

**POLICY AND RESOURCES CABINET BOARD**

**11<sup>th</sup> July 2013**

**REPORT OF THE CORPORATE DIRECTORS' GROUP**

**INDEX OF REPORT ITEM**

**Doc. Code: PRB-110713-REP-CDG**

<b>SECTION C – MATTER FOR MONITORING</b>		
<b>Report Item</b>	<b>Page Nos.</b>	<b>Wards Affected</b>
1. Budget Monitoring Report to 30th June 2013	2-26	All
2. Capital Programme 2013/14	27-29	All

## **SECTION C – ITEMS FOR MONITORING**

### **ITEM 1**

#### **BUDGET MONITORING REPORT TO 30th June 2013**

##### **1 Purpose of Report**

- 1.1 This report provides information relating to the Council's budget to 30th June 2013.
- 1.2 This is a monitoring report which provides details for Policy and Resources Services for the committee to scrutinise and comment upon. The most significant details of all other services are also included in recognition of the Board's role in reviewing the overall budget position.
- 1.3 The report provides details of significant variances from the current budget position, together with an explanation of the action being taken to manage these variances.
- 1.4 It provides details of proposed budget virements, and details of any change in the planned utilization of reserves.
- 1.5 Finally it provides an update on the implementation of the Forward Financial Plan.

##### **2 Current Financial Year**

- 2.1 The Council's resources are limited and it is essential that each Service is delivered within the allocated cash limit; otherwise undue pressure is transferred to other areas of the Authority's finances.
- 2.2 The Council is reliant upon service delivery being maintained within the current budget and the existing Forward Financial Plan savings being achieved. It is essential that these savings are made as there will be further pressures arising as funding remains below the inflationary pressures faced.
- 2.3 At this stage in the budget monitoring process, there is concern that pressures continue to exist within Social Care Services. Rigorous management and control will therefore be required to ensure expenditure is contained within the overall cash limit.

2.4 The following paragraphs provide details of variances from the agreed budget for 2013/14, together with an explanation of the ways in which these variances will be managed.

#### **2.4.1 Policy and Resources Board**

##### Cashiers

Additional expenditure will be incurred of approximately £27,000 for the re-implementation of the cashiering system and the introduction of Paye.Net. This pressure will be offset by savings arising from the management of staff vacancies.

#### **2.4.2 Children, Young People and Education Board**

##### Children's services

Additional funding of £136,000 was included in the 2013/14 budget which is being targeted at improving the retention of staff, providing more manageable caseloads, ensuring robust arrangements are in place to reduce the need for children to come into care, and to provide timely permanent solutions for those children brought into the care system.

However, the budget is projected to overspend by £800,000 as a consequence of the continued need to employ agency staff to cover vacancies and absences. Arrangements have been put in place to continuously monitor/reduce agency costs and to replace with permanent appointments. It is anticipated that the overspend in this area will have to be met from the General Reserve.

##### NPT Works (contract to find employment)

This service operates, under a sub contract for the Government's Work Programme, to assist people to find and stay in employment. However, the income generated from the programme has been less than originally anticipated resulting in a budget pressure of £71,000. Work is ongoing to mitigate against this pressure during 2013/14.

##### Children and Young Peoples Partnership

The Authority has a statutory duty to undertake childcare sufficiency assessments. There is currently a budget pressure of £50,000 for the 2013/14 financial year, but work is ongoing to try and identify slippage within the partnership that can be used to fund this pressure.

### Gwyn Hall

A £61,000 budget pressure currently exists with the Gwyn Hall attributable to ICT expenditure and irrecoverable VAT costs. It is proposed that this one off pressure is funded from the Leisure Equalisation reserve.

## **2.4.3 Environment and Highways Board**

### Trade Waste Income

The income target for 2013/14 has been increased by £80,000 as per the FFP item Env-103 but there is some concern that the income target may not be achieved. At present an income shortfall of £50,000 is projected. However, a campaign is being rolled out to ensure all traders within the County Borough have agreements for disposal of their waste, which it is anticipated will help to identify new customers, and offset the pressure identified. The income will continue to be closely monitored throughout the year.

### Car Parking Income

The closure of Gnoll Road car park has been delayed until later in the 2013/14 financial year so the income generated from surface car parks is likely to be greater than the budget.

### Civic accommodation

A savings target of £82,000 is included in the Forward Financial Plan which is dependent on occupied buildings being closed and running costs being saved. There is a risk around this target and alternative savings strategies are being identified to offset this pressure.

## **2.4.4 Social Care, Health and Housing Board**

### Learning Disability Placements

Pressures continue to arise due to the ongoing demand and cost of placements. A Learning Disability Modernisation plan has been developed which has identified strategies to meet the savings strategies included in the Forward Financial Plan. In addition, efficiencies will be looked at across the whole of the Community Care Budget to offset any pressures arising.

### Use of Housing Equalisation Reserve (SSHH70)

The equalisation reserve is not available to meet this target of £39,000 in 2013/14. Alternative savings are being identified to offset this pressure

#### Homecare - review of savings opportunities (SSHH89)

A savings target of £440,000 has been attached to this service - £88,000 to be found in 2013/14. A commissioning strategy is being developed to inform the review of the delivery of homecare service to provide better outcomes for the service user. There is uncertainty around the timing and value of the savings that can be achieved, until the work has been completed.

#### Allocation of corporate savings strategies(SSHH91)

This includes procurement, admin review, community facilities and voluntary organisation savings. A savings target of £90,000 has been allocated to the directorate and is at risk until the outcome of those reviews has been confirmed.

#### Review of non statutory savings (SSHH46)

A saving target of £132,000 is required in 13/14. There is a risk of not achieving the full savings within this financial year and alternative strategies are being identified to meet the shortfall.

