

BUDGET MONITORING – MONTH 9 REPORT

**FINANCE, MODERNISATION AND PERFORMANCE (COUNCILLOR
CHRIS WEAVER)**

AGENDA ITEM: 5

Reason for this Report

1. To provide the Cabinet with an update of the financial monitoring position for the authority based on the first nine months of the financial year and as updated for significant movements to date.

Background

2. This monitoring report provides details of the projected outturn for 2018/19 compared with the budget approved by Council on the 22 February 2018.
3. The presentation of surpluses and deficits in this report follows the convention, which shows an excess of expenditure over budget as a positive and additional income over budget as a negative. Conversely, expenditure less than budget would be shown as a negative while income lower than expected would be denoted as a positive. Negative items are shown in brackets.

Issues

Revenue

4. Overall, the month nine revenue monitoring for the Council continues to show a balanced position with financial pressures and shortfalls against budget savings targets in directorate budgets offset by projected savings on capital financing, an anticipated surplus on Council Tax collection and NDR refunds on Council properties. In line with the position reported at month six the overall position also takes into account the release of the £1.1 million set aside for transitional grant relief via the Financial Resilience Mechanism as this budget is no longer required for its original purpose in the current financial year. The projected balanced position also includes a contribution of £917,000 to the Council's Strategic Budget Reserve in order to provide funding in support of the budget for 2019/20 and future years. Directorate budgets are currently projected to be overspent by £4.9 million, a slight improvement on the position reported at month six. This takes into account the impact of any management actions already taken with additional measures to be implemented during the remainder of the year where there is

scope to reduce the projected spend by the year end. The current position includes projected overspends in a number of directorates the most significant being in respect of Social Services, Planning, Transport & Environment and Education & Lifelong Learning. These are partly offset by projected underspends in other directorates and by the £3.0 million general contingency budget which was provided as part of the 2018/19 budget in order to reflect the quantum, risk and planning status of the proposed savings for 2018/19. A summary of the overall position is attached as Appendix 1 to this report.

5. The projected overspends in directorate budgets include £3.230 million in Social Services, £1.049 million in Planning, Transport & Environment, £768,000 in Education & Lifelong Learning, £489,000 in Corporate Management and £172,000 in Governance & Legal Services. The directorate positions reflect a range of factors including increased demographic pressures in Social Services, particularly in relation to looked after children, shortfalls in income and the anticipated failure to fully achieve the savings targets set as part of the 2018/19 Budget together with on-going shortfalls carried forward from the previous financial year.
6. The 2018/19 savings targets for each directorate are set out in Appendix 2(a) to this report together with the projected savings currently anticipated to be achieved. An overall shortfall of £3.677 million is currently anticipated against the £14.296 million directorate savings target with £6.995 million having been achieved to date and a further £3.624 million anticipated to be achieved by the year end. The budget approved by Council on the 22 February 2018 identified red or red / amber achievability risks totalling £6.910 million with £1.434 million of the savings proposals still at a general planning stage. These risks are evident in the projected shortfall currently reported as part of the month nine monitoring. A projected shortfall of £767,000 has also been identified in relation to savings targets carried forward from 2017/18 and these are set out in Appendix 2 (b) to this report. Overall, this represents an increase of £647,000 compared to the shortfalls identified in relation to 2018/19 and carried forward savings as reported at month six. The projected shortfalls are reflected in the directorate monitoring positions although where possible shortfalls have been offset by savings in other budget areas. The £3.0 million General contingency budget which was allocated to reflect the risk and planning status of the proposed savings for 2018/19 is also available to offset the shortfall in the current financial year. However, despite this the projected shortfalls represent a continuing cause for concern particularly with the challenging financial outlook in the medium term and the difficult choices facing the Council in the current budget round.
7. Actions are continuing to be taken by those directorates currently reporting a projected overspend to try to resolve the issues that led to the current position or alternatively to identify offsetting savings in other areas of the service. These are considered as part of the challenge process to review the performance of directorates including the budget monitoring position and the Chief Executive has held a series of meetings with directors to identify measures to reduce the level of spend with the intention of improving the overall position as the year progresses. These reviews will continue throughout the remainder of the year and the actions taken also discussed in

the Chief Executive's regular meetings with individual directors. As set out in the previous monitoring report at month six, in response to the level of financial pressures identified in the current year all directorates have also identified a range of in-year savings which are reflected in their reported positions within this report.

8. The 2018/19 Budget included specific contingencies of £950,000 to reflect the potential for increased costs in relation to placements for looked after children in Social Services and £350,000 to offset potential income shortfalls in relation to the Material Recycling Facility (MRF) as a result of volatility in the market for recycle materials. Previous monitoring reports at month four and month six identified that full allocations would be required in both these areas and this is reflected in the directorate positions within this report. There is also a Waste Management contingency budget of £192,000 in the current year to reflect the potential impact of increased tonnages on costs in the Waste Service. Based on an analysis of data at month nine this will now be fully allocated and is included within the Directorate position for Planning, Transport and Environment. A contingency budget of £2.138 million is also maintained to reflect the potential for future growth in the number and value of claims as part of the Council Tax Reduction Scheme (CTRS). This includes an annual uplift to reflect the potential impact of Council Tax increases on this budget and includes budget carried forward from the previous financial year where this was not required. Current projections indicate a requirement of £1.038 million to meet costs in the current financial year. The budget pressures in all these areas will continue to be monitored as the year progresses. A budget of £786,000 has also been set aside to meet costs arising from the Council's Voluntary Redundancy Scheme and this is currently anticipated to be fully committed.
9. The Budget approved by Council on 22 February 2018 included an allocation of £4.0 million from the Financial Resilience Mechanism for one-off use in 2018/19. This included £1.1 million for Transitional Grant Relief in order to provide transitional funding to mitigate any specific grant issues during the year. As previously reported, the outstanding matters in relation to grant funding have been resolved and no further issues identified, therefore this sum has been released and in line with the position at month six is reflected in the overall Council monitoring supporting a balanced position. As previously reported, the Council has also received a refund of VAT from HMRC in the current financial year amounting to £2.494 million net of fees. This relates to VAT paid by the Council in relation to leisure services in previous years and reflects a change to regulations following the decision of the Court of Justice for the European Union in relation to the case of the London Borough of Ealing. A further refund, albeit on a smaller scale is also anticipated in relation to Cardiff Castle although this has yet to be received and will be confirmed later in the year. As the repayments relate to previous financial years they will be credited to the Summary Revenue Account with the £2.494 million being committed in order to provide a payment on account to HMRC in relation to potential liabilities in respect of Landfill Tax. Although as yet no liabilities have been confirmed, the allocation of a payment on account would enable the Council to minimise the impact of any interest payments should a liability arise.

10. A financial statement showing the spending position for each directorate is attached as Appendix 1 to this report. Comments on the main variances and any significant issues are as follows:

Capital Financing (£280,000)

11. The Capital Financing Budget is currently forecasting an underspend of £280,000 an increase of £55,000 compared to the position reported at month six. The overall position includes a combination of factors the most significant of which is a projected saving of £269,000 on the amount required to be set aside for the repayment of capital expenditure. This reflects the determination of final capital expenditure incurred in 2017/18 paid for by unsupported borrowing and the slippage in the programme for that year. A saving is also projected in relation to interest payable on new external borrowing with the assumption that any further external borrowing in the last quarter is unlikely to have a significant impact on costs during this financial year. This is consistent with the Council's Treasury Management Strategy approved by Council which recognises the short term savings achievable by utilising existing cash balances rather than taking external borrowing. This is because interest rates on investments are less than interest rates payable on borrowing. The timing of any borrowing decisions will continue to be subject to interest rates and advice from Treasury Management advisors. A saving is also currently anticipated in relation to interest receivable on investments. The savings are partly offset by additional costs in other areas, principally in relation to a reduced share of external interest payable that is chargeable to the Housing Revenue Account.

Corporate Management +£489,000

12. An overspend of £489,000 is currently projected in relation to Corporate Management, an increase of £212,000 compared to the position reported at month six. The change is mainly due to an increase in the projected shortfall against the Council-wide budget saving of £606,000 in relation to business process efficiencies and the use of digital technology. Whilst savings are projected through a combination of service reviews and other initiatives further opportunities have still to be identified in order to achieve the full saving with the shortfall in the current financial year now projected to be £456,000. The Council has also been notified of additional costs of £60,000 relating to the Coroner's Service in the current year and these are also reflected in the month nine position. Other overspends include a projected shortfall in the budget for the release of savings through voluntary schemes including the purchase of leave, an anticipated overspend on bank charges and recruitment costs in relation to senior management budgets. These are partly offset by a range of savings including £61,000 due to a reduction in contributions to the Mid Glamorgan Superannuation Fund relating to past employees and £25,000 in relation to income from insurance arrangements.

Council Tax Collection (£635,000) and NDR refunds on Council properties (£831,000)

13. A review of the Council Tax position indicates a potential surplus of £635,000, an increase of £424,000 compared to the position reported at

month six. The surplus is due to a higher than anticipated collection rate which has the impact of reducing the required contribution to the Council Tax Bad Debt Provision together with an improved position in relation to exemptions which are now lower than anticipated when the Council Tax base report was approved in December 2017. These are partly offset by a lower than anticipated number of properties across the City and a higher level of discounts. The surplus represents a variance of 0.3% of the estimated gross debit and will be subject to further fluctuations as the year progresses. A saving of £831,000 is also currently identified in relation to refunds of NDR on Council properties achieved through the appeals process. This represents an increase of £302,000 compared to the position reported at month six and will continue to be monitored as further appeals are taken forward during the year.

