

Appendix 2 - Service Variance - Overspend and Underspend Risks Narrative

Service	Indicative Variance £000	Description
Housing and Communities	118	Budget overspend due to libraries saving proposal being implemented two months into the financial year and pressure across the service in-year from implementation of the non-strategic savings being in progress and not achieving a full-year saving.
Education and Children's Service	1,961	Budget pressure in Children's Social Care (£1.546m) 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. Budget pressure in Education services (£415k) due to education placements and additional learning needs and the service is looking to maximise grant income and find smaller-scale efficiencies to mitigate this.
Corporate Support: Performance, Digital, Assets	6	Minor variances
Corporate Support: People	-99	Budget savings from non-replacement of staff which enables early achievement of savings required for 2025/26.
Finance and Audit		Balanced budget projected
Highways and Environmental Services	1,124	Budget overspend from not achieving full-year savings from the saving proposals from across the service (£554k) and on winter maintenance (£570k) based on the level of costs incurred in 2023/24; the extent of the pressure from additional support to safeguard highways during severe weather conditions will become clearer during the winter months up to the year-end. A review of the Council's fleet will help further identify the extent of a budget pressure due to increasing fuel costs. Costs associated with the roll-out of the new waste collection model are being monitored carefully to assess the costs that are one-off in nature, and the recurring costs of the revised model to determine the impact on future years budgets. The estimated cost in-year is netted off by a windfall payment (£1.2m) as a result of the refinancing of the North Wales Residual Waste Treatment Partnership contract.
Planning, Public Protection and Countryside		There are risks, outside of the Council's control, in under-achieving income budgets for planning and parking fees. There are also risks around School Transport budget. The position will become clearer by the November monitoring period as the Autumn term contracts are agreed but 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	390	Budget overspend due to revision of placement costs for Complex Disabilities (£284k) and Mental Health (£106k); this is partly due to one-off in-year cost and a recurring increase in future annual costs of £189k. 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	-3,260	Budget saving from release of contingencies with the savings achieved in 2023/24 projected to recur; pension costs (£500k) and energy (£1m) and a release of the contingency held for the pay and grading review (£1.76m) due to delays in the process nationally. 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 will be available to mitigate against the risk remaining on services which will not crystallise until later in the year.
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.
Council Services & Corporate Budget	240	