

Appendix 2 - Service Variance - Overspend and Underspend Risks Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Housing and Communities	102	102	0	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	1,968	1,891	-77	Budget pressure in Children's Social Care (£1.474m) due to a significantly complex placement after budget was set, reduced this month by £72k due to changes to some placement costs. 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 (£417k) due to education placements and additional learning needs reduced this month £5k by some small efficiencies.
Corporate Support: Performance, Digital, Assets	6	6	0	Minor variances
Corporate Support: People	-52	-52	0	Budget underspend from non-replacement of staff offsetting pressures within the budget from increased translation costs. Non-replacement of staff enables early-realisation of 25/26 savings.
Finance and Audit	0	0	0	Balanced budget projected
Highways and Environmental Services	1,124	1,124	0	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. 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. A review of the Council's fleet will help further identify the extent of a budget pressure due to increasing fuel costs.
Planning, Public Protection and Countryside	222	220	-2	Budget pressure this month (£220k) reflects a predicted shortfall against the major saving proposal for 2024/25 for car parking and traffic income. There are risks, outside of the Council's control, in under-achieving income budgets for both planning and parking fees. There are also risks around School Transport budget. The position will become clearer as the Autumn term contracts are finalised but with a degree of uncertainty continuing thereafter due to emergency and/or discretionary transport requirements throughout the school year.
Adult Social Care and Homelessness	-510	-510	0	The £510k underspend is due to a budget underspend in Homelessness (-£1.3m) netted off by overspend in Adult Social Care services (£790k). The pressures in Adult Social Care and the increase this month of £300k, is due to increase in costs and demand for Complex Disabilities, Mental Health and Older People and Community living. Good progress is being made with implementing the saving proposals which helps to offset these pressures. A risk remains as new demand on the service may create a budget pressure where that increased demand also has more complex need requirements. The underspend in Homelessness this month (-£1.3m) is due to a reduction in emergency temporary accommodation placements with a further reduction of £300 this month.
Leisure - Retained Budgets	0	0	0	Balanced budget projected
Corporate & Miscellaneous	-3,260	-3,260	0	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. The pay award has been agreed and expected to be paid in the current month with appropriate budget transfer to services. 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			0	Balanced budget projected
Capital Financing			0	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	-400	-479	-79	