

Summary of 2019/20 Projected Variations

Service Area	Net Revenue Budget	Variation Cabinet 2 January 2020	Movement since Cabinet	Current Variation	Variation as a % of Net Revenue Budget
	£	£	£	£	%
Business, Development & Employment	(1,597,414)	0	(150,000)	(150,000)	9.4
Finance & HR	3,284,674	(3,321,794)	(168,403)	(3,490,197)	-106.3
Cooperative Council Team	1,045,144	(157,474)	26,403	(131,071)	-12.5
Children's Safeguarding & Family Support	30,941,328	3,071,549	248,945	3,320,494	10.7
Education & Corporate Parenting	10,875,899	478,371	(49,087)	429,284	3.9
Adult Social Care	42,752,664	1,041,300	904,010	1,945,310	4.6
Governance, Procurement & Commissioning	2,745,010	154,014	0	154,014	5.6
Health & Wellbeing	2,364,010	(97,920)	(3,824)	(101,744)	-4.3
Customer & Neighbourhood Services	29,745,443	(248,278)	30,176	(218,102)	-0.7
Commercial & Housing Services	2,529,207	713,000	0	713,000	28.2
Council Wide	(3,272,645)	42,656	0	42,656	-1.3
Total	121,413,320	1,675,424	838,220	2,513,644	2.1
Use of Contingency		(1,675,424)	(838,220)	(2,513,644)	
Overall Total	121,413,320	0	0	0	

2019/20 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Business, Development & Employment				
Regeneration & Investment	PIP Income & NNDR	(5,301,121)	202,000	Income and NNDR pressures arising from a number of void properties including Hollinswood House. A planned refurbishment programme for Hollinswood House was approved in 18/19 is under review. The market for Office space remains challenging.
	Growth Fund Income	(2,666,469)	(67,000)	Early delivery of Growth fund investments due to improved tenant phasing.
	Contribution from Reserves	-	(25,000)	One off reserves.
Development Planning	Employees	2,729,270	(100,000)	One off underspends arising from vacancy management in addition to difficulties in recruiting to a number of posts.
II&BS	Employees	889,480	(100,000)	One off underspends arising from vacancy management.
Variations under £50k		2,751,426	(60,000)	
Total Business, Development & Employment		(1,597,414)	(150,000)	
Finance & HR				
Treasury Management		11,193,249	(3,200,000)	Savings arising from Treasury Management Activities
External Audit Fee		201,590	(102,408)	Underspend against audit fee due to new contract with Grant Thornton
Bank Charges	Supplies & Services	117,130	(62,130)	Underspend against bank charges as a result of the banking arrangements with Lloyds. Consistent with 2018/19.
Variations Under £50k		(8,227,295)	(125,659)	
Total Finance & HR		3,284,674	(3,490,197)	
Cooperative Council Team				
Organisational Development & Delivery	Employees	684,495	(115,416)	Staffing saving from vacant post, officer on maternity leave and two officers not in the pension scheme.
Variations under £50k		360,649	(15,655)	
Total Cooperative Council Team		1,045,144	(131,071)	
Children's Safeguarding & Family Support				

2019/20 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
CIC Placements		15,368,825	2,801,079	The variation reflects an increase in expenditure compared to 2018/19 as well as the impact of a shortfall against the expected cost improvement measures. There have been a number of cases in which a child's placement has become more expensive and a number of new residential placements during the year. The service's strategy of increasing internal fostering capacity and thus reducing the impact of more costly external foster placements is starting to have an impact upon the balance and cost of placements, but significant numbers of children and young people in care continue to have complex needs and / or high levels of trauma and this is putting pressure on placement costs.
16+ Children in Care		730,179	495,696	Costs associated with young people over 16 increased significantly in 2018/19 as a result of a small number of high cost cases, generally children already in residential placements transferring to a post 16 placement. The full-year impact of support for these young people is now included in the projections for 2019/20. In addition there have been further young people turning 16, moving from existing placements and needing significant support .
Staffing - salaries		10,941,129	(344,633)	Recruitment continues to be challenging resulting in vacancies within the service.
Staffing - Agency Costs		0	979,342	In some cases vacancies will need to be covered by agency appointments which generally cost around one-third more than an equivalent substantive LA appointment, resulting in additional pressure to the Safeguarding budget.. In addition in specific areas of the service agency staff are being placed to maintain levels of caseload appropriate to the experience of staff. As these staff, such as newly qualified social workers, gain experience and the progression framework now in place in the service assists retention of staff, the need for additional agency staff should reduce.
Children with Disabilities		948,932	302,126	The overall cost of direct payments is likely to be in excess of budget provision. However direct payments generally represent good value for money compared to more expensive care packages and so additional expenditure in this area can be cost effective overall.
Children in Care Adoption Allowances		181,270	57,832	There is a budget pressure in this area, due to the number of adopted children and the associated costs. However, in principle adoptions are a positive solution for children and for the financial situation of Safeguarding as a whole, as it means that the children and young people concerned are not placed in more expensive options.
Joint Adoption Service		509,609	386,099	T&W is part of a joint adoption service with Shropshire Council. Budget projections from Shropshire indicate that the contribution required to support this service is likely to be in excess of the budget for 2019/20. The primary reason for the variance is that a number of children have been placed using external adoption agencies, and such placements carry a significant additional one-off cost. See also comment above regarding adoption allowances
Contribution from Reserves		(924,238)	(305,332)	
Health Funding		(580,000)	180,000	The service is endeavouring to ensure that appropriate health contributions are received for the health aspects of care costs, but at this stage of the year it does not seem likely that the amount budgeted will be achieved.
Under £50k		2,882,067	366,101	

