

Action Plan

Corporate Services 2019/20 Forecast Adverse Variances (as at 30 September 2019)

Appendix 4a

Service Area	2018/19 Provisional Outturn Variance £	2019/2020 Variance at Sept 2019 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
IT Service	0	(100,000)	<p>In the original IT Collaboration Business Plan, £100,000 income was built into the budget to be funded from reserves, with the view that future savings, due to merging of software systems, would produce savings and therefore reduce the need of reserve funding.</p> <p>These savings have not yet been achieved, as the Software Contracts are still Blaenau Gwent's responsibility.</p> <p>A Working Group is being formed to review and re-negotiate all Council contracts; the Software contracts will form a part of this. The bulk of the savings produced from this will not benefit the IT Service until 2020/21, as most of the high value contracts have already been renewed for 2019/20.</p> <p>There is also a Digital Steering Group, which includes the SRS, to look at transferring the Software contract to the SRS and combine them with the other partners, to produce savings.</p>	Not Currently Known	Anne-Louise Clark

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Service Area	2018/19 Provisional Outturn Variance £	2019/2020 Variance at Sept 2019 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Housing Benefits	(137,273)	(107,205)	<p>At this time, the forecast overspend is due to external audit fees (£43,000) for which there is no budget and an anticipated shortfall on the Administration Subsidy grant of £64,000. For the last financial year, these costs were offset by an in year budget virement.</p> <p>Work is currently being undertaken into reviewing the overpayments process with the view of hopefully addressing this cost pressure by quarter 2.</p> <p>This work is still progressing due to a profiled aged debt breakdown being required, which has taken longer than anticipated. Hopefully this review will be completed by quarter 3.</p>	Not Currently Known	Anne-Louise Clark

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Education

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Appendix 4b

Service Area	2018/19 Provisional Outturn Variance £	2019/2020 Variance at Sept 2019 Forecast £	Action Required & Timescale	Financial Impact	Responsible Officer
				Not Known	Gavin Metheringham
Home to School transport	1,617	(43,973)	<p><u>Reason for Adverse variance</u></p> <p>The adverse variance is due to the full year financial impact of new contracts that commenced during the year and new contracts required during this financial year in order to meet the increased demand for Pen-y-Cwm and the River Centre Special Schools.</p> <p><u>Proposed Action</u></p> <p>The River Centre is currently at capacity and is likely to remain so for the foreseeable future. Pen-y-Cwm is also at capacity and has seen a marked increase in demand for places resulting in the need to consider increasing the school's capacity. The transport requirements for both schools are demand-led, but monitored closely and efficiencies made where possible.</p>	Not Known	Lynn Phillips

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Education

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Service Area	2018/19 Provisional Outturn Variance £	2019/2020 Variance at Sept 2019 Forecast £	Action Required & Timescale	Financial Impact	Responsible Officer
AWPU Clawback	(81,136)	(81,000)	<p><u>Reason for Adverse variance</u></p> <p>The anticipated funding recovered from Schools as a result of the LA providing alternative education provision has reduced due to schools increasingly providing provision to meet pupils needs as an alternative to requiring specialist placement and as a result of the River Centre being at capacity.</p> <p><u>Proposed Action</u></p> <p>Areas have been identified where guidance requires or advises AWPU clawback from schools. This will be taken forward following appropriate awareness raising.</p> <p>Mechanisms for identifying AWPU clawback eligibility are being devised with the River Centre.</p>	Not Known	Gavin Metheringham

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Service Area	2019/2020 Variance at June 2019 Forecast £	2019/2020 Variance at Sept 2019 Forecast £	Action Required & Timescale	Financial Impact	Responsible Officer
Waste Services	(313,145)	(103,495)	<p><u>Reason for Adverse variance</u> The adverse variance is due to:</p> <ul style="list-style-type: none"> • Transfer Station Costs have increased due to additional hours being worked as a result of black bag sorting and increased recyclate - £50,000 • The Sustainable Waste Management grant is lower than estimated by £45,000, due to the grant reduction being higher than anticipated. <p><u>Actions:</u></p> <ul style="list-style-type: none"> • Further virements into Waste Services from underspending budgets will be a priority. • There are likely to be further savings associated with 'keeping up with the Joneses' campaign which has seen a reduction in residual waste. • The waste recycling disposal contracts will continue to be monitored and reviewed. <p><u>Updates:</u></p> <ul style="list-style-type: none"> • The waste recycling disposal contracts have been reviewed resulting in a reduction in costs and increases in recyclate income £51,000 • A risk based approach has resulted in the security 	Estimated net saving £104,000	M Perry / M Stent

