

Appendix 2 - Service Variance - Overspend and Underspend Risks Narrative

Service	Description
Housing and Communities	Budget pressure in-year due to libraries saving proposal being implemented two months into the financial year (£60k). Budget pressure across the service in-year from implementation of the Non-Strategic savings being in progress and not achieving a full-year saving. Service is working to achieve small-scale efficiencies in-year to cover the shortfall.
Education and Children's Service	Budget pressure in Children's Social Care (c £1.6m) due to a significantly complex placement after budget was set. All placements have been costed to realistic timescales, however no allowance has been made for any new or changes to placements for this year. Early indicative budget pressure in Education services due to Out of County placements and the service is looking to maximise grant income and find smaller-scale efficiencies to come in on budget.
Corporate Support: Performance, Digital, Assets	Balanced budget projected
Corporate Support: People	Modest in-year budget pressure across the service due to non-strategic savings being in progress and not achieving a full-year saving. The service is working to achieve small-scale efficiencies in-year to cover the shortfall.
Finance and Audit	Balanced budget projected
Highways and Environmental Services	Forecasting an in-year budget pressure due to the implementation of the new waste collection model. It is not possible to forecast the extent of the pressure as yet whilst the service is reacting to issues with the roll out and responding to missed collections. The service is also currently reviewing the new routes. Costs are being monitored carefully to assess the costs that are one-off in nature associated with the roll-out, and the recurring costs of the revised model to determine the impact on future years budgets. It is likely that based on the costs incurred in 2023/24 on the 'Winter Maintenance' budget it is estimated that this element of the service will need additional support to safeguard highways during severe weather conditions; the extent of the pressure will become clearer during the winter months. A review of the Council's fleet will help identify the extent of a budget pressure due to increasing fuel costs.
Planning, Public Protection and Countryside	There are risks, outside of the Council's control, in under-achieving income budgets for planning and parking fees. The extent of any budget pressures will become more evident when the first 6 months of the year has passed. There are also risks around School Transport budget. The position will not be known until the Autumn term contracts have been agreed with a degree of uncertainty continuing thereafter due to emergency and/or discretionary transport requirements throughout the school year. There is no indication at this stage in the year though that the budget will be overspent.
Adult Social Care and Homelessness	Good progress is being made with implementing the Major Savings Proposal and Non-Strategic saving proposals in both Adult Social Care and Homelessness services. A risk remains for the care fees budget this early in the financial year as new demand on the service may create a budget pressure where that increased demand also has more complex need requirements.
Leisure - Retained Budgets	Balanced budget projected
Corporate & Miscellaneous	It is early in the financial year to forecast with certainty the need for corporately held budgets, their very nature is to be unknown until actual costs are incurred and the final position confirmed at year end. However, it is estimated that underspends in some of these budgets during 2023/24 is likely to recur in 2024/25. In particular, services did not need to drawdown from the contingency held budget for energy costs in 2023/24 and it is not predicted that a full drawdown should be required in 2024/25 either. Uncertainties remain on budgets held for impact of pay awards and general inflation. A grant is anticipated to be received towards the costs of Teachers' pension costs which formed part of the budget pressures in setting the 2024/25 budget; the level of funding is unknown at the moment but it is estimated it will, together with other release of contingencies, be sufficient to cover the early indicative pressures being predicted by the services.
Precepts & Levies	Balanced budget projected
Capital Financing	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.