Economic Development +£46,000

14. The Directorate is currently forecasting an overspend of £46,000, which represents a slight increase of £2,000 on the position reported at Month six. Despite the position being broadly in line with that reported previously, there have been a number of offsetting changes within the position. These include an increased overspend within Facilities Management and a reduced underspend within Property. These have been offset by an increased underspend within Culture, Venues & Events, a reduced overspend within Major Projects and the introduction of an underspend in relation to City Centre Management. The change within Facilities Management is the result of additional expenditure on FM buildings and the Cleaning Services position changing from a surplus to deficit, partly offset by additional Office Accommodation income and a projected surplus within Building Services. Other changes include reduced internal income and additional operational costs within Property, additional income within City Centre Management and an improved trading position in relation to St David's Hall and New Theatre.
15. The overall position is primarily the result of overspends within Major Projects and Facilities Management, partly offset by a net underspend within Property. Underspends are projected against Leisure, Play & Sport; Culture, Venues & Events; City Centre Management; Business, Investment & Workshops; and Property & Office Rationalisation. Included within the position are anticipated savings shortfalls totalling £126,000 against the £2.486 million target for 2018/19, and full achievement of the £134,000 unachieved savings targets carried forward from 2017/18. The savings position is due to shortfalls in rental income, income below target for Cleaning Services, a restructure within Parks and delays to building transfers within Play Services.
16. The overspend within Facilities Management totals £149,000 and is predominantly due to significant net overspends against the budgets for FM Buildings, as a result of additional expenditure on utilities, cleaning, repairs and security costs. These costs are partly offset by underspends in relation to rent and rates. The remainder of the Facilities Management position comprises additional employee and supplies and services costs within

Building Support and a net deficit within Cleaning Services, which are more than offset by additional School Caretaking income, a surplus within Building Services and additional income from external occupants of core buildings. A balanced position is currently reported in relation to repairs and maintenance on FM buildings, however there is the potential for additional costs in this area and this will need to be closely monitored. The overspend in respect of Major Projects totals £148,000 and is largely due to net additional costs of rates and security connected with the Dr Who Experience and recently acquired sites. These additional costs are partly offset by underspends against supplies and services budgets and rental income above target for the Cardiff International Pool, and one-off rental income relating to the Eisteddfod.

17. The Property & Office Rationalisation underspend totals £36,000 and is despite significant rental income shortfalls. However, a large underspend against Office Rationalisation budgets, additional internal recharges and staff vacancies more than offset these shortfalls and are the reason for an overall underspend. In addition, the Business, Investment & Workshops division is forecast to underspend by £46,000, due to additional workshops and bus shelter advertising income, partly offset by an anticipated overspend in relation to the Youth Foods function, due to additional salary costs. City Centre Management is now projecting an underspend of £73,000, due to in-year staffing savings and additional banner income, and Culture, Venues & Events is projecting a net surplus of £75,000. This is largely due to a favourable trading position relating to St David's Hall and New Theatre, despite challenging savings targets, and staffing savings within Tourism, partly offset by income shortfalls within Retail Catering. Leisure, Play & Sport is projecting an underspend of £25,000 due to additional income in relation to the White Water Centre and Outdoor Sport, partly offset by overspends within play centres. All other divisions are reporting balanced positions or minor variances.

Education & Lifelong Learning +£768,000

18. The overall position indicates an overspend of £768,000, which reflects an improvement of £53,000 on the position reported at Month six. The reduction is primarily due to in-year savings against capital financing and ICT budgets and the transfer of the Childcare Service to the Housing & Communities Directorate. In addition there has been an increase in in-year staffing savings relating to Partnership Inclusion Officers and additional grant funding has been allocated to the Music Service. These improvements are partly offset by an increase in Out of Area Placement expenditure and an increase in the projected level of savings shortfall. The overall position continues to reflect a significant projected overspend against the budget for Out of Area Placements & EOTAS. Other variances include overspends against Performance & Resources, offset by projected underspends against Achievement, Senior Management, Inclusion, SOP & Admissions and Non-Delegated School Expenditure. In terms of savings proposals, it is anticipated that a £253,000 shortfall will result against the 2018/19 target of £1.278 million, with a shortfall of £70,000 also anticipated in relation to savings targets carried forward from 2017/18.

19. The overspend against the Out of Area Placements & EOTAS budget totals £946,000, representing expenditure levels broadly in line with the outturn for 2017/18. The overspend is due to a combination of historic unachieved savings proposals, significant growth in the number of EOTAS pupils accessing alternative provision and the deficit connected to the Tuition Service. The level of alternative provision has grown rapidly in recent years, whilst the number of pupils accessing traditional out of area placements, in independent schools or schools in other local authorities, has remained relatively stable. At this stage of the financial year, the position does not allow for future placements and therefore, there is a risk that the position could increase slightly from its current level.
20. The other overspends within the Directorate include a net overspend of £130,000 within Performance & Resources. This is primarily due to a projected deficit in relation to the Music Service, a shortfall in savings proposals, due to a delay in the implementation of a staffing restructure, and additional premises costs connected with the Friary Building. These overspends are partly offset by a staffing underspend within Business Support and in-year savings against ICT budgets. The Catering Service is projecting a balanced position and the Storey Arms Outdoor Pursuits Centre is projecting a minor deficit. The position in relation to the Music Service continues to require ongoing review, however the position has improved due to the recent allocation of grant funding by the Welsh Government. A number of targeted management actions continue to be implemented across the Directorate, with a number of these specifically in relation to the Music Service, with the aim of improving the trading position. Any benefits resulting from these actions will be reflected in future monitoring positions. The only other overspend totals £3,000 and relates to a slight shortfall in the match-funding budget held for the Education Improvement Grant.
21. There are a number of underspends across the Directorate, including £89,000 in relation to Achievement, which is due to in-year staffing savings against the Partnership Inclusion Officer budget and a Youth Service underspend, partly offset by a shortfall in the savings target associated with the annual contribution to the Central South Consortium Joint Education Service. Other underspends include £24,000 within the Inclusion Service, comprising in-year staffing savings, partly offset by ongoing costs of records digitalisation, and an underspend of £156,000 against Non-Delegated School Expenditure. This underspend is due to underspends against budgets for capital financing, past service pension contributions, staff undertaking trade union duties and temporary accommodation. An underspend of £22,000 is also projected against the Senior Management budget, due to staffing recharges and additional grant funding, and the SOP & Admissions budget is projected to underspend by £20,000, largely due to an in-year saving against the revenue budget for repairs to the school estate.

People & Communities

Communities & Housing (£509,000)

22. The Directorate is currently anticipating an underspend of £509,000, representing a decrease of £21,000 on the position reported at month six. The change is due to the transfer of the Childcare function, and associated overspend, from the Education Directorate, additional records management charges and an assumed transfer of an underspend to earmarked reserves, partly offset by additional grant funding within Preventative Services. The overall underspend continues to largely be the result of a projected underspend against the Preventative Services division. Other variances include underspends within Assessment & Support, Housing Strategy, Grants & Advice, Community Hubs, Libraries, Employability Services and Neighbourhood Regeneration. The only projected overspends are against the Service Management & Support and Early Help divisions. In terms of savings, the position reflects a £71,000 shortfall against the £835,000 2018/19 target, with a shortfall of £46,000 projected against unachieved savings carried forward from 2017/18. The shortfalls are connected to digitalisation and commercialisation initiatives, respectively.
23. The projected underspend in relation to Preventative Services totals £256,000 and is due to in-year vacancy savings, additional grant funding from Welsh Government and additional capital allocations, which result in revenue budget savings within the Joint Equipment Service. In addition, Assessment & Support is expected to underspend by £116,000, with additional premises expenditure at the Housing Options Centre being more than offset by employee savings across the division, partly as a result of increased grant funding. An underspend of £32,000 is also projected within Housing Strategy, Grants & Advice due to in-year employee savings. Included within the Directorate position is a drawdown of £1.038 million from the specific contingency budget set aside to meet increased costs in relation to the Council Tax Reduction Scheme. This is £384,000 lower than the amount previously identified as being required at month six. Further adjustments to this figure may be required towards the end of the year, depending upon fluctuations in the number of applications and level of support required.
24. The other underspends within the Directorate include Community Hubs where a £110,000 underspend is projected, due to in-year vacancies and recharges to the Housing Revenue Account. The underspend within Employability Services is forecasted to total £22,000 and is due to employee savings and additional staff recharge income, partly offset by the assumed transfer of part of the underspend to an earmarked reserve. Neighbourhood Regeneration and Libraries are projecting underspends of £22,000 and £40,000 respectively, both due to in-year staffing savings. The only overspends within the Directorate relates to Service Management & Support and Early Help and total £70,000 and £18,000 respectively. These overspends are due to a combination of savings shortfalls and additional costs of records management. Supporting People and Adult & Community Learning are both projecting balanced positions, with the latter potentially at

risk of overspending, should additional income, currently assumed within the position, not be generated. Elsewhere within the Directorate position are assumptions around the use of earmarked reserves to fund expenditure connected to various initiatives, particularly in connection with homelessness.

Social Services +£3,230,000

25. The overall position for the Directorate includes a projected underspend of £976,000 for Adult Services however this is more than offset by a projected overspend of £4.206 million relating to Children's Services. The net projected overspend of £3.230 million is in line with the position reported at month six with the recently announced Welsh Government grant funding for winter pressures offsetting additional costs in both these services in recent months.
26. The projected overspend in Children's Services reflects the impact of demographic pressures with a significant increase in the number of placements and cost for looked after children particularly in relation to residential care and fostering. Although demographic and cost pressures are also evident in relation to Adult Services these are currently contained within the budgets allocated by Council. The overall position also reflects a shortfall against budget savings targets both in respect of the 2018/19 budget and in relation to on-going shortfalls against 2017/18 savings targets which have yet to be achieved. Total savings of £3.165 million are currently projected to be achieved against the Directorate's 2018/19 savings target of £5.160 million leaving a projected shortfall of £1.995 million. In addition a shortfall of £430,000 is also forecast against the savings targets carried forward from 2017/18. These shortfalls are reflected in the Directorate outturn projection with details of the individual variances set out in Appendices 2(a) and 2(b) to this report.
27. The current projections make no assumptions in relation to further growth arising from demographic pressures during the remainder of this financial year. Demand for services are needs led and can be volatile and costs, particularly in relation to external fostering, domiciliary, residential and nursing placements can be high. If the levels of demand continue to increase then the overall cost to the Directorate will also increase. This together with the significant level of assumed savings which have still to be achieved during the remainder of the year provides an element of risk that must continue to be closely monitored. Further detail on the individual positions for Children's and Adult Services are provided in the paragraphs that follow.

Adult Services – (£976,000)

28. The Adult Services position is currently projecting a saving of £976,000 against budget despite on-going demographic and cost pressures particularly in relation to residential and nursing care for older people and significant shortfalls against savings targets. This is in line with the position reported at month six with increased costs in recent months, mainly in relation to commissioning budgets for older people having been offset by

funding from the recently announced Welsh Government grant for winter pressures. The projected saving reflects the significant additional funding provided as part of the Council's 2018/19 Budget including funding for demographic and cost pressures of £2.7 million, additional funding set aside to meet fee increases including the impact of the National Living Wage and a number of other specific financial pressures. The projected underspend also includes significant savings on staffing budgets within the service reflecting both the high number of vacancies and the use of short term grant funding to offset costs in these areas. The overall position includes a projected shortfall of £2.170 million against the savings targets for 2018/19 and carried forward from 2017/18 and this is reflected in the analysis of the variances below.

