



Money Matters
The County Council's Revenue Financial
Position
2021/22 Quarter Two

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1. Summary Revenue Budget Monitoring Position as at 30th September 2021

Service Area	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Adults	388.750	391.021	2.271	0.58%	3.286
Policy, Information, Commissioning and Safeguarding	7.871	7.853	-0.018	-0.23%	0.016
Public Health & Wellbeing	-4.406	-4.181	0.225	5.11%	0.282
Education and Children's Services	218.267	210.556	-7.711	-3.53%	-5.868
Growth, Environment & Planning	6.699	6.081	-0.618	-9.23%	-0.309
Highways and Transport	71.431	75.572	4.141	5.80%	3.087
Organisational Development	1.947	1.871	-0.076	-3.90%	-0.241
Waste Mgt	70.121	67.892	-2.229	-3.18%	-1.506
Finance	18.056	17.425	-0.631	-3.49%	-0.386
Corporate Services	21.919	21.540	-0.379	-1.73%	-0.250
Strategy and Performance	31.641	31.756	0.115	0.36%	-0.243
Digital Services	31.715	30.943	-0.772	-2.43%	0.000
Chief Executive Services	17.402	6.643	-10.759	-61.83%	-3.087
TOTAL	881.413	864.972	-16.441	-1.87%	-5.219

2. Executive Summary

This report provides the second update of the financial year 2021/22 to Cabinet on the county council's forecast 2021/22 revenue financial position as at the end of September 2021. The forecast outturn for 2021/22 is outlined in the table above, with a £16.441m underspend forecast, which by way of context is 1.87% of the county council's net budget.

Forecasting in the current climate is challenging as while the financial impacts of the Covid crisis continue to be the biggest single factor impacting on our financial performance this year, there remain other factors of uncertainty in our forecast which will continue to be kept under review as we progress through the year.

While it is clear that there are financial pressures as a result of the crisis there are also some offsetting cost reductions. At this point in the financial year we can see that the reduction in demand for some services seen in 20-21 and early in 21-22 resulting from the pandemic is now being reversed, with more citizens coming into the care sector for support particularly around domiciliary care. National funding of a scheme to create capacity in hospitals in support of the crisis has now been extended until the end of the current financial year but is unlikely to continue next year. Longer term, there is a risk that the local authority will face higher costs due to placing people earlier from hospital that have multiple co-morbidities which attract higher fees. It is also anticipated that over the coming months we may see increasing demand across our children's services as a result of the pandemic.

In addition to initial lower than budgeted demand levels, we have some benefits from the current remote working arrangements with costs such as building occupancy, printing and

mileage being reduced. We also have treasury management gains (£9.000m) which are mitigating the forecast pressures.

These factors have led to an underspend being forecast at quarter two although we still await the full impact of latent demand which is difficult to forecast with any certainty, given the rapidly changing situation in relation to the pandemic, and volatility in actual demand could lead to a significant variance from the current forecast during the rest of this financial year

The forecast is based on actual expenditure and income to date, combined with budget holder knowledge of anticipated activity over the rest of the year and trends from previous years. It has been produced before the most impacted months of the winter period which can lead to significant fluctuations in demand for services. The position that is reported reflects our most robust forecast at this stage. However, there are some volatile, primarily demand led, service areas that could see their forecast fluctuate both positively and negatively during the rest of the financial year. Areas such as adults and children's social care, recycle income, concessionary travel and treasury management are areas that are particularly closely monitored as fluctuations across these areas are most likely to materially impact the forecast position.

There continues to be multiple grants awarded by the Government to local authorities to support additional expenditure, delayed savings delivery and lost income as a result of the pandemic. The monitoring position at quarter two reflects the additional income received to date and costs forecast to be incurred. It must be noted that this is a rapidly changing picture with additional funding and changes to advice and guidance as part of the pandemic happening on a regular basis.

The savings that have been agreed to date are also closely monitored, with a total of £42.727m to be delivered in 2021/22. This is a combination of savings that were planned to be delivered in 2020/21 and were delayed due to the pandemic, and the budgeted savings agreed to be removed from the budget in 2021/22. As restrictions have largely been lifted and services return to providing services closer to the levels provided pre-pandemic there is renewed focus and activity in monitoring and delivering the savings that are built into the budget, and we have seen some increased savings delivery from the position reported at quarter one.

3. Adult Services

Adults	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Disability (Adults)	1.939	2.007	0.068	3.51%	0.223
Learning Disabilities, Autism & Mental Health	176.363	183.822	7.459	4.23%	9.704
Residential & Day Care Services for Older People	0.255	4.852	4.597	1802.75%	4.913
Social Care Services (Adults)	197.710	200.340	2.630	1.33%	0.929
Total	376.267	391.021	14.754	3.92%	15.769
Share of unallocated COVID-19 emergency monies	12.483	0.000	-12.483	N/A	-12.483
Total Adults	388.750	391.021	2.271	0.58%	3.286

Adult Services – Total Forecast Overspend £2.271m

The Adult Services budget accounts for c45% of the county council's total net budget and is forecast to be £2.271m overspend at the end of this financial year which is an improved position from that reported as at June 2021 by c£1.015m (forecast overspend at Q1 - £3.286). This positive movement is mainly due to additional income received from the NHS, reduction in direct payments and a contribution from the Contain Outbreak Management Fund (COMF) grant held in Public Health. It is important to note, however, these factors are offset by significant increases in unit costs for home care due to difficulties in sourcing services from home care providers within the expected price range. The number of residential care and nursing service users is also seeing an upward trend.

The current overspend position at Q2 is explained below:

The directorate budget is forecast to overspend by 0.58%, but it should also be noted that the service has been supported by significant levels of Covid-19 funding in excess of £16.0m including emergency support grant; infection control grant; hospital discharge funding; sales, fees and charges grant and Contain Outbreak Management Funding. The majority of this funding is from the emergency support grant shown in the table above which has been apportioned based on the pressures experienced across services. It is important to note that all Covid-19 grant funding is non-recurrent.

There are still uncertainties surrounding the short and long-term impact of the pandemic factored into both the current year budget and future years. Any underlying and long-term pressures as a result of the pandemic will need to be reviewed and included within the MTFS if required. Some additional Covid-19 funding has already been provided by Government for the remainder of 2021-22 to support social care, but the scale and duration of such support may be more limited compared to the last year. A detailed review is taking

place to closely review the demand and cost of placements to understand further the impact on the budget position, the variances and support the forecast.

