

Appendix 2 – Directorate Commentaries Month 9 2023/24

Corporate Management (£23,000)

(£53,000)

1. A £23,000 underspend is projected for Corporate Management against the net controllable budget of £29.417 million. The change compared to Month 6 relates to the assumption that no further Senior Management savings will be achieved this financial year.

Economic Development +£2.234 million

+£10,000

2. The Economic Development directorate is forecasting a £2.234 million overspend at month 9 against the net controllable budget of £12.815 million.
3. Within this position, Culture, Venues and Events are forecasting an overall potential deficit of £3.045 million. This is made up largely of income shortfalls at St David's Hall (£1,600,000), Cardiff Castle (£399,000), City Hall Functions (£505,000) and Cardiff Catering (£591,000), and only partially offset by an underspend of £68,000 at the Museum of Cardiff due to staff savings. This division now incorporates the County Hall Café and Cardiff Castle Café (previously Youth Foods) within the Cardiff Catering unit (Youth Foods was previously shown as a standalone division). It is now assumed that any transfer of St David's Hall to AMG will not take place until at least 2024/25.
4. The Cardiff Castle deficit of £399,000 includes projected income of £3.53 million across all areas, compared to an outturn of £3.04 million in 2022/23, with paid admission up by 28% to date on the previous year. However, whilst an improvement on 2022/23 actuals, income generation has still not quite returned to pre-Covid levels and remains short of the 2023/24 budgeted income targets. 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. City Hall will be closed for events until the end of the financial year which will have a significant impact on functions hire and catering income.
5. Property Services are projecting an overspend of £669,000 at month 9. Primary areas of overspend include a shortfall in fees in relation to the 3.25% Capital Receipts target (£122,000) and a £497,000 shortfall against the Investment and Non-Operational Estate income target (including £349,000 at the Tennis Centre and a £72,000 reduction in the forecast for St David's 2 rental income).
6. City Centre Management is projecting an £80,000 overspend, mainly due to site facility fee income falling short of target by £94,000.
7. Sport, Leisure and Development is reporting a projected £180,000 overspend at month 9; a negative swing of £345,000. This is primarily due to a £157,000 worsening of the position reported at month 6 for CIWW, now projecting an £84,000 overspend, and an increased overspend at the Ice Arena (£165,000).

At CIWW, income forecasts for the remainder of the year are reduced whilst utility cost assumptions are increased. The Ice Arena is projecting higher than anticipated maintenance costs including a faulty chiller that malfunctioned shortly after the building was purchased. An interim lease is currently in place while the permanent lease, which should help improve the position once implemented, is being negotiated, with completion now delayed until March 2024. The Channel View Centre is forecasting an underspend of £52,000 whilst Park Events are projecting a shortfall of £19,000 due to poor weather in the main months of July and August, plus new alternative venues influencing bookings.

8. Facilities Management is forecasting an overall net underspend of £1.686 million at month 9. This includes a Building Services Trading Unit projected surplus of £944,000, mainly derived from fees based on higher volumes and contract values.

FM Buildings is reporting a net underspend of £442,000. Unfunded roof repairs and relocation costs for County Hall, rental costs at Queen Alexandra House along with energy costs above budget at the Mansion House are assumed to be offset by other savings as a result of the temporary closures and adjustments to the Core Offices. Savings at the 3 Core Office buildings are assumed to mitigate these and other pressures including the unachieved savings proposal at Brindley Road, but this is dependent on implementation on the scheduled dates. Based on previous year's usage, it is estimated energy savings of £583,000 could be achieved at City Hall and County Hall. The termination of the lease at Wilcox House on 31 December should deliver further savings of £345,000. In addition, the closure of St Davids Hall is estimated to result in building cost savings of £203,000.

Surpluses of £86,000 are forecast in Cleaning Services and £20,000 in Security Services, both of which reported balanced positions at month 6. The Pest Control service is reporting an improved deficit of £13,000. In addition, Building Support is forecasting an underspend of £192,000 reflecting staff savings as a result of in-year voluntary severances and the retention of vacant posts; a further £83,000 improvement compared to the month 6 forecast.

