

The main variances against directorate revenue budgets were as follows:

Capital Financing – (£520,000)**(£520,000) Month 9**

The overall outturn for capital financing is in line with the position as reported at month nine and reflects a range of factors. Firstly, following the determination of final capital expenditure in 2015/16 and slippage in the programme, the amount required to be set aside for the repayment of capital expenditure which is usually charged a year in arrears is lower than originally forecast for this year. Also, as part of the outturn report for 2015/16, it was reported that a technical adjustment was undertaken to pay off historic premiums and penalties amounting to £2.1 million in relation to rescheduling of borrowing undertaken in previous years. This cost would normally be spread over future years, however charging the full cost in 2015/16 has allowed a saving to be made in 2016/17 which will also support the Council's budgets in future years. A saving was also achieved through the use of temporary cash balances to defer any significant external borrowing requirement during the year. This is in line with the Treasury Management Strategy and takes into account the impact of the reduction in the Bank of England Base Rate earlier in the year. These are partly offset by a reduction to the share of external interest cost that can be charged to the Housing Revenue Account as part of the pooling arrangements and from lower interest receivable from directorates in the current financial year, mainly in relation to the Schools Organisation Plan. The position includes a shortfall of £150,000 against the budgeted dividend from Cardiff Bus following the decision at its Annual General Meeting in November not to award a dividend in relation to its 2015/16 accounts.

City Operations +£1,173,000 (£32,000 underspend excluding the impact of the Leisure ADM) +£955,000 – Month 9

The final position for the Directorate is an underspend of £32,000 however when the impact of the delays to the alternative delivery model (ADM) for Leisure are included, this results in an overspend of £1.173 million. This overall position represents an increase of £218,000 compared to the month nine position, predominantly due to an increased overspend within Leisure Services, partly offset by additional income within Planning Services. In addition to the shortfall against the savings target relating to the implementation of the ADM in Leisure Services, overspends were recorded in relation to cross-directorate budgets, mainly due to further shortfalls against savings targets. The mitigations against these overspends included savings and additional income in a number of areas across the Directorate. Within the overall position was a shortfall against savings targets totalling £2.675 million, of which £1.205 million relates to the Leisure ADM. However, overachievements against savings targets totalling £506,000 result in total net savings shortfalls of

£2.169 million in respect of savings targets for both 2016/17 and unachieved savings brought forward from 2015/16. The individual variances can be seen in Appendices 3(a) and 3(b) to this report.

The total overspend within Leisure Services was £1.450 million, including the £1.205 million savings shortfall relating to the ADM process. This shortfall was due to the delayed implementation date of 1st December 2016 for the transfer of leisure centres to the new operator. In addition, there were operational shortfalls in leisure centres prior to the transfer to the new operator totalling £11,000. A deficit of £108,000 was also recorded in respect of the Cardiff International White Water Centre, which was a consequence of a reduction in the subsidy provided by the Cardiff Harbour Authority. In addition, there was a deficit of £85,000 relating to Community Halls, mainly due to a savings shortfall at Canton as an alternative operator could not be identified and a trading deficit of £41,000 at other specialist facilities, including Cardiff Riding School.

The other significant overspend within the Directorate related to cross directorate savings targets, where shortfalls totalled £717,000. These incorporated the various service re-shaping exercises being undertaken within the Directorate, including a review of cross service support functions and a wholesale review of staffing levels. A delivery plan is in place which should ensure the achievement of these savings, including a new operating model for the Neighbourhood Services function, however this did not take effect in time to deliver the savings in full in 2016/17, although some mitigations were identified in year including staff reductions and changes to working hours.

