

Appendix 2 – Directorate Commentaries

Corporate Management Balanced

1. Corporate Management reported an overall balanced position with the 2021/22 savings target of £63,000 achieved in full.

Economic Development (£54,000)

2. The Economic Development Directorate reported a net £54,000 underspend after a transfer to reserves of £400,000 to meet future business case development costs. The position included claims to the Welsh Government Hardship Fund totalling £10.36 for loss of income and additional costs resulting from the pandemic.
3. Culture, Venues and Events reported a net £28,000 underspend after reimbursement of net income losses of £5.264 million across the functions. The position included vacancy savings, underspends within the Cardiff Museum and cost savings within the Event functions.
4. The Sport, Leisure and Development function reported a minor £7,000 underspend after reimbursement of net income losses and unfunded supplier relief payments of £4.172 million. Parks achieved a £29,000 deficit largely due to increased vehicle costs.
5. Facilities Management reported an improved underspend of £286,000 driven by the demand for capital work across the estate and partly offset by a deficit within Pest Control. The Project Design and Development service reported a trading deficit of £110,000.
6. The Major Projects division reported an overspend of £246,000 for unbudgeted spend in respect to various projects. Property Services reported an overspend with shortfalls against income targets at venues partly offset by vacancy and other premises savings.
7. An underspend of £158,000 was achieved for the Business and Investment function with increased advertising income and underspends within Workshops. City Centre Management reported an underspend of £110,000 largely due to increased banner and city centre income.
8. The 2021-22 savings target for Economic Development is £916,000. Savings of £686,000 were achieved against the 2021/22 target of £916,000. The shortfall relates to savings in respect to St David's Hall and cost reductions across all expenditure headings – £200,000 and cost efficiencies at the Cardiff Castle Café (£30,000) where enforced closure of both venues as a result of the pandemic and related restrictions impacted throughout the year. The net income loss was included within the claims to the WG, and the final position assumes that these will be approved in full.

Education & Lifelong Learning +£476,000

9. The outturn position for the Education & Lifelong Learning directorate is an overspend of £476,000. The main pressures within the position include Achievement, £468,000 overspent due to income targets yet to be achieved in Client Services and an overspend on Youth Services due to employee costs no longer covered by grant funding. Education Other than At School, £263,000 overspent due to the cost of tutors not being fully recouped. In addition, Schools Transport £600,000 overspend due to the cost of additional routes since the start of the school year alongside price uplifts as a result of staff retention and inflationary cost rises seen by contractors.
10. Partially offsetting this overspend are savings within Out of County Placements (£354,000) due to a balance of additional funding and the managing of placements and use of additional grant funding to offset base budget overspends and contribution to education overheads (£636,000).
11. Traded Services is reporting a balanced yearend position through the use of loss of income funding (£2.196 million) from WG. Music Services has been balanced through use of WG grant funding (£151,000), WG loss of income funding (£771,000) and furlough income. These additional Covid funding streams, with the exception of Free School Meals, have now come to an end.
12. The 2021-22 savings target for Education is £288,000. Savings of £228,000 have been achieved, leaving a shortfall of £60,000 relating to a saving proposal on business support changes with other mitigations being explored.

Housing & Communities (£762,000)

13. The Housing & Communities directorate reported an overall underspend of £762,000 at Month 12. This comprised of overspends totalling £455,000 across Homelessness (+£420,000) and Housing Strategy (+£35,000), offset by underspends totalling £1.217m, across all other areas of the service following employee vacancy savings and additional grant income.
14. The £420,000 Homelessness overspend was due to security issues and ongoing provision at Shirenewton and additional pressures whilst £35,000 Housing Strategy and Service Development overspend was due to ongoing delays in a planned restructure
15. Business Performance & Support reported a minor underspend of £2,000 after income shortfalls were offset by in-year employee savings.
16. In Advice and Benefits, a £269,000 underspend was reported overall after costs of administering Self Isolation Payments and Winter Fuel Poverty schemes were offset by available administration income. Budgeted drawdowns from reserves for temporary staff were not required due to employee vacancies and grant maximisation across the division. A balanced position was reported in

relation to the Housing Benefit (HB) Systems and Subsidy budgets after a contribution of £420,000, representing net surplus payable on subsidies, was transferred to the Welfare Reform reserve to address future pressures in welfare reform. The Council Tax Reduction Scheme reported a balanced position after £2.834m was drawn down from contingency to offset additional costs linked to price increases and economic pressures.