2019/20 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
TOTAL		30,057,773	4,918,310	
Use of contingency		0	(1,647,000)	
TOTAL		30,057,773	3,271,310	
Independent Review - Staffing		701,940	33,871	Additional post to cover long-term sickness
Independent Review - Under £50k		181,615	15,313	
Total Children's Safeguarding & Family Support		30,941,328	3,320,494	

2019/20 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Education & Corporate Parenting				
School Transport		2,825,796	384,632	The majority of expenditure on home to school transport is related to the transport of pupils with high needs. Because of this, the increase in the number of pupils with high needs and the complexity of these needs (a national issue, not one confined to T&W) is putting upwards pressure on transport costs. Work to mitigate these cost pressures is on-going, including encouraging parents to transport their children to school where possible and more sharing of taxis. The number of coaches required to transport children to mainstream schools reduced from September 2018 and further reductions will be made in future years as denominational transport ceased for new pupils in September 2017. There may be further opportunities for additional savings once the current review of Home to school transport is completed.
Post 16 Transport		276,370	157,285	This area transferred into Education & Corporate Parenting from Business, Education and Employment in September 2018, when decisions had already been made about transport eligibility for academic year 2018/19. A small number of young people with significant transport costs had joined the cohort. In 2019/20, the full year transport costs of these young people will be incurred, further increasing the projected expenditure compared to the previous year. Post 16 transport is impacted by the same high needs issues outlined above, but also has additional pressures arising from the Government's extension of potential entitlement to education for high needs pupils to age 25, as part of the September 2014 SEND reforms. This has led to some pupils in post 16 education extending their education beyond 19, with a continuation of associated transport costs. Dedicated post 16 SEND officers have recently been appointed, with a remit to review the provision of all students to ensure that it is appropriate and provides positive progression. The impact of this is already apparent and has reduced the financial pressure in this area. Independent travel training programmes are now underway and are being offered to students where this is appropriate.
Variations under £50,000		7,773,733	(112,633)	
Total Education & Corporate Parenting		10,875,899	429,284	
Adult Social Care				
Purchasing - all types of Long term care	Residential/Residential EMI care, Nursing/Nursing EMI care, Homecare, Direct Payments, Shared Lives, Supported Accommodation and Supported Living, Daycare: Spot and Block contracts	49,947,650	4,163,345	Difference in forecast net expenditure against five year model which included various transformation strategies. The variation from budget is offset by variations below such as additional care based income being collected. The net purchasing variation after increased income collected for Long Term Care is c.£2.5m. This includes a projection for the impacts of the current system review and data cleansing

2019/20 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Purchasing-short term reablement care(through BCF)	Bed based care and Homecare for up to 6 weeks	2,444,280	681,650	Pressure on the operation managed through Better Care Fund to facilitate the efficient discharge of patients from hospital and hospital avoidance. The Better Care Fund is governed by a Pooled Fund agreement between the CCG and the Council which establishes the services, outcomes and funding etc. of the operation. This agreement includes risk sharing arrangements between the Council and the CCG. The pressure reported here has remained consistently around this level most of the year and has been notified to the CCG as part of financial reporting. The anticipated contribution from the CCG is £684k, of which £445k has been agreed. Following the increase in projected expenditure the CCG have been advised that a further £239k contribution is required from both organisations and the Council's contribution (from reserves) is reported below. This will be discussed with a view to agreement at the next BCF Board meeting
Income	Client contributions	(5,536,800)	(1,557,250)	Impact of the volume of care purchased giving rise to contributions offsetting the Long term care pressure above
	NHS Contributions Long Term Care	(1,376,520)	(111,830)	Continued effective working with the CCG generating contributions to offset care package costs including client health needs
	NHS Contributions Short Term Care	(445,000)	(239,000)	Anticipated contribution to be agreed with CCG against short term care pressure
Operational Locality Teams		6,033,410	(490,351)	Vacancies and lead times in recruiting and Better Care funding released to offset short term purchasing pressure above
My Options-Adults & Children's services	Trading accounts	334,050	(130,000)	Projected net underspend against base budget for Adults and Children's services. Adults budgeted net costs of operation was £185k is instead projected to make a surplus of around £14k from a turnover of £5m
Contribution from reserves		-	(334,000)	One off funding to meet Council share of pressure reported above on short term reablement provision. Discussions are currently taking place with the CCG to match this additional contribution and this will improve the service's overall position if approved by them.
Other	Variations under £50k	(8,648,406)	(37,254)	
Total Adult Social Care		42,752,664	1,945,310	
Governance, Procurement & Commissioning				
Legal Services	Employees	1,173,580	182,870	Includes costs of agency staff to cover the demand. Steps are being taken to reduce the reliance of the team on agency staff over the current financial year so as to achieve a more sustainable position.
Legal Services	Income	(1,297,690)	50,514	Shortfall against the budget for legal income generated. The budget for income is being reviewed as part of a re-consideration of the business model within Legal ahead of the 20/21 budget