29. Overall, commissioning budgets are currently reporting a projected overspend of £376,000 with a projected overspend of £1.271 million in Services for Older People partly offset by savings in other areas. The projected overspend in Services for Older People includes shortfalls against savings targets of £1.3 million particularly in relation to domiciliary care where although the number of care hours has remained relatively stable, this has proved insufficient to enable the full savings targets to be achieved. There have also been demographic and cost pressures in relation to residential and nursing care with the number of placements in both these areas increasing and costs in nursing care continuing to rise. In the case of residential placements, analysis suggests that the increase in the number of placements may be partly due to the increase in the capital limit for resident's contributions. Placement costs for nursing care are currently on average 6% above the levels in the previous financial year resulting in an increased cost of £1.0 million. This has been largely offset by specific allocations made in the budget process including a £400,000 allocation from the Financial Resilience Mechanism. The projected overspend in relation to Services for Older People is partly offset by projected underspends on other commissioning budgets including £609,000 in Mental Health Services, £185,000 for People with a Physical Disability including alcohol and drug services and £101,000 for People with Learning Disabilities. The projected underspend in Mental Health Services includes a continuing reduction in residential placements together with levels of expenditure on Deprivation of Liberty Safeguards (DOLS) continuing to be lower than anticipated. In relation to Physical Disability, Alcohol and Drug Services the projected underspend reflects a range of savings with costs generally lower than budgeted. The projected underspend in Services for People with Learning Disabilities reflects a significant reduction in domiciliary care hours and a rationalisation of the number of schemes within the supported living contract.
30. Internal Services are currently projecting an underspend of £1.352 million. This is mainly due to anticipated savings of £688,000 in Assessment and Care Management and £460,000 in Day Care and Reablement Services both of which reflect staff vacancies within the service and the use of grant funding in these areas, particularly the Integrated Care Fund. An underspend of £270,000 is also forecast in Internal Support & Management reflecting a range of savings on staffing and supplies and services budgets. These variances are partly offset by an overspend of £67,000 in relation to

Learning Disabilities Supported Living and Day Care mainly as a result of shortfalls against savings targets set in previous years.

Children's Services +£4.206 million

31. The Children's Services budget is currently projecting an overspend of £4.206 million. This is in line with the position reported at month six with increased costs in recent months, including placement costs for looked after children, fostering and adoption and staff agency costs having been offset by funding from the recently announced Welsh Government grant for winter pressures. The projected overspend is after taking into account the drawdown of the £950,000 specific contingency budget set aside to meet increased costs in relation to placements for looked after children, with this drawdown having been incorporated into the Directorate budget position in this report. Although Children's Services received an additional budget realignment of £3.990 million and funding for other specific pressures as part of the 2018/19 budget process, on-going pressures in relation to the increasing numbers of looked after children and subsequently on the budgets for external placements, internal fostering and leaving care support costs have nevertheless led to a projected overspend in the current year. The increase in looked after children are mainly younger children. The edge of care service for teenagers provided through the ARC is demonstrating real success and there is a business case in development to replicate this approach for younger children. The number of looked after children rose from 803 to 886 in the period December 2017 to December 2018. These pressures have been alleviated to an extent by mitigating actions taken in respect of guardianship allowances. The overall position includes a projected shortfall of £255,000 against the savings targets for 2018/19 and carried forward from 2017/18 and this is reflected in the analysis of the variances below.
32. An overspend of £4.005 million is currently projected 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 thereby 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 and an allocation of £545,000 of funding from the Welsh Government grant for winter pressures. The overall volume of activity in Children's Services has seen an increase in internal fostering, external fostering and residential placements. The sufficiency of supply of quality, cost effective placements as well as edge of care services are the issues to be addressed by the service. During the period December 2017 to December 2018 external fostering numbers have increased by 26 (6.8%) whilst external residential placements have increased by 9 (17.6%) increasing on-going service costs significantly. An overspend of £512,000 is also projected in relation to internal fostering and adoption budgets with the current number of internal fostering placements 20% above the 2017/18 average including a significant increase in kinship carers. Adoption numbers have also increased significantly compared to the previous year. This overspend should be seen in the context of reducing future costs for children who no longer remain looked after by way of adoption and an

increase in children returning from Independent Fostering Agencies to in-house fostering provision. Other projected overspends include £101,000 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 and £115,000 on commissioning budgets with overspends on contact services partly offset by savings on sessional and respite care. An overspend of £169,000 is also projected in relation to social work teams and safeguarding budgets reflecting the current high level of agency staff in these areas, however this is likely to be improved through the proposed restructure of some social work teams.

33. A saving of £254,000 is currently projected in relation to guardianship orders with no increase in the level of residential order allowances anticipated to be paid out in this financial year. Savings of £112,000 in Support Services and £163,000 in Early Intervention are also projected, mainly reflecting savings against staffing budgets. Other projected underspends include £70,000 in relation to the budgeted costs for the Crosslands Home and £97,000 against the budgets for the Youth Offending Service.

Planning, Transport & Environment +£1,049,000

34. The Directorate is currently projecting an overspend totalling £1.049 million, reflecting a significant improvement of £416,000 on the position reported at month six. The overall change is the product of improved positions in relation to Fleet Services, Planning & Building Control and Civil Parking Enforcement, offset by an increased overspend within Recycling & Waste Management and a reduced underspend within Highways. The change in position largely reflects opportunities that have arisen following the allocation of additional Local Transport Fund funding from the Welsh Government and the intended use of earmarked reserves to fund eligible costs. It also includes an improved position on savings and use of earmarked reserves within Fleet Services. These are partly offset by additional investigation costs within Recycling & Waste Management.
35. The overall position continues to be predominantly due to a significant overspend within the Recycling & Waste Management Service. In addition, overspends are projected against Fleet Services, Planning & Building Control and Energy Management, whilst underspends are anticipated within Highways, Civil Parking Enforcement and Schools Transport. Savings shortfalls totalling £767,000 are included within the overall position, £651,000 of which are against the £1.838 million target for 2018/19 and £116,000 against the unachieved savings carried forward from 2017/18. A large proportion of the anticipated shortfalls are connected to the Recycling & Waste Management Service and relate to staff attendance, collection rounds performance and commercial income. Other shortfalls relate to energy savings, planning fee income and vehicle utilisation within Fleet Services.
36. The overspend within the Recycling & Waste Management Service totals £1.789 million and reflects a number of significant overspends and the aforementioned savings shortfalls, which total £436,000, partly offset by a

contribution from contingency and earmarked reserves to fund the processing of additional waste tonnages. The main overspends include unforeseen costs associated with the ongoing HWRC and Waste Transfer Station investigations and additional operational costs and income shortfalls at the Materials Recycling Facility (MRF) including the global market impact on recyclable commodity prices. In addition, overspends are anticipated on vehicle fuel and there has been the loss of a significant commercial refuse income stream. The position includes the £350,000 specific contingency allocation in respect of potential income shortfalls in relation to the MRF, reflecting the volatility in the market for recyclate materials. It also includes an allocation of £192,000 from the Waste contingency budget to reflect the impact of increased tonnages in the current financial year.

37. Other overspends across the Directorate include Fleet Services, which is projected to overspend by £135,000, largely reflecting the unachieved vehicle utilisation savings. A significant level of uncertainty remains within this position and there is a risk that the position could change later in the financial year. A further overspend of £93,000 is anticipated within the Planning & Building Control division, where there is a shortfall in planning fee income. The Energy Management division is reporting an overspend of £204,000, where shortfalls in savings and renewable energy income are partly offset by a reduced carbon reduction commitment payment.
38. The most significant underspend within the Directorate relates to Civil Parking Enforcement and the intention to draw down £710,000 additional funding from the Parking & Enforcement Reserve to support transport and highway improvements. As well as this, Highways are projected to underspend by £237,000, reflecting reduced maintenance activity and a saving on LED street lighting energy costs, partly offset by vehicle leasing charges, additional salt purchases and an income shortfall. The other underspends, which total £163,000, £40,000 and £29,000 relate to School Transport, the Shared Regulatory Service and Neighbourhood Services, respectively. The School Transport underspend is the result of a retendering exercise for the provision of transport for children with additional learning needs. All other divisions are reporting minor variances or balanced positions, including Bereavement, Registration Services & Dogs Home, Management and Support, and the Transport, Planning, Policy & Strategy division.

Resources

Governance & Legal Services +£172,000

39. The Directorate is currently forecasting an overspend of £172,000, which represents an increase of £84,000 on the figure reported at month six. The increase is primarily the result of a significant increase in the projected overspend relating to Legal Services, due to additional expenditure on external legal services. Partly offsetting this is an increase in the Electoral Services underspend, resulting from additional grant funding to offset the costs associated with the annual canvass. The overall position continues to be the result of an overspend within Legal Services. Other variances include underspends against the Monitoring Officer budget and Scrutiny

Services. All 2018/19 savings proposals are expected to be achieved in full, aside from the £83,000 proposal relating to external legal expenditure. In terms of unachieved savings carried forward from 2017/18, a £55,000 shortfall is projected, again in connection with external legal expenditure.

40. The Legal Services overspend is projected to be £284,000 and is largely due to external legal expenditure in excess of the available budget. This additional expenditure is largely due to the volume of complex cases particularly in relation to safeguarding and also reflects the level of staff vacancies during the year. Whilst the staff vacancies result in in-year underspends against employee budgets, these are outweighed by the additional external costs that result. Additional income is also partly offsetting the external spend, as well as contributions from earmarked reserves. It is anticipated that vacancies will be filled before the end of the financial year and that external expenditure will reduce as a consequence, however due to the timing of appointments there is still a risk that the projected overspend will increase further.
41. The most significant underspend within the Directorate, which amounts to £80,000, relates to Electoral Services and is largely due to in-year staffing savings and the availability of external grant funding to offset the costs associated with the annual canvass. Scrutiny Services is projected to underspend by £22,000, largely due to in-year vacancies, and a vacancy is the cause of a projected £12,000 underspend against the Monitoring Officer budget. The Democratic Services and Member Services budgets are projecting a minor overspend and balanced position respectively, after allowing for efficiency savings required as part of the 2018/19 budget proposals.

