

Action Plan

Corporate Services 2019/20 Forecast Adverse Variances (as at 31 December 2019)

Appendix 4a

Service Area	2019/2020 Variance at June 2019 Forecast £	2019/2020 Variance at Sept 2019 Forecast £	2019/2020 Variance at Dec 2019 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
Housing Benefits	(137,273)	(107,205)	(108,529)	<p><u>Reason for Adverse Variance:</u> 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. In the previous financial year, these costs were offset by an in year budget virement.</p> <p><u>Update:</u> A cost pressure of £107,000 has been approved as part of the 2020/2021 budget setting process. This pressure will therefore not continue into 2020/21.</p>	Not Currently Known	Anne-Louise Clark
Resources Departmental budget	£27,553	(£13,219)	(£134,231)	<p><u>Reason for Adverse Variance:</u> The reason for the adverse variance is due to a combination of the delayed implementation of the departments service review and subsequent redundancy costs (which will only relate to the current financial year). At quarter 2 this was</p>	Not Currently Known	Rhian Hayden

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				<p>mitigated by an in year virement from within the Portfolio, which has since been reversed due to an emerging cost pressure.</p> <p>Action: Expenditure will be closely monitored during the last quarter, to minimise this cost pressure by the year end.</p> <p>The revised structure is now in place and therefore this cost pressure will not to continue into 2020/21.</p>		
Council tax Reduction Scheme	£77,975	£27,341	(£27,555)	<p>Reason for adverse variance: Whilst the CTRS caseload has not increased, there has been an improvement in the speed of processing, particularly in relation to the change of circumstances process. As a result CTRS claimants are receiving</p>	Not currently Known	Rhian Hayden

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				<p>their entitlement in a more timely manner and should impact on the outstanding debt position at year end.</p> <p><u>Action:</u> Expenditure will be closely monitored during the last quarter, to minimise this cost pressure by the year end.</p>		
Democratic Representation and Management	£517	(£12,602)	(£26,057)	<p><u>Reason for adverse variance:</u> Following Community Asset Transfers of a number of buildings, the council is incurring rental costs for the occupation of Town & Community Councils and no progress has been made for charging for this accommodation.</p> <p><u>Action:</u> This is being progressed under the Assets and Property Strategic Business Review, as part of the Bridging the Gap programme.</p>		

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Service Area	2019/2020 Variance at June 2019 Forecast £	2019/2020 Variance at September 2019 Forecast £	2019/2020 Variance at Dec 2019 Forecast £	Action Required & Timescale	Financial Impact £	Responsible Officer
AWPU Clawback	(81,000)	(81,000)	(64,000)	<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. The reduced adverse variance (from £81k in September 2019) indicates that progress is being made, although it is uncertain at this stage if the total £100,000 income target will be achieved.</p>	17,000	Gavin Metheringha m

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SEN recoupment/ Independent school Fees	(60,773)	(62,175)	(45,658)	<p><u>Reason for adverse variance:</u> New and continuing placements to Out of County Schools have increased the adverse variance.</p> <p><u>Action:</u> The forecast of placements to the end of the financial year will continue to be reviewed and monitored on a more regular basis in the final quarter.</p> <p><u>Update:</u> The forecast adverse variance have reduced due to an in year budget virement of £60,000 from Social Services offset by fluctuations in individual placement costs and charges.</p>	60.000 (15,000)	Gavin Metheringha m
Departmental Budget	-		(34,488)	<p><u>Reason for adverse variance:</u> Continuing external professional support to the Abertillery Learning Community is the main element within this adverse variance.</p>	28,000	Lynette Jones

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				<p><u>Action:</u></p> <p>Consideration will be given to an in year budget virement from the Psychology Budget.</p>		

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Waste Services	(313,145)	(103,495)	(68,086)	<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. • Transfer of costs from revenue into new HWRC capital project for staff time working on the project and receptacles. <p><u>Updates:</u></p> <ul style="list-style-type: none"> • The waste recycling disposal contracts have been 		M Perry / M Stent

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				<p>reviewed resulting in a reduction in costs and increases in recycle income</p> <ul style="list-style-type: none"> • A risk based approach has resulted in the security contract being terminated from October 2019. However, this has since been reviewed and security reinstated at a reduced cost. • The 'keeping up with the Joneses' campaign has assisted in a reduction in residual waste costs. • 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 recycle. • Transfer of eligible staff costs for staff working on the project from revenue into the HWRC capital scheme • Cost pressure agreed as part of the 2020/2021 budget setting process to mitigate the £45,000 shortfall in the Sustainable Waste Management Grant. 	<p>20,000</p> <p>130,000</p> <p>118,000</p> <p>75,000</p> <p>45,000</p>	

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Meals on Wheels	(25,375)	(22,588)	(23,470)	<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. <p><u>Actions:</u></p> <p>In line with the recommendation of the service Review:</p> <ul style="list-style-type: none"> • Staffing hours have been reduced to 80 hours • Meal prices have increased • Continued marketing and promotion of the service to try to increase sales <p>However, the service continues to struggle to breakeven.</p>		C Rogers / M Price
Corporate Landlord	0	(63,449)	(0)	<p><u>Update:</u></p> <p>This overspend has been reduced due to the transfer of eligible revenue costs for asbestos removal at Pond Road to capital and an increase of fees and charges.</p>	45,000	C Rogers / M Price

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Cwmcrachen Caravan Site	(53,713)	(53,713)	(64,915)	<p><u>Reason for Variance</u></p> <ul style="list-style-type: none"> • Corporate Energy Costs increased • Electricity Management Problems • Investigations into electricity usage • Other tenancy management/repairs (e.g Bailiff costs £8.5k). • <p><u>Actions:</u></p> <ul style="list-style-type: none"> • Investigation into corporate utility bill arrangements at the site to ensure correct billing. This is still ongoing. • Review to ensure that the council is full cost recovering against these costs. • New sub meters and payment meters installed • Reporting of any suspected illegal activity • To review after June 2020, to consider capital invest to save for direct supply if problems continue. 		D Thompson
Littering and Dog Control Orders	(14,418)	(14,729)	(33,500)	<p><u>Reason for Variance</u></p> <p>Staff turnover, Contractor management and financial challenges/viability. Reduced income.</p> <p><u>Actions:</u></p> <p>Agreement has been reached (Mid-January 2020) to change the contract to enable sustainable continuation for both the</p>		D Thompson

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				<p>Authority and LA Support (Kingdom). Discussed and agreed in principle with Executive Member on 24/1/2020.</p> <p>Terms are as follows:</p> <ul style="list-style-type: none"> • Reduction to 2 x Enforcement Officers (75 hours/week) from 4 Officers. • 6% (4.5 hrs) to dedicated to Dog Control patrols • FPN income to be retained by LA Support. • Zero cost to the Authority. • Short notice to terminate contract for both parties. <p>Subject to signing the new SLA this pressure will not continue into 2020/2021.</p>		
Coroners Court	(1,038)	(1,038)	(25,516)	<p><u>Reason for Variance</u> The adverse variance is as a result of additional costs following the service being brought back in house (Newport CC) and the recovery of 2018/2019 overspend.</p> <p><u>Actions</u> Further information is being sought from the lead authority.</p>		