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Service Area	2019/2020 Variance at June 2019 Forecast £	2019/2020 Variance at Sept 2019 Forecast £	Action Required & Timescale	Financial Impact	Responsible Officer
			<p>contract being terminated from October 2019. However, due to issues with insurance etc this will need to be reviewed prior to the third quarter £40,000.</p> <ul style="list-style-type: none">• The 'keeping up with the Joneses' campaign has assisted in a reduction in residual waste costs £130,000.• In year virements have also been undertaken to offset the additional revenue costs incurred from the narrow access and rear loading vehicles.• The baler at the Transfer Station has now commenced operation, allowing for the potential to generate additional income from the increased levels and quality of recyclate.		

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Meals on Wheels	(25,375)	(22,588)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> • This overspend is due to the income from the sale of meals not achieving the target income. • Meal prices have been increased and marketing undertaken to try to increase revenue. Staff hours have been reduced. However, the service continues to struggle to breakeven as a result of the income targets set against this service. <p><u>Actions:</u></p> <ul style="list-style-type: none"> • Continue to market to try to increase sales • Review of staff hours to deliver the service. 		C Rogers / M Price
Corporate Landlord	0	(63,449)	<p><u>Reason for Variance</u></p> <ul style="list-style-type: none"> • This overspend is mainly due to the expenditure incurred on Community Asset Transfers and securing non operational buildings. • Non-operational buildings - £21,000. This is an unfunded budget and includes one off cost pressures relating to the transfer of redundant buildings to the Corporate Landlord. • Community Asset Transfer - £42,000 – This relates 		C Rogers / M Price

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			<p>to buildings transferred to Community Organisations involved with the Recreation Grounds CATS.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Minimise expenditure on all non-essential maintenance buildings. • Continue to reduce Non Operational buildings via CATs, Sale or demolition. • Review of costs associated with Non Operational buildings to be carried out. (E.g. review of security and alarm costs) 		
County Borough Cleansing	(28,237)	(703)	<p>Reason for Adverse variance</p> <ul style="list-style-type: none"> • This is partly due to the cost of the Public Conveniences, including the contribution paid to the management of Public Conveniences towards the running costs and maintenance costs. A one off grant was received in 2018/2019 of £17,200, but this is not anticipated for the current year at this stage. • It is also due to an increase in hired vehicle costs. 		M Perry / D Watkins

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			<p><u>Actions:</u></p> <ul style="list-style-type: none"> • Cease spend for Deep cleans at Town Centres. • Reduce Weedspraying. • Review of transport costs of sweeper. Potential to remove one unit <p><u>Updates:</u></p> <ul style="list-style-type: none"> • Reduction in Town Centre deep cleans • Reduce Weedspraying • Reduction of 1 sweeper 		
Cemeteries	(37,248)	(8,168)	<p><u>Reason for Adverse variance</u></p> <ul style="list-style-type: none"> • There is a forecast net surplus (income over expenditure) on this budget of £287,000, however, the income target of £491,000 is not being achieved by £29,000. <p><u>Actions:</u></p> <ul style="list-style-type: none"> • The income forecast is based on 2018/2019, and will be monitored during the financial year. • Consideration to increase fees and charges for residential and non residential fees, from 01/01/20 		M Perry / D Watkins

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			<p><u>Updates:</u></p> <ul style="list-style-type: none"> • An in-year virement was made from within Environment budgets of £33,000. 		
Cwmcrachen Caravan Site	(53,713)	(53,713)	<p><u>Reason for Variance</u></p> <ul style="list-style-type: none"> • Utility bills far higher than anticipated. <p><u>Actions:</u></p> <ul style="list-style-type: none"> • Investigation into corporate utility bill arrangements at the site to ensure correct billing. • Review to ensure that the council is full cost recovering against these costs. 		D Thompson