

Appendix 2 - Service Variance Narrative

Service	Variance This Month £000	Description
Communities and Customers	0	
Education and Children's Service	70	This is despite new monies of £1.5M being allocated to Children's Services this financial year. The main pressure areas are; high cost placements £106K, In House fostering £192K, Little Acorns Childcare, £96K, Oaktree Centre, £45K, Christ the Word childcare £35K. Most of these pressure areas are offset by underspend on staffing due to vacant posts. The pressures on both childcare settings are due to loss of income due to COVID 19. No costs have been included for any new placements commencing throughout the year. The budget will obviously be monitored carefully over the coming months
Business Improvement and Modernisation	-48	Underspend due to a vacancy saving and one-off external income for a specific project.
Legal, HR and Democratic Services	-40	Underspends due to vacancy savings following delay due to Covid 19
Finance and Property	159	The overspend relates to the shortfall in income due to the decision to forego rents for industrial units for April to July in response to the Covid pandemic. These costs are offset by vacancy savings (Chief Accountant post) due to the lockdown and an overall cost reduction exercise in case WG help with income loss is not forthcoming.
Highways, Facilities and Environmental Services	2,176	£1.25m of the overspend relates to the loss of income from schools meals - this projection assumes no income for term 3 and a reduced level for the beginning of term 1. £695k relates to the spend required on legacy - a lot of which was delayed from last year due to the lockdown restrictions at year end. A further £337k relates to Waste due to reduced income in quarter (green waste, trade waste etc). It is hoped that funding will be forthcoming for the reduction in income.
Planning and Public Protection	218	The overspend in car parking and planning fees is offset by a reduction in costs relating to school transport (75% contract payments). The service is also holding some vacancies which have further mitigated the losses.
Community Support Services	979	The project is due to additional costs over and above the £2.6m estimated and included in the budget for 2020/21. The main areas of concern are homelessness and Community Care packages. The projection assumes that the service will again receive the £800k Workforce & Sustainability Grant. No assumption has been made about grant funding for winter pressures which tend to be announced by WG in the autumn and during the winter itself.
Leisure - ADM	3,879	See body of report for details

Service	Variance This Month £000	Description
Corporate & Miscellaneous	0	See body of report for details
Precepts & Levies	0	There are no risks in this area
Capital Financing	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	7,393	