

## **Appendix 2 – Directorate Commentaries Month 6 2023/24**

### **Corporate Management (£53,000)**

**(£40,000)**

1. The projected outturn position for Corporate Management at Month 6 against the net controllable budget of £29.347 million is a £53,000 underspend. This includes savings within Senior Management (£15,000) and Corporate Management Other Costs (£38,000). The main change compared to Month 4 is a reduction in the forecast for audit fees.

### **Economic Development +£2.224 million**

**+£1.800 million**

2. The Economic Development Directorate is forecasting a £2.224 million overspend at month 6 against the net controllable budget of £11.186 million. Significant income shortfalls across Culture, Venues and Events as a result of the closure of buildings are only partially offset by a surplus within Facilities Management.
3. Culture, Venues and Events are forecasting an overall potential deficit of £2.805 million. This is made up largely of income shortfalls at St David's Hall (£1.6 million), City Hall Functions (£544,000), Functions Catering (£419,000) and at Cardiff Castle (£248,000).
4. Following the closure of St David's Hall in September there remains significant uncertainty on the in-year financial position. At month 6, it is estimated that should the hall remain closed for the remainder of 2023/24, the overspend could increase from the £850,000 reported at month 4 to circa £1.6 million. This forecast does not currently include any costs associated with financial settlement of shows or any potential premises cost savings. These and any other factors impacting on the financial position will be worked through in the coming weeks as more detail becomes available.
5. The deficits in Function Hire at City Hall / County Hall and reduced Functions Catering income are a direct result of the core office programme changes in November 2023, where City Hall will be closed for events from November until the end of the financial year, which will have a significant negative impact on functions hire and catering income.
6. The Cardiff Castle forecast deficit of £248,000 includes total projected income of £3.74 million compared to an outturn of £3.04 million in 2022/23, reflecting an increase in paid admissions of 36% on the previous year. However, whilst this is an improvement on the 2022/23 actuals, income generation has not quite returned to pre-Covid levels and remains short of budgeted income targets.
7. Offsetting these income shortfalls, Facilities Management is forecasting an overall underspend of £1.307 million at month 6. This includes a potential surplus for the Building Services trading unit of £931,000, derived from estimated fees based on higher volumes and contract values. FM buildings is reporting a net underspend of £286,000 with significant cost pressures estimated to be in the region of £831,000 assumed to be mitigated by savings

from the planned changes at the three core office buildings. These savings are fully dependent on changes being implemented on the scheduled dates. Based on the previous year's usage, it is estimated energy savings of £756,000 could be achieved. In addition, the planned termination of the lease at Willcox House on 31 December should deliver further savings of £135,000 on rent and cleaning. Both the Cleaning and Security Services are currently anticipated to recover their costs and achieve balanced positions, whilst Pest Control is reporting an income shortfall of £24,000.

8. Property Services are projecting an overspend of £671,000 at month 6; a £159,000 increase compared to earlier forecasts at month 4. This includes a shortfall for Investment and Non-operational Estate income of £506,000 (including £349,000 at the Tennis Centre and a £72,000 reduction in St David's 2 rental income) and a shortfall of £121,000 in relation to the Capital Receipts fee income target.
9. The Youth Foods division is reporting an overspend of £175,000, relating to increased agency costs and income shortfalls and reflecting a similar trend to 2022/23.
10. City Centre Management is projecting an £88,000 overspend with Activity Site income projection falling short of target.
11. Business, Investment & Workshops are projecting a net £148,000 underspend, with advertising above income and overspends at Enterprise House and the Film unit offset by underspends within inward investment and assistance to industry.
12. Sport, Leisure and Development is reporting a potential £165,000 underspend at month 6 with the main improvement at Cardiff International White Water (CIWW) which is now projecting a surplus of £74,000. This is partially linked to the decision to delay water pump repairs and replacements into 2024/25. Other improvements to the position include Channel View Centre now forecasting an improved underspend of £55,000 due to increased income projections. A significant £75,000 reduction in the projected Ice Arena overspend is the result of a new lease which will shortly be in place. Other improvements include in-year savings linked to the flexible retirement of an operational manager. The Vocational Education function is forecasting a £45,000 surplus.
13. A £78,000 surplus for Parks includes vacancies across the service and increased events income at Bute Park.
14. Shared Regulatory Services is reporting a £10,000 overspend after assuming a drawdown from earmarked reserves to offset deficits within the Licensing service which may see an improvement in future months. The position includes a new SLA with 24/7 Services (Telecare) for out of hours calls handling with costs estimated at £17,000 for 2023/4.
15. Major Projects are projecting a £223,000 overspend, primarily linked to unbudgeted holding costs (NNDR rates, utilities etc) at the Toys r Us building