The service had been due in 2020/21, as part of the previously agreed savings programme, to deliver a significant level of savings (£35.452m) to stay within their financial envelope. Due to the pandemic a significant proportion has been unavoidably delayed (c£23m). In addition, there are further agreed savings still to be delivered totalling £11.3m for 2021/22 and £1.373m for 2022/23. A full review is currently underway to determine the next steps for delivery of the outstanding savings. In 2021/22 a proportion of the emergency grant for additional costs of covid will be able to support delays in savings, however this will not cover the whole amount and is non-recurrent.

Some of the most significant variances across a number of services in the directorate continue to be mainly attributable to the pandemic with an increased demand higher than forecast in non-residential services, in particular home care, as families have sought to find alternatives to residential and nursing care. This has also impacted on care home occupancy and thereby income levels across our in-house residential services and day services at a time when increased staffing requirements and funding has been necessary to ensure safe care is provided.

The most significant variances are as follows:-

In House Disability Care Service (Adults) – overspend £68,000

These services are predominantly delivered to younger adults. The great majority of people using these services have learning disabilities, often in combination with physical disability or complex health conditions. The services delivered include Short Break services, Supported Living, Day Services, Enablement, Employment Support and Shared Lives.

The provider service operates with a gross budget of £35.934m and has an income target of £33.995m resulting in a net expenditure budget of £1.939m.

The overspend position is mainly due to the delays in delivery of budgeted savings on remodelling the supported living service, due to the Covid-19 pandemic. However, day services have seen reduced demand in the early part of the year (in addition to reduced service user income) and are forecast to underspend on the block contract by £1.2m, although it is expected that demand will increase in the second half of the year as restrictions are lifted, which is reflected in the forecast position. Staffing budgets are also forecast to underspend in 2021/22, but these are not thought to be recurrent as recruitment is underway.

Learning Disability, Autism & Mental Health – Forecast overspend £7.459m

Learning Disability and Autism Social Work Service

This service comprises teams of social workers and other staff working to assess individual needs, and then plan and commission appropriate support from a wide range of organisations including councils itself, voluntary organisations and private companies.

The learning disability and autism service is forecast to overspend by £8.510m. Commissioned services are forecast to overspend by £7.921m partially due to the impact of Covid-19, delayed delivery of savings and also as a result of increased levels of demand. The most significant pressure is a forecast overspend of £10.114m in home care, including supported living, offset by underspends in residential care. In this area the levels of demand increases are significant and reflect a change of support required during the pandemic. The budget contains funding for an increase of 3%, but levels of additional demand for 2021/22 are forecast to be 7% based on data to date. An in-depth review is currently taking place to assess the impact of increased demand on the Medium Term Financial Strategy (MTFS) and in light of the early work undertaken, additional funding has been included in the MTFS at quarter one from 2022/23 onwards.

In addition, there are pressures due to underachievement of savings of £4.584m. This is due to outstanding savings brought forward (delayed due to the pandemic) from 2020/21 and additional savings agreed to come out of the budget in 2021/22, although the forecast does recognise that some savings have been achieved across the service. There is a further overspend of £3.192m due to current and historic void claims for vacancies in Supported Living. This is a long-standing issue and is being looked at through the modernisation of supported living savings programme.

Mental Health Service

The Mental Health Service is forecast to underspend by £675,000, predominantly due to forecast staffing underspends of £0.922m. There are plans in place to recruit to the vacancies and the underspend relates to posts that we should be able to recruit to and the service are optimistic about recruitment. Commissioned services (e.g. residential care, home care etc) are forecast to overspend by £2.267m, which is mainly due to additional demand that the service has experienced resulting from the Covid-19 pandemic. Community based services are forecast to underspend by £2.0m in 2021/22, mainly due to the overachievement of savings, and some delays in commissioning new services. This is a non-recurrent underspend with plans in place for investment over the next 12 months.

The demand and need levels experienced by this service in 2021/22 will be closely monitored as the pandemic goes through its recovery stage and restrictions are lifted. There may be additional investment required in this service in future years that would need to be reflected in the Medium Term Financial Strategy.

Residential and Day Care Services for Older People – forecast overspend £4.597m

The service operates with a gross budget of £23.918m and has an income target of £23.663m resulting in a net expenditure budget of £0.255m.

The service is still experiencing staffing and agency pressures as per the previous year and this situation looks unlikely to change whilst we are still in the midst of a pandemic. The service has had to call on a high level of agency workers to cover for sickness absence. This will result in a forecasted overspend on staffing of £1.220m. The auxiliary workforce has now been stepped down so the service is covering absences with additional hours for staff.

At present there is a forecasted under-recovery on income for residential service users which totals £2.560m. £1.385m of this relates to LCC service users and there is a corresponding underspend against the Social Care Services (Adults) residential budget.

The service still is experiencing a Covid related pressure due to a reduction in residential occupancy which has to date been reduced from a maximum occupancy level of c.604 to an average of c.470 residents (78%). Pre-covid the service was operating with an occupancy rate at 94%.

The 2021/22 income budget incorporates a budget savings target which was expected to be achieved in 2020/21 this consists of increasing charges to self-funding residents. Due to the current situation this budget savings initiative had not been realised in full in 2020/21. The budget savings remains achievable, albeit over an extended period of time. As at Q2 £0.416m has been achieved from the original target of £0.755m.

The limited opening of day care centres has also caused a shortfall in income of £1.385m from both LCC and self-funding clients. It is forecast that the remaining day care centres will re-open in the near future and it is hoped that the changes in social distancing will allow for an increase in occupancy.

The overspends listed above have also been offset by COVID grant income of £659,000. The grants will be applied to staff costs to cover the additional covid pressure that is felt at present.

Social Care Services (Adults) –forecast overspend £2.630m

Social care services (adults) covers the expenditure incurred in supporting older people and adults (aged 18-64) with physical disabilities. There are three main areas of spending, Residential and Nursing Care Homes, Care at Home and Staffing.

