

POLICY AND RESOURCES CABINET BOARD

27TH JULY 2012

REPORT OF THE CORPORATE DIRECTORS' GROUP

INDEX OF REPORT ITEM

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SECTION C – ITEMS FOR MONITORING

ITEM 1

BUDGET MONITORING REPORT TO 30th June2012

1 Purpose of Report

- 1.1 This report provides information relating to the Council's budget to 30th June 2012.
- 1.2 This is a monitoring report which provides details for Policy and Resources Services for the committee to scrutinise and comment upon. The main details of all other services is 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 also provides details of any planned budget transfers of reserve movements for review
- 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 as a result of continued increasing demand for 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 2012/13, together with an explanation of the ways in which these variances will be managed.

2.4.1 Policy and Resources Board

Joint Childcare Legal Services

As members are aware the Joint Childcare Legal Service terminated at the end of March 2012. Due to the increased number of Looked After Children and legal casework arising from this population it is expected that the developing service will exceed the existing budget provision of £862,800. It is anticipated that any additional costs can be met from specific reserve in 2012/13, but further budget provision will be required from 2013/14 onwards.

Welfare Reform / Council Tax Benefit Scheme.

The UK Government and Welsh Government will be introducing changes to the Benefits System effective from 2013/14. The first change will see the devolution of Council Tax Benefit from the DWP to Welsh Government and then Local Authorities. This will result in the funding being transferred to Local Authorities probably via a formula and Revenue Support Grant. The total available will be cash limited and the UK government have announced a funding reduction of 10%.

A new Council Tax Rebate Scheme for Wales, to replace the existing national Council Tax Benefit Scheme, will have to be in place by the end of this calendar year. The council is awaiting information, guidance and regulations from the Welsh Government to enable the scheme development. There will be some additional costs to the Council during 2012/13 in preparing the scheme, consulting on the scheme with beneficiaries across the County Borough, ICT changes, etc. with further implications from April 2013 onwards.

Further reports will be provided to members over the next few months.

2.4.2 Children, Young People and Education Board

Investment programme

Staff

Additional funding of £1.394m was included in the 2012/13 budget. The additional funding 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 care.

The overall staffing budget is currently on target.

Placements

Additional funding was included in the 2012/13 budget to cover ongoing demand on the placements budget. Pressures continue to arise due to the cost and category of placements, in addition to the full year effect of placements made towards the end of the previous financial year. The projected cost of all current placements exceeds the budget by £187,000.

Looked After Children numbers have been stable since the start of the year, but four residential care emergency placements are currently included in the above projection. These are currently under review.

A range of strategies are being introduced to minimise the in-year placement pressures. The longer term strategy identified in the improvement programme will further seek to reduce the number of Looked After Children and associated costs.

Other social care costs

An unallocated savings target of £161,000 was included in the Children and Young People budget at a late stage in the budget setting process. This represents the additional costs continuing into 2012/13 from the last financial year and unless alternative savings can be found in-year will need to be funded and repaid in future years.

ENGAGE

In September 2012, a European Convergence Grant – ENGAGE will cease. This scheme has been highly successful and has had many positive outcomes in providing alternative education for our children. The loss of the this grant places additional cost pressure of £375,000 in the current year. The Authority is currently working with our schools to determine a solution to bridge this funding shortfall.

Early Years Development Fund

There is currently a pressure of £100,000 in association with the costs of providing nursery education for 3 year old's within the 2012 / 13 financial year. Options for addressing this pressure are being discussed with our primary schools' representative group LLAN.

2.4.3 Economic and Community Regeneration Board

Civic accommodation

Due to a change in the corporate accommodation strategy, part of Aberavon House will continue to be leased, but the FFP saving assumed that it would be vacated. The resulting pressure is approximately £155,000. A corporate contingency exists, a share of which may be available to offset the pressure identified.

Archiving

A pressure of £60,000 is anticipated, due to the increased volume of confidential waste being generated across the Authority. A corporate contingency exists, a share of which may be available to offset the pressure identified.

Catering & Cleaning

The budget for the service includes a savings target of £55,000 relating to an anticipated reduction in the recharges from finance, payroll, personnel and training. Further work is required to identify a strategy to deliver this saving.

Refuse Collection

A potential pressure of £90,000 has been identified but which may be resolved as a consequences of changes due to be considered as a result of the ongoing Strategic Waste Services Review. In addition to resolving the deficit, the changes should also assist in improving the Councils recycling performance to help achieve our Welsh Government targets. This is likely to require a revamping of the fleet, to be funded out of the Vehicle Renewals Reserve. All the proposals will be included in a separate report.