### **3 Budget Movements**

3.1 The Council's Constitution requires the prior approval of the Council for any virement with a value greater than £500,000 of the net service budget. Other virements that do not involve a significant variation in the level or nature of the delivery of the service agreed by Council in the Revenue Budget can be approved as follows:

- Corporate Directors can approve virements up to a limit of £100,000, Virements to this level that impact on the budget guideline of another Corporate Director may be implemented only after agreement with the relevant Corporate Director and the Director of Finance and Corporate Services.
- Cabinet can approve virements within a budget guideline between £100,000 and £500,000.

3.2 The following virements are required

**Policy & Resources Board**

Financial Services/ Exchequer

A virement of £35,000 is required within the Finance and Corporate Services budget from Exchequer Payments to Financial Services to reflect the actual operational arrangements put in place following the finance restructure that took place during 2012/13.

ICT

A virement of £50,000 is required from Social Services, Health and Housing to Finance and Corporate Services Directorate, to further facilitate the centralisation of the ICT service.

**Environment & Highways Board**

Sustainable Waste Grant

The Sustainable Waste Grant budget of £3,020,000 is utilised to fund expenditure mainly on the collection of dry recycling and kitchen waste. The cost of these services is £3,079,000 and the net expenditure of £59,000 is funded within the Environment Directorates budget guideline. It is proposed that this budget is transferred from Waste disposal to Refuse collection which is a more accurate description of the service area supported by the grant.

3.3 The following specific reserve movements are proposed

**Policy & Resources Board**

Legal Equalisation Reserve

It is proposed that £26,000 is transferred from the Legal Equalisation Reserve to meet the cost of the shared legal services project for 2013/14 and 2014/15.

## **Children, Young People & Education Board**

### ER/VR schools

Costs of £35,829 in respect of ER/VR for schools were funded from the Education Equalisation Reserve in 2012/13 in error, and should instead have been funded from the Schools ER/VR reserve. It is proposed that £35,829 is transferred from the ER/VR reserve to the Education Equalisation Reserve.

### School Improvement Reserve

The following Primary Schools have now closed and it has previously been agreed that surplus reserves should be transferred to the Schools Improvement Reserve to assist with funding of the Strategic Schools Improvement Programme

Dyffryn Afan Primary School	£41,725.78
Glyn Primary School	£57,594.47
Rhifawr Primary School	£72,609.31

### Leisure Equalisation reserve

It is proposed that £61,000 will be required from the Leisure Equalisation Account for the Gwyn Hall to fund one off costs anticipated during 2013/14.

It is proposed that £88,472 will be required from the Leisure Equalisation Reserve for match funding in respect of the Heritage Lottery Fund for Margam Park.

### Education Equalisation Reserve

It has previously been agreed by members that the snooker hall in the Pontardawe Arts Centre will to be closed and converted into a multi use space. This project is being progressed during 2013-14 with the aid of grant funding but will also require a contribution from the Education Equalisation Reserve of £40,000.

## **Environment and Highways Board**

Transport Planning Reserve –it is anticipated that a further £20,000 will be required from this reserve to fund replacement concessionary fare bus passes.

Environment Legacy Reserve – it will no longer be necessary to utilise £30,000 from this reserve during 2013/14 because the expenditure has been deferred to future years.

Operating Account – Vehicle Renewals Reserve- it is anticipated that it will be necessary to utilise an additional £157,000 from the reserve to fund the cost of anticipated vehicle renewals during 2013/14.

Operating Account – Equalisation Reserve – it is anticipated that expenditure planned for 2013/14 will now be incurred in 2014/15 when the two year apprenticeships are completed. The transfer from reserves of £18,000 will therefore not be required in 2013/14.

### **Economic and Community Regeneration Board**

Local Development Plan Reserve – it was originally anticipated that it would be necessary to utilise £282,000 from the reserve during 2013/14, but as a consequence of changes in the timescales the transfer from reserves can be reduced by £207,000, but which will instead be required in future years.

Building Maintenance reserve – it is anticipated that an additional £100,000 will be required from the reserve to fund day to day maintenance issues identified in respect of the county buildings.

3.4 The following General Reserve movements are proposed

It is proposed that a provision of £800,000 is provided from the general reserve to meet the pressures identified in respect of children’s services.

3.5 The current cash limits are included in Appendix 1, with the position for all specific reserves shown in Appendix 2 and the General Reserve in Appendix 3.

## **4 Forward Financial Plan Monitoring 2014/15 to 2017/18**

4.1 The Council’s Forward Financial Plan saving strategies are outlined in Appendix 4. Board are asked to consider the current position identified in relation to the planned savings for Policy and Resources and to take an overview of all other service areas.



4.2 Each Head of Service has reviewed their items and identified the current status, choosing from the options of:

- Green = achieved / on target-no significant risks
- Amber = significant risks
- Red = failed or unlikely to be achieved

4.3 Any pressures arising from changes in the pressures/savings plans identified in the forward financial Plan in respect of 2013/14 are incorporated in the variances reported in section 1 of this report.

4.4 The outcome of the work being done to update the forward financial plan is being separately reported to members.

4.5 The following significant risks in relation to the current approved Forward Financial Plan, whether due to increased cost pressures or to delivering on the savings plans from 2014 onwards, are highlighted for members' consideration. Work will continue to assess the further implications and alternative strategies required to achieve balanced budgets in future financial years.

#### **4.5.1 Children, Young People and Education**

##### Placements

Council has approved additional funding for the ongoing demand and cost of placements to be repaid via the investment model when LAC numbers and costs have reduced. There is a risk for the authority attached to this strategy. The Forward Financial Plan makes provision for additional funding of £500,000 and £100,000 in 2014/15 and 2015/16 respectively.