Residential and Nursing Care Homes

As part of the agreed savings programme the intention was to establish effective arrangements making fewer admissions into care homes and supporting greater numbers to stay at home. However, from the start of the pandemic implementation of the plan was postponed in the face of other urgent priorities for supporting individuals and the care home sector to stay safe.

However, the care home sector has experienced higher mortality rates particularly of older people during the pandemic, and there has been reduced demand from individuals for residential care. This is typically because families have been concerned about the risk of infection to their relative and the further impact of visiting and other restrictions. Demand has increased again over the past few months but is still significantly below pre-pandemic levels. Many of those individuals who have been placed in care homes, as part of discharge from hospital, have had their initial stays paid for by the NHS out of a national fund rather than the council in line with England wide arrangements. In cases where those placements were made by the council, we have forecast reimbursement from the national discharge fund to be around £2.4m for the year.

In addition, a review of our bad debt provision and debt recovery strategy has taken place, and as a result of anticipated better collection rates we have been able to release one-off

funding from the bad debt provision totalling £2.5m, meaning additional income for the service in 2021/22.

The overall impact of the delayed saving programme, the reduced demand for care home placements due to Covid-19, additional one-off income and the NHS funding arrangements is a forecast net underspend in the year of £3.879m on residential and nursing home placements.

There is a significant risk throughout this financial year that a significant proportion of placements which are currently transferring from the NHS to the council will need to be reassessed and these could involve increased costs compared to our standard rates, but at this stage we are unable to quantify the level of additional cost.

Care at Home

This includes a variety of services including crisis care, home care, and day services. The majority of these services are commissioned by our own staff but a significant number of people receive a direct payment so they can make their own care arrangements.

This area is forecast to overspend by £8.317m predominantly due to the under-delivery of savings on care provided to people in their own homes either through home care or via direct payment. These savings were very challenging in any event, and the onset of the pandemic meant they quickly became unrealistic to deliver. This was due to the greater priority on supporting people at home and the higher levels of support therefore commissioned, both in terms of numbers of people supported and also the intensity of the support needed by many individuals when it was required as an alternative to residential care. For some people this also involved a greater use of Direct Payments to have their needs met in different and sometimes more expensive ways. Contributing to the movement in financial performance since Q1 are the cost pressures being incurred resulting from difficulties in sourcing home care at our normal expected pay rates.

The national hospital discharge arrangements have also meant that many individuals have had short term services commissioned to keep them safe at home as part of a greater emphasis on 'Home First' and Discharge to Assess during the pandemic. Reimbursement from the national discharge fund is forecast to be around £419,000 for the year.

This is an area where significant income to meet the costs of social care at home comes from pooled budgets held with the NHS. The size of the NHS contributions into these pooled budgets is mostly set at a national level but with a degree of local discretion and negotiation also occurring.

In addition, a review of our bad debt provision and debt recovery strategy has taken place, and as a result of anticipated better collection rates we have been able to release one-off funding from the bad debt provision totalling £680,000, meaning additional income for the service in 2021/22.

There are further forecast underspends in day services (£1.598m) due to both in house and external day care centres being largely closed due to Covid-19 and the lockdown measures,

with some limited services opening in recent months. Smaller underspends totalling £103,000 are forecast across other smaller service elements.

Staffing

The service has recruited agency staff to a number of additional temporary management and frontline social work and occupational therapy posts during 2020/21 with some of these continuing into 2021/22. These posts have been needed to cover vacancies, longer term absence or address spikes in demand, particularly due to the pandemic. Pay-rates for agency staff have also had to be increased in order to become more competitive in the labour market in the face of much higher rates on offer from neighbouring NW councils. At Q2 a contribution towards additional staffing costs incurred in outbreak management has been received from the Contain Outbreak Management Fund (COMF) monies received in Public Health. Additional contributions may be received in Q3 should further appropriate costs be identified.

In combination this has resulted in a forecast underspend of £121,000 against a gross budget of £25.7m.

Prevention Services

The total net budget for preventative services, including reablement and the equipment and carers' services is £4.352m and is mainly funded by Better Care Fund and improved Better Care Fund. A small overspend of £22,000 is forecast for 2021/22.

Despite the overall marginal overspend further analysis shows that this comprises of higher value significant budget variations on some budget heads within the Prevention Service. The costs across equipment and adaptations, and in particular prescriptions and the loan store, have been increasing following a decline in 2020/21.

Reimbursement from the national discharge fund in respect of equipment and adaptations is forecast to be around £671,000 for the year. There are increasing costs across telecare which is £1.0m over budget and reablement contracts, with an offsetting underspend within our carers service.

Central Services

This section of the budget contains budgets that support the directorate, such as grant income, insurance recharges and a small amount of support contracts. These budgets are forecast to underspend by a non-material £8,000 in 2021/22.

4. Policy, Information and Commissioning, Quality, Contracts and Safeguarding Adults Services

Policy, Information, Commissioning and Safeguarding	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Policy Info & Commission Age Well	0.726	0.724	-0.002	-0.28%	0.001
Policy Info & Commission Live Well	0.967	0.959	-0.008	-0.83%	0.000
Safeguarding & Quality Improvement Services	6.178	6.170	-0.008	-0.13%	0.015
Total Policy, Information, Commissioning and Safeguarding	7.871	7.853	-0.018	-0.23%	0.016

Policy, Information and Commissioning, Quality, Contracts and Safeguarding Adults Services – forecast underspend £18,000

There are various minor underspends across policy, information, commissioning and safeguarding which predominantly relate to staffing costs.

5. Public Health & Wellbeing

Public Health & Wellbeing	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Public Health & Wellbeing	-66.940	-66.940	0.000	0.00%	0.000
Health Equity Welfare & Partnerships	57.914	58.287	0.373	0.64%	0.371
Health, Safety & Resilience	0.985	0.781	-0.204	-20.71%	-0.156
Trading Standards & Scientific Services	3.495	3.691	0.196	5.61%	0.208
Total	-4.546	-4.181	0.365	8.03%	0.423
Share of unallocated COVID-19 emergency monies	0.140	0.000	-0.140		-0.140
Total Public Health & Wellbeing	-4.406	-4.181	0.225	5.11%	0.283

Public Health and Wellbeing – overspend £255,000

The majority of the budget detailed in the table above is funded by the ringfenced Public Health Grant. In 2021/22 the total grant received is £70.243m.

