

Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Movement £000	Description
Communities and Customers	-37	-110	-73	The service would like to carry forward the underspend in order to fund known costs/pressures including replacing iCam print kiosks & Book Return kiosks in libraries and some staff related exit costs within the service as a whole. The movement from last month relates to: <ul style="list-style-type: none"> • Maximisation of grant income within the Youth Service (£33k) • Change of funding arrangement for improvements to Youth Centre including new floors (12K) • Maximisation of grant funding within Marketing and Communications (£28k)
Education and Children's Service	1,466	1,518	52	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 £1.302m. 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 £202k 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. The majority of the movement from last month relates to an increase in spend relating to a new residential placement (£18k) and an increase in In House Fostering Placements (£30k).
Business Improvement and Modernisation	-116	-92	24	Underspend largely due to a number of vacancy savings. A number of IT contracts are currently under negotiation which may increase costs going forward. Additional funding has been received by the service for the Digital Futures Projects which had previously been assumed would be funded by the service.
Legal, HR and Democratic Services	-64	-146	-82	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. The majority of the movement from last month relates to the application of electoral reform grant that we received late notification of - existing expenditure has been used to ensure the grant is maximised.
Finance and Property	0	0	0	No significant risks to report

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Highways, Facilities and Environmental Services	247	326	79	The movement from last month largely relates to a decrease in expected external income from NWMTRA (regional trunk road agency) 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. The projected costs in this area have reduced and have also been delayed until next financial year now. • 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 - however the initial clean-up costs of the recent storms are assumed to be being funded from the EFAS scheme run by Welsh Government.
Planning and Public Protection	514	593	79	Following the transfer of School Transport to this service, it is now projected that Planning and Public Protection will overspend by £682k (£602k last month). 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. New contracts have been added after a recent tender round at February half term which resulted in a number of new contracts have been added at additional cost.
Community Support Services	992	804	-188	This projection assumes that the remaining service reserve of £821k is applied in year. The decrease from last month is mainly due to the application of a confirmed winter pressures WG grant. A pressure of £2.6m has been included in the current budget proposals. There is a possibility that further late grants from WG will help lower this overspend further. The movement from last month is due to the inclusion of an estimate of DCC's share of a second tranche of Winter Pressure funding. The exact allocation across Wales has yet to be decided. There is also the prospect of further grant funding before the end of the financial year but nothing has been confirmed yet.
Leisure - ADM	0	0	0	Break-even position following allocation of central contingency and projected use of reserves
Corporate & Miscellaneous	-1,388	-1,409	-21	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 £1.388m.
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	1,613	1,483	-130	