

Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Income Claim Agreed £000	Revised Variance £000	Description
Communities and Customers	13	11	-2	-11	0	Income loss due to Closure
Education and Children's Service	273	366	93	0	366	This is despite new monies of £1.5M being allocated to Children's Services this financial year. The movement from last month largely relates to a net reduction of 4 non DCC pupils in our Special Schools which then impacts extranal income. 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	-41	-40	1	0	-40	Underspend due to a vacancy saving and one-off external income for a specific project.
Legal, HR and Democratic Services	-46	-20	26	0	-20	Underspends due to vacancy savings following delay due to Covid 19 - minor changes across a range of areas accounts for the movement from last month.
Finance and Property	160	209	49	0	209	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 alongside a reduction in income generally on the coastal portfolio. Neither of these items have yet been approved by Welsh Government and therefore it is currently not assumed that they will be received. 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	2,068	2,098	30	-496	1,602	£1.25m of the opverspend 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 tips - 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	399	430	31	-403	27	The overspend in car parking and planning fees is offset by a reduction in costs relating to school transport (75% contract payments). The movement from last month largely relates to changes in expected recovery in parking and enforcement income and school transport costs relating to the Hubs. The service is also holding some vacancies which have further mitigated the losses.
Community Support Services	880	880	0	0	880	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 Communit Care packages. The projection assumes that the service will again receive the £800k Workforce & Sustainability Grant. No assumption has been made about grant fundng for winter pressures which tend to be announced by WG in the autumn and during the winter itself.
Leisure - ADM	3,879	3,879	0	-1,682	2,197	See body of report for details
Corporate & Miscellaneous	0	0	0	0	0	See body of report for details
Precepts & Levies	0	0	0	0	0	There are no risks in this area
Capital Financing	0	0	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	7,585	7,813	228	-2,592	5,221	