

The main variances against directorate revenue budgets were as follows:

Capital Financing (£392,000)**(£280,000) Month 9**

The final outturn position for the Capital Financing budget shows an underspend of £392,000, an increase of £112,000 compared to the position reported at Month 9. The overall position included a combination of factors, the most significant of which was a saving of £269,000 on the amount required to be set aside for the repayment of capital expenditure. This reflected the determination of final capital expenditure incurred in 2017/18 paid for by unsupported borrowing and the slippage in the programme for that year. There were also savings of £175,000 on external interest payable on borrowing as a result of timing of new borrowing in the latter quarter, whilst interest receivable earned on investment balances was £280,000 more favourable than initially budgeted. Treasury management activities were conducted in line with the Strategy approved by Council. The savings above were 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 +£447,000**+£489,000 Month 9**

The Corporate Management outturn reflects an overspend of £447,000, which represents a decrease of £42,000 in comparison with Month 9. The change was mainly due to an increased underspend against the budget for Corporate Initiatives and other small improvements across various budget headings, partly offset by an increase in the overall level of savings shortfall. The final position in relation to savings achievement is a shortfall totalling £626,000, mainly connected to the Council-wide budget saving of £606,000 in relation to business process efficiencies and the use of digital technology. Whilst savings were anticipated through a combination of service reviews and other initiatives, it was not possible to identify opportunities to enable cashable savings to be realised. Other overspends included additional costs in relation to the Council's share of the Coroner Service, senior management recruitment costs and an overspend on bank charges. There was also a shortfall in the budget for the release of savings through voluntary schemes, including the purchase of leave. Underspends within the directorate, which partly offset these overspends, include an overall underspend of £121,000 in relation to Corporate Initiatives, and savings of £72,000, due to a reduction in contributions to the Mid Glamorgan Superannuation Fund relating to past employees, and £19,000 in relation to income from insurance arrangements.

Economic Development +£493,000**+£46,000 Month 9**

A final overspend of £493,000 has been recorded against the directorate, representing an increase of £447,000 on the position reported at Month 9. This significant increase was predominantly the result of adverse changes in

relation to Facilities Management and Culture, Venues & Events. These changes were due to increased costs relating to energy and supplies and services within FM Buildings and additional costs within the Castle. The overall position was due to overspends in relation to Facilities Management, Culture, Venues & Events, Parks and City Centre Management, partly offset by underspends against Business, Investment & Workshops and Property. The position reflected savings achievement totalling £2.046 million against the 2018/19 target of £2.486 million, resulting in a shortfall of £440,000. This shortfall predominantly related to delays in the Cardiff Castle staff restructure, shortfalls in property rental income and income shortfalls within FM Building Services. The £134,000 savings target in relation to unachieved savings brought forward from 2017/18 was achieved in full. The key variances within the directorate position are outlined in the paragraphs that follow.

The overspend within Facilities Management totalled £423,000 and was predominantly due to significant net overspends against the budgets for FM Buildings, as a result of additional expenditure on energy and utilities and supplies and services. The remainder of the Facilities Management position comprised additional employee and supplies and services costs within Building Support and a net overspend within Building Maintenance. Partly offsetting these overspends were net surpluses within Security & Portering, Cleaning and School Caretaking, as well as income above target for Office Accommodation recharges. The Culture, Venues & Events division overspent by £92,000, mainly as a result of a significant deficit at Cardiff Castle due to additional employee costs and income shortfalls. Other variances within this division included a surplus against St David's Hall and New Theatre, due to trading surpluses for activities at the venues, net income above target for City Hall Functions and Cardiff Caravan Park, and deficits in relation to Retail Catering and Mansion House.