The most significant underspend within the Directorate related to the Planning & Building Control section where there was a total underspend of £348,000 which related to increases in planning fee income as well as a surplus in the non-fee part of Building Control. There was a further underspend of £171,000 in relation to the Transport Planning, Policy & Strategy division where overstay charges for the Windsor Road and Beresford Road bridge upgrades, which are part of the railway electrification schemes, provided additional income as well as other income increases from road related activities. In addition, Infrastructure Services underspent by £201,000. This related to additional concessionary fares travel reimbursement income, in year vacancies and increased drawdowns from commuted sums. These underspends were partly offset by a financial pressure in relation to the South Wales Trunk Road Agency (SWTRA) cost recovery mechanism. Although there were delays in implementing the LED street lighting and traffic signal conversion saving, it was possible to offset these shortfalls by a draw down from the Energy Conservation Reserve.

Further underspends resulted in relation to Schools Transport, Street Cleansing, Bereavement Services and Energy & Sustainability. The School Transport underspend of £176,000 was due to route optimisation savings above agreed targets, plus additional income through the sale of seats. The Street Cleansing underspend of £96,000 was due to employee cost savings resulting from the phased appointment to vacant

posts. Bereavement Services is underspent by £146,000 due to increased income, whilst still enabling a transfer to the earmarked reserve totalling £119,000. The £94,000 underspend within Energy & Sustainability was the result of significant reductions in the cost of the Carbon Reduction Commitment (CRC) which offset shortfalls against various energy income schemes.

Broadly in line with the overspend positions reported at Month nine, Play Services and Registration Services overspent by £98,000 and £60,000 respectively. The Play Services overspend was due to various difficulties and obstacles associated with the community asset transfers, some of which are linked to the uncertainties surrounding future Communities First funding. The overspend within Registration Services represented an operational deficit due to income shortfalls, despite income received being higher than the previous year. In addition, there was an overspend in relation to Environmental Enforcement totalling £64,000, which was due to an income shortfall and represented a significant change from the projected underspend position reported at month nine. Other minor variances within the Directorate related to Management & Support, Cardiff Dogs Home, Parks & Sport and Regulatory Services and totalled a net overspend of £16,000.

The budget for 2016/17 provided one-off resource totalling £320,000 to repair an additional 3,000 potholes and a further £320,000 to improve neighbourhood and city-centre street cleansing, drainage and gully cleaning. This work was actively managed by the Directorate and the expenditure is reflected in this report.

Communities, Housing & Customer Services (€375,000) (€119,000) – Month 9

The overall position shows an underspend of €375,000 against budget, compared to the €119,000 underspend reported at Month nine. This was due to an improvement in the Housing & Communities position. The overall position included underspends against the Housing & Communities, Partnership Delivery, Independent Living Services and Into Work Services Divisions, partly offset by overspends in relation to Customer Services and Libraries. The final outturn demonstrates savings totalling €814,000 were achieved against the 2016/17 target of €1.197 million, leaving a shortfall of €383,000. In addition, there was a shortfall of €186,000 in relation to unachieved savings targets brought forward from 2015/16. This represents a slightly increased shortfall on the position reported at Month nine. The shortfalls included €486,000 in relation to delays in the implementation of the Alarm Receiving Centre and this was reflected in the overall Directorate position.

The Housing & Communities division reported an increased underspend compared to Month nine, totalling €704,000, largely due to increased income from renovation grant administration fees. The position included an underspend of €40,000 in relation to Assessment & Support functions, resulting from savings on employees and the use of earmarked reserves

to fund postage overspends arising in respect of welfare reform change notifications. The underspend within Preventative Services amounted to £462,000 due to Renovation Grant administration fees in excess of the target, partly offset by reduced income levels relating to Targeted Elderly provision. Further underspends were recorded within Face to Face Customer Services and Service Development and Improvement. These totalled £70,000 and £132,000 respectively and were due to reduced staff recharges from the Housing Revenue Account and savings within Housing Strategy Grants payable. All other budgets within this division reported balanced positions. The final outturn in respect of the Council Tax Reduction Scheme was £28.652 million, which represents a reduction on previous projections. As a consequence there was no requirement for a contribution from the corporate contingency budget set aside for increased in-year demand.