##### **Social Care, Health & Housing Board**

##### Transforming Adult Social Care (SHH24)

A £500,000 savings target is included in the Forward Financial Plan for 2014/15 but there is concern that this will not be delivered in full. Further work is required to identify strategies to meet the shortfall.

#### Homecare - review of savings opportunities (SSHH89)

A savings target of £352,000 has been attached to this service for the period 2014-18. A commissioning strategy is being developed to inform the review of the delivery of homecare service to provide better outcomes for the service user. There is uncertainty around the timing and value of the savings that can be achieved, until the work has been completed

#### **4.5.2 Economic and Community Regeneration Board**

##### Env-12 reduction in council building floor space

The target savings are £8,000 in 2014/15 and £98,000 in 2015/16. These savings are dependant on Council occupied buildings being closed or reduced in size and the subsequent running cost savings being allocated against this savings target. There is concern regarding the ability to achieve these targets as a consequence of proposed changes to the accommodation strategy.

### **5 Recommendations**

5.1 It is recommended that:

- the budget monitoring information is scrutinised and management arrangements put in place to minimise overspends and any adverse impact on reserves.
- the proposed reserve movements and budget virements are recommended to Cabinet and then to Council for approval because they exceed £500,000 in total.

## **Appendices**

Appendix 1 – Revenue Budget Summary 2013/14

Appendix 2 – Schedule of Specific Reserves

Appendix 3 – Schedule of General Reserve

Appendix 4 – Forward Financial Plan

## **Background Papers**

Budget working papers 2013/14

## **Wards Affected**

All

## **Officer Contact**

For further information on this report item, please contact:

Mr Hywel Jenkins – Director of Finance and Corporate Services

☎ 01639 763251

E-mail: [h.jenkins@npt.gov.uk](mailto:h.jenkins@npt.gov.uk)

Mrs Sue Gorman, Chief Accountant - Financial Services

☎ 01639 763937

E-mail: [s.gorman@npt.gov.uk](mailto:s.gorman@npt.gov.uk)

## REVENUE BUDGET SUMMARY 2013/14

	<b>2013/14 Original Budget £000</b>	<b>2013/14 Revised Budget £000</b>
<b>Directly Controlled Expenditure</b>		
Education, Leisure and Lifelong Learning	107,007	107,007
Social Services, Health and Housing	78,893	78,843
Environment	33,350	33,350
Corporate Services	18,860	18,910
<b>Total Directly Controlled Expenditure</b>	<b>238,110</b>	<b>238,110</b>
<b>Other Expenditure</b>		
<b>Levies</b>		
Swansea Port Health Authority	48	48
Fire Authority	6,805	6,805
Margam Crematorium	2	2
<b>Contributions</b>		
Archive Service	107	107
Magistrates Court	19	19
<b>Other Expenditure</b>		
Capital Financing (net of Interest Receipts)	16,426	16,426
Housing Benefits	-129	-129
Council Tax support (100%)	16,199	16,199
Contingency-Management of Change	524	524
Use of Job Evaluation Reserve	-848	-848
Contingency	354	354
<b>Contributions/Reserves</b>		
Contribution to/-from General Reserve	135	135
Contribution from Fire Authority Reserve	-21	-21
<b>NET REVENUE EXPENDITURE</b>	<b>277,731</b>	<b>277,731</b>
<b>Use of Grant</b>		
Improvement Agreement Grant	-1,477	-1,477
<b>BUDGET REQUIREMENT</b>	<b>276,254</b>	<b>276,254</b>
<b>INCOME</b>		
Revenue Support Grant	173,941	173,941
RSG – council tax support	1,420	1,420
National Non Domestic Rates	43,608	43,608
Discretionary Rate Relief	-137	-137
Council Tax - Neath Port Talbot	57,422	57,422
<b>TOTAL INCOME</b>	<b>276,254</b>	<b>276,254</b>

## SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2013/14							
Description	Reserve Balance at 1 Apr 2013	2013/14 Budgeted Contributions to reserve	2013/14 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2014	
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>EDUCATION, LEISURE &amp; LIFELONG LEARNING</b>							
<i>Delegated Schools Cash Reserves</i>							
Primary Schools Reserve A/C	Cr 2,467	Ov 0	Ov 0	Ov 0	Ov 172	<b>Cr 2,295</b>	
Secondary Schools Reserve A/C	Cr 777	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 777</b>	
Special Schools Reserve A/c	Cr 145	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 145</b>	
ERVR Primary	Cr 73	Ov 0	Ov 0	Ov 0	Ov 36	<b>Cr 37</b>	
Repair and Maintenance Reserve	Cr207	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 207</b>	
	<b>Cr 3,668</b>	<b>Ov 0</b>	<b>Ov 0</b>	<b>Ov 0</b>	Ov 208	<b>Cr 3,460</b>	
<i>Education, Leisure and Lifelong Learning</i>							
School Improvement Reserve	Cr 248	Ov 0	Ov 0	Ov 0	Cr 172	<b>Cr 420</b>	
Leisure Regeneration	Cr 1,652	Cr 500	Ov 0	Ov 0	Ov 0	<b>Cr 2,152</b>	
Equalisation Account-Leisure	Cr 229	Ov 0	Ov 75	Ov 0	Ov 149	<b>Cr 5</b>	
Equalisation Account-Education	Cr 761	Ov 0	Ov536	Ov 0	Ov 4	<b>Cr 220</b>	
Youth Offending Team –equalization	Ov 100	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 100</b>	
School Transport Reserve	Cr 66	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 66</b>	
	<b>Cr 3,056</b>	<b>Cr 500</b>	<b>Ov 611</b>	<b>Ov 0</b>	Cr 18	<b>Cr 2,963</b>	
<b>Total Education Leisure &amp; Lifelong Learning</b>	<b>Cr 6,724</b>	<b>Cr 500</b>	<b>Ov 611</b>	<b>Ov 0</b>	Ov 189	<b>Cr 6,423</b>	