17. Homelessness and Hostels reported an overspend of £420,000 following the transfer to earmarked reserve of £375,000 to address ongoing security and development issues at the Shirenewton Gypsy and Traveller site. This position included security costs above budget of £199,000. Further overspends were reported in relation to premises costs at Housing Options Centre building used for cold weather provision and additional storage costs for furniture for Homeless persons. These overspends were partly offset by vacancy savings within Housing Operational team. Empty Homes premiums of £75,000 were required to fund Shared Regulatory employee costs. The new Hostel units generated a surplus of £16,000 after allowing for bad debt provision and outstanding Council Tax bills at each site.
18. Within Independent Living Service, an underspend of £583,000 was reported due to employee savings across its divisions, caused by issues with recruitment and additional grant funding. Disabled Facility grant fee income exceeded target and £102,000 initially recovered from Welsh Government was returned. This service also received £1.069m from the Social Care Recovery fund which was spent in full on eligible criteria.
19. Early Help reported an underspend of £42,000 after transferring £379,000 to an earmarked reserve to address waiting list times following increased demands as a result of the pandemic. The division includes the Family Gateway service funded by a combination of base budget grant income as well as Parenting, Flying Start and Childcare which were all fully grant funded and spent in full.
20. Hubs and Community Services which now include Day centres reported a final underspend of £283,000 due to employee savings across the divisions and additional grant income. Lost income of £165,000 within Learning for Life was recovered from Welsh Government.
21. The £25,000 underspend reported within Housing Projects was a result of employee savings within the Rehousing Solutions Division, whilst the £5,000 within Neighbourhood Regeneration was a result of lower than anticipated premises costs.

Performance & Partnerships – (£128,000)

22. Performance & Partnerships is reporting an underspend position due to income generating activities within Media and Communications, Cardiff Research Centre and Bilingual Cardiff. The two budget savings proposals in this directorate for 2021/22 totalling £142,000, have been achieved in full.

Recycling and Neighbourhood Services – Balanced Position

23. The Recycling and Neighbourhood Services (RNS) division reported a balanced position following a £472,000 transfer to reserves which will provide financial resilience for potential future changes to the waste service. The position includes the recovery of lost income and additional expenditure from the Local Government Hardship Fund and an additional WG grant to support pressures in the waste service. The service has also achieved its full budget savings target approved in the budget.
24. The outturn position highlights significant pressures within Collections with further overspends in Environmental Enforcement and Street Cleansing. There is a substantial underspend in Recycling Treatment with smaller savings in Management & Support, Waste Strategy, Waste Disposal and the Trade Service which have mitigated the pressures.
25. The Collections overspend of £1.525 million reflects the decision to employ an additional five crews to address operational staff resource issues, the uptake of the extra annual leave carried forward from the previous year and higher than budgeted sickness rates in addition to increased vehicle costs. The overspend in Environmental Enforcement is £107,000 caused by a short-term extension to temporary staff contracts and a reduction of financial penalty notice income. The Street Cleansing overspend is £9,000 and reflects a net additional operational cost.
26. Recycling Treatment reported an underspend of £1.671 million. This reflects an increase in market prices from the sale of recyclable material and the improved quality of material following operational improvements made at the Recycling Centres. Waste Disposal reported an underspend of £283,000 caused by a reduction in the volume of material during the later end of the year combined with a larger than expected re-banding exercise which saw Cardiff switch tonnage from Band 2 to the lower Band 1 gate fee.
27. Waste Strategy reported an underspend of £128,000 due to planned service changes not taking place – this funding has been rolled forward as part of the transfer to the Waste reserve and is available when the changes take place. There was an additional underspend of £15,000 in Management and Support due to a delay in filling vacant posts and a £14,000 underspend within the Trade service.
28. During February 2022, the WG allocated additional Strategic Waste Management Grant funding of £673,000 in recognition of the increased pressures on the service. Eligible expenditure was identified which helped to fund existing additional pressures.
29. The net effect resulted in a service underspend of £472,000 against the approved budget. This was transferred to the Waste reserve to address several risks and will provide support in mitigating costs relating to these risks and the

delivery of change within the service, including restructures and a move to segregated recycling.