Customer Services reported a final overspend of £500,000, primarily in relation to the aforementioned £486,000 savings shortfall in connection with the Alarm Receiving Centre together with other income shortfalls. This particular overspend was partly mitigated by employee savings within the Contact Centre. A number of alternative income sources were also identified, however these will not materialise until after 31 March 2017. A £79,000 underspend within Partnership & Delivery, primarily related to employee costs and reduced project expenditure although Neighbourhood Partnership individual funds were fully spent. A reduced underspend of £26,000 in relation to Into Work Services is also contained within the final position, due to alternative funding for employee costs. In addition, an underspend of £174,000 was reported for Independent Living Services, which is the result of additional employee savings and recharge income, and minor premises and support underspends.

The Libraries service recorded a final overspend of £164,000, largely due to the delay in the roll out of the Libraries and Hub Strategy. This savings shortfall totalled £83,000 and forms the balance of the total savings shortfalls outlined previously. The remainder of the Libraries overspend is because of additional employee costs and income shortfalls, both of which are partly offset by underspends against supplies and services budgets. Neighbourhood Regeneration and Adult & Community Learning both recorded balanced positions and Supporting People Services and Management & Support underspent by £34,000 and £22,000 respectively. The Supporting People grant was utilised in full and there was a small underspend against the Communities First grant which will be repaid to the Welsh Government.

Corporate Management +£329,000

+£425,000 Month 9

The Corporate Management outturn shows an overspend of £329,000, a reduction of £96,000 compared to the position reported at Month nine. The improvement reflects additional savings in a number of areas including higher than anticipated savings on pension fund contributions relating to past service and savings on bank charges and various other budgets. The overall position includes a shortfall of £275,000 against the 2016/17 budget savings target of £875,000 in relation to savings arising

from the implementation of digitalisation across the Council. Work is continuing to identify further savings and this is being supported through the Organisational Development Programme. All other budget savings targets for 2016/17 were achieved.

A shortfall of £193,000 is reported in relation to the budget for the release of savings through voluntary schemes including the purchase of leave. There were also overspends of £58,000 in relation to a shortfall in income from commission earned mainly in relation to insurance services and £45,000 in respect of payments for the Coroner's service. These were partly offset by a range of savings including £109,000 in reduced contributions to the Mid Glamorgan Superannuation fund relating to past employees. Other savings included reduced costs in relation to audit fees and bank charges, levies and contributions and by reduced costs against Senior Management budgets.

Economic Development (£25,000)

(£95,000) Month 9

The final position for Economic Development shows an underspend of £25,000, compared to an underspend of £95,000 as reported at month nine. The overall position included underspends against Business & Investment and Workshops, offset by overspends within Major Projects, City Centre Management, Culture Tourism & Events and Office Rationalisation. It also included an underspend of £10,000 in Commercial Services. The overall Directorate position included savings shortfalls of £1.766 million in respect of 2016/17. In addition, there was a shortfall of £95,000 in relation to unachieved savings targets carried forward from 2015/16.

A significant underspend of £587,000 resulted against the budgets for Business & Investment. This was largely due to increased advertising income in connection with the contract for bus shelters totalling £475,000. In addition, there was a £95,000 underspend in relation to Cardiff Branding following a reduction in committed expenditure. An underspend was also reported in relation to Workshops totalling £42,000. This was due to additional rental income and savings in respect of non-domestic rates costs. Partly offsetting these underspends was a £72,000 overspend in relation to Major Projects, due to a shortfall in staff recharges to capital schemes. An overspend of £119,000 was reported against City Centre Management budgets and related to increased salary costs resulting from a delay in implementing a new operating model for the taxi marshalling service. These increased costs were partly offset by additional income and reduced premises and staffing costs. Service Management & Support overspent by £7,000.