## SCHEDULE OF SPECIFIC RESERVES

Description	Reserve Balance at 1 Apr 2013	2013/14 Budgeted Contributions to reserve	2013/14 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2014
<b>SOCIAL SERVICES, HEALTH &amp; HOUSING</b>						
<i>Hillside Secure Unit</i>						
Hillside General Reserve	Cr 1,753	Cr 153	Ov 54	Ov 0	Ov 0	<b>Cr 1,852</b>
	<b>Cr 1,753</b>	<b>Cr 153</b>	<b>Ov 54</b>	<b>Ov 0</b>	<b>Ov 0</b>	<b>Cr 1,852</b>
<i>Other</i>						
Social Services Equalisation	Cr 1	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 1</b>
Residential care – rent provision	Cr 272	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 272</b>
Homecare ECM equipment reserve		Cr 19	Ov 0	Ov 0	Ov 0	<b>Cr19</b>
	<b>Cr 273</b>	<b>Cr 19</b>	<b>Ov 0</b>	<b>Ov 0</b>	<b>Ov 0</b>	<b>Cr 292</b>
<b>Total Social Services, Health and Housing</b>	<b>Cr 2,025</b>	<b>Cr 173</b>	<b>Ov 54</b>	<b>Ov 0</b>	<b>Ov 0</b>	<b>Cr 2,144</b>

## SCHEDULE OF SPECIFIC RESERVES

Description	Reserve Balance at 1 Apr 2013	2013/14 Budgeted Contributions to reserve	2013/14 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2014
<b>ENVIRONMENT</b>						
<i>Directorate</i>						
Transportation Planning Reserve	Cr 20	Ov 0	Ov 0	Ov 0	Ov 20	Ov 0
Future Jobs Fund Reserve	Cr 100	Ov 0	Ov 0	Ov 0	Ov 0	Cr 100
Local Development Plan	Cr 387	Ov 0	Ov 282	Ov 0	Cr 207	Cr 312
Regeneration Scheme Reserve	Cr 35	Ov 0	Ov 0	Ov 0	Ov 0	Cr 35
Planning equalization reserve	Cr 200	Ov 0	Ov 0	Ov 0	Ov 0	Cr 200
Parking Improvements	Cr 57	Ov 0	Ov 57	Ov 0	Ov 0	Ov 0
Economic Development	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
Winter Maintenance Reserve	Cr 222	Ov 0	Ov 0	Ov 0	Ov 0	Cr 222
Improvement & Relocation Reserve	Cr 105	Cr 5	Ov 0	Ov 0	Ov 0	Cr 110
CRC Equalisation reserve	Cr 55	Ov 0	Ov 0	Ov 0	Ov 0	Cr 55
Building Maintenance Reserve	Cr 187	Ov 0	Ov 0	Ov 0	Ov 100	Cr 87
European Fund	Cr 56	Ov 0	Ov 10	Ov 0	Ov 0	Cr 46
Workways equalization reserve	Cr 15	Ov 0	Ov 0	Ov 0	Ov 0	Cr 15
Grounds Mtce Commuted Sums	Cr 5	Ov 0	Ov 5	Ov 0	Ov 0	Ov 0
Environment Legacy Reserve	Cr 60	Ov 0	Ov 30	Ov 0	Cr 30	Cr 60
Phytophthora reserve	Cr 60	Ov 0	Ov 60	Ov 0	Ov 0	Ov 0
Civic Buildings Future Maintenance	Cr 570	Ov 0	Ov 30	Ov 0	Ov 0	Cr 540
	<b>Cr 2,134</b>	<b>Cr 5</b>	<b>Ov 474</b>	<b>Ov 0</b>	Cr 117	<b>Cr 1,782</b>
<i>Operating Accounts</i>						
Operating Accounts -Vehicle Renewals	Cr 1,413	Cr 917	Ov 1,164	Ov 0	Ov 157	Cr 1,010
Fleet Sentinel Maintenance Reserve	Cr 100	Ov 0	Ov 0	Ov 0	Ov 0	Cr 100
Vehicle Tracking	Cr 18	Ov 0	Ov 10	Ov 0	Ov 0	Cr 8
Operating Account –Equalisation	Cr 277	Ov 0	Ov 269	Ov 0	Cr 18	Cr 25
	<b>Cr 1,808</b>	<b>Cr 917</b>	<b>Ov 1,443</b>	<b>Ov 0</b>	<b>Ov 139</b>	<b>Cr 1,143</b>
<b>Total Environment</b>	<b>Cr 3,942</b>	<b>Cr 922</b>	<b>Ov 1,917</b>	<b>Ov 0</b>	<b>Ov 22</b>	<b>Cr 2,925</b>

