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Governance & Audit Committee Financial Update

28th November 2023



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Month 6 Overview



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Revenue Position Month 6 – Projected Overspend of £5.4 million



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MONTH 6 OVERVIEW 20896	Net Budget £000	Projected Outturn £000	Month 6 Variance £000
Corporate Management	29,347	29,294	(53)
Economic Development	10,991	13,873	2,224
Education	343,003	344,888	1,785
Governance & Legal Services	7,333	7,953	620
Housing and Communities	49,672	49,495	(177)
Performance & Partnerships	2,931	2,860	(71)
Planning, Transport & Env	9,367	9,879	200
Recycling & NS	39,161	39,511	300
Resources	17,364	17,039	(325)
Social Services- Adults'	147,454	147,454	0
Social Services – Childrens'	88,987	92,172	3,185
TOTAL DIRECTORATE	745,610	754,418	7,688
Capital Financing	36193	34693	(1,500)
Summary Revenue Account	20896	20096	(800)



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KEY VARIANCES

Economic Development +£2,224,000

Overspends for St David's Hall (£1.6 million), City Hall Functions, Functions Catering and at the Castle. Assumes SDH remains closed to end of financial year. Income shortfalls for the non- operational estate and Youth Foods, offset by a projected surplus within Facilities Management including Building Services and for FM buildings.

Education +£1,785,000

Hotspots include School Transport (£400,000), Catering (£100,000) with decision due from WG on UPFSM rebate and for Out of County placements (£700,000). This position is net of drawdowns from earmarked reserves to meet continuing demand and cost pressures. Further overspends are shortfalls in EOTAS tuition income (£400,000) and unbudgeted back-office costs of £200,000.

Governance and Legal Services +£620,000

Includes unbudgeted Locum solicitor costs due to vacancies and printing and postages overspends within Electoral Services.

Housing and Communities (£177,000)

Unbudgeted costs of storage of homeless persons furniture and overspends within PPE distribution along with unachievable vacancy provisions are offset by additional grant income, vacancy savings and increased drawdowns from earmarked reserves.

Planning, Transport & Environment +£200,000

Income below target for Residents Parking permits, cost pressures within Winter Maintenance and planning fee shortfalls along with contractual price increases for Intelligence Transport Systems and CCTV contract, offset by a surplus in Energy Management.

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KEY VARIANCES

Recycling and Neighbourhood Services +£300,000

Expansion of the segregated collection scheme, higher vehicle charges and staffing cost overspends at the recycling centres and MRF.

Resources (£325,000)

Vacancy savings and income above target offset increased licensing and software costs.

Social Services – Adults’ - Balanced

Overspends on commissioned care for Older People, Physical Disabilities and Learning Disabilities are offset by a drawdown from the Adult Services Contingency budget resulting in a balanced position.

Social Services – Childrens’ +£3,185,000

Includes Childrens’ overspend of £9.662m (placements + £7.068m - primarily residential and bespoke care arrangements) and staffing overspends (£1.3m) offset by underspends within external fostering (£1.818 million) and including full use of the Childrens Services Contingency budget of £2.175 million.



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Revenue Position Month 6



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- Some improvement since Month 4, but continued mitigations needed
- Month 6 now reflects impact of pay awards agreed for 2023/24
- A significant proportion of contingency budgets are already projected to be fully utilised
- A significant drawdown from reserves is already built into the position.
- Any unmanaged in-year issues will add to the already significant budget gap for 2024/25.



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Budget 2024/25



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Medium-Term Financial Plan (September Council Report)



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	Medium-Term Budget Gap				
	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Employee Related	21,529	12,631	5,660	6,725	46,545
Prices	9,708	5,995	8,222	8,081	32,006
Commitments & Realignments	6,175	625	1,197	(107)	7,890
Capital Financing	5,591	4,099	2,378	2,970	15,038
Demographic Pressures	7,565	9,214	8,672	6,511	31,962
Financial Pressures	3,000	3,000	3,000	3,000	12,000
Funding	(16,808)	(3,057)	(3,072)	(3,299)	(26,236)
Total	36,760	32,507	26,057	23,881	119,205

Outline Approach	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	TOTAL £000
Modelled Council Tax (+3%)*	5,172	5,327	5,487	5,652	21,638
Savings Required	31,588	27,180	20,570	18,229	97,567
Total	36,760	32,507	26,057	23,881	119,205

Medium Term

- £119m gap estimated over four years to 2027/28
- Council Tax is for modelling purposes only
- Significant savings requirements – approaching £100m



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2024/25 - Key Actions



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- The new operating model for the Council will need to work with significantly less resources and will mean that we will have to take difficult decisions
- Robust in year monitoring and work across services to mitigate overspends
- Ongoing refinement of budget modelling for 2024/25 to assess savings requirements
- Continue to work across services to identify savings opportunities
- Consultation planning underway and intention is to initiate post-Christmas
- Late settlement details again expected from Welsh Government – 20th December



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