2.4.4 Environment and Highways Board

Public Lighting

Prudential Borrowing has been arranged to finance the £16m Public Lighting Renewal Project. The first year's charge of £270,000 incurred in 2011/12 was charged to Revenue and future charges will, similarly, need to be met by the revenue budget. This is a 5 year project and charges for the periods are currently being recalculated and will be included in future reports. A budget virement to the Capital Financing budget will then be initiated.

2.4.5 Social Care, Health and Housing Board

Elderly - Placements

A pressure of £500,000 is projected as a consequence of placements made to date and anticipated allocations for the remainder of the financial year. A corporate contingency provision exists, a share of which may be available to offset the pressure identified.

Learning Disability Placements

Pressures continue to arise due to the ongoing demand and cost of placements and consequently there is no provision to meet the cost of any new placements arising. The pressure takes into account a savings target of £170,000 and a further savings strategy against Supporting People of £116,000 which are not yet secured.

A Learning Disability Modernisation plan has been developed which has identified strategies to meet the forward financial plan pressures. In addition, efficiencies will be looked at across the whole of the Community Care Budget to offset the LD placement pressures.

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

Parking in restricted areas

£1,000 virement from the Social Care, Health and Housing Directorate to the Environment Directorate in respect of parking in restricted areas for care assistants.

Supporting People

Additional funding of £29,000 will be vired from the Contingency to the Social Care Health and Housing Directorate to reflect a late announcement, from the Welsh Government in respect of the Supporting People grant programme.

Structural Re-organisation

Responsibility for a number of services that were previously managed by the Environment and Chief Executive Directorates transferred to the Education, Leisure and Lifelong Learning Directorate from the 1st April 2012. Work is currently on-going to determine the value of the budget virement required. This will be reported within the Quarter 2 budget monitoring report

3.3 The following specific reserve movements are proposed:

Economic and Community Regeneration Board

Improvement and Relocation Reserve

It is proposed that a contribution of up to £10,000 is made from this reserve towards the cost of improvements to the facilities building at the gypsy sites in the borough, as agreed with the Gypsy Council.

Regeneration Scheme Reserve £35,000

It is proposed that the reserve will be spent in 2012/13 to fund costs associated with on going Regeneration Schemes.

Building maintenance

Due to the pressing need to reduce the building maintenance backlog in our corporate buildings, it is proposed to spend £175,000 out of the reserve on planned maintenance works in 2012/13.

Environment and Highways Board

Transportation Planning Reserve

It is proposed that £20,000 will be utilised to partially finance the estimated £75,000 cost of early termination of subsidised bus routes due to the reduction in the funding of the Local Services Transport Grant by the Welsh Government

Parking Improvements Reserve £87,000

It is proposed that this reserve will fund a new barrier system at Milland Road car park and a refurbishment of the main stairwell at Neath MSCP plus new emergency escape steel fire doors.

Operating Accounts- Equalisation

It is proposed that the reserve is used to fund pressures in relation to service reviews £146,000, street furniture/stores £57,000, Apprenticeships £110,000, the funding of 2012/13 one off pressures £85,000 and the relocation from Tregelles Court £50,000. It is anticipated that £343,000 will be incurred in 2012/13 with the balance of £105,000, (the £50,000 Tregelles Court relocation and £55,000 re the apprenticeships) being utilised in 2013/14.

- 3.4 The following corporate/general reserve movements are proposed:

Children Young People and Education Board

An updated investment model was presented to Cabinet on 20th June when it was agreed that an additional £240,000 would be provided from the General reserve to meet the anticipated additional pressures in 2012/13.

Environment and Highways Board

Strategic Waste Reserve

It was originally anticipated that the cost of employing external legal, technical and financial consultants to assist the Authority with the sale of NPT (Recycling) Limited would be £300,000 of which £150,000 would be incurred in 2011/12 and £150,000 in 2012/13. However, the actual costs incurred in 2011/12 were £225,000 and it is now anticipated that costs will be in the region of £375,000 in 2012/13. These costs are all being funded out of the reserve.

- 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 2013/14 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 2012/13 are incorporated in the variances reported in section 1 of this report.
- 4.4 Further work is being undertaken to review, update and develop the Forward Financial Plan for the period 2013/14 to 2017/18. This work includes updating of inflation assumptions, and updating of the savings plans and pressures. The outcome of this work will be separately reported in Autumn 2012.
- 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 2013 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 Policy and Resources Board

Childcare Legal Services

As mentioned in Section 1 of this report the cost of running the new Childcare Legal Services team will exceed existing budget provision for 2013/14. The cost of the new service will be built into the updated Forward Financial Plan to be presented to members in the Autumn.