In addition to the grant received in this financial year, a public health grant reserve is held which contains funds that have been unspent in previous years and must be spent in line with the grant conditions. An amount of £5.499m was transferred to the reserve at the end of 2020/21. A significant public health transformation programme is being developed to support services affected by the pandemic and to achieve improved outcomes across the county. This programme will invest these funds according to local priorities.

The service is also involved in delivering additional support to the community related to the pandemic, through using additional grants distributed by the Government such as the Contain Outbreak Management Fund (COMF), Test and Trace Grant and the Community Testing Programme. Contributions from COMF have been made into the service to cover relevant costs incurred. This has resulted in the increase in contribution into the Public Health Grant Reserve since Q1.

In the current financial year, an overspend of £255,000 is forecast for the Public Health and Wellbeing Service. However, as part of this forecast, a contribution to the Public Health Grant Reserve has been made of £2.984m, as the grant is ringfenced and has been transferred to reserves to be re-invested in public health eligible services in future years. Elements of the service that are underspent are those which are on a tariff-based arrangement, operating on a demand basis such as sexual health and NHS health checks. These areas are underspent in large part due to suppressed demand as a result of the

restrictions that Lancashire has been placed under during the pandemic, but we do expect demand for these services to increase over the later part of the year as restrictions are lifted and the backlog of demand is presented to the various services. Given the health inequalities highlighted during the pandemic, this area of work will continue to be a focus for the service in future years.

The service has incurred additional costs due to Covid-19 in areas such as establishing outbreak management arrangements and increasing staffing to support the response to the pandemic. As a result, Public Health & Wellbeing has been apportioned £140,000 of the emergency funding provided by Government in respect of the Coronavirus financial pressures. This sum has been apportioned based on the pressures experienced across the authority but will be reviewed and may fluctuate throughout the financial year.

Trading Standards and Scientific Services has an under-recovery of income, with some of this due to the Covid-19 pandemic. There are also some income and cost pressures which are currently being reviewed to establish the reasoning behind the pressures, ascertain if they are recurrent, and determine if they can be recovered by the service or if they will need to be built into the MTFs. This is offset by an underspend within the Health Safety and Resilience budget as a result of receiving more income than their budget target.

6. Education and Children's Services

Education and Children's Services	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Family Safeguarding Project	1.133	1.133	0.000	0.00%	0.011
Front Door, Assessment & Adolescent Services	11.465	11.304	-0.161	-1.40%	0.031
Family Safeguarding	11.925	12.418	0.493	4.13%	0.709
Csc: Looked After Children/Leaving Care	93.503	88.351	-5.152	-5.51%	-5.387
Fostering, Adoption Lancashire Blackpool & Residential Services	35.206	33.645	-1.561	-4.43%	-1.052
Total CSC	153.232	146.851	-6.381	-4.16%	-5.688
Children and Family Wellbeing Service	17.737	16.682	-1.055	-5.95%	-1.441
Education Improvement 0 - 11 Years And 11+ To 25 Combined	5.127	6.234	1.107	21.59%	1.277
Inclusion	21.980	21.306	-0.674	-3.07%	-0.268
Cultural Services	10.730	10.415	-0.315	-2.94%	0.291
Total Education and Skills	55.574	54.637	-0.937	-1.69%	-0.141
Safeguarding, Inspection and Audit	14.828	13.896	-0.932	-6.29%	-0.499
Policy Info & Commission Start Well	1.709	1.688	-0.021	-1.23%	-0.100
Education & Children's Services Central Costs	-5.911	-6.516	-0.605	-10.24%	-0.605
Total	219.432	210.556	-8.876	-4.04%	-7.033
Share of unallocated COVID-19 emergency monies	-1.165	0.000	1.165		1.165
Total Education and Children's Services	218.267	210.556	-7.711	-3.53%	-5.868

The total net approved budget for Education and Children's Services (ECS) in 2021/22 is £218.267m. As at the end of September 2021, the service is forecast to underspend by £7.711m.

This is an improved position of £1.843m from that reported at quarter one which is mainly due to the allocation of Contain Outbreak Management Funding (COMF) to cover some eligible costs arising from the service response to the pandemic.

The largest impact on the forecast position for ECS in 2021/22 is a reduction in the number of children entering care which has resulted in an underspend of c£6.400m. However, income pressures (net of any reduction in costs incurred earning income) remain which are largely due to the pandemic as discussed later in this report, albeit that overall these are mitigated by underspends on staffing and non-staff costs across ECS.

Children's Social Care – Underspend £6.381m

The largest areas of spend within the Children's Social Care Service are for social work teams and residential and fostering placements for children in our care with activity cutting across a number of service areas.

The Children's Social Care Service has recently undergone significant change with the implementation of Lancashire Family Safeguarding (LFS) from January 2021 necessitating a restructure of social work teams. The family safeguarding model is a way of keeping families together where it is safe to do so, achieved through a more collaborative way of working where workers motivate parents to identify the changes needed within their own families, which helps achieve better outcomes for children. The family safeguarding service works with children and their families aged 12 and under.

The family safeguarding model requires investment in staff via the recruitment of adult workers based in children's social work teams and training in motivational interviewing techniques (MIT) but is expected to deliver savings from a reduction in children entering care and resulting placement costs.

Most children who face the greatest risks are those living in families where at least one of the adults is struggling with mental or emotional health issues, substance or alcohol difficulties, or where there is domestic abuse. The family safeguarding model seeks to address these issues, helping parents to solve long-standing difficulties to keep children with their families. It works by having mental health, substance misuse and domestic abuse specialists work alongside social workers which allows for whole family support, with tailored programmes delivered for individual parents, often within their own homes.

The implementation of LFS has been possible because of the support of the Department for Education (DfE) Strengthening Families Protecting Children Programme aimed at helping to safely reduce the number of children entering care. Funding for the implementation of LFS was awarded by the DfE following the submission of a successful bid. Total DfE funding awarded was c£6.300m which includes a contribution of £855,000 for one-off implementation costs and c£5.500m for adult workers on a reducing basis over 3 years.