Other overspends included £138,000 in relation to Major Projects and £80,000 against the Parks budget. The Major Projects overspend was largely due to net additional costs of rates connected with the Dr Who Experience and recently acquired sites. These additional costs were partly offset by rental income above target for the Cardiff International Pool. The Parks overspend was predominantly due to weed control costs above budget, with savings shortfalls being mitigated by other in-year savings. Partly offsetting the various overspends within the directorate were underspends against the Business, Investment & Workshops and Property & Office Rationalisation budgets. The first of these underspends totalled £142,000 and was due to bus shelter and other advertising income above target, net of costs incurred. Workshops also reported an underspend due to additional rent and service charge income more than offsetting increased repairs, maintenance, cleaning and management fee costs. However, this underspend was more than offset by an overspend in relation to Youth Foods. The Property & Office Rationalisation position reflected an underspend of £81,000, despite significant rental income shortfalls. This was mainly because of an underspend against Office Rationalisation budgets, inclusive of transfers

from earmarked reserves. Other divisions within the directorate either reported balanced positions or minor variances.

Education & Lifelong Learning +£932,000

+£768,000 Month 9

The final position reflects an overspend totalling £932,000, which represents an increase compared to the £768,000 overspend reported at Month 9. The increase is the result of changes across a number of divisions, most notably a further increase in EOTAS expenditure and an increased overspend within Performance & Resources, partly offset by additional grant income within Youth Service. Total savings of £1.025 million were achieved against the 2018/19 target of £1.278 million, leaving a shortfall of £253,000 in relation to the annual contribution to the Central South Consortium Joint Education Service (CSC) and a staffing restructure. It should be noted that the £53,000 shortfall against the CSC contribution has been written out as part of the 2019/20 budget. A shortfall of £70,000 resulted against the unachieved savings brought forward from 2017/18, again in relation to staff restructuring savings. These shortfalls are reflected in the directorate outturn position outlined in the paragraphs that follow.

The overall position was largely the product of a significant overspend against Out of Area Placement & EOTAS budgets and savings shortfalls, partly offset by a Youth Service underspend and in-year savings within the Non-Delegated School Expenditure division. The Out of Area Placement & EOTAS overspend totalled £1.199 million, with the EOTAS element representing the majority of this overspend. This position was due to a combination of historic unachieved savings proposals, significant growth in the number of EOTAS pupils accessing alternative provision and an in-year deficit against the Tuition Service budget. 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. As part of the 2019/20 budget, an allocation of £500,000 has been made in respect of the expenditure on alternative EOTAS provision.

The other overspends within the directorate included a net overspend of £412,000 within Performance & Resources. This was primarily due to a 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. Other trading accounts, including the Catering Service and the Storey Arms Outdoor Pursuits Centre recorded balanced positions or minor deficits. The position in relation to the Music Service represented an improvement on the deficit recorded in 2017/18, however this was predominantly due to the award of substantial grant funding from Welsh Government. In terms of Catering, although a balanced position was reported, this was due to the one-off use of earmarked reserves. The positions in respect of both Catering and the Music Service will need early attention in 2019/20, to ensure that the underlying deficits are resolved or mitigated as much as possible.

There were a number of underspends across the directorate, including £254,000 in relation to Achievement, which was due to in-year staffing savings against the Partnership Inclusion Officer budget and additional grant funding within the Youth Service, partly offset by the shortfall in the savings target associated with the annual contribution to the CSC. Other underspends included £93,000 within the Inclusion service, comprising in-year staffing savings, additional grant funding and additional income, partly offset by the cost of records digitalisation. A further underspend, totalling £183,000, was recorded against Non-Delegated School Expenditure, due to in-year savings against capital financing budgets, past service pension contributions, staff undertaking trade union duties and temporary accommodation. The SOP & Admissions division also underspent, by £85,000, due to in-year savings against the revenue budget for repairs to the school estate, whilst underspends of £40,000 and £24,000 resulted against Senior Management and EIG Matchfunding respectively.