for the majority of 2023/24. A new tenant is due to take temporary occupation in the latter part of this year which will mitigate holding costs going forward.

16. All other divisions within Economic Development are projecting balanced or underspend positions for 2023/24.
17. The 2023/24 Efficiency Savings target for Economic Development was set at £1.204 million. At month 6, £931,000 of these Efficiency Savings are projected to be achieved (circa 77%), with the remaining £273,000 (23%) projected to be unachievable in 2023/24. The Service Change savings target for Economic Development was £582,000. At month 6, only £32,000 of these savings are projected to be achieved (increased charging for sports pitches and reduction in support for external events). The remaining £550,000 in savings are linked to the transfer of St David's Hall and CIWW to third parties which are not considered achievable in the current year.
18. A total of £600,000 was allocated for specific FRM items in 2023/24. At month 6 it is projected that full spend will be incurred against these items.

**Recycling & Neighbourhood Services +£300,000**

**+£200,000**

19. Recycling & Neighbourhood Services are projecting a net increased overspend of £300,000. This position is after an anticipated drawdown from contingency to offset an income shortfall from the sale of recyclates which has been adversely affected by global market prices and the use of earmarked reserves to fund the planned expansion of the segregated waste scheme.
20. Collection Services are projecting an underspend of £204,000. This reflects savings on staff costs during the recruitment process, vacant posts, and a net saving from the industrial action. The position includes the planned further expansion of the segregated collection scheme scheduled for February 2024 estimated at £254,000 and further overspends of £96,000 on the purchase and delivery of recycling bags reflecting contract price increases. It is planned that these costs will be funded by a drawdown of £350,000 from earmarked reserves set aside as resilience for necessary changes to maximise recycling rates.
21. The Street Cleansing service is projecting an overspend of £379,000 which predominantly reflects higher vehicle charges, estimated at £333,000 over budget. Increased staff costs, due to secondments and short-term trials into the service to provide experience of a supervisory role to officers from within the service amount to £130,000. The weed control contract, transferred from the Parks Service in 2022/23, brought an historical underfunding estimated at £41,000. Increased income of £45,000 from events and ad-hoc work and a saving of £80,000 from the industrial action has partly mitigated these pressures.

