

SUMMARY OF MAIN FORECAST ADVERSE VARIANCES 2018/2019

		<u>Forecast Adverse Variance at June 18 Forecast £</u>	<u>Forecast Adverse Variance at Sept 18 Forecast £</u>	<u>Forecast Adverse Variance at Dec 18 Forecast £</u>	<u>Adverse Variance at Mar 19 (Provisional) £</u>	<u>Comments</u>
	<u>Adverse variances in Excess of £15,000</u>					
1.	<u>Corporate Services</u>					
	Corporate Management (inc Audit Fees)	(9,064)	(8,026)	(12,742)	(16,068)	The adverse variance is as a result of external auditor inspection fees continuing to exceed budget (£8,000), combined with increasing welsh language translation costs (£8,000).
	Housing Benefit	1,171	1,280	1,341	(137,283)	The volatile nature of this budget makes it extremely difficult to forecast, with the final position not being known until year end. The adverse variance is mainly down to reduced or no subsidy being claimable on certain areas of housing benefit payments.

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2.	<u>Social Services</u>					
	Children Homes	(484,013)	(738,558)	(482,731)	(478,474)	Residential placements is a significant cost pressures within Children's Services due to the high number and high cost of placements. The adverse variance reduced by March 2019 due to the number of placements reducing by 1 during the quarter.
	Payments to Foster Parents	(235,810)	(215,953)	(184,322)	(161,397)	Due to current demand this area is a cost pressure however the adverse variance reduced at March 2019 due to grant funding received at year end.
	Fostering - Out County Placements	(164,762)	(160,612)	(113,188)	(131,105)	The adverse variance increased at March 2019 due to 2 additional Semi Independent living placements made in March which further increased the cost pressure.
	Legal Costs	(386,676)	(386,676)	(447,580)	(382,899)	This continues to be a cost pressure, with external legal support being required to support the increased demand with looked after children. The adverse variance reduced at March 2019 as a result of actual spend being lower than previously forecast.

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	Independent Chairing	(28,447)	(28,447)	(17,919)	(19,359)	The adverse variance increased slightly at March 2019 due the cost of commissioning additional services to meet current demand in relation to Child protection..
	Cwrt Mytton	(86,649)	(61,513)	(75,293)	(83,619)	The adverse variance is due to Agency staff costs required to cover vacant posts and staff absences. A staffing review is being carried out due to the high cost of Agency staff and steps have been taken to reduce this cost pressure moving forward
	Procurement Savings	(25,070)	(25,070)	(25,070)	(25,070)	This relates to the residual procurement savings that have yet to be achieved, that was built into the 2015/2016 budget setting process. Funding has been awarded for 2019/2020 as part of the Budget Setting process, as a result the cost pressure is not expected to continue into the new year.
3.	<u>Education</u>					
	Fees for Pupils at Independent Schools	(£94,895)	(186,490)	(182,464)	(169,910)	The adverse variance is linked to the cost pressure within Children's Services and the increase in the number of residential

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						placements. As a result Education has a cost pressure due to the cost of the education element of the residential placement. The adverse variance reduced by March 2019 due to 2 educational placements ending during the period.
	Recoupment	(£79,333)	(49,292)	(88,754)	(76,220)	The adverse variance is due to the increase in the number of learners requiring out of county provision and a reduction in recoupment income relating to placements within Blaenau Gwent Schools. The majority of invoices are not received until the year end and the reduction in the adverse variance is due to costs being lower than anticipated.
	Premature Redundancy Costs	0	(151,639)	(158,308)	(129,2780)	The adverse variance reflects the termination costs of school based staff. There has been a decrease in the adverse variance from December due to a potential termination not progressing.
	AWPU Clawback	0	0	0	(81,136)	This relates to funding clawback from schools for pupils transferred to the Rivercentre or excluded from school during the year. There

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						has been a significant reduction in the number of learners where clawback can be applied, compared to previous years.
4.	<u>Environment</u>					
	Household and Trade Waste Collection	7,723	(5,904)	(14,618)	(28,206)	There has been additional costs recharged from the Integrated Front Line Services (IFL) due to Payments in Lieu of Notice and Holidays on termination and additional expenditure incurred on Transport which was not anticipated.
	Recycling Collection	(88,330)	(53,311)	(14,262)	(34,830)	There has been a reduction in grant received from Welsh Government of £45,000, and the increase in the adverse variance is due additional expenditure purchasing food bags during quarter 4.
	Civic Amenity Sites	1,399	(5,037)	(13,971)	(48,375)	The increase in the adverse variance is due to preliminary costs associated with the potential new waste site at Roseheyworth including ground investigation and planning fees.