Council Tax Benefit

From April 2013 the UK and Welsh Governments will require a new Council Tax Rebate Scheme to be in place to provide support to the lowest-income earners in each County Borough. There are several implications arising from this national policy directive and they include implications via:

- The loss of Housing Benefit Subsidy Surplus – partly in 2013/14 and each year thereon until the DWP take over the Housing Benefit assessment and payment work. IT is anticipated that all casework will be transferred by 2017-18
- Increased cost of recovering monies from low-income families
- Reduced rates of Council Tax collection
- New ICT requirements
- The need to have an equitable share of the current CTB funds to fund the new Council Tax Rebate costs from within the 90% made available on All Wales basis.

Further reports will be provided to members as information is obtained and a new scheme is being considered / developed.

4.5.2 Children, Young People and Education and Social Care, Health and Housing

Children, Young People & Education Board

Placements

Cabinet has approved additional funding for the ongoing demand and cost of placements. This will be met from reserves.

Social Care, Health & Housing Board

Transforming Adult Social Care

A £1 million savings target is included in the forward financial plan for 2013/14. There is a risk that this will not be delivered in full in 2013/14, with the remainder being achieved in 2014/15.

Elderly Population Growth

A reserve movement was included in the 2012/13 budget to offset the full year effect of placements and for growth in demand for placements. There is an ongoing requirement for this funding as this is not a one-off issue.

Elderly Residential Fees

A pressure has been identified for 2013/14 due to the planned implementation of Council Policy to introduce a Quality Scheme for Residential Care Home placements. In addition, the planned decommissioning of NHS beds will place a further pressure on the elderly placements budget.

4.5.3 Environment and Highways and Economic and Community Regeneration Boards

Economic and Community Regeneration

Reduction of Civic Building Floor Space

Due to a change in the corporate accommodation strategy, part of Aberavon House will continue to be leased. The FFP saving assumed that it would be vacated. The resulting pressure is approximately £155,000, which is a corporate cost. The £82,000 savings identified for 2013/14 are also less certain as a consequence of this strategy change.

Environment and Highways Board

Re-organisation of fleet maintenance

The review being undertaken of the service is indicating that it is unlikely that the savings target will be achieved.

5 Recommendations

5.1 It is recommended that:

- the budget monitoring information is scrutinised and comments provided where appropriate.
- the proposed reserve movements and budget virements are recommended to Cabinet for approval.

Appendices

Appendix 1 – Revenue Budget Summary 2012 / 13

Appendix 2 – Schedule of Specific Reserves

Appendix 3 – Schedule of General Reserve

Appendix 4 – Forward Financial Plan

Background Papers

Budget working papers 2012/13

Wards Affected

All

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REVENUE BUDGET SUMMARY 2012/13

	2012/13 Original Budget £000	2012/13 Revised Budget £000
Directly Controlled Expenditure		
Education, Leisure and Lifelong Learning	104,856	104,856
Social Services, Health and Housing	75,244	75,274
Environment	34,883	34,882
Finance & Corporate Services	12,931	12,931
Chief Executive	5,218	5,218
Total Directly Controlled Expenditure	233,132	233,161
Other Expenditure		
Levies		
Swansea Port Health Authority	47	47
Fire Authority	6,735	6,735
Margam Crematorium	2	2
Contributions		
Archive Service	106	106
Magistrates Court	22	22
Other Expenditure		
Capital Financing (net of Interest Receipts)	16,437	16,437
Housing Benefits	-317	-317
Contingency-Management of Change	399	399
Use of Job Evaluation Reserve	-896	-896
Contingency	744	715
Contributions/Reserves		
Contribution to/-from General Reserve	-1,874	-1,874
Contribution from Fire Authority Reserve	-21	-21
NET REVENUE EXPENDITURE	254,516	254,516
Use of Grant		
Improvement Agreement Grant	-1,462	-1,462
BUDGET REQUIREMENT	253,054	253,054
INCOME		
Revenue Support Grant	160,307	160,307
National Non Domestic Rates	37,538	37,538
Discretionary Rate Relief	-135	-135
Council Tax - Neath Port Talbot	55,344	55,344
TOTAL INCOME	253,054	253,054