Adult Services (£121,000)

30. Adult Services final position was an underspend of £121,000. This is an increase in underspend of £21,000 compared with the Month 9 position. The position, which is after transfers to earmarked reserves, was supported by additional grant income awarded late in the financial year, including £1.7 million for winter pressures.
31. Before taking into account winter pressures funding and transfers to reserves, within commissioned services there were overspends in Physical Disabilities (£386,000) and Substance Misuse (£56,000), and underspends in Mental Health (£156,000), Learning Disabilities (£163,000) and Older People (£1.6 million.)
32. The overspend in Physical Disabilities reflects additional domiciliary care costs linked to an increase in the number and average cost of packages. Other contributory factors include increased supported living costs and a new college placement. The underspend in Learning Disabilities reflects additional contributions towards care packages from Health together with lower than anticipated college placement costs from September 2021. The underspend in Mental Health commissioned care reflects a small reduction in residential placements during the year together with further cost savings resulting from 2020/21 savings proposals. The underspend on Older People is attributable to lower service user numbers during the year, additional income from Health towards some care costs, and higher than budgeted income. It should be noted that in the final quarter of 2021/22, approximately fifty people took up places in residential and nursing homes, with their placements funded for up to 12 weeks as part of a Discharge to Assess (D2A) grant. Whilst the D2A grant was linked to accelerating release from hospital, ordinarily at least a proportion of these placement costs would likely have been borne by the Local Authority, making this a further contributory factor to the underspend in Older People's commissioned care. It is anticipated that many of the D2A places will become permanent, and the Authority will therefore bear the ongoing costs of funding these in 2022/23.
33. With regards Internal Services, before transfer to reserves and winter pressures funding, there was a £1.1 million underspend on Assessment and Care Management and a £340,000 underspend on reablement services. Both were attributable to vacancies during the year, together with the maximisation of grant funding streams (other than winter pressures.) There was a £200,000 overspend on Internal Supported Living linked to the delayed achievement of savings in the current financial year and unachieved vacancy provision. Learning Disabilities Day Care had a balanced position at year end, after bringing in £90,000 support from the Social Care Recovery Fund. Business

Support underspent by £306,000 due to management vacancies in the latter part of the year together with lower than anticipated charges from other directorates.

34. The directorate achieved £413,000 of the £667,000 savings proposed in 2021/22. The main saving not fully achieved in year relates to the Internal Support Living Service, where £160,000 of the £300,000 saving was unachieved due to the delay in closure of one of the schemes. Other areas of under-achievement relate to use of technology in care provision (£94,000).

Children's Services - Balanced Position

35. Children's Services is reporting a balanced position for 2021/22 as a result of considerable social care grant awards from WG in-year, including £3.445 million Recovery Fund Grant and £3.292 million Winter Pressures Grant.
36. An overspend of £459,000 is reported in relation to disbursements, expert witnesses and court assessments undertaken due to capacity issues within the localities teams. Additional pressure on Child Health and Disabilities Team budgets were a result of increased support required for families and was met through the use of domiciliary care, which has contributed to the overspend position of £956,000. Agency workforce overspends included £1.772 million in Intake and Assessment, £843,000 in localities and £203,000 in Child Protection and Safeguarding. The use of agency social workers and support staff were balanced through the use of the establishment vacancies and WG grants.
37. The number of external residential placements has fluctuated during the year with a total of ninety-eight places at the end of the year. The average full year cost of a single residential placement has risen to £256,000, an increase of 16%. The overall substitute family care position (including fostering) has been balanced through the use of WG Winter Pressures grant. The corporate contingency reserve fund of £2.175 million has not been used this year and has been carried forward for potential use next financial year.
38. Savings targets in relation to additional Step Down provision (£319,000) and Young Persons Gateway places (£410,000) have been made and are reflecting in the budget position. Two units have opened creating an additional eight step down places for the Gateway, with cost avoidance savings in the region of £1.216 million.

Planning, Transport & Environment - Balanced Position

39. The Planning, Transport & Environment outturn reflected a balanced position following a number of transfers to reserves to improve financial resilience for the Directorate. The position includes the recovery of lost income and additional expenditure from the Local Government Hardship Fund.

40. The outturn position highlights the pressures within Energy Management which were offset by savings in Transport Strategy, Planning & Building Control and Management & Support. There were balanced positions in Bereavement, Registration and Dogs Home and for Highway Infrastructure.
41. A £111,000 overspend in Energy Management was primarily due to shortfalls in renewable income sources including the Radyr Weir Hydro Plant which had reduced optimum capacity for some periods of the year.
42. The Bereavement, Registration and Dogs Home services reported a net balanced position. This included a total transfer to reserves for Bereavement Improvement Fees and Public Donations for the Dogs Home of £887,000. Contributions from the reserve of £956,000 funded related loan repayments and service improvements.
43. The Planning & Building Control division reported an overall underspend of £56,000 reflecting the new income stream from Property Searches. The position reflects the transfer to the Local Development Plan reserve to fund future IT costs associated with the new IDOX software.
44. The ring-fenced Building Regulations Chargeable service reported a surplus of £147,000 following the recovery of the service and subsequent increase in fee income. This surplus was transferred to the Building Control reserve. Net Planning Fees were £205,000 short of the £2.9 million target and this has been submitted as a claim to the WG Hardship Fund.
45. Highway Infrastructure reported a balanced position reflecting the full use of the additional £1 million WG funding for road maintenance and the FRM allocation. There were some pressures particularly on tunnel maintenance, but this was managed by a combination of reduced expenditure and increased staff recharges to externally funded activities.
46. Following a review of their support function, Management and Support generated an underspend of £37,000 through the recovery of staff costs to external and fee-earning activities.
47. Transport Strategy achieved an underspend of £18,000 by managing reduced income from Street Works and Asset Licensing by increasing the recovery of staff costs from grant funded schemes
48. The savings target for the Directorate was £932,000. Savings of £756,000 (81%) were achieved leaving a shortfall of £176,000. A significant proportion of this related to Planning Fees where wider economic factors impacted on the financial viability of future developments.

