

Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Communities and Customers	-3	-30	-27	The increase in the underspend relates to a temporary delay in recruitment to vacant posts.
Education and Children's Service	700	538	-162	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 an increase in income from WG grants. However also a number of vacant posts have been filled internally which increases the savings as those posts then need to be filled. No costs have been included for any new placements commencing throughout the year that we don't currently know about. The budget will obviously be monitored carefully over the coming months, however it is welcome that the overspend in this area has remained close to the early projections.
Business Improvement and Modernisation	-67	-47	20	Underspend due to a vacancy saving and one-off external income for a specific project. The underspend will be placed in the new reserve set up to help fund future improvements to Ruthin Gaol.
Legal, HR and Democratic Services	-79	-97	-18	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. Additional grant funding has been applied to committed expenditure which has increased the underspend this month.
Finance and Property	0	0	0	The overspend previously reported earlier in the year related to a 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. Most of this loss of income has now been approved and paid as part of Q1 Tranche 2, however doubts persist on how much will be received for Q2 and Q3 rental losses which may result in an overall overspend. The remaining costs are offset by vacancy savings (Chief Accountant post) due to the lockdown and an overall cost reduction exercise.
Highways, Facilities and Environmental Services	1,039	1,019	-20	£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. A further £337k relates to Waste due to reduced income in quarter (green waste, trade waste etc). Maximisation of external funding accounts for the small change from last month.
Planning and Public Protection	3	68	65	The service has received £253k Income Loss grant relating to reduced footfall in car parks. School Transport is currently projected to overspend by £309k, however it is assumed that the net overspend of £309k will be claimable from WG Covid Grant. If this is not the case then the overspend in PPP will increase by this amount. The movement from last month relates to an increase in projected loss of income (reduction in on street parking fines for example) which results from the recent lockdowns.
Community Support Services	662	570	-92	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	221	221	0	It is assumed losses over Q3 and Q4 will be refunded from WG as they have accepted the claims for Q1 & Q2
Corporate & Miscellaneous	0	0	0	See body of report for details
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	2,476	2,242	-234	