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	Transfer Station	(16,540)	3,778	2,861	(25,465)	There have been additional overtime costs from January due to increased receipt of recyclates. There are also costs associated with repairs to the baler.
	Disposal Of Waste	(21,370)	22	(10,905)	(22,783)	Leachate charges have increased as a result of recent weather conditions.
	County Borough Cleansing	3,114	6,952	(14,920)	(34,319)	There has been an increase in costs from the Integrated Front Line Services (IFL) due to Payments in Lieu of Notice and Holidays on termination.
	Cemeteries	12,593	(7,724)	(4,548)	(37,515)	Adverse variance is due to actual income being lower than was previously forecast.
	Meals on Wheels	(47,969)	(45,295)	(42,934)	(53,653)	The increase in the adverse variance is due to additional premises costs (NNDR backdated to 2016) incurred at year end that were not included in the forecast as these costs were not known.
	Grounds Maintenance	(71,743)	(11,629)	(13,765)	(30,615)	The adverse variance is due to actual premises, transport and supplies and services expenditure being higher than was previously

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						forecast.
	Building Cleaning	18,929	(9,985)	(65,237)	(20,299)	The adverse variance was partly offset by in year virements from within the Environment portfolio.
	Cwmcrachen Caravan Site	0	2,336	0	(20,578)	The adverse variance is due to Utility costs being higher than anticipated and additional costs were incurred on maintenance of the site.
	Littering and Dog Control Orders	323	331	842	(18,482)	There was a delay in receiving invoices from the service provider and when the information was received the costs were higher than forecast.
	Licensing & Highways Permits	(17,072)	(17,015)	(17,019)	(23,097)	There has been a reduction in the amount of skips and scaffolding permits coming into the department. The income target set for this budget is £62,000, which has been partly offset with permanent virements from within the Infrastructure element of the portfolio. Funding has been awarded for 2019/2020 as part of the Budget Setting process, as a result the cost pressure is not expected to continue into the new year.

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	Street Lighting	(55,115)	(54,195)	(61,555)	(373,589)	<p>The adverse variance is due to the increase in Utility prices and includes £317,000 write-off of obsolete street lighting stock.</p> <p>Funding has been awarded for 2019/2020 as part of the Budget Setting process, as a result the cost pressure relating to energy costs is not expected to continue into the new year.</p>
	RASWA	(42,957)	(100,672)	(74,159)	(46,598)	<p>A review of duties has allowed for a designated RASWA officer to focus on RASWA works only. This as resulted in an increase in income and therefore a reduced adverse variance.</p> <p>Funding has been awarded for 2019/2020 as part of the Budget Setting process, as a result the cost pressure is not expected to continue into the new year.</p>
	Markets	(60,180)	(60,172)	(59,590)	(60,040)	<p>The size of the markets has reduced significantly since the original income targets were set. Therefore the £84,000 income target is no longer achievable.</p>

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						Funding has been awarded for 2019/2020 as part of the Budget Setting process, as a result the cost pressure is not expected to continue into the new year.
	Leisure Trust Management Fee	(82,062)	(82,062)	(82,061)	(84,762)	<p>The adverse variance is due the shortfall on the Financial Efficiency projects relating to ALT.</p> <p>Funding has been awarded for 2019/2020 as part of the Budget Setting process, as a result the cost pressure is not expected to continue into the new year.</p>
	Residual Costs	0	0	0	(55,675)	The adverse variance relates to reimbursement of costs made to the Trust in respect of buildings that were handed back to the Council for Community Asset Transfer.
	Procurement Savings	(15,960)	(15,995)	(15,995)	(15,995)	<p>This relates to the residual procurement savings that have yet to be achieved, that was built into the 2015/2016 budget setting process.</p> <p>Funding has been awarded for 2019/2020 as</p>

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						part of the Budget Setting process, as a result the cost pressure is not expected to continue into the new year.
5.	<u>Planning Committee</u>					
	Dangerous Structures	22,108	(4,202)	(37,511)	(49,038)	The adverse variance is a result of the work to rebuild the retaining wall at Sunnybank, Brynmawr in order to re open the highway. It has been funded by the excess Planning Application Fee income received in year.
	<u>Adverse Variances at Quarter 3 that have been mitigated to below £15,000</u>					
	<u>Environment</u>					
	Corporate Landlord	(112,828)	(129,952)	(72,565)	(5)	The variance was offset by in year virements from within the Environment portfolio and the building Maintenance Grant.
	School Breakfast Club	(18,339)	(31,487)	(19,515)	(10,059)	The adverse variance is due to the the take up for Breakfast club increasing. Communities First Legacy Funding was received to partly offset the overspend.

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	Catering	(49,365)	(28,635)	(41,997)	(5)	The variance was offset partly by in year virements from within the Environment portfolio and partly from an increase in income which was not forecast.