22. Recycling Treatment is projecting an overspend of £239,000. This reflects increased costs at the Recycling Centres and MRF due to staff cover for sickness, suspensions, and overtime, plus a delayed saving against planned operational changes partly reduced by a saving on external processing costs. The income from the sale of recycling materials remains volatile and, in recent months, the price per tonne for mixed plastics has seen a reduction from £152 per tonne to £0. Subsequently, the overall income forecast against the target is now showing a shortfall of £275,000.
23. The Environmental Enforcement division is forecasting an overspend of £6,000 caused by an income shortfall of £62,000, increased CTS recharges of £23,000 and other operational cost overspends of £28,000, partially offset by a £107,000 saving against staffing due to holding of vacant posts pending the Neighbourhood Services restructure. The cost of trialling covert CCTV cameras for fly tipping is £52,000 and it is proposed to fund these from reserves.
24. Waste Disposal is projecting an underspend of £116,000. This includes a saving of £210,000 from the contractual arrangement with Project Gwyrdd (PG) in relation to tonnage banding and the Performance Measurement Framework. Processing costs are projecting an overspend of £79,000 and income from the sale of landfill gas is projecting a £15,000 shortfall.
25. There is a small underspend of £4,000 in Management & Support whilst the Waste Strategy team is projecting a balanced position.
26. The Trade Service is reporting a balanced position after assuming a drawdown of £62,000 from the Waste Management reserve. Income projections are showing a shortfall of £190,000, caused by the reduction in rates to incentivise existing customers to separate their waste streams in readiness for changes to legislation due in January 2024. There has also been a re-focus of the service to prioritise and maximise recycling rates which has resulted in the loss of a key customer and a downsizing of the skip hire service. Expenditure projections are showing an underspend of £252,000 primarily due to staffing and disposal costs.
27. The FRM allocation of £60,000 to fund cleansing initiatives is projected to be fully spent.
28. Budgeted Efficiency Savings totalled £291,000 and are forecast to be fully achieved. However, the Service Change saving of £60,000, in respect of reduced opening times at the Recycling Centres, is unlikely to be achieved until the proposed service restructure has been approved and implemented.

**Education and Lifelong Learning +£1.785 million**

**+£1.900 million**

29. The forecast for the Education & Lifelong Learning Directorate reflects an overall overspend of £1.785 million.

30. Schools Transport is projecting a £400,000 overspend, reflecting the full year effect of 2022/23 new routes and price increases, along with known and anticipated increases in ALN routes in 2023/24, and extraordinary contractor price increases. The position is net of a £700,000 contribution from earmarked reserve to meet the continuing demand and cost pressures within the service.
31. Services to Schools includes a balanced position in Schools Catering but this is heavily caveated by the drawdown from reserve of £1.100 million which reflects the uncertainty surrounding universal primary free school meal (UPFSM) prices. Both the income generated by UPFSM and the ongoing volatility of food price inflation will continue to be monitored and reviewed.
32. Out of Maintained Schools educational placements is £700,000 overspent due to an increase in the provision requirement from 276 to 293 pupils in total. The increase in placements is due to the continuing trend of ALN placements demand outstripping the authorities educational setting provision, despite significant investment to increase capacity.
33. Further overspends include a shortfall in EOTAS tuition income, due to tuition hours not eligible to be billed to schools of £400,000 and unbudgeted staff in back-office functions of £200,000.
34. Budgeted savings for Education Services for 2023/24 totalled £1.482 million and it is currently projected that £1.307 million of these will be delivered in the current financial year.

**Housing and Communities (£177,000)**

**Balanced**

35. Housing & Communities is reporting an underspend of £177,000 against a net controllable budget of £49.672 million after assuming budgeted drawdowns estimated at £1.662 million from Housing and Communities earmarked reserves. In addition, a further unbudgeted drawdown of £825,000 is assumed to address pressures within Homelessness.
36. The position comprises overspends totalling £685,000 across Homelessness (£297,000), Hubs and Community services (£244,000) and Business Support (£144,000). These are offset by underspends of £862,000 across all other areas of the service.
37. Homelessness and Hostels are reporting an overspend of £297,000 largely due to storage costs for Homeless persons' furniture, taxi charges and utility and overtime costs at the Gypsy and Traveller sites. These are partly offset by grant maximisation and savings within temporary accommodation voids. All associated costs linked to ad-hoc hotels and additional units sourced to meet unprecedented demand on Homeless services, including anticipated asylum dispersal cases, are expected to be met from the Welsh Government No One Left Out and Discretionary Homeless Prevention grants and by a drawdown from the Homelessness earmarked reserve.