People & Communities

Housing & Communities (£534,000)

(£509,000) Month 9

The final position for the directorate was an underspend of £534,000, representing an increase of £25,000 on the position reported at Month 9. The increase reflected changes in a number of divisions, most notably increased grant funding within Housing Strategy, Grants & Advice and an improved position within Community Hubs, partly offset by a deterioration in the position, due to unbudgeted repairs and maintenance costs, within the Central Hub. The overall underspend was largely the result of an underspend against the Preventative Services and Community Hubs divisions. Other variances include underspends within Assessment & Support and Housing Strategy, Grants & Advice, partly offset by an overspend against Service Management & Support. In terms of savings, the position reflected a £71,000 shortfall against the £835,000 2018/19 target, with a shortfall of £46,000 resulting against unachieved savings targets carried forward from 2017/18. The shortfalls were connected to digitalisation and commercialisation initiatives, respectively.

The underspend in relation to Preventative Services totalled £242,000 and was due to in-year vacancy savings, following a restructure within Day Opportunities, and additional grant funding from Welsh Government. The Community Hubs underspend, which came to £161,000 reflected variances including employee savings from an in-year restructure, reduced HRA recharges and the planned drawdown from earmarked reserves. In addition to these underspends, Assessment & Support underspent by £134,000, 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. The final underspend for Housing Strategy, Grants & Advice totalled £106,000, largely due to the aforementioned grant funding and employee savings within the Housing Strategy Team. Included within the directorate position was a final drawdown of £854,000 from the specific contingency budget set aside to meet increased costs in relation to the

Council Tax Reduction Scheme. This was £184,000 lower than the amount previously identified as being required at Month 9.

The other variances within the directorate included a £13,000 underspend within Employability Services, due to employee savings and additional staff recharge income, partly offset by the transfer of part of the underspend to an earmarked reserve. Overspends within the directorate included a £27,000 overspend against the Libraries budget, mainly due to the decision not to utilise previously assumed earmarked reserves, in order to preserve them for use in future years. An overspend of £92,000 was also recorded against Service Management & Support, primarily due to the unachieved commercialisation savings targets and various supplies and services overspends. Balanced positions or minor variances were reported for the remaining divisions within the directorate, including Supporting People, where grant funding was fully utilised, and Adult & Community Learning, where a balanced position was achieved through the use of earmarked reserves.

Social Services +£2,878,000

+£3,230,000 Month 9

The directorate outturn shows an overspend of £2.878 million, a reduction of £352,000 compared to the position reported at Month 9. This reduction was primarily the result of the utilisation of additional Welsh Government and Intermediary Care Fund grant funding within Adult Services in the last quarter of the year, coupled with a reduction in the number of older persons in care home placements. There was a slight increase in the Children's Services overspend, compared to Month 9, due to a further increase in the number of looked after children, largely offset by an increased level of grant funding across a number of areas. The overall position comprised an overspend of £4.240 million in Children's Services, partly offset by an underspend of £1.362 million in Adult Services. The reasons for those variances are outlined in the paragraphs that follow, however, in summary, the Children's Services overspend can largely be attributed to the significant increase in the number of placements for looked after children, particularly in relation to residential care and fostering. Although demographic and costs pressures were evident within Adult Services, these were able to be contained within the budgets allocated by the Council, together with external grant funding. In terms of savings performance, a shortfall of £1.810 million was reported in respect of 2018/19 savings targets, with a shortfall of £430,000 reported against the £1.367 million unachieved savings carried forward from 2017/18.

Adult Services – (£1,362,000)

(£976,000) Month 9

The final Adult Services position reflected an in-year saving of £1.362 million, despite savings shortfalls and ongoing demographic and cost pressures, particularly, initially, in relation to residential and nursing care for older people. As outlined in the previous paragraph, the utilisation of additional grant funding during the last quarter was the main reason for the improvement since Month 9. Within the final position were savings shortfalls totalling £1.880 million, of which £380,000 related to unachieved targets brought forward from 2017/18. The overall position reflected significant savings on staffing budgets across the service, additional grant funding for

winter pressures and an underspend on mental health commissioned services, partly offset by an overspend on commissioning budgets for older people. The budget included £2.7 million which was allocated as part of the Council's 2018/19 budget setting process, to cover demographic and cost pressures, as well as allocations for fee increases to meet the impact of the National Living Wage and other specific financial pressures. These allocations helped to offset a number of pressures across the directorate.