An overspend was also reported in relation to the budget for Culture, Tourism & Events, totalling £62,000, despite previous projections indicating that an underspend would result. The change in position was largely due to income levels being lower than originally anticipated. The overall position is partly due to a £92,000 deficit within the Venues Division, primarily because of shortfalls in income across a range of venues, although Cardiff Castle and City Hall Functions both reported

surpluses. Cardiff Caravan Park also generated a surplus, however Mansion House and Functions & Retail Catering, in particular, recorded deficits albeit against very challenging income targets. Protocol Services achieved a balanced position and Commercial Activities achieved a minor surplus totalling £2,000. Partly offsetting the Venues position was an underspend within Cultural Venues & Arts, where a £21,000 surplus resulted despite challenging savings targets. In addition, there was an underspend within Tourism totalling £16,000, which was the result of vacancy savings. The Events section reported an overspend of £9,000 due to equipment store costs above budget.

The overall position in relation to the Property Division was a surplus of £2,000, despite previous projections suggesting an overspend would result. Within the position were rental income shortfalls totalling £284,000, however these were partly mitigated by one-off licence income resulting in an overall Land & Buildings position which showed a £97,000 deficit. In addition, there was a shortfall in respect of recharges against capital receipts amounting to £29,000, however employee savings totalled £35,000. The final position in respect of the Cardiff Market was a £15,000 underspend and the Property Service reported underspends of £77,000 in relation to staff recharges. Capital receipts under £10,000 were in line with the budget target. Further to the Property overspend was an overspend of £356,000 in connection with Office Rationalisation. This was primarily in relation to the delayed transfer of the Global Link building to the Local Health Board, as well as delays in the disposal of Bessemer Close, Suffolk House and Penhill, resulting in increased non-domestic rates and utilities costs.

The new Commercial Services Division reported an overall underspend of £10,000, compared to the £127,000 underspend reported at Month nine. The overall position is largely due to surpluses within the Building Services section of Facilities Management. The £955,000 savings shortfall, in respect of 2016/17 targets, primarily related to digitalisation, HWRC closures, depot security and renewable gas income within Recycling Waste Services and vehicle utilisation within Fleet Services. In addition, there were savings shortfalls in relation to Cleaning Services and Security Services. However, it was possible to identify mitigations to offset both these shortfalls and other emerging financial pressures.

The Council's 2016/17 budget included specific contingencies totalling £1.168 million in relation to waste disposal, reflecting the difficulty of predicting tonnage figures and the consequent impact on disposals, and £350,000 to offset potential income shortfalls in relation to the Materials Recycling Facility (MRF) to reflect the volatility in the market for recyclate materials. Having reviewed these areas as part of the monitoring process, this report reflects the full use of the contingency budget for the MRF together with £959,000 allocated in respect of the impact of increased tonnages. These allocations were incorporated within the Directorate position.

The overall position for Recycling Waste Services was an overspend of £261,000. This included a £387,000 shortfall in savings targets, as well

as significant in-year pressures. These in-year pressures related to higher third party payments associated with the treatment of glass and increased operating costs for the MRF. However, some mitigations were identified, including additional landfill income from inert materials, staff savings and an assumed transfer from earmarked reserves to offset the projected costs associated with the delay in the implementation of changes to the HWRC sites. Fleet Services reported an underspend of £31,000, representing a continuation of the position reported at Month nine, despite the savings shortfalls associated with vehicle utilisation and vehicle procurement efficiencies. A number of mitigations for the £389,000 savings shortfall were identified, including staffing savings and additional internal income. The main underspend within the division related to Facilities Management and amounted to £192,000, largely due to a significant surplus within the Building Services section, partly offset by a deficit on FM buildings. Pest Control also reported a surplus, as did the Accommodation Account, although Building Support, Cleaning and Security all reported deficits. The Design & Construction Unit improved upon the balanced position reported at month nine to record a surplus of £48,000. Underpinning the position was additional internal income.

