

Summary of 2016/17 Projected Variations

Service Area	13 Oct Cabinet Variation	Current Variation	Change
	£	£	£
Business, Development & Employment	0	(70,000)	(70,000)
Finance & HR	(2,553,384)	(4,138,317)	(1,584,933)
Cooperative Council Team	(85,242)	(99,800)	(14,558)
Children's Safeguarding	2,840,150	3,790,132	949,982
Education & Corporate Parenting	372,871	252,807	(120,064)
Early Help & Support	3,690,356	4,122,667	432,311
Legal, Procurement & Commissioning	(178,615)	(224,820)	(46,205)
Health & Wellbeing	8,689	44,949	36,260
Customer & Neighbourhood Services	(239,395)	(436,215)	(196,820)
Commercial Services	0	(160,000)	(160,000)
Council Wide	(649,000)	(739,976)	(90,976)
Total Projected Variation	3,206,430	2,341,427	(865,003)
Use of Contingency	(3,206,430)	(2,341,427)	865,003
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. Early delivery of restructure saving. This reflects the net current projections for Service charge voids.
Inward Investment & Business Support	Employees	868,250	(75,000)	
Estates & Investment	Income	(6,519,620)	105,000	
Total Business, Development & Employment			(70,000)	
Finance & HR				
Treasury Management		8,508,460	(3,200,000)	Benefits arising from current low interest rates and lower borrowing than anticipated in the earlier part of the year. Underspend from vacant posts which are being held vacant to contribute towards 2017/18 savings targets. Additional income generated from Services to Schools. This is mainly due to new business from external schools. Updated sinking fund assumptions following updated projections mean a reduction in the contribution to the fund for 2016/17
Customer & Corporate Finance	Employees	873,025	(87,799)	
Human Resources	Income	(322,596)	(61,694)	
PFI Contribution to Sinking Fund	Third Party Payments		(700,000)	
Variations Under £50k			(88,824)	
Total Finance & HR			(4,138,317)	
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	3,148,091	Children in Care Placements continues to add pressure to the Children's Safeguarding budget. Looked after Children total was 365 as at the end of November, a decrease of 1 within the reporting period. 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	(119,275)	The 2015/16 reported outturn position was £0.135m overspent. The outturn projection reflects a significant reduction in placement costs.
Staffing		7,135,568	514,435	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 £0.59m. There were 15 agency staff at the end of November including 4 within the Family Connect Service. Cabinet considered a report earlier this year following a Scrutiny review of CSE. Cabinet approved additional investment in Family Connect to support recommendations.
Internal Foster Carers costs (excluding salaries, fees and allowances)		300,897	164,699	The cost pressure identified against this budget includes travel costs overspend of £93k and Foster Care training of £21k .
One off Balances			(500,000)	
Assessment		250,565	265,024	The 2015/16 reported outturn position was £0.12m over spent.
Variations under £50,000		3,937,260	209,881	
Independent Review		742,960	107,277	The significant pressure in this area is the cost of agency staff where the current projection is a cost of £95k against a zero budget. Cabinet recently considered a report following the Ofsted inspection of Children's Services in July. The report agreed a recommendation to increase capacity in this area as recommended by Ofsted.
Total Children's Safeguarding		22,249,163	3,790,132	

2016/17 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Education & Corporate Parenting				
Miscellaneous School Expenditure		7,605,254	34,975	A forecast over spend on remissions is being partly offset by lower forecast premature retirement contributions.
Specialist Services		592,643	241,788	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	83,335	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	51,557	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		277,182	166,352	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)	(160,039)	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		1,667,288	(95,161)	
Total Education & Corporate Parenting		11,416,851	252,807	

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	6,419,107	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 £455k. 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 Period 6, the prior period to this, numbers of clients increased, however for Period 7, the overall client numbers have not increased, but there is turnover(starters and leavers) and the costs of new or reviewed packages of care have increased over 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 (16,446,702)	3,919,107 754,090	This shortfall in income largely arises from a shortfall against the target income to be generated from the CCG arising from an agreement to Joint Fund Packages of Care. The agreement was 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 and this is likely to be connected to the increased numbers of older people in residential and nursing placements.
Transport		666,406	131,289	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)		9,916,781	(248,056)	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 £271k, 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		3,913,829	(233,763)	
Total Early Help & Support		42,739,208	4,122,667	
Legal, Procurement & Commissioning				
Strategic Procurement		720,543	(103,440)	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		2,398,742	(75,752)	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		439,871	(45,628)	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		3,559,156	(224,820)	
Health & Wellbeing				
Public Health				
Variations under £50,000		10,070,445	0	
Culture & Wellbeing				
Variations under £50,000		1,048,590	30,504	
Civil Resilience & Coroners Service				
Variations under £50,000		517,798	20,000	Proposed increase cost in Mortuary Service Level Agreement
My Options				

2016/17 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Variations under £50,000		260,947	(5,555)	
Total Health & Wellbeing		11,897,780	44,949	
Customer & Neighbourhood Services				
Service & Contract Development	Various	641,540	(61,883)	Vacant posts which will not be recruited to due to forthcoming restructure
T & W Footpath Special Fund	Various	708,830	(79,817)	Reduction in spend against planned maintenance due to the forthcoming upgrade of street lights pending the outcome of the tender process currently being undertaken.
Concessionary Travel	Various	1,677,030	(109,542)	Saving from the main Arriva bus service. This is over and above the £100k saving put forward for 2016/17.
Waste & Neighbourhood Services	Various	8,008,285	131,789	Additional recycling costs due to increased tonnage from waste as a result of more waste being disposed of than originally anticipated within the contract.
Highways & Engineering	Income	(928,570)	50,367	Projected shortfall against income target from fee earning posts.
Structures & Geotechnics	Employees	358,568	(75,022)	Underspend from vacant posts.
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)	(440,934)	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		(56,247)	A number of one off staffing savings across the service, mainly arising from vacant posts
Total Customer & Neighbourhood Services			(436,215)	

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	-	(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			2,341,427	

Capital Approvals - by Service Area

Appendix 3

Slippage							
Scheme	Service Area	Funding Source	16/17 £	17/18 £	18/19 £	19/20 £	Comment
Telford Growth Package	Customer & Neighbourhood Services	Government Grant	(275,000)	275,000			
Telford Growth Package	Customer & Neighbourhood Services	External	(5,367,500)	5,367,500			
Managing the funding of the capital programme	Finance & Human Resources	Capital receipts			4,400,000	(4,400,000)	
Managing the funding of the capital programme	Finance & Human Resources	Prudential			(4,400,000)	4,400,000	
Housing Company- Housing	Development Business and Employment	Prudential		4,646,000	(4,646,000)		
Total			(5,642,500)	10,288,500	(4,646,000.00)	0.00	

New Allocations							
Scheme	Service Area		16/17 £	17/18 £	18/19 £	19/20 £	Comment
Customer Services Systems Development	Customer & Neighbourhood Services	Revenue	10,000	20,000			
All Other School Schemes	Education and Corporate Parenting	External	225,700.18				
Managing the funding of the capital programme	Finance & Human Resources	Capital receipts	(100,000)			(600,000)	
Managing the funding of the capital programme	Finance & Human Resources	Prudential	100,000			600,000	
Housing & Technology Support for People with Learning Disabilities	Legal, Procurement & Commissioning	Capital Grant	70,000	465,350			
Total			305,700.18	485,350.00		-	