the opening date and the current road-work disruption have impacted on the usage of the multi storey car park. Business is rapidly growing as a result of the Southwater development with a range of new restaurants and facilities opening. As the economy continues to develop in the area so will the requirement for parking and income levels should therefore increase. This is net of mitigations.
	PIP & Service Charges		200,000	Ongoing rationalisation of the PIP resulting in an in year pressure on Income and Service Charge voids.
Property & Design	Employees		(54,300)	One off savings from vacancy management.
Business & Development Planning	Employees	497,760	(124,000)	One off savings from vacancy management in addition to service redesign.
Property & Design	Administration Buildings	3,119,450	60,000	Increase in Darby House rent due to higher levels of occupancy and other Premises costs.
Skills	Post 16 Transport		(74,000)	Post 16 Transport savings one off in 14/15.

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Development Management	Income		(100,000)	One off benefit from increased planning fees as a result of the current housing markets.
Total Development, Business & Employment		3,269,210	107,700	
Customer Services				
Carwood	Employees	420,998	174,256	Overspend on staffing due to additional hours worked by staff
Community Support	Employees	989,728	176,665	Overspend on staffing due to additional hours worked by staff
Care & Enablement	Various	-	(365,605)	Savings identified from staffing restructures and the cessation of the enablement service.
ICT	Various	(48,620)	100,270	Shortfall against Service Specific Income target of £62k plus overspend against the PC replacement programme of £192k due to phasing of roll out. This position includes the reallocation of ICT savings proposals totalling £238k which will be met form alternative savings achieved through increased Council Tax and Business Rates income.
Commercial Catering	Income	(560,268)	210,475	Shortfall projected against Commercial income across Haughmond Hill Cafe, Cafe Go, Ice Rink Cafe, Food Truck and The Place. A management action plan is being developed to address these issues.
Revenues & Benefits	Income	(324,180)	54,003	Projected shortfall against printing income which is in line with previous years due to reduced internal demand for the service. Work is under way to attract external business to offset this shortfall.
Social Services draw-down budget			(260,000)	Use of one-off funds
Variations Under £50k		4,721,676	49,936	
Total Customer Services			140,000	Customer Services overall position relies on £422k additional funding achieved through increased council tax and business rates. Due to accounting regulations this is not available to the Council in 2014/15 and will be met from one-off funds until 2015/16.
Finance, Audit & Information Governance				
Treasury Management		9,615,330	(1,525,000)	Active treasury management including an estimate of the benefit from extending the change in the calculation of Minimum Revenue Provision applied to prudential borrowing in 2013/14 to include supported debt (government allocations) - this figure includes a back-dated (£1.1m) and ongoing element. It is also net of the impact of deferred capital receipts.

2014/15 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Variations Under £50k		0	(215,334)	Underspend arising from a number of temporary vacant posts plus one voluntary redundancy.
Total Finance, Audit & Information Governance			(1,740,334)	
Law, Democracy & People Services				
Land Charges Variations Under £50k	Income	(104,570)	(59,125) 53,776	Projected additional income to be achieved from Land Charges
Total Law, Democracy & People Services			(5,349)	
Cooperative Delivery Unit				
Delivery & Planning Variations Under £50k	Employees	745,520 0	(119,180) 19,244	Majority relates to vacant posts within structure.
Total Cooperative Delivery Unit			(99,936)	
Council Wide				
West Mercia Energy Purchasing Consortium Single status Litigation costs			(134,000) (1,800,000) 200,000	Estimated dividend from WME exceeds the budget set (final to be confirmed following the WME audit, so subject to change). The budget for 2014/15 allowed for implementation of the single status settlement during the year. This is unlikely to happen during this financial year and as such a net benefit of £1.8m will arise during this year As previously reported, there is an ongoing legal process underway in relation to a group of Property Search Companies who are seeking to claim refunds of land charges fees paid. This is now likely to be settled in 2014/15.
Total Council Wide			(1,734,000)	
Total Variations			289,747	

Capital Approvals - by Service Area

Virements	Service Area	14/15 £	Funding / Comment	
Property and Design Fees	Development Business & Employment	(120,240.47)	Prudential	
Town Centre Phase 1	Development Business & Employment	150,240.47	Prudential	
Accommodation	Development Business & Employment	50,000.00	Prudential	
Housing	Development Business & Employment	(80,000.00)	Prudential	
Total		0		

New Allocations					Funding / Comment
Scheme	Service Area	14/15 £	15/16 £	16/17 £	
All Other School Schemes	Development Business & Employment	997,443.95			External
ICT	Customer & People Services	518,000.00			Revenue
Town Centre - Phase I	Development Business & Employment	60,000.00			Revenue
Highways and Bridges Capital maintenance	Neighbourhood & Leisure Services	10,000.00			External
Integrated Transport	Neighbourhood & Leisure Services	28,041.10			External
Highways Maintenance	Neighbourhood & Leisure Services	122,304.00			Gov Grant
Highways Maintenance	Neighbourhood & Leisure Services	420,486.00			Gov Grant
Total		2,156,275	0	0	

Slippage					Funding / Comment
Scheme	Service Area	14/15 £	15/16 £	16/17 £	
Building School for the Future	Education and Corporate Parenting	(4,870,982)	4,870,982.00		Gov Grant
Building School for the Future	Education and Corporate Parenting	(5,024,227)	5,024,227.00		Prudential Borrowing
Building School for the Future	Education and Corporate Parenting	(3,150,929)	3,150,929.00		Capital Receipts
Building School for the Future	Education and Corporate Parenting	(43,000)	43,000.00		External funding (PCT)
Building School for the Future	Education and Corporate Parenting	(1,267,601)	1,267,601.00		Approved Borrowing
Building School for the Future	Education and Corporate Parenting	333,333	(333,333)		Revenue
Housing	Development Business & Employment	(110,000)	110,000		Capital Receipts
Total		(14,133,406)	14,133,406	0	