Education & Lifelong Learning £178,000

+£100,000 – Month 9

The overall position was an overspend of £178,000, representing a £78,000 increase on the position reported at Month nine. The overall position was largely related to a significant overspend against out of county placements offset by savings elsewhere within the Directorate, particularly Catering. Total savings of £2.653 million were achieved against the 2016/17 savings target of £3.356 million, leaving a shortfall of £703,000. The shortfalls were largely in relation to out of county placements and Education Other than At School (EOTAS). In addition, there was a shortfall of £46,000 against the unachieved savings targets brought forward from 2015/16.

A total overspend of £699,000 was recorded in relation to the budgets for Inter-Authority Recoupment and Special Educational Needs (SEN). The majority of this related to the cost of out of county placements and shortfalls against savings targets totalling £560,000. The intention of the savings proposal was to reduce both the cost and number of placements and, whilst this was possible in a number of cases, it did not result in the full achievement of the target. In addition, there was an overspend of £192,000 in connection with the budget for EOTAS, as a result of delays in the implementation of a new approach to the delivery of one-to-one tuition and shortfalls in cost recovery relating to hospital tuition. Furthermore, there was an underspend in relation to the Pupil Referral Unit of £71,000, due, primarily, to the fallout of grant funding. Partly offsetting these variances was an underspend of £124,000 in relation to Services of a Specialist Nature, largely due to it being possible to make savings on the cost of resources and the use of earmarked reserves.

An additional overspend totalling £94,000 also resulted in relation to Management & Support Services, primarily due to the costs associated with the temporary closure of a number of school buildings and the non-

achievement of a budget savings target relating to the Performance team. These overspends were partly offset by savings against staffing budgets through the recharging of costs to other parts of the Directorate. Further minor overspends totalling a combined £35,000 were reported in relation to Education Grant expenditure and the Youth Service. The Youth Service position included the full achievement of significant savings targets. Partly offsetting these overspends was an underspend of £87,000 against the Wellbeing & Compliance budget due primarily to savings against training budgets.

The remainder of the overspend outlined in the previous paragraphs was partly offset by a £377,000 underspend in relation to the Catering service. This underspend resulted because of additional income, following a price increase, and the continued identification of efficiencies against expenditure budgets. In addition, there was a £111,000 underspend within Early Years & Childcare due to in-year savings in relation to payments for independent nursery settings. The overall position for the Centrally Held School Funds division showed an underspend of £75,000, despite a shortfall of income in relation to the Music Service. Savings relating to the Storey Arms Centre, Estates Management and ongoing pension contributions more than offset the Music Service position.

Governance & Legal Services (£230,000)

(£55,000) Month 9

The overall position for the Directorate shows a significantly increased underspend of £230,000 compared to the £55,000 underspend reported at Month nine. The main reason for the change in position is the increased income generated within Legal Services. The position included a shortfall of £24,000 in relation to the 2016/17 savings targets. The overall position comprised underspends against the Monitoring Officer budget, Legal Services and Democratic Services, partly offset by an overspend within Scrutiny Services. The Legal Services underspend of £225,000 was due to delays in appointing to vacant posts and additional income from both internal and external services, and was despite a shortfall against a previous initiative to reduce external legal costs totalling £200,000. The £44,000 underspend against the Monitoring Officer budget was the result of the vacant Monitoring Officer post, partly offset by the recruitment costs associated with filling the post. The overspend of £40,000 within Scrutiny Services was a combination of shortfalls against external income targets, partly offset by savings against staffing budgets. Democratic Services, Member Services and Electoral Services recorded a net underspend of £1,000, after transfers to earmarked reserves. Bilingual Cardiff reported a balanced position, however a transfer to earmarked reserves formed part of this position and was facilitated by additional external income.

Resources (£165,000)

(£160,000) Month 9

The outturn for the Resources Directorate shows a saving of £165,000, an increase of £5,000 compared to the position reported at Month nine. The change reflects an increased saving in ICT partly offset by increased

overspends in Human Resources and Health and Safety. Total savings of £1.681 million were achieved against the Directorate's 2016/17 savings target of £1.760 million leaving a shortfall of £79,000. In addition a shortfall of £16,000 was also reported in relation to the savings targets carried forward from 2015/16. These shortfalls are reflected in the Directorate outturn position.