Overall, commissioning budgets reported a net overspend of £51,000, comprising an overspend of £1.197 million in relation to Service for Older People, albeit this was almost entirely offset by in-year savings in relation to all other commissioning areas. This overspend in older people services included shortfalls against savings targets, particularly in relation to domiciliary care, where, although the number of care hours remained relatively stable, they did not reduce to a point to enable the full target to be achieved. There were also demographic and cost pressures in relation to residential and nursing care, with the number of placements in both these areas initially increasing and costs in nursing care continuing to rise. In the case of residential placements, analysis suggests that the initial increase in the number of placements may have been partly due to the increase in the capital limit for resident's contributions. The rate of increase in the cost of a nursing bed was also lower than in previous year. The position on this budget was assisted by the lower than budgeted fee uplift and additional grant funding.

The Older People overspend was almost entirely offset by in-year savings across the other commissioned services, the most significant of which was an underspend of £605,000 in Mental Health Services. The underspend in Mental Health Services reflected a continuing reduction in residential placements together with a lower than anticipated level of expenditure on Deprivation of Liberty Safeguards (DOLS). The other underspends totalled £279,000, in relation to Physical Disabilities Alcohol and Drug Services, and £262,000 in relation to Learning Disabilities. These underspends were the result of static activity levels and ILF savings in Physical Disabilities, while in Learning Disabilities, the savings reflected a significant reduction in domiciliary care hours, a rationalisation of the number of schemes within the supported living contract and a reduction in the number of residential placements in the latter part of the year. The other underspends within the service related to Internal Services. The most significant of these totalled £999,000 and related to Assessment & Care Management, where in-year staff savings and grant funding were the main contributory factors. Reablement Services underspent by £457,000, again largely due to staff savings and grant funding. Internal Support and Management recorded a £255,000 underspend following savings on various budgets, including those relating to employees. These variances were partly offset by an overspend of £293,000 in relation to Learning Disabilities Supported Living and Day Care mainly as a result of shortfalls against savings targets set in previous years and additional staffing costs.

Children's Services +£4.240 million**+£4.206 million Month 9**

The Children's Services outturn reflected a final overspend of £4.240 million, representing an increase of £34,000 on the position reported at Month 9. As outlined previously, the change in position reflects an increase in the number of looked after children and a consequential increase in the number of residential placements. Adoption and agency costs also increased, however these combined pressures were largely offset by increased levels of grant funding across a range of areas. The final overspend was after taking into account the drawdown of the £950,000 specific contingency set aside in the 2018/19 budget to meet increased costs in relation to placements for looked after children. This drawdown has been incorporated into the directorate budget position in this report. The overall overspend position was largely the result of ongoing pressures in relation to the increasing number of looked after children, leading to increases in external placements, internal fostering and leaving care support costs. These pressures resulted in a significant overspend, after allowing for the additional budget realignment and funding for other specific pressures allocated as part of the 2018/19 budget process. To place this increase into context, the number of looked after children rose from 803 in December 2017 to 903 in March 2019, albeit an additional £1m of grant funding from Welsh Government helped to alleviate these pressures in-year. The overall position also included a shortfall of £360,000 against the savings targets for 2018/19 and those carried forward from 2017/18.

An overspend of £3.730 million was reported in respect of external placements for looked after children, with a very significant increase in external residential placements, in particular. This overspend was after allowing for the drawdown of the £950,000 contingency budget and the £1 million Welsh Government grant funding, as previously outlined. The sufficiency of supply of quality, cost effective placements, as well as edge of care services, continue to present a challenge for the service, particularly when considering the rate of growth in the volume of activity, despite the various preventative measures that have been introduced. To exemplify the challenge, the number of looked after children increased by 74 (8.9% increase) during 2018/19, leading to an additional 25 (54% increase) residential placements and an average 23 (6% increase) in external fostering placements through the year. An overspend of £571,000 resulted in relation to internal fostering and adoption budgets with the number of internal fostering and kinship placements 14% higher than the figure at the start of the financial year. Adoption costs also increased significantly compared to the previous year

Other variances within the service included overspends of £113,000 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. A further overspend, of £310,000, was reported against other commissioning budgets, due to overspends on contact services, direct payments and exceptional needs, as well as an additional overspend of £120,000 in relation to staffing budgets, with agency expenditure a particular pressure. Underspends within the service included £247,000 in relation to guardianship orders, with the effect of no increase in the level of residential order allowances being partly offset by an increase in the number of allowances.