Resources (£366,000)

42. The Directorate is currently projecting an underspend of £366,000, an increase of £11,000 compared to the position reported at month six. The change reflects improved positions in a number of areas partly offset by an increased overspend within the Digital Services Division. A shortfall of £42,000 is currently projected against the Directorate's £1.616 million 2018/19 savings target with a shortfall of £50,000 also anticipated in relation to savings targets carried forward from 2017/18.
43. An underspend of £462,000 is currently projected in Human Resources with savings on employee budgets due to vacancies, additional income within HR Services and Cardiff Works and savings on capital financing costs and other budgets in relation to HR Systems. An underspend of £157,000 in relation to Performance and Partnerships includes projected savings on supplies and services and employee budgets in Policy and Partnerships and Media and Communications and savings on employee budgets within Performance Management. Other projected underspends include £88,000 in Commissioning and Procurement mainly due to savings on employee budgets and £92,000 in Health and Safety reflecting efficiencies in the new service together with vacancy savings as part of the recruitment process to the new team.

44. These are partly offset by a projected overspend of £389,000 in the Digital Services Division. This includes a projected overspend of £412,000 in the Community Alarm Service including significant shortfalls against income targets for both the Alarm Receiving Centre and Telecare. This reflects savings targets set in previous years which have still to be achieved and although significant further opportunities have been identified by the service area it is not anticipated that these will be achieved in the current financial year. There is also a projected overspend of £193,000 in relation to Enterprise Architecture reflecting shortfalls in recharge income and against savings targets for digitalisation. These overspends are partly offset by savings in other areas of the Digital Services Division including the Contact Centre, Capital Ambition Delivery, Meals on Wheels and savings on employee costs due to vacancies. An overspend of £44,000 is also currently projected in relation to the Finance Service. This includes shortfalls against previous savings targets together with additional costs within the Revenues Service. These are partly offset by vacancy savings and additional income in other areas of Finance.

Civil Parking Enforcement

45. Civil Parking Enforcement (CPE) manages parking, parking enforcement and moving traffic offences throughout the city. The income from these activities is used to support the operational costs with the surplus being transferred to the Parking & Enforcement Reserve. The table below provides a summary of the budget and projected outturn position.

	Budget £000	Projected Outturn £000	Variance £000
Income			
On street car parking fees	(4,784)	(4,963)	(179)
Off street car parking fees	(1,237)	(1,061)	176
Residents parking permits	(325)	(355)	(30)
Penalty charge notices	(2,000)	(2,200)	(200)
Moving Traffic Offences (MTO's)	(3,840)	(4,970)	(1,130)
Other Income	0	(5)	(5)
Total Income	(12,186)	(13,554)	(1,368)
Expenditure			
Operational costs, parking & permits	820	886	66
Enforcement service including TRO	5,470	5,682	212
Total Expenditure	6,290	6,568	278
Annual Surplus	(5,896)	(6,986)	(1,090)

46. The current projection indicates a trading surplus of £6.986 million, an increase of £1.090 million against the original budget. Most of the figures are broadly in line with the position reported at month six although MTO income continues to increase.
47. Increased income of £1.368 million is anticipated, mainly from MTOs following the earlier completion of phase four and over achievement of existing phases against original expectations. There are also increases in on-street car parking fees and penalty charge notices. The off street car parking fees are forecast to be lower than the target due to the closure of North Road whilst new infrastructure relating to the cycle path is installed. Expenditure is projected to be £278,000 above budget with the favourable position having provided an opportunity to make higher capital loan repayments for previous infrastructure improvements and scheme expansion. There are also operational savings from reduced employee costs because of in year vacancies.
48. The anticipated surplus of £6.986 million will be transferred to the Parking & Enforcement Reserve. This is available to support highway, transport and environmental maintenance and improvements. The table below illustrates the planned movements and forecasted year end position in the reserve.

Civil Parking Enforcement Reserve	£000
Balance as at 1 st April 2018	701
Forecast contribution from CPE 2018-19	6,986
Total Available	7,687
Budgeted contribution to support Highways, Transport & Environmental Improvements	5,085
Schemes/Initiatives Agreed in Budget Proposals	
Bus corridor improvements	100
DFS maintenance/ signs	7
20 mph zones	20
Transport LDP monitoring	110
Active Travel post	82
Car Fee Day	71
British Cycling Core Cities Cycling Partnership	50
Bike Hire Scheme	50
Residential Parking expansion	80
Total (original approval £1,067)	570
Additional Schemes/Initiatives	
Electrical Vehicle Charging match funding	45
Electric Vehicle Expansion	10
Additional drawdown to support Highways, Transport &	650

Environmental Improvements	
Sustainable Access to Schools	50
Environmental Improvements	50
Additional Highways works	228
Cycle Existing Infrastructure Improvements	20
Tram Study	40
Total	1,093
Total Planned Use	6,748
Balance	939

49. The brought forward balance in the reserve is £701,000, which together with the forecasted surplus from CPE activities in 2018/19 results in a total sum available of £7.687 million. The anticipated drawdown from the reserve is £6.748 million, which would leave a year-end balance of £939,000.
50. Council as part of the 2018 /19 Budget approved a number of contributions to schemes and initiatives. These are set out above with the figures reflecting revised anticipated expenditure. Whilst there are variances against some schemes, the total spend is lower than the original budget approval mainly due to an alternative funding source for 20 mph zones and Bus Corridor Improvements. The Director of Planning, Transport & Environment in consultation with the Cabinet Member for Strategic Planning & Transport has approved the additional proposed schemes and initiatives and on the basis of the financial projections, the proposed allocation from the reserve has been approved by the Corporate Director of Resources. These total £1.093 million and are set-out in the table.

Housing Revenue Account

51. The Housing Revenue Account (HRA) is currently projecting a balanced position, a reduction of £120,000 compared to the position reported at month six. The change reflects a number of factors including an increased spend in the Housing Repairs Account and an increase in the provision for bad debts. These are partly offset by an improved position in relation to rental income and additional savings on employee, support service and capital financing budgets.
52. The Housing Repairs Account is currently projecting a balanced position, albeit this includes an anticipated draw-down of £400,000 from the Housing Repairs and Building Maintenance Reserve in order to offset projected costs during the year. This is a significant change from the projected underspend reported at month six, however this will need to be kept under review as there are a range of factors that could impact on the final position at the year-end. The increased spend includes additional costs relating to external painting mainly as a result of increased use of scaffolding to meet health and safety requirements. It also includes an increase in void property works with the issues regarding contractor capacity identified in previous reports having improved through the use of alternative contractor capacity and an increase in the work undertaken by the internal workforce. A balanced position is also reported in relation to employee budgets with the

estimated additional cost of £400,000 in relation to temporary fire wardens now fully offset by underspends against the costed establishment. The requirement for the fire wardens was reported as part of the month six monitoring report and followed the events at Grenfell with all Council-owned high rise blocks with cladding being tested and six found to require the removal of cladding. The cladding has now been removed from five blocks with the remaining block due to be completed in 2019.

53. The overall position includes projected overspends of £81,000 on premises costs including security, cleaning and repairs and maintenance costs and £59,000 on supplies and services budgets reflecting additional spend in a number of areas including printing and stationery. A £200,000 overspend is also forecast in relation to the provision for bad debts. This reflects an increase in rent arrears associated with Universal Credit. Although collection rates have decreased, the projected shortfall on rental income has reduced mainly due to additional void property repairs and the projected overspend now stands at £147,000 at month nine. The projected overspends are offset by savings of £102,000 on support service costs and £12,000 on transport costs together with a projected underspend of £373,000 on capital financing budgets mainly due to lower than budgeted interest charges payable.

Cardiff Harbour Authority

54. Welsh Government support for the Cardiff Harbour Authority is subject to three-year funding agreements. The Welsh Government advised that they would like an opportunity to review the current arrangements and wished to extend the previous business period by twelve months, up until 31 March 2018. The review, originally planned for the Autumn of 2017 was delayed until the current financial year. Subsequently agreement was reached between the two parties for the 2018/19 budget to be set at £5.4 million, representing a reduction of £491,000 or 8.33% on 2017/18.
55. The forecast at the end of quarter three continues to indicate a full spend against the funding requirement of £5.4 million.

Heading	Budget £000	Projected Out-turn £000	Variance £000
Expenditure	6,124	6,128	4
Income	(920)	(924)	(4)
Fixed Costs	5,204	5,204	0
Asset Renewal	196	196	0
TOTAL	5,400	5,400	0

56. The position includes reduced costs on groundwater control and maintenance dredging, offset by additional essential barrage maintenance expenditure. The projected income of £924,000 includes £548,000 from car parking fees, £248,000 from harbour dues and £94,000 from water activities.

57. The Asset Renewal budget is currently indicating a full spend in line with the approved schedule of work including testing welds and painting of the bascule bridges on the Barrage and replacement and works on lock electric panels.
58. The balance in the Project and Contingency Fund carried forward at 1st April 2018 was £382,000. Against this, commitments of £342,000 are identified in the current financial year in relation to the final instalment of the Volvo Ocean Race hosting fee, leaving a balance of £40,000.

Capital

59. The Council in February 2018 approved a Capital Programme of £141.764 million for 2018/19 and an indicative programme to 2022/23. The budget for the General Fund and Public Housing has since been adjusted to £170.517 million to include actual slippage reported at outturn, incorporation of new grant approvals and confirmation of actual grant awards.
60. The sections below indicate a forecast position for 2018/19 for the General Fund and Public Housing.

General Fund

61. The projected outturn for the year is currently £110.854 million against a total programme of £121.643 million, a variance of £10.789 million, which is predominantly slippage. Expenditure at the end of month nine was £66.051 million, which represents 60% of the projected outturn.

Capital Schemes Update

62. Delivery of capital projects is complex, may span a number of years and is influenced by a number of external and internal factors such as weather, statutory and non-statutory approval processes. Directorates continue to be reminded of the need to set achievable profiles of expenditure and to identify slippage at an early stage. Slippage identified will not automatically be carried forward.
63. The following provides an update on the significant capital schemes included in the programme in addition to the detailed list in Appendix 3.
64. On 10 January 2019, Welsh Government notified the Council of its share of an additional £50 million General Capital Funding. Additional grant of £4.768 million will be received in 2018/19 and a share of £30 million in 2020/21 and £20 million in 2021/22. The grant allocation in 2018/19 will be applied to capital expenditure incurred during the year with displaced council funding to be carried forward and utilised towards new capital expenditure approved as part of the 2019/20 budget proposals.

Economic Development

65. The 2018/19 programme for the Directorate is £23.084 million, with an initial variance identified of £2.053 million predominantly in relation to Parc Cefn

Onn, venues and parks Section 106 schemes. Full details are provided below.

