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PAPURAU ATODOL

Pwyllgor	PWYLLGOR LLYWODRAETHU AC ARCHWILIO
Dyddiad ac amser y cyfarfod	DYDD MAWRTH, 27 MEDI 2022, 4.30 PM
Lleoliad	YSTAFELL BWYLLGOR 4 - NEUADD Y SIR
Aelodaeth	Hugh Thomas (Cadeirydd) Gavin McArthur, David Price, Dr. Janet Wademan, YCynghorwyr Ahmed, Carr, Goodway, Lewis, Moultrie, Palmer, Waldron a/ac Williams

Y papurau canlynol wedi'i farcio ' i ddilyn' ar yr agenda a ddosbarthwyd yn flaenorol

6.1 Diweddariad ar Gyllid gan gynnwys Materion Gwydnwch (*Tudalennau 3 - 12*)

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiadd: Dydd Mercher, 21 Medi 2022

Cyswllt: Graham Porter, 02920 873401, g.porter@caerdydd.gov.uk

Mae'r dudalen hon yn wag yn fwriadol

Financial Update

Governance & Audit Committee

27th September 2022

Tudalen 3



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Eitem Agenda 6.1



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2022/23



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Summary of Month 4 Position 2022/23

Division	Net Budget £000	Projected Outturn £000	Variance £000
Corporate Management	37,488	31,014	(6,474)
Economic Development	9,100	11,960	2,860
Education (Retained)	310,235	315,659	5,424
Governance & Legal Services	6,802	7,202	400
Housing & Communities	48,457	48,140	(317)
Performance and Partnerships	3,319	3,238	(81)
Planning, Transport, Environment	7,402	7,832	430
Recycling & NS	36,024	36,413	389
Resources	16,275	16,070	(205)
Social Services - Adult's	132,487	132,364	(123)
Social Services - Children's	78,977	87,927	8,950
Capital Financing	34,309	32,609	(1,700)
Contingency	2,000	0	(2,000)
Summary Revenue Account	20,471	20,759	288
Discretionary Rate Relief	400	410	10
Council Tax Collection	0	(483)	(483)
Total	743,746	751,114	7,368



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Main Variances

Corporate Management

- Utilisation of COVID/energy budget contingency at month 4

Economic Development

- Income shortfalls within Culture, Venues & Events
- High cost of energy across council buildings.
- Pressures within Property Services, and Sport, Leisure & Dev.

Education

- School Transport - rising costs in fuel & driver supply plus increased no. of pupils with ALN requiring transport.
- Out of area placement pressures
- School catering services - price increases in relation to food & transport costs combined with reduced income from paid school meals.

Children's Services

- Majority relates to additional bespoke placements that have arisen this year reflecting the complexity of need and the limited spaces available in the residential market.

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Further Work Needed / In year savings



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- Ongoing challenge / review of COVID transition costs and Energy pressures
- Treasury Management review and updates where appropriate
- Targeted action in Children's Services, including:
 - Managing placement requests
 - Maximising the current placement options
 - Looking at options for move on
 - Developing the support market in Cardiff
 - Developing Foster Care options to meet complex needs
 - Addressing specific issues around unaccompanied asylum-seeking children
 - Improving data reporting and financial analysis arrangements
 - Maximising opportunities for additional grant funding and appropriate partner contributions
- Services tasked with identifying in year efficiencies - linked to budget work already underway for 2023/24

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In year Financial Resilience Issues



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- Given bottom line position, significant levels of in year savings required to mitigate overspend
- Availability of funding to deal with further COVID and Energy costs is a risk
- Contingency budgets already being used in full or part at Month 4
- Month 4 does not reflect any impact of pay awards to be agreed for 2022/23
- Flow through of current year issues into 2023/24 means that budget setting is going to be extremely challenging for next year

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2023/24



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Reminder of Context: Budget Gap 2023/24



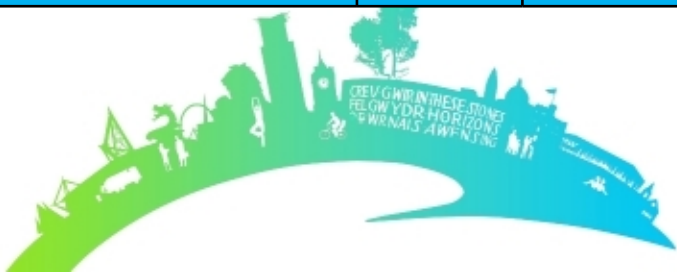
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Elements of 2023/24 Budget Gap	Mar 2022 £000	July Update £000	July Revised £000
Employee Costs	21,375	(7,825)	13,550
Price Inflation	7,175	10,221	17,396
Capital Financing	4,803	(675)	4,128
Commitments	1,120	100	1,220
Demographic Pressures	5,523	3,328	8,851
Emerging Financial Pressures	3,500	0	3,500
AEF – Indicative All Wales +3.5%	(19,065)	0	(19,065)
Earmarked Reserves	(500)	0	(500)
TOTAL	23,931	5,149	29,080

- **Since July – position will have worsened:**
- **Pay Award** - Teachers and significantly NJC - award not final yet
- **Energy** – position has significantly worsened in recent months - waiting to see full impact of potential offsetting business price cap
- **Current year pressures** - impacting on next financial year if not fully mitigated



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Ongoing Risk Areas Under Review



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- Effective budgetary management in the current year to mitigate overspend
- Achievement of in-year savings - and where they are not on track, robust, immediate plans to bring them back on course
- Careful management of income-funded areas
- Development of a robust set of savings proposals for 2023/24
- Updated modelling - Revenue Budget key sensitives – Pay, Non Pay Inflation, demand, income assumptions etc..
- Development in parallel of our Capital Programme and Strategy

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Next Steps



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- Cabinet Review of Month 4 position 28th September
- Mitigation actions and review at Month 6
- Budget strategy work
 - Assessment of updated bottom line budget gap
 - Timing of the Welsh Government settlement announcement not yet confirmed
 - Services seeking to identify opportunities to deliver Efficiency savings - deliver early / in year where possible
 - Likely requirement for significant service change / transformation given the scale of the budget gap faced

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Questions?



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