## SCHEDULE OF SPECIFIC RESERVES

Description	Reserve Balance at 1 Apr 2013	2013/14 Budgeted Contributions to reserve	2013/14 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2014
<b>FINANCE AND CORPORATE SERVICES</b>						
Job Evaluation Reserve-New pay and grading	Cr 1,458	Ov 0	Ov 848	Ov 0	Ov 0	<b>Cr 610</b>
Job Evaluation JE Employee Support	Cr 9	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 9</b>
Legal Equalisation Account	Cr 312	Ov 0	Ov 0	Ov 0	Ov 26	<b>Cr 286</b>
F&CS I.T. Developments	Cr 386	Ov 0	Ov 42	Ov 0	Ov 0	<b>Cr 344</b>
ICT desktop replacement reserve	Cr 400	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 400</b>
Development Fund for Modernisation	Cr 93	Cr 8	Ov 0	Ov 0	Ov 0	<b>Cr 101</b>
Equalisation Reserve	Cr 72	Ov 0	Ov 30	Ov 0	Ov 0	<b>Cr 42</b>
IT Renewals Fund	Cr 1,406	Ov 0	Ov 209	Ov 0	Ov 0	<b>Cr 1,196</b>
Access to Services Strategy	Cr 6	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 6</b>
Management of Change Reserve	Cr 71	Cr 524	Ov 300	Ov 0	Ov 0	<b>Cr 295</b>
Grants to Voluntary Organisations	Cr 40	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 40</b>
Elections equalisation reserve	Cr 70	Cr 15	Ov 0	Ov 0	Ov 0	<b>Cr 85</b>
Health & safety Occupational Health reserve	Cr 78	Ov 0	Ov 46	Ov 0	Ov 32	<b>Cr 0</b>
Community engagement reserve	Cr 20	Cr 5	Ov 0	Ov 0	Ov 0	<b>Cr 25</b>
Transformation reserve	Cr 630	Cr 122	Ov 25	Ov 0	Ov 0	<b>Cr 727</b>
Building capacity reserve	Cr 72	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 72</b>
<b>Total Finance and Corporate Services</b>	<b>Cr 5,122</b>	<b>Cr 674</b>	<b>Ov 1,500</b>	<b>Ov 0</b>	<b>Ov 58</b>	<b>Cr 4,238</b>



## SCHEDULE OF SPECIFIC RESERVES

Description	Reserve Balance at 1 Apr 2013	2013/14 Budgeted Contributions to reserve	2013/14 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2014
<b>CORPORATE RESERVES</b>						
Energy spend to save	Cr 60	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 60</b>
Insurance-Risk Mgmt Reserve	Cr 10	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 10</b>
Insurance-Claims Reserve	Cr 9,704	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 9,704</b>
Housing warranties	Cr 220	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 220</b>
Fire Authority Reserve	Cr 136	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 136</b>
Welfare reserve	Cr 130	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 130</b>
Waste Reserve	Cr 3,329	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 3,329</b>
LAWDC Contingency Reserve	Cr 1,080	Ov 0	Ov 185	Ov 0	Ov 0	<b>Cr 895</b>
Treasury Management Equalisation Reserve	Cr 1,295	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 1,295</b>
Accommodation Strategy	Cr 4,832	Ov 0	Ov 67	Ov 0	Ov 0	<b>Cr 4,765</b>
Housing -post transfer reserve	Cr 109	Ov 0	Ov 0	Ov 0	Ov 0	<b>Cr 109</b>
<b>Total Corporate Reserves</b>	<b>Cr 20,903</b>	<b>Ov 0</b>	<b>Ov 252</b>	<b>Ov 0</b>	<b>Ov 0</b>	<b>Cr 20,651</b>
<b>TOTAL ALL REVENUE RESERVES</b>	<b>Cr 38,716</b>	<b>Cr2,269</b>	<b>Ov 4,335</b>	<b>Ov 0</b>	<b>Ov 269</b>	<b>Cr 36,381</b>

## SCHEDULE OF GENERAL RESERVE

	<b>Original Estimate 2013/14 £'000</b>	<b>Revised Estimate 2013/14 £'000</b>	<b>Difference 2013/14 £'000</b>
<b>Opening balance 1<sup>st</sup> April</b>	<b>Cr 4,329</b>	<b>Cr 5,933</b>	<b>Cr 1,604</b>
Council Tax increased income	Cr 1,500	Cr 1,500	0
Capital - Phase II Accommodation financing costs	390	390	0
Doubtful Debt Provision	160	160	0
Contributions to the Economic Development Fund	200	200	0
HRA Balances	Cr 875	Cr 875	0
Job Evaluation Legal defence costs and further back pay compensation	200	200	0
Increased Pension Fund contributions	Cr135	Cr135	0
Children Services - investment model	1,720	1,720	0
Elderly residential	806	806	0
Additional SS pressures	768	768	0
Transport review – consultancy costs	354	354	0
Children services - 13/14 pressures		800	800
Contribution from /to revenue	132	132	0
<b>Estimated Closing balance 31st March</b>	<b>Cr 2,109</b>	<b>Cr 2,913</b>	<b>Cr 804</b>

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
ELL1	CYPE	Implications of Behaviour Review / Establish a Virtual Learning Centre at KS4-SSIP	A Evans	From January 2010 data in connection with Children educated outside of schools will be reported to the Welsh Government.	10					
ELL3	CYPE	Schools contribution	A Evans	Transfer of funding to cover expenditure for children with complex learning needs.	348					
ELL3b	CYPE	Schools contribution	A Evans	Transfer of funding to reflect an element of "excess" amount above WG requirements	64					
ELL9	CYPE	Increase income target for Education Library and Resource Service	A Thomas	Improved marketing and joint working with our Schools and neighbouring Authorities. Talks are currently on-going re collaborative working with our neighbouring Authorities.	10					
ELL15b	CYPE	School Transport Review	A Thomas		143					
ELL17	CYPE	Create an in county provision for pupils with Autistic Spectrum Disorder (ASD)	A Thomas	The Authority currently educates a small number of pupils outside the Borough. If we were to provide the service "In House" there would be significant savings on the Out of County Schools Budget. The savings reported excludes any capital cost, as it is intended that any capital costs will be funded by the Schools Strategic Improvement plan. There will also be associated transport savings.	240					
ELL26	ECR	Reduction in Leisure Trust Subsidy	R Ward	Reduce Leisure Trust subsidy by 1% on an annual basis. This will require the Trust to work more efficiently within limited resources. Current trading conditions are very difficult and cost control measures may be required for the Trust to meet its projected budget.	25					
ELL32	ECR	Library Service Rationalisation	R Ward	Review of the Library Service	44					
ELL40	CYPE/ ECR	Contribution from reserves	ELLL-All		43					
ELL41	CYPE/ ECR	Savings as a result of the corporate ER/VR policy	ELLL-All	Net value of savings arising from ER/VR exercise undertaken in 11/12	276					
ELL43	CYPE	Reduction to maternity costs	A Thomas	Full year saving arising from decision approved in 2011/12	41					
ELL44	ECR	Additional income - Margam car parking	R Ward	Anticipated volume increases	16					

