

## 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	88	6	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	2,063	2,319	256	Budget pressure in Children's Social Care (£2.048m) mainly due to a significantly complex placement after budget was set. The increase this month (£417k) is due to a new placement, increased costs for 2 placements and the very complex placement being extended to the end of the financial year. 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 (£271k) relates to education placements and additional learning needs reduced by this month by £161k due to grant maximisation.
Corporate Support: Performance, Digital, Assets	107	200	93	Pressures from non-achievement of full-year savings on the asset saving proposals increased this month by continued costs on surplus assets.
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	5	5	Minor variances this month; additional costs of the implementation of the new finance system funded from the reserve.
Highways and Environmental Services	1,124	1,564	440	Budget overspend relate to increased costs for the waste service (£1.2m) and winter maintenance (£691k) with the costs in both areas increased this month, offset by savings across the service (-£325k). Whilst not achieving full-year savings from the saving proposals this has been offset by other savings achieved in catering, streetscene and street lighting services. Costs associated with the roll-out of the new waste collection model (£2.398m) 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	680	627	-53	Budget pressure reflects the increased costs of school transport (£431k) and a projected shortfall on car parking and traffic income (£184k) and pressures across the service (£12k). The movement this month relate to improvements in the level of parking and highways income to offset the overall shortfall in this area. 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	-800	-1,086	-286	The £1.1m underspend is due to a budget underspend in Homelessness (-£1.3m) netted off by overspend in Adult Social Care services (£200k). The pressures in Adult Social Care relate to placement costs and demand across the service areas reduced this month by £300k due to receipts of grant and further progress being made with implementing the saving proposals. 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) (reduced by £14k 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	-8,224	-1,096	Release of contingencies this month relate to Pay (-£1.167m) and pension (-£37k) with pay awards received and budgets vired to services, WG grant pension grant (-£88k) offset by increased pressures from NNDR costs (£196k). Overall budget saving relates to Welsh Government grant towards the costs of the Teachers' and Fire service pension costs and NJC pay pressures (-£3.956m), and release of contingencies; pension costs (-£537k), pay (-£1.167m), energy (-£1m) and a release of the contingency held for the pay and grading review (-£1.76m) due to delays in the process nationally, offset by NNDR pressures (£196k).
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.
<b>Council Services &amp; Corporate Budget</b>	<b>-3,924</b>	<b>-4,559</b>	<b>-635</b>	