Business & Investment

66. Having already supported the Tramshed development, Welsh Government repayable loan funding totalling £2 million is available to bring buildings back into use as part of its Vibrant and Viable Places Programme. Loans have been made for restoration of the Cory buildings in Butetown as residential units, towards the regeneration of the unused listed train station in Bute Street and the development of industrial buildings at Lamby Way.
67. Funding of £10,000 available for the Social Innovation Fund will provide grant of up to £5,000 towards start-up costs for new or expanding social enterprises and the scheme ceasing in 2018/19.

City Development & Major Projects

68. Budgets previously allocated for Economic development initiatives, included the balance of £2.901 million invest to save funding and a further £1.6 million for additional land purchase at Dumballs Road. Further expenditure on this scheme is on hold whilst future options for the site are considered.
69. The Council acquired the strategic site of Britannia Park, Cardiff Bay following Cabinet approval in November 2018. This is to protect the Bay edge for leisure use and to provide opportunities for appropriate investment which would enhance the area. The cost of this acquisition was £2.8 million, funded by capital receipts following the disposal of land interest held in Central Square.
70. As part of the revitalisation of the strategy for the International Sports Village, Cabinet approved the acquisition of the leasehold interest in the Toys 'R' Us site in March 2018 which completed in July at a total cost of £6.282 million, and is funded in the short term from capital receipts received from Central Square.
71. The primary phase of Central Square Public Realm works were completed in November 2018, with slippage of £435,000 to be carried forward for additional works arising following completion of future phases of the development.
72. Initial budget of £1.226 million for a temporary car park planned to meet parking obligations to the International Pool has been removed from the programme pending confirmation of the International Sports Village strategy.

Parks & Green Spaces

73. Property Asset Renewal of £210,000 is budgeted to purchase porta cabins to provide welfare facilities on the Wedal Road Parks Depot site, renewal of the boiler plant at Bute Park and a potential contribution towards the

refurbishment of the toilet block at Parc Cefn Onn. The latter aims to create an access for all facility, including office and community space.

74. Delay in the implementation of asset renewal infrastructure schemes such as footpath reconstruction, fencing replacement and works to retaining structures will result in slippage of £60,000 from the budget of £140,000.
75. The annual play equipment capital allocation of £90,000 along with slippage from the previous year of £56,000 is to be used towards resurfacing of playgrounds and replacement of playground equipment and infrastructure. Sites include Matthew Walk, Chapelwood, Windsor Esplanade, Parc Rhydypennau, Lydstep Park, Drovers Way, Crawford Drive, Celtic Park, Heath Park, Splott Park BMX track and various skate parks.
76. A phased programme of flood prevention works to address issues at various locations still remains in progress. Sites prioritised from within the remaining budget include Thompson's Park and Pontcanna Allotments. Slippage of £17,000 has been identified to mitigate flooding on site at Hillsnook Park once the tender process is complete.
77. Work at Parc Cefn Onn continues to experience significant delays together with increased cost estimates compared to initial assumptions for the building and infrastructure related elements. Planned improvements include restoration of historic park features, upgraded toilet and operational facilities, as well as footpath and seating improvements. Slippage of grant has increased to £334,000 as a result of delays in delivering the scheme whilst options to mitigate additional costs are considered.
78. Until options are fully explored for the future use of Roath Park House, an allocation of £200,000 from an earmarked capital receipt from the sale of the youth hostel at Wedal Road has been reduced to £30,000 to be used to secure the site. The balance will be removed from the programme. The ring-fenced receipts continue to be held and will be carried forward to 2019/20 to be considered for use on the house along with other emerging priorities for investment as part of a strategy to improve financial sustainability of the park and outbuildings.
79. The Directorate submitted a £150,000 invest to save proposal as part of the 2018/19 programme for events infrastructure at Pontcanna Fields. Proposals received were not viable so this has been removed from the programme.
80. Funding of £265,000 as part of the financial resilience mechanism has been carried forward from 2017/18 to complete the refurbishment of various sports facilities in the city. Schemes completed during the year include refurbishment of Rumney and Trelai changing facilities, resurfacing the tennis courts at Hailey Park and the demolition of Llandaff Fields changing rooms.

Venues and Cultural Facilities

81. Capital budgets were initially allocated in 2015/16 for priority works identified at St David's Hall (£350,000) and New Theatre (£295,000) subject to the consideration of alternative options for service delivery from those sites. Works have been undertaken on the roof at New Theatre; where the remaining budget continues to be retained to meet essential works. The cost of works to replace dormer windows at the New Theatre has been identified as £34,000, with the balance of £324,000 being carried into future years.

Property & Asset Management

82. Asset Renewal works of £130,000 are for lift upgrades at the old Library in the Hayes.
83. The remaining budget allocated for Office Accommodation Rationalisation is £30,000, which is to be removed from the programme as schemes outlined in the original business case for this project have all been completed.
84. The investment estate is managed on a commercial basis, and capital receipts generated from the sale of investment estate assets are reinvested to improve existing properties within the estate or to purchase better quality assets. Proposed expenditure of £2.225 million during the year includes acquisition of the Biffa Waste Recycling Centre at Bessemer Close, Cardiff Bus site at Sloper Road and for the refurbishment of Senlan Industrial Estate which was acquired in 2017/18.
85. The Community Asset Transfer budget provides up to £25,000 for improvement works to buildings being taken on by third party organisations. There are no known commitments expected to be paid in 2018/19, so full slippage of £73,000 is shown.
86. In order to seek match funding towards wider more comprehensive improvements to Central Market, the Council will now be submitting a National Heritage Lottery Fund bid in March 2019. The Council has allocated £450,000 capital funding over the next four years as match funding and retains an earmarked revenue reserve of £298,000, the balance of the Financial Resilience Mechanism allocated for works to the roof in 2017/18. Detailed design and implementation of an overall scheme is more likely to proceed from 2020/21 onwards. Accordingly, slippage of £298,000 is currently assumed.
87. In order to allow disposal of land at Howard Gardens, the flying start provision located at Adamsdown Play Centre is being relocated to the Adamsdown Family Centre. This is a Council owned property leased to "The Family Contact Centre". The costs of adaptation and improvements that help meet required registration standards are forecast to be £443,000, of which design costs of £43,000 were incurred in 2017/18 and these costs will be paid for from the disposal proceeds from the site.

88. The Council has acquired a residential property at 51 Rhydyppennau Road to enable all options to be explored for education provision in the area. This has been funded by the Council's invest to save allocation with this investment proposed to be recoverable following a review of options as part of Schools 21st Century Band B proposals within the next twelve months.
89. Property Asset Renewal works for administration buildings includes works at County Hall to upgrade lifts, replace access doors to the underground car park and other measures to improve fire safety and security. City Hall works include replacement of stone balustrades on the roof.
90. Enhanced kitchen facilities at County Hall were completed in October to meet safety requirements and to support a new initiative for apprenticeships at a cost of £368,000. This was funded by the Office Accommodation rationalisation budget (£100,000), an Invest to Save allocation (£140,000), and the property asset renewal budget (£128,000).

Harbour Authority

91. The Harbour Asset Renewal budget approved by Welsh Government for 2018/19 is £196,000, and is to be spent on various works to the barrage bridges and locks.
92. The Heritage Lottery Fund has awarded £152,000 of development phase funding towards Flat Holm Island. This is for the Walk Through Time project, in partnership with RSPB Cymru and the Flat Holm Society, and seeks to preserve its heritage, protect its rich wildlife and attract more visitors to the site. Running parallel to the project will be the replacement of the boat jetty at Flat Holm Island following a £385,000 grant award from the Landfill Communities Fund. Detailed expenditure profiles are yet to be determined and will be updated in future monitoring reports.

Education and Lifelong Learning

93. The 2018/19 programme for the Directorate is £44.691 million, with a variance of £4.025 million primarily due to advanced expenditure on the development of priority Band B schemes including the purchase of land at the Dutch Garden Centre.

Schools - General

Asset Renewal - Buildings

94. The Asset Renewal allocation of £6.288 million includes £4 million allocated in 2018/19 as part of an additional £25 million over 5 years to fund schemes to address condition, health and safety and additional learning needs. In respect of the latter a number of schemes will be undertaken to adapt schools to accommodate Specialist Resource Base provision, notably at Trelai Youth Centre (additional class and ancillary space for Ty Gwyn pupils), Bryn y Deryn Pupil Referral unit (increase capacity and improve quality of accommodation) and Greenhill caretaker's house (conversion for use as post 16 provision for the school), together

with adaptations at primary and secondary schools across Cardiff. Slippage of £573,000 is forecast against this budget, due to the number and complexity of schemes being undertaken.

Asset Renewal – Suitability and Sufficiency

95. The Suitability and Sufficiency budget of £971,000 includes slippage of £69,000 from 2017/18 and additional costs of £61,000 are projected during the year which will be managed by bringing forward the 2019/20 suitability budget. Main works include increased capacity at Meadowbank Primary and Bryn y Deryn pupil referral unit, and funding priority Disability Discrimination Act (DDA) adaptations across the Schools estate.

Whitchurch High DDA

96. A separate allocation for DDA and suitability works at Whitchurch High includes a new allocation of £1 million, together with slippage of £322,000. The in year budget is to be carried forward in full and supplemented in 2019/20 by an additional £900,000 from future approved budgets towards the purchase of replacement demountable units at the Upper School site, as the existing demountables approach the end of their useful life. Design and value engineering works are ongoing with the contractor, and at this stage, work is expected to take place in 2019/20.

Reducing Infant Class Sizes Grant

97. As part of an ongoing programme to reduce infant class sizes, Welsh Government has agreed a £3 million grant funding package until 2021. Works have begun in Oakfield Primary with expenditure of £475,000 is anticipated this year. A further two schools have been identified for future works: St Fagan's Primary and St Francis Primary.

Schools Organisation Plan – 21st Century Schools

98. In March 2015, the Authority submitted a re-aligned 21st Century Schools Programme for investment totalling £164.1 million to Welsh Government. Expenditure of £35.836 million is anticipated during the year on 21st Century Schools Band A schemes, as the programme draws to a close. Schemes already completed or planned for completion in 2018/19 include Cardiff West Community High School; Ninian Park Primary; Ysgol Glan Ceubal/Gabalfa Primary; Howardian Primary; Ysgol Hamadryad and Ysgol Glan Morfa. The variance of £3.756 million which will be managed within the Band A financial model includes additional costs of circa £700,000 for the demolition of Rumney High, £150,000 for a traffic-calming scheme at Eastern High, and budget brought forward from 2019/20 for Cardiff West Community High School.
99. The largest item of projected expenditure in the year is £20.3 million and relates to the Cardiff West Community High School which is scheduled to be complete in February 2019.