9. Shared Regulatory Services is reporting a £62,000 overspend following a drawdown from earmarked reserves to offset deficits within Licensing. This overspend is primarily as per the Q2 SRS Monitoring report that projects an overspend of £239,000 against Cardiff Specific Services, partially offset by a £44,000 over accrual for the 2022/23 final outturn overspend that is expected to be charged during 2023/24. The position includes a new SLA for out of hours calls handling by C2C with costs estimated at £17,000 for 2023/24.
10. Major Projects are projecting a £277,000 overspend, primarily linked to unbudgeted holding costs (NNDR rates, utilities etc) at the Toys R Us building for the majority of 2023/24 and unbudgeted expenditure for stabilisation and safety works on the Coal Exchange building. Housing & Communities have taken occupation of the Toys R Us from 1st December 2023 for use as a temporary homelessness shelter, and will therefore pick up the remaining 4

months' worth of holding costs for this financial year. Unbudgeted expenditure of £62,000 is also now included at month 9 for stabilisation and safety works on the Coal Exchange building. The freehold owner, Eden Grove Developments Ltd, commissioned Cardiff Demolition to carry out urgent safety work, but later defaulted on payment. Cardiff Council provided financial assurance to ensure Cardiff Demolition remained on site and completed works to mitigate the risk to public safety.

11. All other divisions within Economic Development are projecting balanced or underspend positions for 2023/24.
12. The 2023/24 efficiency savings target for Economic Development was £1.204 million. At month 9, £921,000 of these efficiency savings are projected to be achieved (circa 76%), leaving a shortfall of £283,000 (24%). The Service Change savings target for Economic Development was £582,000. At month 9, only £32,000 of these Service Change savings are projected to be achieved (increased charging for sports pitches and reduction in support for external events). The remaining £550,000 linked to the transfer of St David's Hall and CIWW to third parties are not anticipated to progress during 2023/24.
13. A total of £600,000 was allocated for specific FRM items in 2023/24. At month 9 it is projected that full spend will be incurred against these items.

Recycling & Neighbourhood Services +£294,000

+£300,000

14. Recycling & Neighbourhood Services are projecting a net overspend of £294,000. 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.
15. The Collection Service is projecting an overspend of £305,000, reflecting the further expansion of the segregated collection scheme in February 2024 and including recurring operational and one-off set up costs. The underlying overspend is partially offset by the assumed net impact on this service of the industrial action to the end of November.
16. The Street Cleansing service is projecting an overspend of £326,000 which predominantly reflects higher vehicle charges, 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. Also, the weed control contract which transferred from the Parks Service in 2022/23 brought with it a £136,000 budget deficit. Increased income from events and ad-hoc work has partly mitigated the pressures along with the assumed net impact of the industrial action to end of November.
17. Recycling Treatment is projecting an overspend of £464,000. This includes increased staff costs at the Recycling Centres and MRF due to staff cover for sickness, suspensions, and overtime, plus a delayed saving against planned

operational changes. There are further pressures from higher vehicle charges and a significant income shortfall from the sale of recycling materials reflecting market prices. The pressures are partly mitigated by anticipated savings against operational costs.

18. The Environmental Enforcement division is forecasting a net underspend of £22,000. Staff savings of £22,000 from vacant posts held pending the Neighbourhood Services restructure are offset by an income shortfall, increased CTS recharges and other operational cost overspends. The cost of trialling covert CCTV cameras for fly tipping is £52,000 and it is proposed to fund these from earmarked reserves.
19. Waste Disposal is projecting an underspend of £210,000. This includes a saving of £200,000 from the contractual arrangement with Project Gwyrdd (PG) in relation to tonnage banding and the Performance Measurement Framework. Processing costs are projecting to underspend by £20,000 and income from the sale of landfill gas is projecting a shortfall of £10,000.
20. Management & Support and the Waste Strategy team are projecting balanced positions.
21. The Trade Service is reporting a balanced position after assuming a drawdown of £48,000 from the Waste Management reserve. Income projections are showing a shortfall of £145,000, caused by the reduction in rates, introduced in April 2023, to incentivise existing customers to separate their waste streams in readiness for changes to legislation due in April 2024. There has also been a re-focus of the service to prioritise and maximise recycling rates which has resulted in a loss of a key customer and a downsizing of the skip hire service. Expenditure projections are showing an underspend of £97,000 primarily due to staffing and disposal costs.
22. The FRM allocation of £50,000 to fund cleansing initiatives is projected to be fully spent.
23. 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 +£1.746 million

+£1.785 million

24. The forecast for the Education & Lifelong Learning Directorate reflects an overall overspend of £1.746 million.
25. Schools Transport is projecting a £40,000 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.