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2012/13

Description	Updated Reserve Balance at 1 Apr 2012 £'000	2012/13 Budgeted Contributions to reserve £'000	2012/13 Budgeted Contributions from reserve £'000	Changes already agreed £'000	Proposed changes in Period £'000	Estimated Reserve Balance at 31 Mar 2013 £'000
EDUCATION, LEISURE & LIFELONG LEARNING						
<i>Delegated Schools Cash Reserves</i>						
Primary Schools Reserve A/C	Cr 2,158	Ov 0	Ov 0	Ov 0	Ov 0	Cr 2,158
Secondary Schools Reserve A/C	Cr 423	Ov 0	Ov 0	Ov 0	Ov 0	Cr 423
Special Schools Reserve A/c	Cr 142	Ov 0	Ov 0	Ov 0	Ov 0	Cr 142
ERVR New Deal Primary	Cr 64	Ov 0	Ov 0	Ov 0	Ov 0	Cr 64
	Cr 2,787	Ov 0	Ov 0	Ov 0	Ov 0	Cr 2,787
<i>Education, Leisure and Lifelong Learning</i>						
Cleaning & Equipment Reserve	Cr 59	Ov 0	Ov 0	Ov 0	Ov 0	Cr 59
Primary Kitchen Refurbishment Reserve	Cr 39	Ov 0	Ov 0	Ov 0	Ov 0	Cr 39
Equalisation Account-Education	Cr 1,379	Ov 0	Ov 232	Ov 0	Ov 0	Cr 1,147
School Transport Reserve	Cr 257	Ov 0	Ov 0	Ov 0	Ov 0	Cr 257
Repair and Maintenance Reserve	Cr 212	Ov 0	Ov 0	Ov 0	Ov 0	Cr 212
Upper Afan Valley Sports Reserve	Cr 3	Ov 0	Ov 0	Ov 0	Ov 0	Cr 3
Equalisation Account-Leisure	Cr 238	Ov 0	Ov 75	Ov 0	Ov 0	Cr 163
School Improvement Reserve	Cr 423	Ov 0	Ov 0	Ov 0	Ov 0	Cr 423
Leisure Regeneration	Cr 1,152	Cr 500	Ov 0	Ov 0	Ov 0	Cr 1,652
	Cr 3,760	Cr 500	Ov 307	Ov 0	Ov 0	Cr 3,953
Total Education Leisure & Lifelong Learning	Cr 6,547	Cr 500	Ov 307	Ov 0	Ov 0	Cr 6,740

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2012/13

Description	Updated Reserve Balance at 1 Apr 2012 £'000	2012/13 Budgeted Contributions to reserve £'000	2012/13 Budgeted Contributions from reserve £'000	Changes already agreed £'000	Proposed changes in Period £'000	Estimated Reserve Balance at 31 Mar 2013 £'000
SOCIAL SERVICES, HEALTH & HOUSING						
<i>Hillside Secure Unit</i>						
Hillside General Reserve	Cr 1,808	Cr 149	Ov 53	Ov 0	Ov 0	Cr 1,904
	Cr 1,808	Cr 149	Ov 53	Ov 0	Ov 0	Cr 1,904
<i>Other</i>						
Social Services Equalisation	Cr 1	Ov 0	Ov 0	Ov 0	Ov 0	Cr 1
	Cr 1	Ov 0	Ov 0	Ov 0	Ov 0	Cr 1
Total Social Services, Health and Housing	Cr 1,808	Cr 149	Ov 53	Ov 0	Ov 0	Cr 1,905

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2012/13

Description	Updated Reserve Balance at 1 Apr 2012	2012/13 Budgeted Contributions to reserve	2012/13 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2013
	£'000	£'000	£'000	£'000	£'000	£'000
ENVIRONMENT						
<i>Directorate</i>						
Winter Maintenance Reserve	Cr 222	Ov 0	Ov 0	Ov 0	Ov 0	Cr 222
Environment Legacy Reserve	Cr 131	Ov 0	Ov 0	Ov 0	Ov 0	Cr 131
Building Maintenance Reserve	Cr 325	Cr 50	Ov 50	Ov 0	Ov 175	Cr 150
Grounds Mtce Commuted Sums	Cr 11	Ov 0	Ov 6	Ov 0	Ov 0	Cr 5
Civic Buildings Future Maintenance Improvement & Relocation Reserve	Cr 490	Cr 100	Ov 0	Ov 0	Ov 0	Cr 590
Economic development	Cr 38	Cr 15	Ov 0	Ov 0	Ov 10	Cr 43
European Fund	Ov 0	Cr 200	Ov 200	Ov 0	Ov 0	Ov 0
Future Jobs Fund Reserve	Cr 54	Ov 0	Ov 10	Ov 0	Ov 0	Cr 44
Local Development Plan	Cr 100	Ov 0	Ov 0	Ov 0	Ov 0	Cr 100
Transportation Planning Reserve	Cr 273	Ov 0	Ov 273	Ov 0	Ov 0	Ov 0
Regeneration Scheme Reserve	Cr 20	Ov 0	Ov 0	Ov 0	Ov 20	Ov 0
CRC Equalisation reserve	Cr 35	Ov 0	Ov 0	Ov 0	Ov 35	Ov 0
Parking Improvements	Cr 50	Ov 0	Ov 0	Ov 0	Ov 0	Cr 50
Lighting service Improvements	Cr 87	Ov 0	Ov 0	Ov 0	Ov 87	Ov 0
	Cr 109	Ov 0	Ov 0	Ov 0	Ov 0	Cr 109
	Cr 1,945	Cr 365	Ov 539	Ov 0	Ov 327	Cr 1,444
<i>Operating Accounts</i>						
Operating Accounts -Vehicle Renewals	Cr 1,455	Ov 0	Ov 0	Ov 0	Ov 0	Cr 1,455
Fleet Sentinel Maintenance Reserve	Cr 100	Ov 0	Ov 0	Ov 0	Ov 0	Cr 100
Vehicle Tracking	Cr 22	Ov 0	Ov 0	Ov 0	Ov 0	Cr 22
Operating Account -Equalisation	Cr 448	Ov 0	Ov 0	Ov 0	Ov 343	Cr 105
	Cr 2,025	Ov 0	Ov 0	Ov 0	Ov 343	Cr 1,682
Total Environment	Cr 3,970	Cr 365	Ov 539	Ov 0	Ov 670	Cr 3,125