Early Intervention budgets also underspent, by £240,000, mainly in relation to staffing budgets and additional grant funding. Other underspends included £56,000 in relation to safeguarding, £46,000 in relation to the Youth Offending Service and £15,000 across support and service-wide budgets. Most of these in-year savings were the result of additional grant funding.

Planning, Transport & Environment +£1,265,000

+£1,049,000 Month 9

The final position for the directorate reflected an overspend of £1.265 million, representing an increase of £216,000 on the position reported at Month 9. The overall change is the product of a significant increase in the overspend for Recycling & Waste Management, offset by improvements in a number of directorates, including Highways, in particular. The increased overspend within Recycling & Waste Management largely reflects additional agency staff, vehicle and investigation costs. The further improvement in the Highways position is due to additional energy savings in relation to street lighting. The overall overspend position reported was underpinned by a significant overspend within Recycling & Waste Management, as well as overspends within Planning & Building Control and Fleet Services, partly offset by underspends in Civil Parking Enforcement, Highways, School Transport and Transport Planning, Policy & Strategy. The final position reflected shortfalls against 2018/19 savings targets totalling £730,000, with a further £116,000 shortfall against unachieved targets carried forward from 2017/18. A large proportion of the shortfalls related to Waste Management, with other shortfalls including vehicle utilisation in Fleet Services and energy savings.

The final overspend within the Recycling & Waste Management Service totalled £2.947 million and reflected a number of significant pressures and the aforementioned savings shortfalls, which totalled £405,000, partly offset by a contribution from contingency and earmarked reserves to fund the increased costs of processing waste and recycling material. The main overspends included unforeseen costs associated with the ongoing HWRC and Waste Transfer Station investigations, a trading shortfall in Commercial Collections and additional operational costs and income shortfalls at the Materials Recycling Facility (MRF), including the global market impact on recyclable commodity prices. Other overspends occurred due to the increased provision of bags within Domestic Collections and licences for new technology, as well as increased operational costs at HWRCs and increased secondary recycling costs. The position included the £350,000 specific contingency allocation in respect of income shortfalls in relation to the MRF, reflecting the volatility in the market for recycle materials. It also included an allocation of £192,000 from the Waste contingency budget to reflect the impact of increased tonnages in the current financial year.

Other overspends across the directorate included £312,000 in Planning & Building Control, largely due to a shortfall in fee income, and £148,000 in Fleet Services, predominantly reflecting the unachieved vehicle utilisation savings. The Energy Management division also reported an overspend, of £71,000, where shortfalls in savings and renewable energy income were partly offset by a reduced carbon reduction commitment payment. An overspend, totalling £72,000, occurred against Shared Regulatory Services,

primarily due to the requirement to contribute towards increased operating costs and an income shortfall in relation to taxi licensing.

The most significant underspend within the directorate, which totalled £1.112 million, related to Highways and was the result of a variety of savings, including street lighting energy costs, reduced maintenance activity, and increased income and recharges in relation to drainage services. In-year staffing savings also resulted, although these were offset by increased expenditure on winter maintenance and other income shortfalls. The other significant underspend related to Civil Parking Enforcement where an underspend of £870,000 was the consequence of drawdowns from the Parking & Enforcement Reserve to support transport, highway and environmental maintenance and improvements. Other notable underspends included £197,000 within School Transport, reflecting the outcome of retendering exercises and optimisation of routes for the provision of pupil transport, and £118,000 in Transport Planning, Policy & Strategy, as a result of the maximisation of recovery of staffing costs via grant funded activities. All other divisions reported balanced positions or minor variances, including Bereavement & Registration, where a trading surplus enabled infrastructure improvements and a transfer to earmarked reserves to fund future investment.