26. Services to Schools includes a balanced position in Schools Catering but this is heavily caveated by the drawdown from reserve of £1.100 million. Since the month 6 report the net effect of the pay award and confirmation of the universal primary free school meal prices (UPFSM) has been resolved (£3.20 from 1/1/24) and the position remains consistent with month 6. Both the income generated by UPFSM, and the ongoing volatility of food price inflation will continue to be monitored and reviewed.
27. Out of Maintained Schools educational placements is forecasting a £1.250 million overspend due to an increase in the provision requirement from 276 to 301 pupils in total. The increase in placements is due to the continuing trend of ALN placements demand being met by the independent sector, as demand is outstripping the authorities educational setting provision, despite significant investment to increase capacity.
28. 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.
29. Budgeted savings for Education Services for 2023/24 totalled £1.482 million and it is currently projected that £1.282 million will be delivered in the current financial year.

Housing and Communities (£480,000)

(£177,000)

30. Housing & Communities is reporting an underspend of £480,000 against a net controllable budget of £50.563 million after assuming budgeted drawdowns estimated at £1.246 million from Housing and Communities earmarked reserves. In addition, a further unbudgeted drawdown of £715,000 is assumed to address pressures within Homelessness and £150,000 to offset a Cardiff Works income shortfall.
31. The position comprises overspends totalling £614,000 across Homelessness (£334,000) Hubs and Community services (£146,000) and Business Support (£134,000). These are offset by underspends of £1.094 million across all other areas of the service.
32. The Homelessness and Hostels overspend of £334,000 is largely due to storage costs for Homeless persons' furniture, taxi charges and utility and overtime costs at the Gypsy and Traveller sites. These variances are partly offset by grant maximisation and savings within temporary accommodation voids.

All net 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, Move-on grant and a drawdown from the Homelessness earmarked reserve.

33. Hubs and Community Services are reporting overspends of £146,000 across the divisions. Overspends of £82,000 within Day Centres are attributable to unachieved vacancy provisions and a £160,000 overspend within Community Hubs is linked to unachievable fee income targets and premises costs above budget. These are partly offset by employee savings and grant maximisation across the service.
34. The Business Performance and Support overspend of £134,000 relates to PPE distribution costs across the authority as, whilst PPE continues to be provided free of charge by the Welsh Government, the directorate does not have budget for the administration and delivery of the service. Work is ongoing to reduce related expenditure.
35. Underspends of £271,000 within Neighbourhood Regeneration relate to additional grant income and reduced staff recharges. Housing Projects are reporting vacancy savings of £219,000.

Adult Services (Balanced)

Balanced

36. Adult Services is projecting a balanced position after a £0.835 million contribution from the Adult Services contingency budget.
37. The underlying position comprises a £4.005 million overspend on commissioned care, offset by a £3.170 million underspend on internal services.
38. The position on commissioned care includes overspends in Older People (£1.673 million), Physical Disabilities (£1.598 million), Learning Disabilities (£898,000), Substance Misuse (£17,000) and an underspend of £181,000 in Mental Health.
39. The largest contributory factors to the position on Older Peoples' Services are overspends on domiciliary care (£1.076 million), and Respite (£475,000). There are also smaller overspends in other areas of care and direct payments. The overspend on domiciliary care reflects a significant increase in weekly domiciliary care hours.
40. The largest contributory factors to the position on Physical Disabilities commissioned care are similar, with overspends on domiciliary care (£600,000), residential and nursing care (£429,000), supported living arrangements (£305,000) and direct payments (£253,000). 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 46% (12-13 places) higher than the average of the last three years; many in the 60+ age category.
41. The overspend on Learning Disabilities is mainly due to residential and nursing placements (£1.046 million) and domiciliary care (£458,000). These are partially offset by underspends in other areas, including 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.

42. The underspend on Internal Services is a combination of Assessment and Care Management (£1.187 million), Reablement and Independent Living (£890,000), Support & Performance Management (£1.013 million) and Internal Day Care (£80,000).
43. 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.
44. Budgeted savings in Adult Services for 2023/24 totalled £1.669 million and it is currently projected that £1.244 million of these will be delivered.