Resources

Governance & Legal Services +£430,000

49. The Governance and Legal Services position is a £430,000 overspend. This comprises primarily of an overspend in relation to Legal Services. The Legal Services position is a combination of overspending on external legal fees of £105,000, core costs as such as Law Library, Case Management and Subscription services of £125,000 and employees of £155,000 due to increased agency spend on Locum Solicitors, with a further £45,000 overspend in various Supplies and services cost headings.

Resources (£95,000)

50. Overall, the Resources position is an underspend of £95,000, primarily due to the underspend of £160,000 within Customer Services being offset by an overspend of £65,000 within ICT service area, within the Chief Digital Officers' division.

Cardiff Harbour Authority

51. For the financial year 2021/22, the Council worked with Welsh Government to identify achievable efficiencies, service reductions and savings against the approved Fixed Costs budget to the same level as 2020/21 of £4.961 million.

52. The Asset Renewal funding requirement for non-critical assets was £460,000 with no requirement identified within the ten-year asset management programme to replace any critical assets. Subsequent to this, in October 2021, an additional allocation of £100,000 was awarded to cover increased scheme costs. In addition, in January 2022, a further grant award of £249,000 was approved for the delivery of brought forward asset renewal works originally planned for 2022/23.

53. This resulted in a total approved 2021/22 budget for the Cardiff Harbour Authority (CHA) of £5.770 million.

54. The outturn position indicates a final draw down of £5.658 million, resulting in a variance of £112,000.

	Budget £000	Outturn £000	Variance £000
Expenditure	5,991	6,016	25
Income	(1,030)	(1,034)	(4)
Fixed Costs	4,961	4,982	21
Asset Renewal	809	676	(133)
TOTAL	5,770	5,658	(112)

55. In respect of the Fixed Costs budget, income above target for Harbour dues, site fees and special events was offset by a shortfall on car parking. This was

an improved position on earlier forecasts which predicted overall income shortfalls.

56. The position included overspends on litter collection and waste management as a result of increases in volume and subsequent additional costs. Other spend above budget included groundwater control and barrage maintenance which reflected materials and contractor price increases. These variances were largely mitigated by underspends on overheads across the general budget headings.
57. The resulting net deficit of £21,000 against the approved Fixed Costs budget was funded by a contribution from the Project & Contingency Fund as per clause 16.2 (c1) of the Deed of Variation of 18th March 2021.
58. The Asset Renewal underspend relates to the amount of contractor work able to be undertaken on the Scada Control System, which was part of the additional allocation approved late in the financial year. As per the Deed of Variation clause 16.2 (d) the capital sum underspent of £133,000 will be refunded in the first quarter claim of next financial year. Funding will need to be identified in 2022/23 to cover additional asset spend for the outstanding control systems works and a revised redesigned scheme for the Senedd Boardwalk. Discussions are in progress in this regard with the Welsh Government.
59. Also in progress is the planned review of the S165 Agreement which is anticipated to be finalised in 2022/23.
60. The CHA maintains a Project & Contingency Fund, which is used to support projects and provides a contingency if 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 at 1st April 2021 was £126,000 and this will decrease by the £22,000 drawdown for 2021/22 as detailed above. This leaves a net balance at 31st March 2022 of £104,000 and this is in line with the amendments to the Deed of Variation as agreed in March 2021.

Civil Parking Enforcement

61. 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.
62. The following table provides a summary of the budget and outturn position.