38. Hubs and Community Services are reporting overspends of £244,000 across the divisions. Overspends of £120,000 within Day Centres are attributable to unachieved vacancy provisions and a £144,000 overspend within Community Hubs is linked to unachievable fee income targets and premises costs above budget. These are partly offset by employee savings and by grant maximisation across the service.
39. The Business Performance and Support overspend of £144,000 relates to PPE distribution costs across the authority as, whilst PPE continues to be provided free of charge by Welsh Government, the Directorate does not have budget for the administration and delivery of the service. Work is ongoing to reduce related expenditure.
40. Underspends of £242,000 within Neighbourhood Regeneration relate to additional grant income and reduced staff recharges. Housing Projects are reporting vacancy savings of 153,000.

#### **Adult Services (Balanced)**

#### **Balanced**

41. Adult Services is projecting a balanced position after a £1.413 million contribution from the Adult Services contingency budget.
42. The underlying overspend of £1.413 million comprises a £3.866 million overspend on commissioned care, offset by a £2.453 million underspend on internal services.
43. The position on commissioned care comprises overspends in Older People (£1.650 million), Physical Disabilities (£1.472 million), Learning Disabilities (£559,000), Mental Health (£142,000) and Substance Misuse (£43,000).
44. The largest contributory factor to the position on Older Peoples' Services are overspends on domiciliary care (£1.014 million), residential and nursing budgets (£199,000) and Respite (£361,000). These, together with a smaller overspend in other areas of care, are offset by an underspend on direct payments. The overspend on domiciliary care reflects a significant increase in weekly domiciliary care hours over recent weeks (c750 hrs per week). The overspend on residential and nursing reflects an increase in placement numbers in general, together with a significant shift in existing placements from general residential to more costly residential dementia placements.
45. The largest contributory factors to the position on Physical Disabilities commissioned care are similar, with overspends on domiciliary care (£720,000), residential and nursing care (£164,000), supported living arrangements (£304,000) and direct payments (£285,000). The domiciliary care position reflects a significant increase in hours of care while the residential, nursing and supported living overspends reflect placement numbers. Residential and nursing placements are around 30% (9-10 places) higher than the average of the last three years; many in the 60+ age category.
46. The overspend on Learning Disabilities is mainly due to residential and nursing placements (£1.128 million) and domiciliary care (£258,000). These are

partially offset by underspends in other areas, including external day centres, supported living arrangements and Direct Payments. The overspend on residential and nursing reflects placement numbers as well as the impact of delayed delivery of a 2023/24 budget saving proposal.

47. The underspend on Internal Services is a combination of Assessment and Care Management (£755,000), Reablement and Independent Living (£658,000), Support & Performance Management (£923,000) and Internal Day Care (£71,000).
48. The underspends in all other areas of Internal Services reflect a level of vacancies and the fact that funds allocated for restructures are only estimated to be partly used in the current financial year.
49. Budgeted savings in Adult Services for 2023/24 totalled £1.669 million and it is currently projected that £1.326 million of these will be delivered. Further detail is included in Appendix 2.

#### **Children's Services +£3.185 million**

**+£2.975 million**

50. Children's Services is currently projecting a £3.185 million overspend, after full utilisation of the Children's Services contingency of £2.175 million, and a drawdown of £3.248 million from earmarked reserves to fund ongoing cost pressures from cost differential between agency staff and establishment staff and high-cost support and placement packages.
51. The overspend is primarily due to placement costs for the authority's Children Looked After cohort as sustained demand pressures and price increases results in costs exceeding budget.
52. Placements costs include a £7.068 million overspend relating to residential placements. Ongoing placement numbers have increased over the year from 106 active placements at the start of the year to 123 current active placements, with an average price uplift request of 8% on 30 placements. External fostering budgets are reporting a £1.818 million underspend with placement numbers less than planned. The underspend has been partially eroded by price uplifts at an average of 8% for fostering arrangements.
53. To meet the demand for placements for children over the age of 16, the authority has commissioned many accommodation schemes, which are more cost effective than residential placements. These schemes were to be funded from the release of budgets derived from the reduction in residential placements. These schemes are however currently showing an £840,000 overspend. Other cost-effective placement measures taken include the commissioning of Supported Living arrangements, especially for the UASC cohort which has reduced the projected position by £400,000.
54. Children's Services are required to commission additional bespoke placement and support packages due to the complexity of needs and a shortage of placements spaces available. These costly arrangements are included in the

position as an overspend within the directorate to the sum of £2.600 million, which is being offset by an earmarked reserve contribution of £2.600 million. During the financial year to date, there have been 69 of these packages, of which 21 are currently active.

