

Appendix 2 - Service Variance - Overspend and Underspend Risks Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Housing and Communities	82	82	0	Budget overspend due to libraries saving proposal being implemented two months into the financial year and from pressures across the service including not achieving a full-year saving on some of the proposals.
Education and Children's Service	1,956	2,063	107	Budget pressure in Children's Social Care (£1.543m) mainly due to a significantly complex placement after budget was set, increased this month by £88k due to new placements. 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 (£432k) due to education placements and additional learning needs increased by £19k this month.
Corporate Support: Performance, Digital, Assets	74	107	33	Pressures from non-achievement of full-year savings on the asset saving proposals
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, with costs of the implementation of the new finance system funded from the reserve.
Highways and Environmental Services	1,124	1,124	0	Budget overspend from not achieving full-year savings from the saving proposals and other pressures 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 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	237	680	443	Budget pressure reflects a projected shortfall against the car parking and traffic income saving proposal for 2024/25 (£236k), pressures across the service (£13k) and increased costs of school transport (£431k). The movement this month relates mainly to increased cost of school transport contract costs. There continues to be risks, outside of the Council's control, in under-achieving income budgets for both planning and parking fees. The risks around the School Transport budget remains due to emergency and/or discretionary transport requirements throughout the school year.
Adult Social Care and Homelessness	-578	-800	-222	The £800k underspend is due to a budget underspend in Homelessness (-£1.3m) netted off by overspend in Adult Social Care services (£500k). The pressures in Adult Social Care relate to pressures from costs and demand for Complex Disabilities, Mental Health and Older People and Community living. The reduction this month of £222k relates to the good progress which 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 (-£1.3m) (no change from last month), is due to a reduction in emergency temporary accommodation placements.
Leisure - Retained Budgets	0	0	0	Balanced budget projected
Corporate & Miscellaneous	-7,128	-7,128	0	Budget saving relates to Welsh Government grant towards the costs of the Teachers' pension costs and NJC pay pressures (£3.868m), 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.
Precepts & Levies	0	0	0	Balanced budget projected
Capital Financing	0	0	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	-4,285	-3,924	361	