

Appendix 2 - Service Variance Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Communities and Customers	-189	-176	13	Underspend due to vacancy management and use of reserves, netted off this month by increase in relief staff costs in libraries.
Education and Children's Service	2,819	2,999	180	See body of report for summary. Overspend due to children's social care placements and a reduction in level of out-of-county education income netted off by grants maximisation and in-year efficiencies across the services. Increase this month due to new residential and fostering placements (£0.22m) offset by reduced out-of-county education costs (-£0.04m). All residential and fostering placements have been costed to realistic timescales however no allowance has been made for any further placements throughout the year.
Business Improvement and Modernisation	-340	-313	27	Underspend due to small efficiencies and vacancy management netted off this month by increased IT costs.
Legal, HR and Democratic Services	-231	-302	-71	Underspend due to vacancy management and small efficiencies, with further vacancy savings this month.
Finance and Property	-232	-233	-1	Underspend due to small efficiencies and further vacancy management
Highways, Facilities and Environmental Services	-50	35	85	The budget pressure is due to increasing costs for major projects, street lighting, depot maintenance, staffing and higher diesel costs netted off by in-year small efficiencies, reduced use of agency staff and vacancy management. The increase in the projection this month relate to increased diesel costs.
Planning and Public Protection	765	877	112	The overspend relates to School Transport costs and reduced planning income netted off by vacancy management and in-year small efficiencies and use of reserves. Although a £500k pressure was approved as part of the 22/23 budget process for school transport and the service is utilising a cash reserve in-year, the service is projecting an overspend. The increase this month relates to higher costs for emergency contracts due to higher rates (from increased fuel costs and shortage of drivers), and increased demand for short-term contracts (due to early termination of contracts and new ALN pupils requiring transport).
Community Support Services	2,287	2,369	82	See body of report for summary. The £2.4m overspend (previously £2.3m) is due to an overall pressure of £4.8m, in high cost placements in Specialist Services (£3.4m) and homelessness (£1.4m), netted off by use of reserves (-£2.4m). The overspend in high cost placements has further increased this month by £0.3m due to reduced care fee income. The overspend in homelessness is due to higher rates and lengthier stays at accommodation; reduction of £0.2m this month due to receipt of grant netted off by further increases in costs.
Leisure - ADM	12	12	0	The overspend relates to minor variances.
Corporate & Miscellaneous	-1,036	-1,519	-483	Release of contingency and savings realised from new ways of working. See body of report for details
Precepts & Levies	0	0	0	See body of report for details
Capital Financing	-1,500	-1,500	0	Reduced capital financing costs in-year due to delayed expenditure on some capital projects. The position on capital financing is very much related to progress on capital projects and variances do not fully crystallise until the final outturn is known. Whilst in previous years any underspend on this budget has been carried forward to help support the capital programme, with the level of overspend currently being reported it is unlikely that this will be possible this year.
Council Services & Corporate Budget	2,305	2,249	-56	