55. A national trend of a challenging recruitment market, with difficulties in recruiting permanent qualified social workers and care workers has resulted in an increased reliance on external employment agency to fulfil statutory duties. The cost differential between permanent staff and agency staff has led to a staffing overspend of £1.3 million within Assessment and Care Planning division. A service redesign is being undertaken by the division and there is an in-year reduction in the number of external agency workers commissioned by the service.
56. Budgeted savings in Children's Services for 2023/24 totalled £1.929 million and it is currently projected that £1.564 million of these will be delivered in the current financial year.

**Performance & Partnerships (£71,000)**

**(£50,000)**

57. An underspend of £71,000 within Performance and Partnerships relates mostly to an anticipated overachievement of external income in Bilingual Cardiff as well as savings within Community Safety where base funded staff costs will be partly offset by grant incomes.

**Planning, Transport & Environment +£200,000**

**+£200,000**

58. Planning, Transport and Environment are forecasting an unchanged net overspend of £200,000 after a planned drawdown from earmarked reserves and accelerated use of Commuted Sums to meet pressures across the directorate, particularly within Highway Infrastructure, Transport, Planning and Building Control and Civil Parking Enforcement. These pressures are partly mitigated by a large surplus in Energy Management.
59. The position additionally assumes that further mitigations will be achieved by the end of the financial year through the maximisation of grant funding and curtailment of spend where feasible.
60. Transport is forecasting an overspend of £294,000 reflecting contract price increases for the CCTV provision. There are increased operational costs at the Traffic Control Room and an historical under funding of Traffic Management at sporting events. The position is partly mitigated by an additional drawdown from Commuted Sums.
61. Highway Infrastructure is forecasting an overspend of £306,000. This includes the Winter Maintenance programme due predominantly to the increased cost and requirements for salt this year, plus two additional vehicles and increased staffing for redesigned gritting routes.

62. The Planning Service is forecast to overspend by £229,000 caused by the general economic impact on major planning applications.
63. Bereavement, Registration & Dogs Home are reporting a £90,000 deficit, reflecting increased operational costs in Bereavement and the Dogs Home, partly mitigated by an increase in Registration income.
64. Energy Management are forecasting a surplus of £480,000 reflecting a significant increase in income generated by the Lamby Way Solar Farm which is offsetting the continued lower performance at the Radyr Weir Hydro facility. In addition, there are vacancy savings whilst the recruitment process takes place.
65. A balanced position is forecast in Management and Support Services.
66. The FRM allocation is forecasting an underspend of £103,000 reflecting the decision not to pursue the E-Cargo Bike initiative, lower costs of hosting the One Planet Summit, a reduced commitment for Highway Enforcement and Parking Improvements. There is currently no firm proposal for the Taxi Clean Air Scheme although this is showing as fully committed on the basis the funding will be carried forward.
67. The Efficiency, Income, and Service Change savings target for the directorate are £1.853 million. It is currently forecast £1.271 million will be achieved leaving a shortfall of £586,000. This includes income from residents parking permits and parking fees, a street lighting energy saving and a shortfall against a business support staff restructure.

**Governance & Legal Services +£620,000**

**+£537,000**

68. The Governance and Legal Services division forecast overspend of £620,000 is an increase on Month 4 (£537,000) and continues to relate mainly to unbudgeted locum solicitor costs (£490,000) and an overspend of £99,000 within Electoral Services for printing and postages. These variances are offset by a small underspend within Democratic Services due to delays in the backfilling of vacant posts.

