

Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Communities and Customers	0	0	0	No Variances to report at this stage.
Education and Children's Service	526	595	69	This Pressure all relates to high cost residential and Independent Fostering placements. The increase from the figure previously reported relates to an increase in residential costs. Minor variances account for the remaining change. The figures are still very volatile at this stage. All residential and independent fostering placements have been costed to realistic timescales however no allowance has been made for any further new placements throughout the year. We are also awaiting funding requests from other Local Authorities relating to Denbighshire pupils at the start of the new academic year.
Business Improvement and Modernisation	-84	-37	47	Underspend due to a vacancy savings. The movement from last month is a result of two posts being filled earlier than previously projected. It is anticipated that the underspend will be placed in the new reserve set up to help fund future improvements to the heritage offer at Ruthin Gaol.
Legal, HR and Democratic Services	-26	-42	-16	The underspend relates to the net effect of the detailed monitoring (eg vacancies). The increase in the underspend relates to a decreased projection for legal agency costs.
Finance and Property	0	0	0	There are ongoing pressures within this service relating to the ongoing reduction in the Housing Benefit Administration Grant - currently we are hoping to identify one-off funding to once again mitigate this pressure.
Highways, Facilities and Environmental Services	314	322	8	The reported overspend relates to ongoing pressures in Waste Service relating to increases in costs and decreases in income received for recyclable waste. The figure reported assumes that we will continue to be able to claim for Covid related costs.
Planning and Public Protection	0	0	0	Although currently showing a break even position there are risks in the service concerning School Transport and Heritage. The position with school transport will not be clear until the contracts for September school re-opening are finalised. The insurance claim with regard to the flooding at Ruthin Gaol is ongoing and should be regarded as a risk until that is finalised. Planning income is still down on pre-pandemic levels but it is hoped this will increase over the coming months.
Community Support Services	22	0	-22	Although an additional pressure of £2.4m was included in the budget for 2021/22 Homelessness in particular remains an area of pressure. There is an SLT working group which is tasked with identifying and providing in-house provision which will improve the level of service and reduce costs in the future. A report detailing this work was presented to Cabinet Briefing on 10th May. There is a great deal of uncertainty around grant funding for pressures in the sector which will be monitored closely over the coming months.
Leisure - ADM	-4	-3	1	The movement relates to minor variances.
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 the final outcome is known. Any spare capacity this year is likely to be required to fulfill the investment target in Highways agreed by Council.
Council Services & Corporate Budget	748	835	87	