Resources

Governance & Legal Services +£245,000

+£172,000 Month 9

The final overall position reflected an overspend of £245,000 compared to the overspend of £172,000 reported at Month 9. The change was due to an increase in costs associated with ICT and communications within Member Services and additional costs within Electoral Services, partly offset by a reduced overspend within Legal Services, due to additional income. The overall position comprised an overspend within Legal Services and Member Services, partly offset by underspends within Scrutiny Services and the Monitoring Officer budget. The position contained savings shortfalls totalling £83,000 against 2018/19 targets and £55,000 in relation to unachieved savings brought forward from 2017/18. Both shortfalls were connected to intended reductions in external legal expenditure.

The overspend position within Legal Services came to £215,000 and was mainly due to external legal expenditure in excess of the available budget. This additional expenditure was largely due to the volume of complex cases needing support and staff vacancies. Whilst the staff vacancies resulted in in-year underspends against employee budgets, these were outweighed by the additional external costs that resulted as a consequence. Additional income from a variety of sources partly offset the external spend, as well as planned contributions from earmarked reserves. The overspend within Member Services totalled £54,000 and was due to the aforementioned increase in ICT and communications costs. Minor overspends were also recorded in relation to Democratic Services, due to additional telephony expenditure, and Electoral Services, however these were offset by an underspend against the Monitoring Officer budget, which was due to in-year underspends against staffing budgets. The other underspend within the directorate totalled

£21,000 and related to Scrutiny Services. Again, this underspend was due to in-year savings against employee budgets.

Resources (£373,000)

(£366,000) Month 9

The outturn for the Resources directorate shows a saving of £373,000, an increase of £7,000 compared to the position reported at Month 9. The increase reflects various offsetting changes, including the impact of lower than anticipated income levels within Cardiff Works, offset by an improvement in the Finance position, due to additional income within the Revenues Service. The overall position reflected underspends within Performance & Partnerships, Human Resources, Health & Safety and Finance, offset by an overspend within Digital Services. Reflected within the position are 2018/19 savings shortfalls amounting to £76,000, which relate to income generation shortfalls within Bilingual Cardiff, Commissioning & Procurement and Cardiff Academy. Further savings shortfalls, amounting to £186,000, were recorded against unachieved targets carried forward from 2017/18. These shortfalls related to income generation within Enterprise Architecture and Commissioning & Procurement, and intended reductions in telephony expenditure.

The overall position included an underspend of £208,000 in Human Resources with savings on capital financing costs and other budgets in relation to HR Systems, partly offset by deficits in relation to Cardiff Works and Cardiff Academy and other overspends across a number of HR functions. In addition, an underspend of £248,000 was recorded in relation to Performance and Partnerships. This underspend comprised in-year savings across a number of divisions, including Media & Communications, Policy & Partnerships and Performance Management. These in-year savings were almost entirely in relation to employee budgets and in-year vacancies. Other reported underspends included £118,000 within Health & Safety, primarily due to recruitment delays leading to in-year staffing savings, and £131,000 within Finance, largely due to a range of employee savings and additional PCN income within Revenues. Other underspends totalled £82,000, including Commissioning & Procurement where in-year staffing savings more than offset income shortfalls.

These underspends were partly offset by an overspend of £413,000 in the Digital Services division. This included an overspend of £390,000 in the Community Alarm Service, including significant shortfalls against income targets for both the Alarm Receiving Centre and Telecare. This outturn position reflected savings targets set in previous years which have still to be achieved and, although significant income opportunities have been identified by the service area, it is anticipated that these will not be achieved until the forthcoming financial year. There was also an overspend of £216,000 in relation to Enterprise Architecture, reflecting shortfalls against recharge income targets and supplies and services overspends, partly offset by employee savings. These overspends were partly offset by savings in other areas of Digital Services including the Contact Centre, ICT, Capital Ambition Delivery and savings on employee costs due to vacancies.