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2012/13

Description	Updated Reserve Balance at 1 Apr 2012 £'000	2012/13 Budgeted Contributions to reserve £'000	2012/13 Budgeted Contributions from reserve £'000	Changes already agreed £'000	Proposed changes in Period £'000	Estimated Reserve Balance at 31 Mar 2013 £'000
FINANCE AND CORPORATE SERVICES						
Legal Equalisation Account	Cr 382	Ov 0	Ov 0	Ov 0	Ov 0	Cr 382
F&CS I.T. Developments	Cr 195	Ov 0	Ov 10	Ov 0	Ov 0	Cr 185
IT Renewals Fund	Cr 1,343	Cr 177	Ov 445	Ov 0	Ov 0	Cr 1,075
Equalisation Reserve	Cr 98	Ov 0	Ov 42	Ov 0	Ov 0	Cr 56
Access to Services Strategy	Cr 238	Ov 0	Ov 32	Ov 0	Ov 0	Cr 206
Development Fund for Modernisation	Cr 77	Cr 16	Ov 0	Ov 0	Ov 0	Cr 93
Grants to Voluntary Organisations	Cr 40	Ov 0	Ov 0	Ov 0	Ov 0	Cr 40
Total Finance and Corporate Services	Cr 2,373	Cr 193	Ov 529	Ov 0	Ov 0	Cr 2,037

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2012/13

Description	Updated Reserve Balance at 1 Apr 2012	2012/13 Budgeted Contributions to reserve	2012/13 Budgeted Contributions from reserve	Changes already agreed	Proposed changes in Period	Estimated Reserve Balance at 31 Mar 2013
	£'000	£'000	£'000	£'000	£'000	£'000
CORPORATE RESERVES						
Job Evaluation Reserve-New pay and grading	Cr 1,693	Ov 0	Ov 896	Ov 0	Ov 0	Cr 797
Job Evaluation JE Employee Support	Cr 80	Ov 0	Ov 10	Ov 0	Ov 0	Cr 70
Joint Childcare Board Reserve	Ov 0	Ov 0	Ov 144	Ov 0	Ov 0	Ov 144
Costing System	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
LAWDC Contingency Reserve	Cr 1,410	Ov 0	Ov 0	Ov 0	Ov 0	Cr 1,410
Spend to Save Fund	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
Energy-Spend to Save	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
Flexible Working Strategy	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
E-Government Initiatives	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
Community Council Grant Scheme	Cr 130	Ov 0	Ov 0	Ov 0	Ov 0	Cr 130
Management of Change Reserve	Cr 337	Cr 399	Ov 850	Ov 0	Ov 0	Ov 114
Accommodation Strategy	Cr 3,031	Ov 0	Ov 767	Ov 0	Ov 0	Cr 2,263
Environmental Discovery Centre	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0	Ov 0
Insurance-Risk Mgmt Reserve	Cr 82	Cr 280	Ov 280	Ov 0	Ov 0	Cr 82
Insurance-Claims Reserve	Cr 12,864	Ov 0	Ov 100	Ov 0	Ov 0	Cr 12,764
Corporate I.T. Developments	Cr 347	Ov 0	Ov 58	Ov 0	Ov 0	Cr 289
Waste Reserve	Cr 3,455	Cr 138	Ov 150	Ov 0	Ov 375	Cr 3,068
Transformation Reserve	Cr 345	Cr 15	Ov 52	Ov 0	Ov 0	Cr 308
Treasury Management Equalisation Reserve	Cr 634	Ov 0	Ov 0	Ov 0	Ov 0	Cr 634
Fire Authority Reserve	Cr 157	Ov 0	Ov 21	Ov 0	Ov 0	Cr 136
Housing -post transfer reserve	Cr 116	Ov 0	Ov 0	Ov 0	Ov 0	Cr 116
Total Corporate Reserves	Cr 24,679	Cr 832	Ov 3,328	Ov 0	Ov 375	Cr 21,808

