

Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Communities and Customers	0	-50	-50	Underspend due to a vacancy savings.
Education and Children's Service	603	540	-63	This pressure relates to high cost residential and independent fostering placements. The reduction from last month's figure reported to Cabinet relates to additional Welsh Government grant funding. 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.
Business Improvement and Modernisation	-31	-64	-33	Underspend due to a vacancy savings, further increased this month. 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	-45	-51	-6	Underspend due to a vacancy savings, further increased this month.
Finance and Property	0	0	0	There are ongoing pressures within this service relating to the 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	654	789	135	The reported overspend, and the increase in month, 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. Funding for the pressure of disposal fees with utilising Parc Adfer has been transferred into the settlement for next year and will be passported to the service.
Planning and Public Protection	464	394	-70	As noted in previous reports the position with school transport wasn't going to be clear until the contracts for September school re-opening were finalised. The financial implications of those changes have been investigated in detail over the last few weeks and the current estimated overspend is estimated to be £464k. This is largely as a result of shortages of staff and increase in fuel prices which have meant that there are fewer providers and contract costs have increased. A pressure for School Transport has been included in the approved 2022/23 budget. The overall pressure has reduced due to other savings of vacancies and income received. Planning income is still down on pre-pandemic levels but it is hoped this will increase over the coming months.
Community Support Services	0	0	0	Although an additional pressure of £2.4m was included in the budget for 2021/22 Homelessness in particular remains an area of pressure which is largely being claimed from the Covid Hardship Fund. 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. There is a great deal of uncertainty around grant funding for pressures in the sector which will be monitored closely over the coming months, however the financial position in year indicates that financial pressures are being kept within current budget allocations this financial year.
Leisure - ADM	-4	-5	-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 outturn is known. Any spare capacity this year is likely to be required to fulfil the investment target in Highways agreed by Council. It can now be confirmed that due to capital receipts received in year that £900k additional investment in Highways has been allocated.
Council Services & Corporate Budget	1,641	1,553	-88	