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
ELL45	CYPE/ ECR	Department systems and service reviews	ELLL-All		148					
ELL46	CYPE	Regional Schools Improvement Scheme	ELLL-All	50% of projected saving arising from the introduction of the RSIS effective September 2012	40					
ELL48	ECR	Reduce grant funding to Voluntary Organisations	R Ward		30					
ELL49	CYPE	Smarter procurement of IT Broadband provision	A Thomas	All broadband users across the Council.	0			110		
ELL51	CYPE	Home to School/college transport - review discretionary arrangements	A Thomas		25	160	210	135	55	
ELL52	ECR	Review of all Community services	R Ward	All Community services across the County Borough Council will be subject to the review	0	40	40	40	40	
ELL53	CYPE	Increase the Income at Gwaun Cae Gurwen workshop to become self-financing	A Thomas		0	10	15	45		
ELL54	CYPE / ECR	Review all Directorate admin support functions	A Thomas	Review admin support across the whole Directorate linked closely with the Accommodation Strategy	50	50				
ELL55	CYPE	Review of behaviour support service	A Thomas	Linked to outcome of SSIP - change provision within schools	154					
ELL56	ECR	Adaptations and improvements - reduce budget	A Thomas	Reduction in building maintenance budget shared with schools	95		0			
ELL57	ECR	Value for money review - leisure services	R Ward				150	150	200	
ELL58	ECR	Accommodation review	A Thomas	Reduce the number of staff located in outlying buildings	50					
ELL59	CYPE	Cleaning review - implementation of decisions taken by Cabinet	A Thomas	implement as reported to cabinet 2/8/12	90					
ELL60	CYPE	Phased reduction of Community Interaction Grant	A Thomas			70	60			
ELL61	CYPE	Catering review - implementation of decisions taken by Cabinet.	A Thomas	Savings identified as a direct result of the catering review. Re-organisation of staff hours 15/16. food costs 13/14	60		100			
ELL62	ECR	Contributions to outside bodies -saving transferred from ENVT effective 1/4/12	R Ward	Small impact on some external bodies	5					

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
					£000	£000	£000	£000	£000	£000
ELL63	CYPE	Saving re safe routes to schools	A Thomas		89					
ELL64	CYPE	Allocation of corporate savings strategies	all	includes procurement, admin review, community facilities and voluntary organisations savings	33					
SHH8	CYPE	Review of transport arrangements	K Jones/ C Marchant	Savings target in accordance with corporate transport review	51					
SHH19	SSHH	Directorate support service savings arising from residential care review	A Thomas		56					
SHH22	SSHH	Modernising Residential Care for the Elderly	C Marchant	Figures reflect the savings identified within the strategic business case in respect of the SSH&H direct service costs, and exclude savings identified relating to corporate and directorate support services due to uncertainty regarding residual costs of the proposal. Tender prices submitted require additional corporate funding over the first four years of the project to realise the savings identified.	357					
SHH23	SSHH	Reconfiguration of Homecare	C Marchant	These savings in 12/13 to be achieved by the reconfiguration of the service and savings in operating costs.		200				
SHH24	SSHH	Transforming Adult Social Care	C Marchant	Including extra care, social work systems, intermediate care, preventative services, telecare, personalisation, day care	500	500				
SHH43	SSHH	Charging - day care transport, meals	C Marchant	Above inflationary increase in fees	4					
SHH46	SSHH	Review of non-statutory services	A Thomas	Consider opportunities for collaborative working	132					
SHH66d	SSHH	Savings as a result of the corporate ER/VR policy	C Marchant / A Thomas	Net value of savings arising from ER/VR exercise undertaken in 11/12	33					
SHH67	SSHH	Social Lettings Agency	C Marchant		21					
SHH70	SSHH	Use of Housing Equalisation Reserve	C Marchant	Alternative savings strategy to be identified as equalisation reserve is not available.	39					
SHH74	CYPE	Fostering spend to save - WG repayment ceases 13/14	A Jarrett			129				

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings						
					2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
					£000	£000	£000	£000	£000	£000	
SHH75	CYPE	Family support services review transformation funding repayments ceases 13/14	A Jarrett			15					
SHH76	CYPE	Systems review - WG repayment cease 13/14	A Jarrett			111					
SHH77	SSHH	Additional supporting people grant	C Marchant		400	400	318	309	259		
SHH80	SSHH	Reconfiguration staff structures day support workers	C Marchant		64	65					
SHH89	SSHH	Homecare - review of savings opportunities	C Marchant		88	88	88	88	88		
SHH90	SSHH	Residential care income	C Marchant		300						
SHH91	SSHH	Allocation of corporate savings strategies	all	includes procurement, admin review, community facilities and voluntary organisations savings	90						
ENV12	ECR	Reduction in Council building floor space	G Nutt	Saving in running costs as floor space reduces in the civic buildings. This is subject to staff savings being achieved on a corporate basis. Alternative savings strategy to be identified.	82	8	98				
ENV14	ECR	Review of catering and cleaning	G Nutt	Review of alternative methods of service delivery for catering and cleaning. Full saving potential will not be ascertained until review has been carried out.	60						
ENV33	EH	Streamline of activity / review service provision following Housing Stock Transfer	M Roberts	Review needs to be carried out following housing stock transfer - re non housing building maintenance	100						
ENV40	EH & ECR	Review of support service costs	Env-All	Reduction in support costs to reflect the decreases being implemented to front line services	100						
ENV47	EH	Waste Disposal	M Roberts	Negotiate a reduction to the gate fee	500						
ENV62	EH & ECR	Savings as a result of the corporate ER/VR policy	Env-All	Net value of savings arising from ER/VR exercise undertaken in 11/12	230						
ENV67	EH	Cemeteries	M Roberts	Further increase in charges and/or a reduction in expenditure to enable the income generated to fully offset the cost of burial	40						
ENV72	EH	Car Parking further policy changes - Pontardawe and other measures	D Griffiths		15		29				
ENV73	EH	Road Safety Increase Income	D Griffiths				10				