SCHEDULE OF SPECIFIC RESERVES

Revenue Reserves - Budget Monitoring 2012/13

Description	Updated Reserve Balance at 1 Apr 2012 £'000	2012/13 Budgeted Contributions to reserve £'000	2012/13 Budgeted Contributions from reserve £'000	Changes already agreed £'000	Proposed changes in Period £'000	Estimated Reserve Balance at 31 Mar 2013 £'000
CHIEF EXECUTIVE						
Elections Equalisation Fund	Cr 246	Cr 15	Ov 0	Ov 0	Ov 0	Cr 261
Youth Offending Team Equalisation Fund	Cr 121	Ov 0	Ov 0	Ov 0	Ov 0	Cr 121
Health & Safety/Occupational Health	Cr 109	Ov 0	Ov 63	Ov 0	Ov 0	Cr 46
Management Capacity, Development, Advisors etc.	Cr 244	Ov 0	Ov 0	Ov 0	Ov 0	Cr 244
HR Equalisation	Cr 16	Ov 0	Ov 13	Ov 0	Ov 0	Cr 3
Community Engagement	Cr 15	Cr 5	Ov 0	Ov 0	Ov 0	Cr 20
Local Service Board	Cr 33	Ov 0	Ov 0	Ov 0	Ov 0	Cr 33
Building Capacity	Cr 72	Ov 0	Ov 0	Ov 0	Ov 0	Cr 72
Total Chief Executive	Cr 855	Cr 20	Ov 75	Ov 0	Ov 0	Cr 800
TOTAL ALL REVENUE RESERVES	Cr 40,232	Cr 2,059	Ov 4,831	Ov 0	Ov 1,045	Cr 36,414

SCHEDULE OF GENERAL RESERVE

	Original Estimate 2012/13 £'000	Revised Estimate 2012/13 £'000	Difference 2012/13 £'000
Opening balance 1st April	Cr 2,315	Cr 3,163	Cr 848
Council Tax increased income	Cr 1,550	Cr 1,550	0
Capital - Phase II Accommodation financing costs	400	400	0
Doubtful Debt Provision	160	160	0
Contributions to the Economic Development Fund	200	200	0
HRA Balances	Cr 5,500	Cr 5,500	0
Job Evaluation Legal defence costs and further back pay compensation	50	50	0
Increased Pension Fund contributions	138	138	0
Children Services - investment model	2,796	2,796	0
Children Services - updated pressures 2012/13	0	240	240
Elderly residential	489	489	0
Additional SS pressures	473	473	0
Schools funding formula	553	553	0
Contribution from /to revenue	1,736	1,736	0
Estimated Closing balance 31st March	Cr 2,370	Cr 2,978	Cr 608

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £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.	93	10				
ELL3	CYPE	Schools contribution	A Evans	Transfer of funding to cover expenditure for children with complex learning needs.	387	348				
ELL3 b	CYPE	Schools contribution	A Evans	Transfer of funding to reflect an element of "excess" amount above WG requirements	70	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	10				
ELL 11b	CYPE	Catering Services	A Thomas	Explore options with a view to reviewing catering and cleaning proposals in order to deliver these services in a more cost effective way. A full review is currently being undertaken across Education, Social Services and Environment.	To be determin ed	To be determin ed				
ELL 15b	CYPE	School Transport Review	A Thomas		583	143				
ELL 17	CYPE	Create an in county provision for pupils with Autistic Spectrum Disorder (ASD)	A Thomas	The new extension at Maes y Coed is due to open in Sept 2012. The authority is currently reviewing the provision for pupils with Autistic spectrum disorder (ASD).		240				
ELL 26	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	25				
ELL 32	ECR	Library Service Rationalisation	R Ward	Review of the Library Service	30	44				

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
ELL 37	CYPE	Education Psychology Services	A Evans	In order to balance the budget for 2011 / 12, a decision was made not to automatically backfill an Education Psychologist post. The post was filled with effect from September 2011 and therefore the previous savings target has been reversed in 2012/13	-25					
ELL 40	CYPE/ ECR	Contribution from reserves	ELLL-All		-69	43				
ELL 41	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				
ELL 43	CYPE	Reduction to maternity costs	A Thomas	Full year saving arising from decision approved in 2011/12	59	41				
ELL 44	ECR	Additional income - Margam car parking	R Ward	Anticipated volume increases		16				
ELL 45	CYPE/ ECR	Department systems and service reviews	ELLL-All			148				
ELL 46	CYPE	Regional Schools Improvement Scheme	ELLL-All	50% of projected saving arising from the introduction of the RSIS effective September 2012	60	40				