The first adult workers have been in post since January 2021. Recruitment of posts is ongoing with most posts filled by the end of quarter two, although there are some challenges in recruiting to probation roles following recent changes to probation services in England and Wales. The first rounds of MIT training began in early 2020/21 and is ongoing as planned. Non-recurring underspends of DfE funding relating to delayed recruitment will be transferred to reserves for use on LFS.

LFS was expected to begin to deliver savings in the current financial year from October 2021. However, on average the number of children entering care has been falling since September 2020 and there has been a significant reduction in the number of children looked after, from 2,085 (excluding children with disabilities) in September 2020 to 1,862 in September 2021, a reduction of 223 (c11%) with most of this reduction occurring since January 2021.

Whilst the implementation of LFS has undoubtedly had a positive impact on the numbers of children entering care, it is likely that the pandemic has also had some impact with reductions in numbers of both referrals and new assessments started over the same period. It is almost impossible to know how much of the reduction has resulted from each of these factors and there exists a risk that referrals and children entering care could increase following the easing of lockdown restrictions, particularly when the new academic year commences.

None the less residential and fostering placements are forecast to underspend by c£6.400m in 2021/22 as a result of reductions in children looked after which in part represents early delivery of savings. The forecast also assumes some additional costs following the easing of lockdown restrictions. However, the forecast could change given uncertainties around the above, but will be kept under close review and any changes reported in future months. Forecasts overspends on social work teams of c£700,000 are in part due to the use of agency staff to fill vacant posts.

The budget for the Children's Social Care Service also covers other allowances, payments and assistance to families which are forecast to underspend by £510,000 as detailed below.

- Assistance to families and regular payments is forecast to overspend by c£440,000 based on costs to date in 2021/22
- Special guardianship orders (SGO's) and child arrangement orders (CAO's) are forecast to underspend by c£300,000 due to a smaller increase in demand than budgeted for.
- Forecast underspends on staying put arrangements are c£190,000 which is broadly in line with 2020/21.
- Forecast underspends on agency remand are c£340,000 which is also broadly in line with 2020/21.
- Adoption allowances are forecast to underspend by c£120,000.

Forecast underspends of c£170,000 relate to a number of smaller budgets across the service.

The improved position of c£700,000 compared to quarter one is due to a number of offsetting changes. Further underspends of c£700,000 relate to staff costs following a review of expected spend on agency staff and the impact of a service restructure in January 2021 and c£200,000 to placements costs partly as a result of the use of the c£350,000 of the Contain Outbreak Management Fund to cover costs incurred in dealing with the pandemic. Offsetting these is an increase in forecast spend of c£240,000 on family support.

Education and Skills – Underspend £937,000

Children Family and Wellbeing Service (CFW) – Underspend £1.055m

Forecast underspends of c£830,000 relate to staff costs and vacancies which the service is in the process of recruiting to, and c£200,000 to payments by results (PBR) funding from the Troubled Families Unit (TFU).

The service is working systematically to fill vacancies and has made significant progress with recruitment since May 2021. In February there were vacancies of c16% reducing to c9% at the end of quarter one, and to c7% at the end of quarter two. Upwards of 20 vacant posts have been frozen pending disestablishment to fund the transfer of resource to the audit function in the Inclusion Service (to provide external scrutiny) and to fund front door development.

The reduction in forecast underspend from quarter one is a result of filling vacancies and the transfer of some vacant posts to other services.

Education Improvement - Overspend £1.107m

Forecast overspends of c£1.600m relate to under recovery of income across the service. This is largely due to the impact of the pandemic but is also due to some schools opting out of the new advisory service offer and ongoing pressures on some income generating services including Governor Services and the Professional Development Service. The forecast includes the recoupment of 75% of income losses for April to June 2021 from the sales, fees and charges income compensation scheme and allocations from the Contain Outbreak Management Fund.

The above overspends are partly offset by forecast underspends on non-staff costs of c£500,000.

A review of Lancashire Professional Development Services (LPDS) is to be undertaken in light of the reduction of the number of schools currently buying into the service as competition from other organisations increases and also in response to COVID-19 and restrictions to delivery despite moving to online delivery where possible.

An improved position of c£170,000 compared to quarter one is mostly due to the use of the Contain Outbreak Management Fund to cover costs incurred dealing with the pandemic.

Inclusion - Underspend £674,000

Underspends of c£500,000 on staffing are forecast across a number of teams and underspends of c£80,000 relate to non-staff costs. The service is working to fill vacancies following recruitment delays due to the pandemic. Direct Payments are also forecast to underspend by c£530,000 due to audited clawbacks.

Offsetting the above are forecast overspends on placements including Family Support of c£400,000.

An improved position of c£400,000 compared to quarter one is mostly due to an increase in forecast underspends on staffing of c£170,000, non-staff costs of c£120,000 and direct payments of c£530,000, which are offset by an increase in forecast placement costs of c£400,000.

Cultural Services – Underspend £315,000

Forecasts underspends within the Libraries and Museums Service of c£80,000 and the Music Service of c£400,000 mainly relate to the use of the Contain Outbreak Management Fund to cover costs incurred dealing with the pandemic. Underspends are offset by forecast overspends of c£170,000 relating to Outdoor Education Centres and the cancellation for bookings due to COVID-19.

The forecast includes the recoupment of 75% of income losses for April to June 2021 from the sales, fees and charges income compensation scheme.

An improved position of c£600,000 compared to quarter one is mostly due to the use of the Contain Outbreak Management Fund to cover costs incurred dealing with the pandemic.

Education and Children's Services – Underspend £1.158m

Safeguarding, Inspection & Audit – Underspend £932,000

Forecast underspends of c£700,000 relate to staffing due to vacancies and c£230,000 to non-staff costs (travel and third-party payments) across a number of areas within the service.

The improved position of c£430,000 compared to quarter one is mostly due to further staffing underspends as a result of vacancies and further reductions in non-staff costs.

Policy, Information and Commissioning Start Well – Underspend £21,000

No significant variance from budget is forecast for Policy, Information and Commissioning Start Well in 2021/22 and no significant change from the position reported at quarter1.

Education and Children's Services Central Costs – Underspend £605,000

Forecast underspends relate to Premature Retirement Costs (PRC). Forecasts are in line with 2020/21 outturn and have not changed from that reported at quarter one.