	Budget £000	Outturn £000	Variance £000
Income			
On street car parking fees	(3,957)	(3,130)	827
Off street car parking fees	(922)	(808)	114
Resident's parking permits	(412)	(441)	(29)
Penalty charge notices	(1,422)	(1,903)	(481)
Moving Traffic Offences (MTO's)	(3,539)	(3,502)	37
Other Income	(46)	(30)	16
Total Income	(10,298)	(9,814)	484
Expenditure			
Operational costs, parking & permits	611	776	165
Enforcement service including TRO	5,945	6,279	334
Total Expenditure	6,556	7,055	499
Annual (Surplus)/Deficit	(3,742)	(2,759)	983
Hardship Fund Reimbursement	0	(983)	(983)
Revised Annual (Surplus)/Deficit	(3,742)	(3,742)	0

63. The CPE account achieved a net trading surplus of £3.742 million after a contribution from the WG Hardship Fund for lost income caused by the pandemic restrictions.

64. Income generated was £9.814 million. This was £484,000 lower than anticipated and reflected reduced car parking fees although this was partly offset by increased Penalty Charge Notices.

65. Total expenditure was £7.055 million which was an increase of £499,000 against the plan. This included additional vehicles needed to maintain social distancing, digitalisation of the traffic regulation order process and essential maintenance of some car parks.

66. Claims from the Local Government Hardship Fund for lost income were £983,000 which increased the annual surplus to £3.742 million.

67. The surplus is transferred to the Parking and Enforcement Reserve and available to support highway, transport and environmental improvements.

68. The table below illustrates the final position in the reserve:

PARKING AND ENFORCEMENT RESERVE	£000
Balance 1st April 2021	(4,536)
Contribution from CPE	(3,742)
Total Available	(8,278)
Contribution to support revenue budget	5,935
Project support and initiatives	358
Balance 31st March 2022	(1,985)

69. The brought forward balance in the reserve is £4.536 million. The contribution from the CPE trading position was £3.742 million increasing the amount available to £8.278 million. The approved contribution to the revenue budget to fund infrastructure maintenance and improvements is £5.935 million. A further £358,000 was used to support various initiatives including Active Travel, LDP transport monitoring, the Bus Incentive Scheme that operated in December 2021. The carried forward balance is £1.985 million.

Housing Revenue Account - Balanced

70. The Housing Revenue Account (HRA) reported an overall balanced position after a £6.886 million transfer to earmarked reserves. This is planned to contribute to the future costs of the high-rise over-cladding scheme and to improve the future financial resilience of the HRA.

71. The following table provides a high-level summary of the variances against the approved budget.

HOUSING REVENUE ACCOUNT OUTTURN 2021/22			
	BUDGET £000	OUTTURN £000	VARIANCE £000
Rent and service charges	(80,848)	(81,327)	(479)
Capital Financing	29,573	28,093	(1,480)
Housing Repairs Account	20,632	18,427	(2,205)
Tenancy and General Management	18,191	16,703	(1,488)
Community Hubs and Tenant Participation	4,349	3,833	(516)
Central Support	4,282	4,265	(17)
New build/Neighbourhood Regeneration	1,498	1,512	14
Housing Strategy and Service Development	1,167	940	(227)
Hostels/Other Accommodation	906	668	(238)
Contribution to Reserves	250	6,886	6,636
	80,848	81,327	479
TOTAL	0	0	0

72. The Housing Repairs Account underspent by £2.205 million; a reflection of the continuing impact of the pandemic with access issues and consequent delays to works.
73. The position also included a £1.48 million underspend on capital financing costs due to delays within the Capital Programme and unexpected grant funding towards safety measures.
74. Other variances within the general HRA functions i.e., excluding hostels and temporary accommodation included vacancy and other employee savings across the functions of £1.976 million. Difficulties were experienced in recruitment to vacant posts with limited applications, compounded by unavoidable recruitment delays as a result of the restrictions due to the pandemic. In addition, appointments of existing Council staff resulted in savings on substantive posts where there were delays in back filling.
75. Standard rent and service charge income was £479,000 above target. This included an underspend in relation to bad debt provision based on year end arrears and write off levels. This reflected various rent rescue and support schemes which assisted tenants during the year with rent arrears.
76. Rent and service charge income for hostels and other non-standard/temporary accommodation was £603,000 below target. This was partly due to delays in some schemes becoming fully operational and available for let and partly due to higher than anticipated void rent loss for other schemes. Cost savings for these units offset the rent loss with a result that the overall position was a £238,000 underspend.
77. The balance of the variance (£508,000) was largely due to underspends on general premises and supplies and services costs across the functions.
78. A contribution of £6 million was made to the Housing Repairs and Building Maintenance Reserve to fund the future costs of the high-rise over-cladding scheme. A transfer of £636,000 was also made to the Housing Supply Increase Reserve to fund increases in housing stock and provide further resilience within the overall capital programme. The budgeted contribution of £250,000 was also made to the Housing Development Resilience Reserve.