**Resources (£325,000)**

**(£65,000)**

69. An overall £325,000 underspend is projected for the Resources Directorate at Month 6; a significant improvement on the £65,000 underspend forecast at Month 4. Increased underspends within Human Resources, Commissioning and Procurement and Finance are partly offset by an overspend within the Chief Digital Officer division.
70. Vacant posts are the primary contributors to the underspends within Finance and Procurement of £94,000 and £84,000 respectively. Surplus income within Occupational Health and linked to Additional Voluntary Contributions to Pensions and Cycle to Work schemes, along with a further delay to the

implementation of the planned staffing restructure, are the reasons for the increased £480,000 underspend within Human Resources.

71. The Chief Digital Officer overspend of £333,000 relates to increased licensing and software costs within ICT which is partly offset by vacancy savings within Customer Services.
72. The Central Transport Service is reporting a balanced position.

### **Cardiff Harbour Authority**

73. For the current year, the Council worked with the Welsh Government to identify budget pressures around increases in material costs, contractors and energy prices as well as historical shortfalls in service level agreement budgets. In addition, work has been carried out to identify future obsolescence and compatibility issues with existing systems and equipment requiring upgrades or replacement.
74. These budget pressures are partly offset by savings due to increased income streams and reduced accommodation costs against the approved Fixed Costs budget of £5.621 million. This includes an allocation of funds to cover implementation of the 2022/23 pay award shortfall, the 2023/24 pay award and any employee incremental pay progression. The Asset Renewal funding requirement for non-critical assets is £457,000, giving an overall budget for the Cardiff Harbour Authority (CHA) of £6.078 million, which is an increase of 2.6% on the final award total for the 2022/23 financial year.
75. The forecast at the end of quarter two indicates a funding requirement of £6.078 million, representing a full spend of budget.

<b>Heading</b>	<b>Budget £'000</b>	<b>Projected Out-turn £'000</b>	<b>Variance £'000</b>
Expenditure	6,786	6,752	(34)
Income	(1,165)	(1,131)	34
<b>Fixed Costs</b>	<b>5,621</b>	<b>5,621</b>	<b>0</b>
Asset Renewal	457	457	0
<b>TOTAL</b>	<b>6,078</b>	<b>6,078</b>	<b>0</b>

76. The position includes increased costs on barrage maintenance, largely due to further significant cost price pressure on contractor supplies and works, offset by reduced expenditure on facilities management and environmental areas. A shortfall of income against target is projected for Aqua parks and events.

77. The Asset Renewal budget is currently indicating a full spend in line with the revised approved schedule of work, including barrage sails decking, water quality sondes and cables, graving docks boardwalk, Roald Dahl Plas post and rail replacement, plus additional scheme to complete Senedd boardwalk.
78. The CHA maintains a Project and Contingency Fund, which is used to support projects and provides a contingency for situations where the approved budget is exceeded. The Fund receives contributions from a combination of receipts from the sale and disposal of land and a share of past year underspends on the Fixed Cost budget. The balance on 31 March 2023 was £130,000 and this is in line with the amendments to the Deed of Variation as agreed in May 2023.

### Civil Parking Enforcement

79. 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 and Enforcement Reserve. The budget was set using various assumptions and scenarios.
80. The table below provides a summary of the budget and projected outturn position.