2019/20 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Youth Offending Service	Income	0	(72,862)	Distribution of reserves held by the PCC who deliver the YOS on behalf of the West Mercia authorities
Other	Variations under £50k	2,869,120	(6,508)	
Total Governance, Procurement & Commissioning		2,745,010	154,014	
Health & Wellbeing				
Community Support Team	Employees	298,590	(54,102)	Underspend as a result of early delivery of savings for 2020/21 and also part year vacant posts.
	Variations under £50k	2,065,420	(47,642)	
Total Health & Wellbeing		2,364,010	(101,744)	
Customer & Neighbourhood Services				
Environmental Maintenance	Third Party Payments	3,964,870	(140,429)	Underspends from the new Grounds & Cleansing Contract with Idverde as a result of the delivery of savings earmarked for 2020/21 early in 2019/20.
TWS Holding Account	Third Party Payments	-	(66,778)	One off refund in relation to pensions as a result of the winding up of the TWS contract.
TWS Holding Account	Income		(496,215)	Final payment received from TWS in respect of profit share arrangement.
TWS Holding Account	Transfer to Reserves		496,215	Transfer to reserves to cover pressures in 2020/21 regarding the bus subsidy contract
T & W Footpath Lighting	Premises Related Expenditure	662,670	(101,438)	Underspend against electricity for footpath lighting as a result of the roll out of the LED lighting programme across the Borough. This variation has reduced since last reported as additional one off repair costs have been identified as the programme comes to its completion.
Highways & Engineering	Various	36,730	(141,065)	Additional engineers fee income projected to be received.
DAC Team	Income	(689,480)	(133,091)	Additional income generated through project work
Highways & Transportation Strategic	Various	-	(92,948)	Underspend arising from part year vacant posts
Flood Barriers	Various	-	57,725	Overspend is in relation to costs incurred from the deployment of the Flood Barriers. There is no budget for this ongoing and the barriers have been deployed twice so far in October/November.
	Variations under £50k	25,770,653	399,922	
Total Customer & Neighbourhood Services		29,745,443	(218,102)	

2019/20 Revenue Budget Variations over £50,000				
Description		Budget £	Variation £	Comments
Commercial Services				
Housing	Homelessness - Income	(533,730)	175,000	A report was taken to S&FP which identified a number of ongoing pressures with limited mitigating options, short-term action is being taken in 19/20 but leaves an ongoing unsustainable pressure. The pressure relates to rental income shortfall in relation to the move from one large refuge to two smaller properties to meet the needs of the client group and relatively lower occupancy levels at XRoads due to the need to ensure the right mix of clients to minimise safeguarding issues. The Housing team will review options to help mitigate these pressures in 19/20.
		0	(175,000)	One off use of Reserve created from 18/19 outturn to mitigate the above pressure.
Commercial Projects	Income	(75,000)	75,000	This pressure relates to a target to generate additional income from the solar farm by installing a private wire. However, we have decided it is not prudent to progress this, as there is a risk that this would adversely affect our Feed in Tariff accreditation with Ofgem. Instead, we are investigating alternative energy projects, but these are longer-term projects that will not be delivered in 2019/20.
Leisure Operations	Aspirations - Income	(1,981,944)	438,000	Income pressures within Leisure linked to the impact of new competitors entering the gym market locally. An action plan is in place to mitigate this pressure as far as possible.
BiT	Premises	5,118,680	158,000	Higher than expected levels of R&M and utility costs at operational/admin buildings, including higher levels of R&M spend at Lodge Road Gypsy and Traveller site as a result of fire damage.
Variations under £50k		1,201	42,000	
Total Commercial Services		2,529,207	713,000	
Corporate				
Staff Miscellaneous		964,280	(74,000)	Reduction in recharges for Pension Benefits from Shropshire County Pension Fund
Purchase Rebates	Income	(252,500)	76,656	Shortfall against budgeted income from WME Dividend
Variations under £50k		(3,984,425)	40,000	
Total Corporate		(3,272,645)	42,656	
Total		121,413,320	2,513,644	