Children's Services +£3.663 million

+£3.185 million

45. Children's Services is currently projecting a £3.633 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.
46. The overspend is covered in detail in the next three paragraphs and is primarily due to placement costs for the authority's Children Looked After cohort as sustained demand pressures and price increases result in costs exceeding budget. Due to the fluctuations in the number and predictability of children with extensive needs and high cost packages of support, there is a high degree of cost sensitivity within the placement of children looked after.
47. Placements costs include a £7.600 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 116 current active placements. The cost differential between elapsed placements and new placements is a contributing factor to the overspend, with the average price of ongoing placements currently 17% higher than at 1/4/23. External fostering budgets are reporting a £1.780 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.
48. 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 a £1 million 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 £750,000.
49. 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 £2.4million. During

the financial year to date, there have been 72 of these packages, of which 15 are currently active; a 40% reduction.

50. 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 £650,000 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.

51. Budgeted savings in Children's Services for 2023/24 totalled £1.929 million and it is currently projected that £1.464 million of these will be delivered this year.

Performance & Partnerships (£106,000) (€71,000)

52. An underspend of £106,000 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 income. The improved position relates mostly to changes in employee projections for the Cabinet Office and Performance & Insight.

Planning, Transport & Environment +€106,000 +€200,000

53. Planning, Transport and Environment are forecasting an overspend of £106,000 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.

54. The Planning Service is forecast to overspend by £277,000 caused by lower planning fees. There is a clear trend emerging where fees for "Major" development have slipped significantly reflecting the cost of construction (materials, land and labour) and difficulties in making schemes financially viable or fundable.

55. Bereavement, Registration & Dogs Home are reporting an overspend of £232,000, reflecting increased operational costs in Bereavement and lower income forecasts due to a reduction in the number of ceremonies. The Registration Service is showing a balanced position despite costs incurred following the move from City Hall. Increased operational costs of the Dogs Home will be funded by a contribution from the Legacy Fund.

56. Transport is forecasting an overspend of £232,000 reflecting contract increases on the CCTV provision. There are increased operational costs at the Traffic Control Room and an historical under funding of Traffic Management of sporting events. An increased drawdown of Commuted Sums is planned to mitigate the inflationary pressures.

57. Highway Infrastructure is forecasting an overspend of £28,000. This includes the Winter Maintenance programme due predominantly to the increased cost and requirement for salt this year, plus two additional vehicles and increased staffing for redesigned gritting routes. These are partly being offset by increased energy savings in St Lighting following the conversion to LED.
58. Energy Management is forecasting a surplus of £582,000 reflecting a significant increase in income generated by the Lamby Way Solar Farm. This is offsetting the lower performance at the Radyr Weir Hydro facility, although this has improved following refinements to the facility. In addition, there are employee savings whilst a recruitment process takes place.
59. A further saving of £31,000 is forecast in Management and Support Services following the maximisation of grant funding.
60. The FRM allocation is forecasting an overall underspend of £329,000. This includes an uncommitted sum for the Taxi Clean Air Scheme whilst a process is being developed and lower costs of hosting both One Planet events. Underspends on these items are not currently included within the forecasts whilst decisions are made in this regard. A decision not to pursue the E-Cargo Bike initiative results in an underspend of £50,000 which is reflected in the Directorate monitoring position.
61. The Efficiency, Income, and Service Change savings targets for this directorate are £1.853 million. It is currently forecast that £1.208 million will be achieved leaving a shortfall of £645,000. This includes lower income from parking charges and residents parking permits and from the Business Support restructure where there was a delay in the voluntary severance.

Governance & Legal Services +£624,000

+£620,000

62. The Governance and Legal Services division forecasts an overspend of £624,000; a minor increase on the Month 6 forecast (£620,000) which continues to relate mainly to unbudgeted locum solicitor costs (£638,000) and an overspend of £81,000 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 (£546,000)

(£325,000)

63. An overall £546,000 underspend is projected for the Resources Directorate at Month 9; a further significant improvement on the £325,000 underspend forecast at Month 6. Increased underspends within Human Resources, Commissioning and Procurement and Finance are combined with a reduction in the previous overspend anticipated for the Chief Digital Officer division.
64. Vacant posts are the primary contributors to the underspends within Finance and Procurement of £136,000 and £99,000 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 £592,000 underspend within Human Resources.

65. The Chief Digital Officer overspend of £281,000 relates to increased licensing and software costs within ICT, partly offset by vacancy savings within Customer Services and an improvement of £52,000 compared to the Month 6 forecast.
66. The Central Transport Service continues to report a balanced position.

Cardiff Harbour Authority

67. 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. 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 budget includes an allocation of funds to cover implementation of the 2022/23 pay award shortfall, as well as a 4% funding provision for the 2023/24 pay award and any employee incremental pay progression.
68. 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; an increase of 2.6% on the final award total for the 2022/23 financial year.
69. The forecast at the end of quarter three indicates a funding requirement of £6.078 million, representing a full spend of budget.