Underspends were reported in a number of areas including £162,000 in ICT as a result of savings on printer rationalisation and across a range of other budgets including SAP support. An underspend of £104,000 in Performance and Partnerships reflected managed underspends and savings on employee costs as a result of vacancies in Performance Management, the Cabinet Office and Policy and Partnerships. The latter also includes savings on transport and support costs and grant income above budget. These were partly offset by a shortfall in income within the Corporate Communications budgets. Underspends of £67,000 in Finance and £21,000 against training and other directorate budgets were also reported. The underspend in Finance was mainly due to staff vacancies although this was partly offset by cost pressures and income shortfalls in the Revenue Service including a shortfall of £65,000 against the budget saving target relating to the extension of the income enforcement service. Work is continuing to ensure that this saving is fully achieved in the current financial year.

These were partly offset by overspends of £112,000 in Human Resources and £77,000 in Health and Safety. The overspend in Human Resources reflects a shortfall of £295,000 against the budgeted surplus for Cardiff Works. This was partly offset by a reduction in capital financing costs for HRPS systems and by additional support service income. The Academy reported a balanced position with underspends in the learning and development fund transferred to the Apprenticeship and Training Reserve to support costs in this area in future years. The overspend of £77,000 in Health and Safety was mainly due to a shortfall in central support income reflecting the need to prioritise work in other areas during the year thereby limiting the scope for income generation.

Social Services +£6,745,000

+£5,981,000 Month 9

The Directorate outturn shows an overspend of £6,745 million, an increase of £764,000 compared to the position reported at Month nine. The increase was mainly due to additional placement and external legal costs within Children's Services with costs in Adult Services reducing compared to Month nine mainly due to additional Intermediate Care Grant funding and some reduction in the demand for domiciliary care for older people. The overall Directorate position includes overspends of £4.277 million in relation to Children's Services and £2.468 million in Adult Services. The overspend reflects the impact of demographic and cost pressures, with significant increases in the number of placements and costs for looked after children particularly in relation to external fostering and increased levels of need and requirements for domiciliary care and nursing home placements. There have also been significant cost pressures particularly in relation to nursing home placements. The

overall position also reflects a significant shortfall against budget savings targets both in respect of the 2016/17 budget and in relation to on-going shortfalls against 2015/16 savings targets which had yet to be achieved. In terms of the overall Directorate, total savings of £4.010 million were achieved against the 2016/17 savings target of £5.539 million leaving a shortfall of £1.529 million. In addition a shortfall of £1.085 million was reported against the savings targets carried forward from 2015/16. These shortfalls are reflected in the Directorate outturn with details of individual variances set out in appendices 3(a) and 3(b) to this report.

Within the overall Directorate position, the Children's Services element of the budget reported an overspend of £4.277 million. This is after taking into account the allocation of the £950,000 specific contingency budget set aside to meet increased costs in relation to placements for looked after children. The requirement for the allocation of this contingency sum was set out in the Month four monitoring report and the allocation is incorporated into the Directorate budget position in this report. Although the service received an additional budget realignment of £1.6 million as part of the 2016/17 budget process, on-going pressures on the budgets for external placements, leaving care support costs and external legal costs have all contributed to the overspend. These pressures have been alleviated to an extent by mitigating actions taken in respect of guardianship allowances and by savings in Child Health and Disability Commissioning budgets and Internal Fostering and Adoption. The overall position for Children's Services includes a shortfall of £1.467 million against the savings targets for 2016/17 and carried forward from 2015/16 and this is reflected in the analysis of the variances below.

