

Appendix 2 - Service Variance - Overspend and Underspend Risks Narrative

Service	Variance Last Month £000	Variance This Month £000	Change £000	Description
Housing and Communities	88	38	-50	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 offset this month by Housing Strategy service transferring from PPP&C with a surplus.
Education and Children's Service	2,319	2,244	-75	Budget pressure in Children's Social Care (£2.215m) mainly due to a significantly complex placement after budget was set. The increase this month (£167k) is due to some historical costs and a placement with more complex needs being met. 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 (£29k) relates to education placements and additional learning needs reduced this month by £242k due to grant maximisation.
Corporate Support: Performance, Digital, Assets	200	200	0	Pressures from non-achievement of full-year savings on the asset saving proposals and 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	5	5	0	Minor variances and implementation costs of the new finance system funded from the reserve.
Highways and Environmental Services	1,564	2,066	502	Budget overspend relate to pressures for the waste service (£1.628m) and winter maintenance (£807k) offset by net savings across the service(-£369k). 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. The movement this month of £502k relate to increases to fleet costs in the waste service (£430k), winter maintenance (£237k) and variances across the service offset by additional income for streetworks (-£165k).
Planning, Public Protection and Countryside	627	751	124	Budget pressure reflects the increased costs of school transport (£420k), a projected shortfall on car parking and traffic income (£178k) and pressures across the service (£153k). The movement this month relating to variances across the services is due mainly to the Housing Strategy service transferring to H&C with a surplus, repair and maintenance costs and prudential borrowing costs where grant has now ended. 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	-1,086	-1,086	0	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 (no movement from last month) relate to placement costs and demand across the service areas offset by grant and good 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) (no movement from last month), is due to a reduction in emergency temporary accommodation placements.
Leisure - Retained Budgets	0	0	0	Balanced budget projected
Corporate & Miscellaneous	-8,224	-4,268	3,956	The movement this month relates to the set-aside to earmarked reserves of the £3.956m Welsh Government grant towards the costs of the Teachers' and Fire service pension costs and NJC pay pressures, as approved in the February Cabinet. Overall budget saving relates to 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.
Council Services & Corporate Budget	-4,559	-102	4,457	