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
					£000	£000	£000	£000	£000	£000
ENV74	EH	CCTV -review service delivery - 20% saving	M Roberts					100		
ENV75	EH	Review SWTRA management fee	M Roberts		10					
ENV76	EH	Reduce unfunded corporate capacity work	J Flower		70					
ENV77	EH	Reduce feasibility work	J Flower	Will need to be monitored as do not want to affect potential receipt of external funding		25				
ENV78	EH	Build income from SWTRA maintenance activity into base budget	M Roberts		50	50	50			
ENV79	EH	Public Lighting stop night time patrol - improved data available once lighting improvement scheme is completed	M Roberts	stop night time patrol - improved data available once lighting improvement scheme is completed			25			
ENV80	EH	Reduce transport planning professional fees	D Griffiths			5				
ENV81	ECR	Lonlas workshop rent saving	G Nutt				50			
ENV82	EH	Re-location of fleet, co-location of garage with other services	D Griffiths				50			
ENV83	ECR	LDP - savings at end of plan include reduction in staff	N Pearce				87	60		
ENV84	ECR	Countryside -reduce staff - end fixed term contract	N Pearce		25					
ENV85	EH	Countryside -limit rights of way work to maintenance only. Current budget £145k therefore £70k remaining for maintenance work.	N Pearce		40	35				
ENV86	ECR	Contaminated land reduce monitoring	N Pearce	Reduce contaminated land and air quality monitoring			5	5	2	
ENV87	ECR	Cease sustainability project work - reduction in staff	N Pearce	Reduction in staff numbers required		40				
ENV88	ECR	QA/EMAS reduce service	N Pearce		15					
ENV89	EH	Staff training budget	All Envnt	Will reduce training opportunities which will be partially offset as staff numbers fall	25	25	25			
ENV90	EH	Marketing reduce expenditure 10%	All Envnt	10% saving target	2	2	2			

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
					£000	£000	£000	£000	£000	£000
ENV91	EH	Stationery reduce expenditure 10%	All Env't	10% saving target	3	3	3			
ENV92	EH	Non replacement of staff on retirement	All Env't		40	40	40	75	75	
ENV93	EH	Building Support expenditure reduction	All Env't	to a review service delivery		30	30			
ENV94	ECR	Cease security contract for Authorities Estate	G Nutt						20	
ENV95	ECR	Community Meals - change staffing structure to reflect activity levels.	G Nutt	Subject to a review service delivery		40				
ENV96	ECR	Property increase income and reduce expenditure	G Nutt	Will be possible once current arrangements are due to be reviewed			50		50	
ENV97	ECR	Building Maintenance reduce expenditure	G Nutt	Will impact on the condition of the County's buildings			25	50	50	
ENV98	EH	Schools grounds maintenance - ensure costs are fully recharged to schools	M Roberts		64					
ENV99	EH	Public lighting energy dimming - savings from lighting renewal project	M Roberts	Energy savings from existing Lighting Renewal Project	15	15	15			
ENV100	EH	Public lighting - beneficial tender prices and improved prudential borrowing multiplier	M Roberts	Savings in previously identified lighting pressures due to beneficial tender prices and improved prudential borrowing multiplier. A further saving may be identifiable in 2016/17 once 3rd phase tender costs are known and high risk renewals completed	100					
ENV101	EH	Public Lighting - partial switch off early hours in residential areas 6000 of 18,000 lights off	M Roberts					50		
ENV102	EH	Reduce stray dogs kennelling costs - change policy	M Roberts			30				
ENV103	EH	Increase trade waste charges	M Roberts		80					
ENV104	EH	Refuse collection changes - move black bag collections to neighbourhood services	M Roberts		72					
ENV105	EH	Reduce woodland budget - reduce maintenance at Craig Gwladys and other woodlands	M Roberts			30				



## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings						
					2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
					£000	£000	£000	£000	£000	£000	
ENV106	EH	Cease maintenance of bowling greens unless commissioned and paid for by clubs	M Roberts			150					
ENV106	EH	Allocation of corporate savings strategies	all	includes procurement, admin review, community facilities and voluntary organisations savings	38						
ENV107	EH	Review provision of Christmas Lighting	M Roberts		15						
FCS15	PRB	Grants to Voluntary Organisations	D Rees	Contain increase in Grants to Voluntary organisations to 1% per annum	5						
FCS28	PRB	Department systems and service reviews	FCS-All	Deletion of Head of service and other posts. Savings from systems reviews in ICT, Council Tax and Housing Benefits. Reduction in Democratic and Legal services budgets and ERVR savings. In future years, savings will be achieved through: Access to Services Strategy £24,000 Reduction of a post in Financial Services £40,000 ICT - merge budget and rationalise kit £50,000 Legal Services - agreed staffing changes £20,000 Members - implement IRP Report £100,000 Benefit Subsidy - to reflect actuals £35,000 Licensing - make cost neutral £17,000	198						
FCS32	PRB	Savings as a result of the corporate ER/VR policy	FCS-All	Net value of savings arising from ER/VR exercise undertaken in 11/12	213						
FCS33	PRB	Financial services -	D Rees	new processes and controls		80	50				
FCS34	PRB	Exchequer services	D Rees	monthly pay/simplifications of terms & conditions		15	15				
FCS35	PRB	Support services/childcare legal	D Michael	savings from utilising additional childcare funds	35	30					
FCS36	PRB	Childcare legal	D Michael	fees & savings in running costs	80	10					
FCS37	PRB	Legal	D Michael	bring in house and procure legal work		10	50				
FCS38	PRB	NNDR	D Rees	staff savings	15						
FCS39	PRB	Customer contact - remodel one stop shop services at Pontardawe - consider integration of OSS with other services operating from that office	K Jones	remodel one stop shop at Pontardawe - consider integration of OSS with other services operating from that office		40					
FCS40	PRB	Benefits	D Rees	rationalisation of benefit work & changes from DWP		30	60	30	30		

## FORWARD FINANCIAL PLAN

Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
					£000	£000	£000	£000	£000	£000
FCS41	PRB	ICT staff reductions	S John	efficiencies, recharge costs to projects, transformation reserve	30	30	30	30	30	
FCS42	PRB	Democratic services, registrar and coroner services	K Jones	members allowances, costs and fee income	33					
FCS43	PRB	Directorate management and vacancy factor	FCS-All		14	-53	-53	-3	-3	
FCS44	PRB	Court Deputy income target	D Rees		35					
FCS45	PRB	Allocation of corporate savings strategies	all	includes procurement, admin review, community facilities and voluntary organisations savings	16					
CEX2	PRB	Reduced salary costs	CEX-All	Outcomes from review of HR functions and work around rationalisation of Corporate Strategy and Change Management functions	10					
CEX4	PRB	Savings as a result of the corporate ER/VR policy	CEX-All	Net value of savings arising from ER/VR exercise undertaken in 11/12	105					
CEX5	PRB	Savings arising from Senior Management Changes	CEX-All	CEX Report	93					
CEX6	PRB	Rationalisation and re-modelling of functions and services	CEX-All		89	103	104	92	86	
CEX7	PRB	Allocation of corporate savings strategies	all	includes procurement, admin review, community facilities and voluntary organisations savings	5					
Cor1	PRB	Procurement savings-Xchange Wales & structural changes	FCS/CEX	Process changes resulting in staff savings from implementing e procurement	0	350				
Cor 2	PRB	Review of corporate administrative systems and business processes			0	60	60	60	60	
Cor 3	PRB	Savings target - funding to voluntary organisations /subscriptions			0	300				
Cor4	PRB	Review community facilities on a corporate basis covering all council owned assets			0	40	60	60	60	
Cor5	PRB	Overlapping grades contribution				224	412	358	90	
					7,031	3,635	2,363	1,844	1,192	0

## Item 2

### CAPITAL BUDGET MONITORING 2013/14

#### Purpose of Report

1. To provide Members with information in relation to delivery of the 2013/14 Capital Budget.

#### 2. Background

On 27<sup>th</sup> February 2013 Council approved its Capital Programme for 2013/14, the report detailed planned Capital Expenditure totalling £47.542m for the financial year. The purpose of this report is to update Members as to the delivery of this Programme as at the end of June 2013.

#### 3. 2013/14 Capital Expenditure

Details of Capital Expenditure as at the end of June 2013 is outlined below:

	Original Budget £'000	Actual 28.6.13 £'000
Harbour Way (Peripheral Distributor Road)	9,300	1,617
Physical Regeneration	5,839	600
Ysgol Newydd Sandfields	4,605	905
Street Lighting	4,600	500
Adults Respite Centre	4,400	186
Neath Town Centre Regeneration	4,000	16
Disabled Facilities Grants	3,000	502
Highways Improvement Grant	2,252	258
Margam Park – Historic Core Improvements	1,500	15
Vehicle Replacement Programme	1,176	80
Housing Renewal Area	850	0
Health and Safety	850	104
Contingency	626	0
Remaining Capital Programme	4,544	437
<b>Total</b>	<b>47,542</b>	<b>5,332</b>

#### **4. Amendments to the Capital Budget**

The Capital Budget will shortly be updated to incorporate balances brought forward from 2012/13 together with any changes or amendments reported to the Capital Programme Steering Group during the year. These changes will be reported to Members in subsequent quarterly Budget Monitoring reports.

#### **5. Targeted Achievements**

As Members are aware the following achievements are being targeted during this financial year:

- a. The completion and opening of Harbour Way, then opening up the opportunity to regenerate Port Talbot Docks.
- b. The opening of Ysgol Newydd Sandfields for September 2013.
- c. Continuation of investment and improvement to Street Lighting and highways infrastructure.
- d. The commencement of the redevelopment of Neath Town Centre.
- e. To commence building the new adults respite Centre for completion during 2014/15.

#### **6. Recommendations**

It is recommended that:

- Expenditure as at the end of June 2013 is noted.

**Background Papers**

Capital Programme working files

**Wards Affected**

All

**Officer Contact**

For further information on this report item, please contact:

Mr David Rees –Head of Financial Services

☎ 01639 763644

E-mail: [d.rees1@npt.gov.uk](mailto:d.rees1@npt.gov.uk)

Mr Huw Jones – Chief Accountant (Capital and Exchequer)

☎ 01639 763575

E-mail: [h.jones@npt.gov.uk](mailto:h.jones@npt.gov.uk)