100. Projected expenditure during the year of £5.171 million relates to the initial development of priority Band B schemes. Expenditure of £1 million is anticipated for condition works at Fitzalan High and £1 million on preparatory works for St Mary the Virgin Primary school. In order to secure the acquisition of a parcel of land at a strategic site, expenditure of £3.171 million has been incurred for the purchase of land at the Dutch Garden Centre. Whilst the future use of the site is not yet determined, subject to an option appraisal exercise and approval of business case, it could form a strategic location for a new school. Overall, budget of £2.202 million has been brought forward from future years to meet these commitments.

People & Communities

101. The total programme for 2018/19 is £13.520 million, with an initial variance identified of £3.263 million, the majority of which relates to slippage on refurbishment works for the Domestic Abuse Multi Agency Hub and Youth Hub projects.

Communities and Housing

Neighbourhood Regeneration

102. Neighbourhood Renewal schemes projected expenditure is £163,000 to complete the final schemes in the current programme, including the Multi Use Games Area (MUGA) at Eastern Leisure Centre and Hendre Park access improvements. The £37,000 overspend will be met from underspends on the estate environment improvements budget.
103. The local shopping centre improvements budget of £557,000 includes owners' contributions estimated at £5,000 and slippage from 2017/18 of £197,000 for commercial property improvement. A budget of £440,000 is deemed sufficient to complete works on remaining phases of the Clare Road / Penarth Road scheme by spring 2019 with slippage of £100,000 currently assumed. The remaining £117,000 is to be re-assigned for completion of the shopping centre regeneration scheme in Maelfa.
104. The Maelfa regeneration scheme budget will allow completion of the retail parade of nine new shop units this financial year. The cost of the units, which will revert to the Council to manage on a commercial basis, is £2 million, with £1 million to be paid for on an invest to save basis. Planned expenditure also includes fit out, demolition work and compensation payments. Subject to the outcome of tenders on other schemes, any additional costs currently forecast will be managed within existing budgets.
105. The alleygating budget of £100,000 will allow further gates to be installed in prioritised lanes in Penylan, Plasnewydd, Riverside, Grangetown and Ely. Slippage of £45,000 is currently assumed pending resolution issues arising from resident consultation and completion of legal procedures.
106. The Targeted Regeneration Investment Programme (TRIP) budget is part of the Council's own match funding allocated towards securing Welsh Government regeneration funding. In March 2018, Cabinet considered

priorities for submission under the programme. Some preliminary expenditure is being incurred to identify and develop priority schemes in the South Riverside business corridor to ensure any grant, when approved, can be spent in line with the likely timescales to be set by Welsh Government. Slippage of £30,000 is anticipated.

107. The Phase 2 extension of St Mellons Hub was operational from August 2018 at a total cost of circa £4 million. The scheme is currently showing additional costs of £87,000, which will be managed within existing Neighbourhood regeneration schemes.
108. The Directorate submitted requests for Council capital funding to develop two integrated youth hubs, one at Grassroots, Charles Street in the city centre and the other at Butetown Youth Pavilion. The City Centre hub is at design stage and with forecast costs of £1.7 million - £900,000 in excess of the current budget available, further grant bids are to be made in relation to the scheme. Expenditure forecast in this year is £50,000.
109. Design work is in progress for the Butetown Youth Pavilion site, with a view to scheme implementation in 2019/20. An in principle Targeted Regeneration Investment grant bid has been awarded to support future project costs. Expenditure is forecast to be £50,000 in 2018/19 on design and development costs.

Housing (General Fund)

110. The Disabled Facilities Service budget includes mandatory and discretionary grants to housing owner-occupiers to enable a person to continue living in their own home as well as administration costs for the grants. The total budget of £4.365 million includes £565,000 slippage from 2017/18. Grant totalling £436,400 receivable from Welsh Government to deliver additional adaptations in support of independent living is also expected to be fully utilised in the year.
111. To facilitate comprehensive regeneration schemes, the housing regeneration allocation supports the costs of works to owner-occupier properties on housing and estate improvement schemes. At present slippage of £340,000 is anticipated with several schemes progressing including Belmont Walk and Anderson Place regeneration.
112. Plans to expand the number of pitches on traveller's sites are subject to acquisition of land and securing grant from Welsh Government for the construction of additional pitches in parallel. Council funding of £450,000 has been allocated towards the scheme and subject to planning and a successful grant application, construction is assumed to be in 2019/20.
113. Grant funding of £114,000 (including slippage of £73,000 from 2017/18) will be used to complete improvement works and provide additional spaces in several emergency accommodation sites including the Wallich Night shelter, Huggard and Ty Tresilian. This expenditure is funded from the Welsh Government homelessness grant.

114. Design work on the Domestic Abuse One Stop Shop at the Cardiff Royal Infirmary site is being progressed in partnership with the Health Board, with work forecast to start in March 2019, and complete in November 2019. Of the total £1.2 million allocated for this scheme, £100,000 is forecast to be spent in the current financial year.

Flying Start

115. The budget for Flying Start capital schemes for the year totals £59,000 for schemes at Herbert Thompson Primary and Western Leisure Centre.

Social Services

Adult Services

116. A sum of £345,000, which includes £245,000 of slippage from 2017/18, is to be used for the refurbishment of Tremorfa Day Services centre with works including accessibility, security and functionality improvements for respite services.
117. The Day Centre Opportunities Strategy aims to reconfigure day services for older people at three existing sites; Minehead Road, Grand Avenue and Fairwater day centres. Refurbishment work at Grand Avenue was completed in August 2018, with costs of £300,000 incurred during 2018/19. The Fairwater scheme started on site in January following a successful £386,000 application for Integrated Care Fund grant. The grant award may allow the release of funding towards additional costs on other schemes in the programme.

Children's Services

118. Subject to the timing of design, tender and implementation, further proposals from the remaining John Kane Fund include an extension to Crossland's home with slippage of £120,000 currently anticipated.
119. The Trelai Youth Centre building is being developed as a shared resource for the Western Learning Federation, as part of measures to improve sufficiency of additional learning needs within the 21st Century Schools Band B programme. This initiative will provide opportunities for joint working between schools and social services, and improve the transition process for young people leaving school. Full spend is anticipated this year.

Planning, Transport & Environment

120. The 2018/19 programme for the Directorate is £32.532 million, with an variance identified of £6.277 million. This is primarily in relation to slippage of energy, highways resurfacing and transport projects, which are detailed further below.

Energy Projects & Sustainability

121. The Council secured £2.126 million of repayable loan funding from the Welsh Government Green Growth Wales Fund in 2016/17 for implementation of a mixture of energy saving technologies under the REFIT framework. Phase 1 expenditure was circa £1.106 million with a further £1.020 million available for a new phase of proposed works. In addition, there is £500,000 Invest to save funding available giving a total programme spend of £1.520 million. There is a projected outturn of £300,000 for this project with a slippage of £1.220 million as sites are yet to be confirmed.
122. Salix Energy Efficiency Loan Schemes (SEELS) are repayable loans that aim to achieve energy efficiency and carbon reduction savings in schools. Schemes approved to date in 2018/19 include St Marys RC Primary, Holy Family RC Primary, Albany Primary and Rumney Primary. Also Included within this scheme are repayable loans for Solar PV projects within schools. Schemes approved to date include Coed Glas Primary School and Thornhill Primary School with other schemes in the pipeline.
123. In June 2018, Cabinet approved the business case and invest to save allocation for a new solar farm situated at Lamby Way and agreed to commence a delivery plan. This is to include submitting a planning application, finalising negotiations on private wire, procuring a contractor and costs. Initial expenditure of £195,000 is assumed this year in relation to planning, consultation and ecology survey costs. An update on final costings and timescales is to be set out in a future Cabinet report prior to signing contracts.
124. It should be noted that the costs of all projects identified above together with ongoing maintenance will need to be paid back from savings or future income generation, representing risks to the directorate revenue budget.

Leisure

125. The property asset renewal budget for 2018/19 includes sums primarily to meet obligations to properties where the Council has retained liability for maintenance. This includes £595,000 towards roof replacement at Pentwyn Leisure Centre and £150,000 to resolve drainage issues at Insole Court car park and allow completion of the restoration scheme. Priority one works, which included lighting, pool, and fire alarm works at Pentwyn Leisure Centre and pool lighting at Llanishen Leisure Centre have been completed.
126. The contract for the transfer of leisure sites to Greenwich Leisure Limited (GLL) included the Council making available a sum of £3.5 million invest to save funding for investment in the transferred leisure sites. This is to enable GLL to improve facilities, generate income and reach a zero subsidy position. £1.288 million was spent in 2017/18 and £1.212 million is projected to be spent this year with the balance being carried into 2019/20. Schemes include the refurbishment of health and fitness suites at Pentwyn, Llanishen, and Fairwater Leisure Centres. Expenditure proposals are agreed between the Council and GLL as part of a joint project board.

127. Due to the deteriorating condition of the track at Cardiff International Stadium, the Council's obligation to pay £500,000 to the operators for the first replacement has been brought forward into 2018/19 and works are in progress.

Bereavement & Registration services

128. In March 2018, Cabinet approved the development of existing Council owned land near the existing Thornhill site for new cemetery space. Expenditure during 2018/19 is likely to be design and development costs only. The estimated total cost of the scheme is £3 million with any expenditure incurred to be repaid over a 20-year period through the generation of additional income through increased fees and charges.
129. The programme also includes a planned use of £175,000 of the bereavement revenue reserve towards various improvements including vehicle replacement, improvements to roads and paths across all sites, burial section extensions, cremator refractory works and the development of an area for the scattering of ashes.

Recycling Waste Management Services

130. The five-year capital programme includes £3.325 million to explore options for a new household waste recycling / reuse centre to meet predicted growth in the north of the city. £200,000 was profiled for expenditure in 2018/19, however until a suitable site is identified, expenditure is unlikely. Full slippage is anticipated at this time.
131. A new scheme to provide separate glass collection for residents is being trialled at a cost of £300,000, with the aim to reduce processing and treatment costs and mitigate the risk of Cardiff failing to meet its statutory recycling targets.
132. Enhancements to the Waste Materials Recycling Facility (MRF) equipment to allow auto sorting of materials commenced in 2017/18 and after a period of testing was completed in July 2018. The overall cost of the scheme is estimated to be circa £650,000 funded on an invest to save basis, with repayments being made by the Directorate from reduction in disposal costs, manual handling and from increases in quality of materials sorted.
133. The programme also includes a £500,000 allocation towards fire safety measures in relation to the MRF building. Initial development of a specification indicate costs in excess of budget available, resulting in a need to review the longevity of any investment undertaken. Full slippage is assumed.
134. Expenditure of £265,000 is also planned on other enhancements to Waste management infrastructure including replacement of key components of the MRF, CCTV, weighbridge improvements and skip replacement.