7. Growth, Environment and Planning Services

Growth, Environment & Planning	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
LEP Coordination	0.090	0.089	-0.001	-1.11%	0.000
Business Growth	1.416	1.412	-0.004	-0.28%	0.000
Planning and Environment	2.837	2.814	-0.023	-0.81%	-0.027

Estates	0.479	0.533	0.054	11.27%	0.000
Strategic Development	1.887	1.233	-0.654	-34.66%	-0.292
Total	6.709	6.081	-0.628	-9.36%	-0.319
Share of unallocated COVID-19 emergency monies	-0.010	0.000	0.010		0.010
Total Growth, Environment & Planning	6.699	6.081	-0.618	-9.23%	-0.309

Growth, Environment & Planning – forecast underspend £618,000

The forecast underspend for the service predominantly relates to underspends across staffing budgets within the strategic development service.

The underspend has increased by £362,000 compared to quarter one largely due to lower operational spend expected in the Major Projects Team.

8. Highways and Transport Services

Highways and Transport	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Highways	12.676	17.457	4.781	37.72%	2.231
Public & Integrated Transport	58.197	54.772	-3.425	-5.89%	-2.460
Customer Access	2.836	3.284	0.448	15.80%	0.518
Design and Construction	-2.489	0.059	2.548	-102.37%	3.009
Total	71.220	75.572	4.352	6.11%	3.298
Share of unallocated COVID-19 emergency monies	0.211	0.000	-0.211		-0.211
Total Highways and Transport	71.431	75.572	4.141	5.80%	3.087

The total net approved budget for Highways and Transport in 2021/22 is £71.431 including an allocation of £211,000 for COVID-19 for the first 3 months of 2021/22.

As at the end of September 2021, the service is forecast to overspend by £4.141m. There are still a number of uncertainties, mostly relating to the impact of the pandemic which could further affect income forecasts within highways and school transport costs depending on pupil numbers in the new academic year. Other uncertainties affect Design and Construction particularly around levels of property work on the county council's own buildings. This should become clearer as we go through the financial year and decisions are made on accommodation plans and the future utilisation of buildings following the pandemic.

Highways – Forecast Overspend £4.781m

Forecast overspends of £1.769m relate to lower income across the service mostly relating to bus lane enforcement and parking. Most of this income is from fixed penalty notices and

as such is difficult to forecast due to uncertainties around volumes of traffic and the behaviour of the public. Delays in the implementation of additional on-street pay and display sites is also contributing to the shortfall in income compared to budget.

Cost pressures of £281,000 relate to COVID-19 and additional plant hire and PPE costs to allow staff to continue to work safely and adhere to social distancing rules.

The traffic signals maintenance budget is forecast to overspend by £250,000. The age of the traffic signal network has resulted in increased system failures requiring immediate rectification and additional maintenance costs. There has also been an increase in maintenance contract prices and the number of signals installed. Budget provision has been made in the MTFS from 2022/23 to cover additional costs in future years.

There was increased winter gritting activity early in the financial year due to the unseasonably cold weather in April. Whilst the outturn will largely depend on the climate during the coming winter an overspend of £140,000 is forecast to reflect additional costs in early 2021/22.

Unbudgeted legal costs relating to a claim against the authority are forecast to result in an overspend of £550,000. At the end of 2020/21 a provision was made for these costs of £200,000 but it is expected that they will exceed this amount.

A forecast overspend of £2.000m relates to an expected revenue contribution to capital outlay (RCCO) to fund expenditure on structural defects.

The above overspends are partly offset by staffing underspends of £300,000 relating to school crossing patrols and ash dieback work. Budget was added in the MTFS from 2021/22 to fund spend incurred dealing with ash dieback, however, it is not expected to be fully utilised during 2021/22.

The forecast has worsened by £2.550m compared to quarter one largely as a result of o the RCCO for structural defects and unbudgeted legal costs.

Public and Integrated Transport (PIT) – Forecast Underspend £3.425m

Most parts of the public and integrated transport budget are expected to continue to be impacted by the pandemic to some degree in 2021/22 and the most significant variances are detailed below.

- School transport costs are forecast to underspend by c£1.700m due to a combination of factors.
- Since the start of the 2020/21 academic year taxi contracts have not increased to the same extent as they have in previous years, particularly those for excluded children. Contracts will continue to be monitored through 2021/22 and in particular from September when the new academic year starts, and any changes will be reported in future months accordingly.
- The enhanced terms for payments to parents has already generated savings in excess of £200,000. Due to the pandemic and resulting uncertainty around delivery of savings, £1.800m of previously agreed savings have been reprofiled and added

back to the 2021/22 budget but are now due to be removed from the budget in 2022/23.

- Additional bus services were provided in the old academic year, but these costs were fully covered by DfE funding. A lesser amount of additional services are still required in the new academic year but these are expected to be funded by Contain Outbreak Management Funding (COMF).
- There has also been an increase in the amount of extended rights to free travel income of over £300,000 but significant increase in contract costs are yet to be seen. This will be kept under review.
- Forecast overspends of c£400,000 relate to fleet services. Fleet workshops continue to adhere to social distancing rules and additional hygiene measures to ensure staff are working safely which is impacting on efficiency levels. Consequently, there are fewer productive hours being worked resulting in a reduction in income.
- Bus stations are forecast to overspend by c£200,000 following a decision to hold the departure fee at 75p per departure in 2021/22 rather than apply the previously agreed increase to 85p, pending further discussions with operators.
- Public bus services are forecast to underspend by c£600,000. As part of a budget amendment agreed in 2020/21 an additional £3.000m was added to the budget. In addition, the council has received additional S106 funding to fund services and grant funding to help fund the shortfall in fares revenue due to the pandemic. Whilst additional services have been added it is not expected that all the additional funding will be spent in 2021/22.
- Concessionary travel is forecast to underspend by c£1.500m. Payments to bus operators continue to be made based of historic passenger data which may continue for a significant period of time as there is no likelihood of concessionary passenger numbers increasing to the level they were before the pandemic. Despite this the concessionary travel budget underspent in previous years and so this is expected be the case in 2021/22.

The forecast has improved by £965,000 compared to quarter one due to a variety of movements across the service the largest of which relates to the costs of school transport and the additional extended rights to free travel income.