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
ELL 47	CYPE/ ECR	Vacancy Management	ELLL-All	Temporary vacancies and natural delays in appointments	23					
SHH 8	CYPE	Review of transport arrangements	K Jones / C Marchant	Savings target in accordance with corporate transport review	67	51				
SHH 19	SSHH	Directorate support service savings arising from residential care review	A Thomas			56				
SHH 22	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. . Additional corporate funding has been identified to achieve a balanced budget over the first 4 years of the contract.	216	357				
SHH 23	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.	500					
SHH 24	SSHH	Transforming Adult Social Care	C Marchant	Including extra care, social work systems, intermediate care, preventative services, telecare, personalisation, day care		1,000				
SHH 43	SSHH	Charging - day care transport, meals	C Marchant	Above inflationary increase in fees	4	4				
SHH 46	SSHH	Review of non statutory services	A Thomas	Consider opportunities for collaborative working		317				
SHH 66a	SSHH	Reconfiguration of the service at Caewern	C Marchant	Additional corporate funding has been identified to achieve a balanced budget over the first 4 years of the contract.	233					

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
SHH 66b	SSHH	Renegotiation of the home care contracts	A Thomas/ C Marchant		100					
SHH 66c	SSHH	Anticipate the opportunity to increase income in housing company services	C Marchant	Contracts have been agreed with Energy Companies that should result in a significant sum of this income stream being achieved during 2012/13 but may not be available in future years.	300					
SHH 66d	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	114	33				
SHH 67	SSHH	Social Lettings Agency	C Marchant		15	21				
SHH 70	SSHH	Use of Housing Equalisation Reserve	C Marchant	Reserves were transferred and fully utilised to offset pressures in children's services during 2011/12, and therefore are no longer available to fund this savings target.	49	39				
SHH 73	CYPE	Additional income	K Jones	Cymorth £100k, IFSS £100k, ESF £50k	250					
SHH 74	CYPE	Fostering spend to save - WG repayment ceases 13/14	K Jones				129			
SHH 75	CYPE	Family support services review transformation funding repayments ceases 13/14	K Jones				15			
SHH 76	CYPE	Systems review - WG repayment cease 13/14	K Jones				111			
SHH 77	SSHH	Additional supporting people grant	C Marchant		312	400				
SHH 80	SSHH	Reconfiguration staff structures day support workers	C Marchant			64	65			
SHH 83	SSHH	Reduce additional placement pressure re learning disability placements (50%)	C Marchant	A modernisation plan for Learning Disability Services has been developed which will focus on reviewing high cost and other placements to reduce costs and reduce the pressures identified.	170					

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
SHH 84	SSHH	Reconfiguration of day services as a result of withdrawal of C&CS from Gelligron	C Marchant	Following the withdrawal of the C&C of Swansea from using this service a new 3-day week service for users has been recently been agreed by members but only 50% of the savings can be achieved this year with the full year saving in 2013/14.	47					
SHH 85	SSHH	Savings re homecare income	C Marchant	This is the full year effect of service delivery in 2011/12	170					
SHH 86	SSHH	Saving re community meals	C Marchant	This is the full year effect of service delivery in 2011/12	30					
SHH 87	SSHH	Saving re joint equipment store	C Marchant	This is the full year effect of service delivery in 2011/12	78					
SHH 88	CYPE	Darwin Road - savings arising from service delivery changes	K Jones		50					
ENV1	ECR	Contributions to outside bodies	G Andrews	Small impact on some external bodies	5	5				
ENV7	EH	Highways Development Control - generate income	D Griffiths	Improvements to income generation, could affect customer base as new charges are introduced	8					
ENV9	EH	Road Safety - increase income	D Griffiths	Generation of additional income	12					
ENV 12	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	160	82	8	98		
ENV 12a	ECR	Reduction in Council building floor space	G Nutt	Due to the change in the corporate accommodation strategy this saving is no longer achievable in 2012/13	155					
ENV 14	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.	109	60				