	<b>Budget £'000</b>	<b>Projected Outturn £'000</b>	<b>Variance £'000</b>
<b>Income</b>			
On street car parking fees	4,956	4,770	186
Off street car parking fees	1,428	1,427	1
Resident's parking permits	911	590	321
Penalty charge notices	2,350	2,350	0
Moving Traffic Offences (MTO's)	3,687	3,700	(13)
Camera Car	708	900	(192)
Other Income	20	99	(49)
<b>Total Income</b>	<b>14,060</b>	<b>13,836</b>	<b>254</b>
<b>Expenditure</b>			
Operational costs, parking & permits	634	646	12
Enforcement service including TRO	6,437	6,501	64
<b>Total Expenditure</b>	<b>7,071</b>	<b>7,147</b>	<b>76</b>
<b>Annual Surplus / (Deficit)</b>	<b>7,019</b>	<b>6,689</b>	<b>330</b>

81. The current projection indicates an annual trading surplus of £6.689 million. This is £330,000 lower than the budget and broadly in line with the position previously reported. This reflects lower than anticipated income from on-street parking fees and residents parking permits and increased operating costs.

82. Income is forecast at £13.836 million which is £254,000 below target caused by lower than anticipated income from Residents Parking Permits following the changes to the charging mechanism introduced in April 2023 and lower on-street parking fees reflecting some delays introducing the new fees. The Camera Car is forecasting a significant surplus over the target due to increased activity and there is additional miscellaneous income mainly from the recovery of costs.
83. Expenditure is forecasting a variance of £76,000 reflecting additional IT and hybrid mail costs although these are partly offset by savings on vacant posts.
84. The surplus of £6.689 million is transferred to the Parking and Enforcement Reserve and available to support highway, transport and environmental improvements.
85. The table below illustrates the forecast position in the reserve:

<b>Parking &amp; Enforcement Reserve</b>	<b>£'000</b>
<b>Balance 1<sup>st</sup> April 2022</b>	<b>1,022</b>
Contribution from CPE	6,689
<b>Total Available</b>	<b>7,711</b>
Contribution to support revenue budget	(6,359)
Project support and initiatives	(600)
<b>Balance 31<sup>st</sup> March 2024</b>	<b>752</b>

86. The brought forward balance in the reserve is £1.022 million. The CPE forecast indicates a surplus of £6.689 million. The contribution to the revenue budget to fund infrastructure maintenance and improvements is £6.359 million. A further £600,000 will support various initiatives such as Active Travel, LDP transport monitoring and a provision for various transport scoping works such as the Metro. The year-end balance is forecast at £752,000.

### **Housing Revenue Account**

87. The Housing Revenue Account (HRA) is projecting a balanced position after an assumed net drawdown from HRA earmarked reserves of £969,000.
88. The Housing Repairs Account is forecasting a £1.984 million overspend made up of responsive repairs overspends estimated at £2.684 million due to the current backlog of works and overspends within management and administration of £185,000. These variances are partly offset by forecast underspends of £576,000 for external painting, £266,000 for electrical testing, £23,000 for disabled facilities and £20,000 for void property repairs. A drawdown from the Housing Repairs and Building Maintenance earmarked reserve estimated at £305,000 is assumed to offset this position.

89. In addition, a drawdown from this reserve at £414,000 is planned to offset voluntary severance costs incurred in relation to the Homes and Neighbourhood restructure.
90. An anticipated £118,000 underspend on capital financing costs is due to lower than budgeted interest charges. Employee savings across the functions of £264,000 and utilities savings of £750,000 are also included.
91. Based on week 26 statistics, standard rent and service charge income are forecast at £65,000 above target. This is mainly due to a lower than budgeted void rent loss. Hostels and other accommodation income are forecast at £287,000 above target. This is due to a number of factors including lower than budgeted void rent loss, the availability of additional units/bed spaces at some projects and an assumed extension to the period of time that service charges will be received for food services at Ty Ephraim.
92. A £250,000 forecast spend for the new Discretionary Hardship Fund to assist tenants at risk of becoming homeless is planned to be funded by a drawdown from the HRA Welfare Reform Reserve.
93. The balance of the overall variance includes tipping charges, hostels security and Council Tax charges above related budgets.
94. There are other forecasts which due to the nature of the spend and income and the number of variables are subject to change and will need to be reviewed in detail over the coming months.