Customer Access – Forecast Overspend £448,000

Forecast overspends mainly relate to staffing and are due to delays in delivering budgeted savings, reduced turnover of staff and additional staffing costs incurred as a result of the county councils COVID-19 response.

There is no significant change to the forecast reported in quarter one.

Design and Construction (D&C) – Forecast Overspend £2.548m

Design and Construction property service is forecast to overspend by £2.356m, of which £1.200m relates to work required at Barnoldswick Church of England Primary School to replace a roof which has failed due to a build-up of condensation within the roof structure and requires rectification. The timescales for this work are not certain nor is the cost estimate and any changes will be reported in future months. The remainder of the forecast overspend relates to the number and mix of projects that the service expects to deliver this year. There are a number of uncertainties the most significant of which is around the level

of capital work likely to be required on the council's own buildings and as such the forecast could change during 2021/22.

Design and Construction highways service is forecast to overspend by £192,000. As an income generating service vacancies have resulted in staffing underspends offset by a larger under recovery of income.

The forecast has improved by £461,000 compared to quarter one predominantly due to additional property fee income.

9. Organisational Development and Change

Organisational Development and Change	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Programme Office	1.193	1.193	0.000	0.00%	0.001
Organisational Development	0.754	0.678	-0.076	-10.08%	-0.242
Total	1.947	1.871	-0.076	-3.90%	-0.241
Share of unallocated COVID-19 emergency monies	0.000	0.000	0.000	N/A	0.000
Total Organisational Development and Change	1.947	1.871	-0.076	-3.90%	-0.241

Organisational Development and Change – underspend £76,000

Forecast underspends relate to staffing costs. The forecast reflects that additional posts will only be filled partway through 2021/22.

The underspend has reduced by £165,000 compared to quarter one, however, due to further delays in recruiting to the additional posts there is expected to be no call on the £600,000 set aside in reserves for organisational development in 2021/22.

10. Waste Management

Waste Management	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Waste Mgt	69.398	67.892	-1.506	-2.17%	-0.783
Total	69.398	67.892	-1.506	-2.17%	-0.783
Share of unallocated COVID-19 emergency monies	0.723	0.000	-0.723		-0.723
Total Waste Mgt	70.121	67.892	-2.229	-3.18%	-1.506

The total net approved budget for Waste Management in 2021/22 is £70.121m including an allocation of £723,000 for COVID-19 for the first 3 months of 2021/22.

As at the end of September 2021, the service is forecast to underspend by £2.229m.

Waste Management – Forecast Underspend £1.506m

Throughout the last financial year (2020/21) the pandemic had a significant impact on the composition of waste collected with increases of over 30,000 tonnes of waste collected at the kerbside, partly offset by a reduction of 10,000 tonnes collected at Household Waste Recycling Centres (HWRC) which were closed for part of the year and ran with limited capacity once reopened.

Based on data for the first part of 2021/22 there has been some reduction in kerbside collections compared to 2020/21 but this is offset by an increase in waste at the HWRCs and currently overall tonnage is forecast to be the same as 2020/21 although this is 11,000 more than was assumed in the budget. Tonnes collected could change, partly depending on any government decisions around the pandemic, however, this will be kept under review throughout the year and any changes reported in future months.

These additional costs are being partly offset by more tonnes being diverted from landfill at a lower price and the issue around reduced mass loss reported at quarter one has been resolved. The overall impact of these factors results in a forecast overspend on waste disposal costs of £1.089m.

The above is offset by forecast underspends of £2.184m relating to increased income from recycled waste predominantly due to significant increases in the price of metals and cardboard. These markets are volatile, and prices are subject to change. The impact of any change will be reflected in future forecasts.

Further underspends of £514,000 relate to the operating and lifecycle costs at the waste recovery parks although £314,000 of this is non-recurring and relates to lower than expected operating costs in 2020/21.

The position has improved by £723,000 compared to quarter one the most significant reason being further improvements to the income forecast for recycled waste.

11. Finance

Finance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Lancashire Pension Fund	-0.001	-0.001	0.000	0.00%	0.000
Exchequer Services	4.189	3.778	-0.411	-9.81%	-0.440
Financial Mgt (Development and Schools)	0.014	-0.098	-0.112	-800.00%	-0.053
Financial Mgt (Operational)	1.716	1.785	0.069	4.02%	0.156
Corporate Finance	8.325	8.196	-0.129	-1.55%	-0.130
Internal Audit	0.783	0.754	-0.029	-3.70%	0.000
Payroll	0.866	0.726	-0.140	-16.17%	-0.089
Procurement	2.132	2.285	0.153	7.18%	0.202
Total	18.024	17.425	-0.599	-3.32%	-0.354
Share of unallocated COVID-19 emergency monies	0.032	0.000	-0.032		-0.032
Total Finance	18.056	17.425	-0.631	-3.49%	-0.386

The total approved net budget for Finance in 2021/22 is £18.056m. The forecast at quarter two represents an underspend of £631,000.

The position includes a share of unallocated Covid-19 emergency funding of £32,000.

The forecast outturn position is predominantly due to underspends reported within Exchequer Services -£411,000, mainly on staffing costs due to vacancies and delays in recruitment. There are other minor variations across the remainder of finance which total a net underspend overall.

12. Corporate Services

Corporate Services	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Coroner's Service	2.479	2.424	-0.055	-2.22%	-0.087
Human Resources	1.828	1.788	-0.040	-2.19%	-0.002
Legal, Governance and Registrars	14.284	14.475	0.191	1.34%	0.249
Skills Learning & Development	2.918	2.853	-0.065	-2.23%	0.000
Total	21.509	21.540	0.031	0.14%	0.160
Share of unallocated COVID-19 emergency monies	0.410	0.000	-0.410	N/A	-0.410
Total Corporate Services	21.919	21.540	-0.379	-1.73%	-0.250

The total approved net budget for Corporate Services in 2021/22 is £21.919m. The forecast at quarter two represents an underspend of £379,000.

The position includes a share of unallocated Covid-19 emergency funding of £410,000.

The Legal Services budget is experiencing pressures due to the impact of the pandemic, with reduced income, staffing pressures and increased legal fees due to a higher volume of cases taking place through "virtual" court hearings. Whilst there are pressures in supporting social care, across other areas of legal services such as Registrars and the Coroners Service there are offsetting forecast underspends.

