

Directors comments on budget variances

Appendix 'B'

Director of Corporate Services

Variance	£000	Explanation and Action
<u>Savings Variation</u>		
<u>Comms & Consultation :</u>		
Governance Review	40	As per Tracker
Rationalisation of Cabinet / Exec Support	40	As per Tracker
New Communications model	160	As per Tracker
Non specific	20	As per Tracker
<u>HR&OD :</u>		
Implementation of Business Support Review	100	As per Tracker
CHS&WB Trading Income	80	As per Tracker
Restructure of H&S Team	40	As per Tracker
<u>Sustainable Swansea (Directorate Target) :</u>		
Senior Staff Review	210	As per Tracker
T&C's	150	As per Tracker
Commercial Savings	55	As per Tracker
Additional Sustainable Swansea savings	885	As per Tracker
Lean Systems Thinking	80	As per Tracker
Training	20	As per Tracker
<u>Other Variation</u>		
<u>Commercial Services :</u>		
Reduction in Retro Rebates income	35	Direct effect of implementation of centralised National Procurement Service
<u>Legal & Dem Services :</u>		
Members	-65	Salaries foregone for duplicate positions; savings on generic NI rate applied to budget
Net vacancies	-45	Savings accruing; difficulty in appointing
Various incomes	-25	Additional incomes generated
<u>Comms & Consultation :</u>		
Net supplies & services	-50	Savings on running costs throughout Service

<i>HR&OD :</i>		
CHS&WB Trading Income	70	Not likely to progress – alternative funding will need to be found
Net supplies & services	5	Additional running costs throughout Service
<i>Finance & Delivery :</i>		
Additional Allowances – ex employees	-20	Likely underspend based on current trend
External Audit Fees	-75	Likely underspend based on historic evidence.
Additional HB DWP Grant	-25	Some of which can be absorbed via business as usual
Reduction in Schools SLA income	55	Cost efficiencies passed on to schools
Cost Reduction schemes not progressed	55	e.g. Debt Restructure
Net vacancies	-130	Savings accruing throughout service as posts kept vacant in prep for 17/18 targets

Given the overall financial position of the Council the Directorate will continue to identify further savings opportunities on an on-going basis.

Director of People

Social Services

Variance	£000	Explanation and Action
Potential shortfalls in originally planned savings targets	1,039	As per tracker. Areas include the Domiciliary Review and allocated savings targets. We are not on target to achieve the senior staff review savings in 2016/17, but have developed proposals to achieve this and the full target in 2017/18. Work to realign Social Services budgets has seen the Sustainable Swansea savings targets subsumed within Services.
Mental Health and Learning Disability Complex Care	1,681	Substantial time and resource has been invested into understanding the cost base for Mental Health and Learning Disability placements. Whilst this work has resulted in a much improved understanding of costs in this area, it has also given a greater ability to forecast cost pressures from new placements and transition. In 2015/16 this area overspent by £1.7m and we have been advised of growth in excess of £700k in the current year. Work to review packages in this area is ongoing and will be accelerated.
External Domiciliary Care	864	This area overspent by more than £2m in 2015/16 and whilst additional budget has been allocated to meet some of this pressure, the effect of increases in minimum wage as well as

		the levels of demand mean that an overspend is forecast.
External Residential Care	318	It is hoped that this projected overspend will be mitigated by above budget income.
Internal Staffing and Services	-650	Underspends are forecast due to increased grant utilisation, better use of resources and staff vacancies
Third Party Spend	-69	
Training Realignment	-520	A realignment of training reserves provides the opportunity for a one off benefit to the revenue position.
Miscellaneous	15	Aggregate position of areas not included within the above.

The above position includes £1.3m funded by release of central inflation and living wage provisions.

A reorganisation of budgets within Social Services has recently been completed. Whilst this has affected the individual variances reported above, it has not altered the overall position of the service.

Significant management action is ongoing to improve the overall position of the Department.

Education

Variance	£000	Explanation and Action
Potential shortfalls in originally planned savings targets	620	Areas include Behaviour Review, corporate IT, Integrated Transport Review savings, and allocated corporate savings targets such as relating to Terms and Conditions
Recoupment / Independent Special School Fees (net of 150k inflation provision)	850	Pressures are likely to continue to grow in spite of work to mitigate costs unless action is taken to enhance provision available within Swansea. Processes tightened to monitor costs at commitment stage but transitional and management capacity issues to still resolve.
Pupils Educated at Home	100	To avoid more costly places out of County the cost of pupils educated at home has increased. Pressures likely to increase further without enhanced placements within Swansea. This area currently under review.
Behaviour Review	408	Slippage in delivery of further savings as originally envisaged in previous years to provide funding to devolve to schools. The strategy for delivering these savings has been reviewed in the light of growing demand. An alternative strategy is now being pursued to implement these, as well as robust management action to identify alternative savings.

Home to School Transport (net of 150k inflation provision)	50	Significant pressures on SEN/Statemented and Post 16 SEN transport, offset by savings in mainstream transport, Specialist Teaching Facilities and Special Schools
Other demand-led pupil specific support for special needs	109	Continuing pressures likely without wider strategy to delegate budget and responsibilities and/or enhance mainstream capacity within schools
Other non-delegated schools cost pressures	158	Detailed scrutiny of non-delegated school cost centres show higher than budgeted levels of spending in areas such as maternity, and schools at risk, partially offset by one-off management action.
Proposed Managed Savings	-618	To seek to mitigate unavoidable cost pressures reported above

Poverty & Prevention

Variance	£000	Explanation and Action
Child & Poverty Projects	-70	This budget is in place to support Child Poverty Projects as need arises. There was no call on this budget in 15/16 and therefore no spend plan in place for 16/17. The reduced spend reflect the success in additional sponsorship monies for the High Five awards, along with improved management of external funding.
Young Peoples Service	-170	Savings identified in year through delays in staff recruitment due to implementation of Youth Club commissioning review, only now seeing full effects of implementation of Outdoor Centres commissioning review, delay in recruitment due to redeployment timings in order to mitigate impact of Communities First withdrawal in 17/18 and maximisation of Youth Strategy Grant, part-year implementation and movement of the NEETS service.
Early Intervention Service	-70	WG have now confirmed the amount of money we will receive in terms of Childcare Grants, this grant will be maximised in 16/17 and therefore realised an underspend on core funds.
Community Safety	-40	Planned reductions in budget spend through the implementation of the CCTV and Community Safety Commissioning Review which are now in implementation phase.
Tackling Poverty Service	-100	The underspend has been caused by a delay in recruitment to the Tackling Poverty Manager Post and backfill for parts of this post have been claimed through Grant and maximisation of grants in current year.

Director of Place

The majority of areas are largely in line with the projection outlined in the quarter 2 report with the exception of the following notable exceptions.

- The decision has been made to centrally fund all back pay costs arising out of single status whereas these cost had been directly charged back to these services. This has resulted in an overall improvement in the directorate position of £865k
- A number of areas have improved as a result of increased income including leisure operations, grand theatre, building regulation income and highway improvement fees
- The £600k commissioning savings identified under Corporate Building and Property Services for 16/17 have now been captured under the banner of sustainable Swansea so moved from the service budget
- Reduction of posts via ER/VR and delayed filling has resulted in some savings against staffing budgets
- A rating appeal claim has been successful for the Crematorium resulting in a one off rebate of £320k for 16/17

This has result in an overall improvement to the directorate budget of £1.991m below budget when compared to the 2 quarter of £1.459m.