The Children's Services position includes an overspend of £3.788 million in respect of external placements for looked after children with on-going pressures on external residential placements and a significant rise in the number of external fostering placements during the year increasing costs in this area. This is after allowing for the drawdown of the £950,000 contingency budget which was set aside specifically to meet increased costs associated with external placements. Overall, the number of external fostering placements has increased by 47 during the year. The overspend on external placements includes a shortfall of £681,000 against the budget savings targets in this area with only partial savings achieved in 2016/17 in relation to a number of initiatives including the establishment of an Adolescent Resource Centre. These savings are anticipated to be fully achieved in 2017/18.

Other overspends include £461,000 on leaving care support costs for children aged 16+ reflecting the on-going high cost of supported accommodation and other support for those leaving care. An overspend of £988,000 was also reported in relation to Management and Business Support. This includes shortfalls in savings targets of £534,000 together with an overspend of £230,000 on external legal costs with significant pressures continuing to be experienced in this area. Other overspends include £133,000 on Safeguarding budgets, £168,000 on other social work terms and £28,000 in the Youth Offending Service.

A saving of £496,000 was reported in relation to guardianship orders with no increase in the level of residential order allowances taking place during the year. The saving arising from this was partly offset by the impact of an increase in the number of allowances. A saving of £350,000 was also reported in relation to Child Health & Disability Commissioning budgets mainly in respect of domiciliary and respite care. This reflects the continuing reduction in expenditure in this area following a process of reviews and a switch to direct payments in recent years. Other underspends include £229,000 in internal fostering reflecting reduced numbers and savings on staffing budgets, £123,000 on Adoption budgets and £91,000 on the Family Support/Personal Advisor Service mainly due to savings on staffing budgets.

The Adult Services element of the Directorate budget shows an overspend of £2.468 million a reduction of £217,000 compared to the position reported at Month nine. The improvement was mainly due to additional Intermediate Care Grant funding confirmed during the latter part of the year. There was also some reduction in the demand for domiciliary care for older people in the final quarter however this was largely offset by the on-going pressures in relation to the costs of nursing home placements. Overall, the overspend in Adult Services is due to a combination of shortfalls against budget savings targets for 2016/17 and on-going shortfalls from 2015/16 together with a number of demographic and cost pressures particularly in relation to domiciliary and nursing care for older people. The overspend takes account of the additional funding provided as part of the 2016/17 budget which included a budget realignment of £2.5 million in relation to savings targets from previous years, funding for demographic pressures of £1.6 million and additional funding set aside to meet fee increases including the impact of the National Living Wage. The overall position includes a shortfall of £1.147 million against the savings targets for 2016/17 and carried forward from 2015/16 and this is reflected in the analysis of the variances below.

Overall, the Commissioning budgets in Adult Services showed an overspend of £3.155 million. This includes overspends of £2.784 million on services for Older People, £641,000 on people with a physical disability including alcohol and drugs and £100,000 on people with a learning disability. The overspends include both shortfalls against savings targets and demographic and cost pressures particularly in relation to domiciliary and nursing care. The number of domiciliary care hours delivered to older people for example has increased by 9% in 2016/17 resulting in additional costs of £1.2 million. There has also been an increase of around 10% in the price of a nursing bed during the year increasing costs within services for older people by £1.3 million. There were also significant cost pressures in relation to domiciliary care and an increase in direct payment hours in services for people with a physical disability. The overspends are partly offset by an underspend of £370,000 in Mental Health Services. This is largely due to levels of expenditure on Deprivation and Liberty Safeguards (DOLS) continuing to be lower than anticipated, together with a reduction in residential placements compared to previous years.

The budget for directly provided Adult Services reported an underspend of £687,000. This is mainly due to a saving of £898,000 in Assessment and Care Management reflecting staff vacancies within the service together with Intermediate Care Grant funding which partly offset existing employee costs. Underspends of £57,000 in Internal Support and Management and £160,000 in relation to day care and reablement services for Older People were also reported reflecting a combination of employee and other cost savings including additional Intermediate Care Grant funding. These were partly offset by an overspend of £428,000 in relation to Learning Disabilities Supported Living and Day Care mainly as a result of shortfalls against savings targets.