Highway Maintenance

135. Expenditure on the reconstruction of structurally deteriorated roads is forecast to be £900,000 with works completed on three sites; Mervyn Road, Despenser Street and Amroth Road.
136. The balance of Council funded allocations for carriageway and footway resurfacing is £6.041 million and includes slippage primarily arising from Welsh Government grant received in 2017/18. Phase 1 of carriageway preventative surfacing has been completed, with the next phase commencing in early February. New footways contracts are currently being prepared for tender and works are expected to start at the end of February. The budget allocation is assumed to be increased by circa £1.715 million for the Council's share of Public Highways Improvement Grant for 2018/19 from Welsh Government. Grant will be applied to expenditure during the year and will allow the Council's own resources to be carried forward as slippage to increase the level of investment in highways in 2019/20.
137. The Bridges and Structures budget of £1.467 million includes a number of schemes. The A470 expansion joint works have been completed, with contracts circa £300,000 awarded for retaining walls and parapet works in Radyr, and parapets on the A4232. Works commenced on site in October with anticipated completion in March 2019. The North Road flyover scheme has been re profiled to 2019/20 pending further investigation of the initial principal inspection, however, an alternative programme of priority works is being implemented comprising of several drainage schemes including Fair oak Road and virements of £100,000 towards priority telematics works and £205,000 towards hostile vehicle mitigations. Subject to receipt of a final valuation, additional costs payable to Network Rail towards the cost of the Windsor Road Bridge scheme are expected to be £446,000. Structural strengthening works at Llandaff Weir are complete at a cost of £403,000.
138. Funding of £292,000 from the street lighting renewal budget of £542,000 is to be used for replacement lighting in subways and low-level solar powered bollards. Phase one of the works, which commenced in 2017/18 is now complete and a tender exercise is being undertaken for a new contract for Phase 2 commencing in 2018/19. The balance of £250,000 will be used towards a phased programme of electrical works at Eastern Avenue. Slippage of £235,000 is identified as a result of a delay in securing specialist electrical designs.
139. An invest to save pilot scheme in Radyr to trial LED lighting in residential areas has been completed at a cost of £337,000 with the conversion of 1,250 columns. The pilot will be used to consider the technical and financial viability of a business case for the potential conversion of all other residential columns. Expenditure of £500,000 on an invest to save basis has been incurred to complete the £6.330 million LED lighting replacement on principal roads.
140. The Greener Grangetown scheme has been completed with funding partners Dwr Cymru and Landfill Community fund. The scheme has retrofitted sustainable drainage systems and improved the public realm

such as road and footpath resurfacing. As reported previously, the total cost of the scheme was initially estimated to be £2.5 million but is now expected to cost a minimum of £3.5 million, subject to further discussions taking place with the contractor. Given the cycling improvements the scheme has also implemented, the transport cycling budget has been initially used towards additional costs in both 2017/18 and 2018/19 pending grant application bids. Any variation to the contract will need to be approved in line with the council's contract and procedure rules.

141. The Council has been working with Welsh Government as part of its coastal defence scheme to implement improvements from Rover Way to Lamby Way. Initial estimates of the project cost are £10.9 million, with 75% of this potentially funded by Welsh Government. Grant of £638,000 has been awarded to progress to the next stage of design, habitat assessment and completion of a full business case, to be completed by February 2020. Subject to completion of procurement, £40,000 of expenditure is forecast during this year, with Council match funding of £115,000 being carried forward into 2019/20.

Traffic & Transportation

142. Following a bid process the Council was notified of additional Welsh Government Local Transport Fund (LTF) grant of £4.237 million in November 2018. This increased the Council's grant allocation to £4.707 million with additional funding supporting new schemes as well as schemes already planned from the Council's own capital budgets :-
- the extension of the existing street cycle hire scheme (£796,000)
 - further introduction of 20mph limits within the city (£721,000) including Plasnewydd, Admasdown, Splott and Grangetown
 - further active travel improvements totalling £742,000 have taken place in Whitchurch and around the new high school in the East
 - upgrading walking and cycling routes including North Road and the Taff Trail (£774,000)
 - improvements to bus infrastructure including Newport Road and site clearance works at Cardiff West Interchange (£554,000) and
 - improvement of transport infrastructure within the city centre (£600,000) including Wood Street and Westgate Street.
143. Given the requirement to spend the additional funding before the 31st March 2019, this has allowed the displacement of resources originally planned to support council schemes. This has been transferred towards proposed priority transport and air quality schemes in the City Centre for which further Welsh Government grant funding bids are being made in 2019/20 to deliver the schemes in that year.
144. Previous experience shows grant awards are often notified late in the year, requiring re-profiling of existing schemes to meet the terms and conditions of grant.
145. The additional grant has allowed previously allocated funding from the financial resilience mechanism and parking reserve to be re-prioritised. The

£144,000 balance of the Council's Road Safety Schemes budget has been utilised for safety measures outside schools.

146. The asset renewal telematics budget of £394,000 is to be used to complete analogue to digital fibre upgrades, complete the first phase of converting traffic signals to LED, the replacement of the uninterrupted power supply, critical to the safe operation of the Butetown tunnel and for priority replacement CCTV cameras and Variable Message Signs to ensure network safety. This is part funded through a virement of £100,000 from the Structures budget.
147. The original budget for cycling development in 2018/19 was £1.605 million including £305,000 of slippage from 2017/18. A sum of £641,000 was utilised towards costs of the Greener Grangetown scheme. Additional grant has enabled £850,000 to be transferred towards use on priority City Centre schemes.
148. A budget of £713,000 is available to secure Welsh Government grants, where match funding is required. Slippage of £113,000 has been identified and will be used in 2019/20 to complete schemes as required under the terms and conditions of the grants.
149. A sum of £350,000 was allocated to undertake initial concept design works for a range of city centre link schemes including the east side of the city centre, Westgate Street, Wood Street and Central Square, to link in with the new Central Interchange. An additional grant of £25,000 has been secured from Welsh Government via Rhondda Cynon Taff Council towards these works as part of a grant bid in future years forming part of a regional application. In addition, Council funding of £1.150 million has been reprioritised to support implementation of schemes in 2019/20 following confirmation of Welsh Government grant bids. A procurement for these works is being developed, but will be subject to funding from a range of sources being in place.
150. The revised Welsh Government Road Safety grant of £513,000 has been utilised for safety improvements at the junction of Western Avenue / Excelsior Road, expected to be complete in March, and the replacement of speed safety cameras at various locations on behalf of GoSafe.
151. The Safe Routes in Communities Grant of £294,000 aims to improve accessibility and safety to encouraging walking and cycling in communities. There is particular emphasis on improving routes to and from schools with works at Ysgol Gyfun Gymraeg Plasmawr in Fairwater having commenced on site in January.
152. The Council has been successful in a securing an additional grant of £319,000 from Welsh Government Active Travel Fund for the construction of the Cycle Superhighways and local active travel improvements. Further grant of £739,000 is expected to be available in 2019/20. This will be used towards construction of phase one of the Cycle Super Highway between St Andrew's Crescent and Senghennydd Road in March with completion in 2019/20. It is also being used for preliminary works and an access study for

the Roath Park Corridor, including segregated secondary cycle routes, and detailed design for Lakeside, Ty Gwyn Road and Cyncoed Road walking and cycling improvements.

153. The Council will also receive a grant of £134,000 from the Department for Transport towards the costs of implementing on street residential charge points for electric vehicles. Matchfunding of £45,000 will be utilised from the Parking Reserve. A provider has been appointed to operate the scheme, which will be implemented by 31 March 2019 at selected sites across the city.
154. In relation to moving traffic offences expenditure of £266,000 is to be incurred on the phase four expansion and £190,000 for the replacement of aged pay and display machines. This expenditure is on an invest to save basis and will be repaid from future parking and enforcement income.
155. The implementation of bus priority measures on the A4119, Penhill Road, are on hold pending review on its impact on residential parking. As a result, £170,000 has been carried forward into 2019/20.
156. The completion of the control room system upgrade will be managed within the £650,000 budget available including a contribution of £58,000 from South Wales Police. Works include replacement of obsolete equipment and software used by the variable message signs matrix and lane closure systems.
157. The costs of constructing and installing hostile vehicle measures in the City Centre has been impacted by a number of unforeseen issues including the need to upgrade telematics equipment, utilities and ensuring measures can be controlled remotely from command sites. The scheme was completed in August, with costs of £205,000 in excess of the initial £1 million budget managed from within existing budgets.

Central Transport Services

158. The Cabinet took an emergency decision in January 2019 to purchase previously leased Refuse Collection Vehicles and Gritters from the administrators of Gulliver Transport Hire (GTH) at a cost of approximately £1.25 million. This was to secure the Council's essential vehicle requirements in the short term whilst a review of the approach to utilisation, maintenance and procurement of such vehicles is undertaken.

Resources

159. The 2018/19 programme for the Directorate is £7.816 million, with expenditure of £4.595 million forecast with the majority of slippage due to corporate projects. Details of schemes within the Directorate are shown below.

Reasons for Recommendations

160. To consider the report and the actions therein that forms part of the financial monitoring process for 2018/19.

Technology

161. The main priority for the Modernising IT to Improve Business Processes budget in 2018/19 is to support key ongoing projects in the Cardiff Capital Ambition programme and the digitisation of business services utilising modern technology. The budget including slippage from 2017/18 totals £815,000 with expenditure on rolling out Electronic Document Management Systems and the Cardiff App. Slippage of £250,000 is anticipated into next year.
162. The total ICT Refresh budget of £507,000 will be utilised to support a range of projects to support resilience, capacity and capability. This includes the purchase of additional storage and replacement of unsupported hardware and software. £20,000 slippage is anticipated.

Corporate

163. In respect of the contingency budget of £200,000, at month nine this is shown projected to be fully required, although as the year end approaches, any under spend will be used to reduce the level of borrowing assumed in the Capital Programme.
164. The £500,000 invest to save budget has been adjusted for the acquisition of 51 Rhydyppennau Road, leaving £98,000 available for new projects subject to an approved business case.
165. Expenditure of £4.196 million has been budgeted for this year as part of the Council's £28.4 million approved contribution to the £120 million Cardiff Capital Region City Deal wider investment fund and commitment to fund capital expenditure in advance of receipt of HM Treasury Grant where relevant. Expenditure in 2018/19 will primarily be towards the semi-conductor project.
166. Full slippage is expected in relation to the loan to Cardiff City Transport Services of £2 million for the replacement of vehicles. This is to be the subject of a review and due diligence in 2019/20.