CORONER'S SERVICE – underspend £55,000

The forecast underspend is due to a reduction in spend on supplies and services.

HUMAN RESOURCES – underspend £40,000

The Lancashire Teaching Agency is forecasting to achieve the budgeted income. The forecast includes Job Retention Scheme Grant of £1,000.

There is a forecast overachievement of income of £81,000, of which £44,000 relates to the recruitment team and £37,000 relates to Schools HR.

There is a forecast overspend on supplies and services of £35,000

LEGAL, GOVERNANCE AND REGISTRARS – overspend £191,000

This comprises of a combined forecasted overspend of £412,000 on Legal and Governance, and a forecasted underspend of £221,000 on Registrars.

Legal and Governance forecast demonstrates an overspend of £411,600 which is mainly due to staffing cost of £155,457 due to posts and agency costs, a shortfall of forecasted income of £149,874 and a forecasted overspend in legal fees as a result of increase in volume with courts holding "virtual" court hearings of £101,861.

Registrars forecast an underspend of £220,494 which is due to underspends in supplies and services, and a forecasted overachievement of income.

SKILLS LEARNING & DEVELOPMENT – Underspend £65,000.

The underspend is mainly related to staffing

13. Strategy and Performance

Strategy and Performance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Asset Mgt	7.731	7.566	-0.165	-2.13%	-0.189
Facilities Mgt	21.705	22.840	1.135	5.23%	0.787
Business Intelligence	1.341	1.350	0.009	0.67%	0.023
Total	30.777	31.756	0.979	3.18%	0.621
Share of unallocated COVID-19 emergency monies	0.864	0.000	-0.864	N/A	-0.864
Total Strategy and Performance	31.641	31.756	0.115	0.36%	-0.243

The total net approved budget for Strategy and Performance in 2021/22 is £31.641m including a £864,000 allocation for COVID-19 for the first 3 months of 2021/22.

As at the end of September 2021, the service is forecast to overspend by £115,000

Asset Management – Forecast underspend £165,000

Street lighting energy is forecast to underspend by £94,000. There have been some issues with supplies of materials to replace the remaining lights as part of the Salix project and there is still uncertainty on the price of energy over the winter period so the forecast is subject to some volatility on both consumption and price.

Further underspends of £126,000 relate to staffing and delays in recruiting to budgeted posts.

Facilities Management - Forecast overspend £1.135m

The issues that affected the forecast for facilities management in 2020/21 remain to some extent in 2021/22, as do the uncertainties that Covid-19 has brought. The significant variances are detailed below:

School catering is forecast to overspend by £1.964m which relates to lower income charge to schools. There has been a significant improvement in income levels with the first quarter being over 90% compared to pre-pandemic but there are still numerous risks including full and partial school closures due to local virus outbreaks. Income levels also remain uncertain since schools returned for the new academic year in September and any changes will be reported over the remainder of 2021/22.

A further income pressure of £250,000 relates to staff and civic catering, as most of these facilities continue to remain closed and whilst others may reopen later in the year it is assumed that sales will be significantly lower than before the pandemic.

Offsetting these is a forecast underspend on premises running costs and repairs and maintenance due to a number of sites remaining closed and the remainder being significantly less occupied, which is forecast to result in underspends of £1.080m.

The forecast has worsened by £348,000 compared to quarter one due to a reduced underspend forecast on premises running costs.

14. Digital Services

Digital Services	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Service Assurance	15.390	15.355	-0.035	-0.23%	0.630
Digital Business Engagement	1.829	1.646	-0.183	-10.01%	-0.146
Design & Implement	5.542	5.623	0.081	1.46%	-0.090
Operate	3.738	3.452	-0.286	-7.65%	-0.216
Architecture	0.781	0.652	-0.129	-16.52%	-0.048
Data	4.435	4.215	-0.220	-4.96%	-0.130
Total	31.715	30.943	-0.772	-2.43%	0.000

The total net approved budget for Digital Services in 2021/22 is £31.715m. As at the end of September 2021, the service is forecast to underspend by £772,000

The most significant variances are explained below.

Forecast underspends of c£1.300m relate to staff costs and vacant posts offset by c£500,000 to cover the cost of extending the use of contractors and commissioning work from external providers/consultants. The forecast reflects the estimated timescales by which Heads of Service expect to fill vacant posts.

As part of the transition a number of historic BTLs purchase orders previously receipted by other services in 2020/21 were closed down in 2021/22. This resulted in credits in 2021/22 which offset charges in 2020/21, and consequently a non-recurrent underspend of £355,000 in the current financial year.

Not all work related to the implementation of M365 has been completed with further phases ongoing and some audio licences have been provided free of charge in 2021/22, resulting in a non-recurrent forecast underspend of c£400,000.

Non-recurrent underspend of c£400,000 relating to the Continuous Service Improvement (CSI) budget that is not fully committed in 2021/22 but it is expected to be fully spent in 2022/23.

Unbudgeted spend of £1.200m for the development of ServiceNow which is intended to deliver sustainable long-term efficiencies across the county council.

15 Chief Executive Services

Chief Executive Services	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Variance
	£m	£m	£m	%	£m
Chief Executive	-24.605	-22.437	2.168	8.81%	3.900
Communications	1.118	0.977	-0.141	-12.61%	0.030
Corporate Budgets (Funding and Grants)	-3.672	-3.735	-0.063	-1.72%	-0.071
Corporate Budgets (Treasury Management)	31.647	20.647	-11.000	-34.76%	-3.000
Corporate Budgets (Pensions & Apprenticeship Levy)	11.111	11.191	0.080	0.72%	-2.144
Total	15.599	6.643	-8.956	-57.41%	-1.285
Share of unallocated COVID-19 emergency monies	1.803	0.000	-1.803		-1.802
Total Chief Executive Services	17.402	6.643	-10.759	-61.83%	-3.087

The total approved net budget for Chief Executive Services in 2021/22 is £17.402m. The position as at September 2021 is an underspend of £10.759m.

For Chief Executives Services the majority of the underspend is attributable to positive Treasury management investment performance over the quarter with a positive variance to budget of £11.000m, this is offset by Covid costs of £2.260m. There are other minor variations on the remaining services with this area.