

Appendix 2 - Service Variance Narrative

| Service | Variance Last Month £000 | Variance This Month £000 | Movement £000 | Description |
|---|--------------------------------|--------------------------------|------------------|---|
| Communities and Customers | 0 | 0 | 0 | No significant risks to report |
| Education and Children's Service | 1,434 | 1,445 | 11 | This includes all current high cost residential and independent fostering placements costed to realistic timescales. No allowance has been made for any further new placements within the financial year. The main pressure area is within high cost placements which has a current predicted overspend of £1.465m. Some of this pressure is offset by a sustainable pressures grant (£198K) and underspends on staffing due to vacant posts. The placement pressure has been caused by 7 new residential placements and 11 new independent fostering placements which commenced this financial year. The highest cost residential placement is £6,360 per week. As can be seen each individual placement can be extremely expensive so any increase in numbers can have a large effect on the budget. The Education element of Out of County and Recoupment is now projected to overspend by £178k following the finalisation of pupil numbers which has resulted in increased numbers and a further shortfall in income from other Local Authorities attending our special schools. |
| Business Improvement and Modernisation | -61 | -60 | 1 | Underspend largely due to a number of vacancy savings. A number of IT contracts are currently under negotiation which may increase costs going forward. |
| Legal, HR and Democratic Services | -68 | -68 | 0 | Underspends relating to vacancy savings in preparation of a service review and an increase in Registrars income. Additional exit costs have further reduced the underspend. |
| Finance and Property | 0 | 0 | 0 | No significant risks to report |
| Highways, Facilities and Environmental Services | 513 | 543 | 30 | The main areas of concern are: <ul style="list-style-type: none"> Waste Service – The service is currently £1.6m overspent , but is utilising £1.2m from the Waste Services Reserve. This is only possible for one more year and a pressure of £1.4m has been included in the Budget Proposals for 2020/21. Streetscene – Although funding has been allocated to the clearing up of Legacy Tips, it appears that additional costs will be incurred. An assessment of these have been included in the projections. Work has been undertaken to review projections in this area, and making more efficient use use of capital funding which has reduced the pressure in this area by £0.100m. Winter Maintenance – The current budget, alongside the severe weather reserve, is sufficient to cope with a normal winter. Any severe weather is likely to require the identification of additional cash resources to cover the costs. |
| Planning and Public Protection | 565 | 516 | -49 | Following the transfer of School Transport to this service, it is now projected that Planning and Public Protection will overspend by £602k. School Transport has been allocated £900k additional funds during the two previous budget rounds and a pressure of £600k has been included in the Budget Proposals fro 2020/21. However as highlighted in previous years the service remained an area of concern and is very much linked to policy and service changes within Education. The figure represents the most accurate projection we can provide based on latest pupil numbers, routes and contracts for the new academic year. Vacancy savings across the service have helped reduce the impact of this overspend. |

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|-------------------------------------|--------------------------------|--------------------------------|------------------|--|
| Community Support Services | 686 | 1,075 | 389 | This projection assumes that the remaining service reserve of £821k is applied in year. The increase from last month is mainly due to a large increase in the Homelessness budget - finance are currently working with the service to identify the precise reasons for this increase and any possible mitigation that can be implemented. A pressure of £2.6m has been included in the current budget proposals. There is a possibility that late grants from WG will help lower this overspend but we have not received any indications yet (DCC received funds in previous years to help with 'winter pressures' in health and social care). |
| Leisure - ADM | 0 | 0 | 0 | Break-even position following allocation of central contingency. |
| Corporate & Miscellaneous | -1,391 | -1,341 | 50 | Contingencies set aside during the budget process last year have been released in order to help fund the service overspends described above resulting in a reported underspend of £1.341m. |
| Precepts & Levies | 0 | 0 | 0 | There are no risks in this area |
| Capital Financing | 0 | 0 | 0 | The position on capital financing is very much related to progress on capital projects and variances do not crystallise until later in the financial year. |
| Council Services & Corporate Budget | 1,678 | 2,109 | 431 | |