	Budget £'000	Projected Outturn £'000	Variance £'000
Expenditure	6,786	6,681	(105)
Income	(1,165)	(1,060)	105
Fixed Costs	5,621	5,621	0
Asset Renewal	457	457	0
TOTAL	6,078	6,078	0

70. The position includes a projected shortfall of income against target on Aqua parks and events, offset by reduced expenditure on facilities management, environmental areas and overheads. Additional salary costs of the 23/24 pay award, above the 4% budgeted amount, is also anticipated to be accommodated by the underspent areas, though this will be subject to review as months progress.
71. 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 an additional scheme to complete Senedd boardwalk.

72. 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

73. 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.
74. 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	4,956	4,720	236
Off street car parking fees	1,428	1,378	50
Resident's parking permits	911	600	311
Penalty charge notices	2,350	2,270	80
Moving Traffic Offences (MTO's)	3,687	3,850	(163)
Camera Car	708	950	(242)
Other Income	50	122	(72)
Total Income	14,090	13,890	200
Expenditure			
Operational costs, parking & permits	652	731	79
Enforcement service including TRO	6,419	6,464	45
Total Expenditure	7,071	7,195	124
Annual Surplus / (Deficit)	7,019	6,695	324

75. The current projection indicates an annual trading surplus of £6.695 million. This is £324,000 lower than the budget and in line with the position previously reported. This reflects lower than anticipated income from on-street parking fees and residents parking permits although these are partly mitigated by increased MTO and Camera Car income plus increased operating costs.
76. Income is forecast at £13.890 million which is £200,000 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

and MTO's are forecasting significant surpluses over the target due to increased activity and there is additional miscellaneous income mainly from the recovery of costs.

77. Expenditure is forecasting a variance of £124,000 reflecting additional IT and hybrid mail costs although these are partly offset by savings on vacant posts.
78. The surplus of £6.695 million is transferred to the Parking and Enforcement Reserve and available to support highway, transport and environmental improvements.
79. The table below illustrates the forecast position in the reserve:

Parking & Enforcement Reserve	£'000
Balance 1st April 2022	1,022
Contribution from CPE	6,695
Total Available	7,717
Contribution to support revenue budget	(6,688)
Project support and initiatives	(600)
Balance 31st March 2024	429

80. The brought forward balance in the reserve is £1.022 million. The CPE forecast indicates a surplus of £6.695 million. The contribution to the revenue budget to fund infrastructure maintenance and improvements is £6.688 million. A further £600,000 will support various initiatives such as Active Travel, LDP transport monitoring, a provision for various transport scoping works such as the Metro. The year-end balance is forecast at £429,000.

Housing Revenue Account

81. The Housing Revenue Account (HRA) is projecting a balanced position after an assumed net drawdown from HRA earmarked reserves of £1.119 million.
82. The Housing Repairs Account is forecasting a £1.809 million overspend made up of responsive repairs overspends estimated at £2.481 million due to the current backlog of works, a void property repairs overspend of £93,000 and overspends within management and administration of £212,000. The latter includes additional staffing resources to deal with damp and disrepair works and to manage the backlog of repair works.
83. These variances are partly offset by forecast underspends of £575,000 for external painting, £314,000 for electrical testing and £88,000 for disabled facilities. A drawdown estimated at £869,000 from the Housing Repairs and Building Maintenance earmarked reserve is assumed to offset the overspend set out above and to fund voluntary severance costs to be incurred in relation to the Homes and Neighbourhood restructure.

84. An anticipated £198,000 overspend on capital financing costs is due to updated expenditure forecasts including additional commitments in respect to actions re the recent Cabinet report on the housing emergency. Employee savings across the functions of £431,000 after accounting for the agreed 2023-24 pay award and utilities savings of £904,000 are also included.
85. Based on week 39 statistics, standard rent and service charge income are forecast at £70,000 below target. This is mainly due to a higher than anticipated bad debt provision requirement, offset by increased leasehold service charge income. Hostels and other accommodation income are forecast at £259,000 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. This is partly offset by an increased bad debt provision of £112,000.
86. 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 the drawdown from the HRA Welfare Reform Reserve.
87. The balance of the overall variance includes tipping charges, hostels security and Council Tax charges above related budgets.
88. 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 before the financial year end.