Capital Receipts

167. The 2018/19 Capital Programme assumed £40 million of non-earmarked capital receipts, net of fees, to pay for the Capital Programme between 2018/19 and 2022/23. Of this target, £4 million was assumed receivable in 2018/19. To date, non earmarked receipts net of fees are circa £5.6 million, with the main disposals including the former Household Waste Recycling Centre at Wedal Road (£400,000), overage from land at Church Road (£300,000), and Howard Gardens pavilion and bowling green (£5.5 million). The Council also sold the former Corporation public house site (£810,000)

as part of the Investment Property Strategy. Cabinet will consider a property asset and medium term disposal plan in March 2019.

168. A number of land appropriations to the Housing Revenue Account are also to be completed by 31 March 2019 including former Rumney High, Llanrumney High and Howardian Primary schools and St Mellons Youth and Enterprise centres.

Public Housing (Housing Revenue Account)

169. A Capital Programme of £42.025 million was set in the February 2018 Budget, with a further £6.514 million available due to slippage on projects from 2017/18 . A total variance of £8.748 million is estimated at month nine including slippage of £8.580 million. Any slippage will be reprioritised as part of the 2019/20 capital programme.
170. The Housing Development budget will be used on several schemes including the final works to the independent living accommodation for older persons on Thornhill Road (£85,000) and initial planning costs for Column Road refurbishment (£35,000).
171. Estate regeneration schemes have projected costs of £3.845 million for 2018/19 on a range of schemes including citywide gully and environmental improvements (£111,000), regeneration of Belmont Walk (£800,000), Anderson Place (£900,000) and Taff Embankment (£200,000). Garage and courtyard improvement schemes are anticipating spend of £1.778 million, including a transfer of £1.16 million from other HRA projects, as additional schemes are brought forward to utilise contractor capacity.
172. The dwellings stock improvements budget of £16.236 million will be utilised to provide boiler and lift replacement, heating, roofing, rewiring, underpinning of properties where subsidence issues have been found, front door upgrades to flats and kitchen and bathroom upgrades when properties become vacant prior to re-letting. Some of the larger schemes include; £4.311 million for high-rise upgrades, £2.180 million for removal of cladding on high-rise residential buildings following fire risk assessments and £1.5 million on a programme of roof replacements across the city. Slippage of £3.947 million is projected on the following schemes; lift upgrades (slippage of £998,000 budget due to tendering delays), doors and windows (£800,000), door entry systems (£375,000) and BISF schemes (£1 million) due to the timings of work starting and contractor capacity.
173. The allocation of £2.3 million to provide adaptations and associated improvements to the homes of disabled people in HRA properties is forecast to be fully spent. Although demand and costs continue to rise the capacity of contractors has limited spend to within budget.
174. The first thirteen council homes to be delivered by the Cardiff Living project have been handed over to new tenants with 63 council homes to be finished by 31 March 2019. Five schemes are currently on site including; Willowbrook West, Llanrumney Depot, Ty To Maen, Braunton and Clevedon Crescent, Walker House and Snowdon and Wilson Road. The remaining

phase one sites; Briardene, Llandudno Road, Ty Newydd and Highfields are scheduled to commence in the final quarter of 2018/19.

175. A package deal partnership between Cadwyn Housing Association and Cardiff Council is now in place to build 30 new flats at Courtney Road. This project is currently on site with an anticipated January 2020 completion date. Additional schemes include 49 care ready units in Walters Building, Butetown, which is currently at planning stage. Innovative housing grant totalling £1.275 million has been received from Welsh Government and must be utilised by 31 March 2019 for two “sea container” housing schemes at Greenfarm Hostel and Bute Street.
176. A number of private sector properties are also being purchased to help address affordable housing need. Subject to completion of acquisitions, expenditure of £3.851 million is projected, of which £1.719 million is funded from an earmarked reserve set up for this purpose in 2016/17. A total of 25 properties have been acquired to date.
177. Slippage across the new build programme is anticipated to be £4.635 million of which £1.175 million relates to the completion on the purchase of the Walter’s Building new build site, which is anticipated at the start of the 2019/20 financial year.

Section 106 schemes and Other Contributions

178. The table below shows the Section 106 and other contributions forecast to be spent at the time of setting the budget. This has been reviewed by directorates and is reflected in revised forecasts at Month 9:

	Budget	Projection at Month 9	Variance
	£000	£000	£000
Parks & Green Spaces	1,356	919	(437)
Traffic & Transportation	862	726	(136)
Strategic Planning & Regulatory	33	40	7
Neighbourhood Regeneration	581	250	(331)
Economic Development	236	185	(51)
Education & Lifelong Learning	325	448	123
Public Housing (HRA)	1,484	1,484	0
Total	4,877	4,052	(825)

179. Some of the schemes included in the profile above are:

- Parks and Green Spaces – Schemes are proposed in a number of areas including; Wilkinson Close, Despenser Gardens, Craiglee Drive, Trelai and Jubilee Park play areas, public realm and footpath improvements in Penylan, Hendre Lake and Gabalfa. The Playground refurbishment programme, although well advanced, will extend into

2019/20 while other schemes are progressing less quickly than anticipated.

- Traffic & Transportation – public transport improvements, junction improvements, bus stops and bus borders; installation of CCTV and real time information, telematics and transportation schemes including the provision of bus routes in the City and strategic transport initiatives.
- Strategic Planning – Public realm improvements at Bridge Street and Charles Street.
- Neighbourhood Regeneration - Improvement of community facilities at Lisvane Memorial Hall, Riverside Warehouse, the Bangladesh Centre, building improvement works at St Andrew and St Teilo's Church and installation of lights to improve access to community buildings within Trelai Park.
- Economic Development – The Council's contribution towards the development of Llanrumney Hall as a community facility.
- Education & Lifelong Learning – Towards the new Howardian Primary School, Eastern High and Cardiff West Community High School as well as condition works at Creigiau, Springwood and Llanedeyrn Primary School.
- Public Housing – development of new Council housing.

Legal Implications

180. It is a Council responsibility to set the budget and policy framework and to approve any changes there to or departures there from. It is an Executive responsibility to receive financial forecasts including the medium term financial strategy and for the monitoring of financial information.

Financial Implications

181. Overall, the month nine revenue monitoring for the Council continues to show a balanced position with financial pressures and shortfalls against budget savings targets in directorate budgets offset by projected savings on capital financing, an anticipated surplus on Council Tax collection and NDR refunds on Council properties. In line with the position reported at month six the overall position also takes into account the release of the £1.1 million set aside for transitional grant relief via the Financial Resilience Mechanism as this budget is no longer required for its original purpose in the current financial year. The balanced position also includes a proposed contribution of £917,000 to the Council's Strategic Budget Reserve in order to provide funding in support of the budget for 2019/20 and future years. Directorate budgets are currently projected to be overspent by £4.9 million, a slight improvement on the position reported at month six. This takes into account the impact of any management actions already taken with additional measures to be implemented during the remainder of the year where there is scope to reduce the projected spend by the year end. The directorate overspends are partly offset by projected underspends in other directorates and by the £3.0 million general contingency budget which was provided as part of the 2018/19 budget in order to reflect the quantum, risk and planning status of the proposed savings for 2018/19.

182. The projected overspends in directorate budgets include £3.230 million in Social Services, £1.049 million in Planning, Transport & Environment, £768,000 in Education & Lifelong Learning, £489,000 in Corporate Management and £172,000 in Governance & Legal Services. The directorate positions reflect a range of factors including increased demographic pressures in Social Services, particularly in relation to looked after children, shortfalls in income and the anticipated failure to fully achieve the savings targets set as part of the 2018/19 Budget together with on-going shortfalls carried forward from the previous financial year.
183. An overall shortfall of £3.677 million is currently anticipated against the £14.296 million directorate savings target with £6.995 million having been achieved to date and a further £3.624 million anticipated to be achieved by the year end. A projected shortfall of £767,000 has also been identified in relation to savings targets carried forward from 2017/18. The projected shortfalls are reflected in the directorate monitoring positions although where possible shortfalls have been offset by savings in other budget areas. The shortfalls are partly offset by the £3.0 million general contingency budget which was provided as part of the 2018/19 budget in order to reflect the quantum, risk and planning status of the proposed savings for 2018/19.
184. The projected overspend in directorate budgets and in particular the shortfalls against savings targets represent a continuing cause for concern, particularly with the challenging financial outlook in the medium term and the difficult choices facing the Council in the current budget round. Actions are continuing to be taken by those directorates currently reporting a projected overspend to try to resolve the issues that led to the current position or alternatively to identify offsetting savings in other areas of the service. As set out in the previous monitoring report at month six, in response to the level of financial pressures identified in the current year all directorates have also identified a range of in-year savings which are reflected in their reported positions within this report.
185. The 2018/19 Capital Programme is £170.517 million of which £121.643 million is in respect of General Fund schemes and £48.874 million is in relation to the Council's Public Housing schemes. Against this, the projected outturn for 2018/19 is £150.980 million resulting in a total variance of £19.537 million. The variance reflects slippage across a range of schemes and includes the impact of additional specific grant funding received during the year. The overall position includes slippage of £8.580 million in relation to public housing.
186. Where there is a risk of slippage, directorates, need to address any obstacles promptly to ensure budgets allocated are spent in a timely manner. Where this is not possible, early reporting of issues should take place and robust profiles of expenditure should be developed for future years.
187. The Capital Programme update includes a number of schemes planned to be funded by external grants that have strict deadlines for expenditure having to be incurred. It is essential that directorates ensure that opportunities for utilisation of such funding are not lost to the Council by

ensuring appropriate resources are directed to these schemes and that consideration has been given to all steps required to ensure contracts are in place and to meet the terms and conditions of such funding.

RECOMMENDATIONS

Cabinet is recommended to:

1. Note the potential outturn position based on the first nine months of the financial year.
2. Reinforce the requirement for all directorates currently reporting overspends as identified in this report to take actions to reduce their projected overspends.
3. Approve in principle that the projected surplus of £917,000 be transferred to the Strategic Budget Reserve at the year end subject to the final out-turn position for 2018/19.

SENIOR RESPONSIBLE OFFICER	CHRISTINE SALTER Corporate Director Resources
	15 February 2019

The following appendices are attached:

- Appendix 1 – Revenue position
- Appendix 2 (a) – Budget Savings position – 2018/19 Savings
- Appendix 2 (b) – Budget Savings position – 2017/18 Savings
- Appendix 3 – Capital Programme