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
ENV 17	ECR	Review of Regeneration service delivery	G Nutt	This is linked to potential regeneration developments and resulting savings in overheads.	25					
ENV 20	EH	Overtime reduction	M Roberts	Further reduction on overtime except for emergency response, specific event clean ups and refuse breakdown/bank holiday cover.	10					
ENV 21	EH	Redeployment / redundancy	M Roberts	Reduction in posts may reduce ability to provide current service level unless the systems thinking reviews produce equivalent performance gains.	133					
ENV 22	EH	Non-replacement of posts on retirement	M Roberts	Could impact on service delivery unless current systems thinking reviews produce equivalent performance gains.	25					
ENV 23	EH	Reduction in use of vehicles	M Roberts	5% reduction on vehicle spend	10					
ENV 24	EH	Reduction in vehicles taken home	M Roberts	Review on vehicles taken home other than those on stand by.	2					
ENV 26	EH	Reduce materials budget	M Roberts	Reduction to materials budget to reflect reduction in workforce	10					
ENV 27	EH	Trade Refuse income	M Roberts	Increase above inflation could affect customer base	21	10				
ENV 28	EH	Bowling greens	M Roberts	Examine possibility of bowling clubs locking/ unlocking gates themselves. Only 1 out of 5 bowling greens have transferred, so alternative strategies will need to be identified to deliver the remaining £32k savings target	40					

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
ENV 30	EH	Highways Maintenance	M Roberts	Allocate annual rolling programme for resurfacing by re-prioritising the capital programme to free up the revenue maintenance budget	300					
ENV 31	EH	Reduction in training budget	M Roberts	Reduce in line with staff reduction	17					
ENV 32	EH	Review of waste management service	M Roberts	Fundamental review of collection service. Review brought forward from 2013/14.	54					
ENV 33	EH	Streamline of activity / review service provision following Housing Stock Transfer	M Roberts	Review needs to be carried out following housing stock transfer.		100				
ENV 34	EH	Reorganisation of fleet maintenance	D Griffiths	A review of the service is ongoing but it is anticipated that these savings will be difficult to achieve.		150				
ENV 37	ECR	Planning Systems Review	G White	Reduction in posts following a service review which has already been carried out	28					
ENV 40	EH & ECR	Review of support service costs	Env-All	Reduction in support costs to reflect the decreases being implemented to front line services	0	100				
ENV 47	EH	Waste Disposal	M Roberts	Negotiate a 3% reduction to the gate fee	172	300				
ENV 62	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	501	230				
ENV 65	EH & ECR	Review of Support Service costs	Env-All	Further savings made in 2011/12 to be held as contingency	72					

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
ENV 66	EH	Community Service Vehicles	D Griffiths	Purchase outright of vehicles previously leased	30					
ENV 67	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				
ENV 68	EH	Maintenance of footpaths	G White	Reduction in maintenance and improvements	10					
ENV 69a	EH	Transport Review	D Griffiths	Savings in Bus Routes identified by Edge		12	97			
ENV 69b	EH	Further Transport Savings	D Griffiths	To be identified		85	-28			
ENV 70	EH	Carbon Reduction Commitment	G White	Reduced costs following a review of buildings of £80,000 off set by an additional cost of £10,000 for automatic meter readers. There is a risk around this estimate, as there may be further changes to the levy.	70					
ENV 71	EH	Outdoor Leisure	Env-All	Reduction in subsidies	0	240				
FCS6	PRB	ICT Software purchase	S John	Re-allocation of purchasing priorities allowing contribution against Microsoft Enterprise agreement.	100					
FCS 10	PRB	Review Cashier Service	H Jenkins	Reduced staffing in Cash Offices as result of promotion of e-payment facilities.	20					
FCS 15	PRB	Grants to Voluntary Organisations	H Jenkins	Contain increase in Grants to Voluntary organisations to 1% per annum	5	5				

FORWARD FINANCIAL PLAN

11/12 Ref	Board	Description	Lead	Main Impacts	Revenue Savings					
					2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
FCS 28	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 actual £ 35,000 Licensing - make cost neutral £17,000	98	198				
FCS 31	PRB	Further savings required to meet service pressures	FCS-All		0	0				
FCS 32	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	347	213				
CEX2	PRB	Reduced salary costs	CEX-All	Outcomes from review of HR functions and work around rationalisation of Corporate Strategy and Change Management functions	14	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	185	105				
CEX5	PRB	Savings arising from Senior Management Changes	CEX-All		25	115				
Cor1	PRB	Procurement savings-Xchange Wales & structural changes	FCS/CEX			50	350			

Item 2

CAPITAL BUDGET MONITORING 2012/13

1. Purpose of Report

To provide Members with information in relation to delivery of the 2012/13 Capital Budget.

2. Background

On 29th February 2012 Council approved its Capital budget for 2012/13; the report detailed planned Capital Expenditure totalling £61.351m for the financial year. The purpose of this report is to update Members as to the delivery of this Programme as at 30th June 2012.

3. 2012/13 Capital Expenditure

Comparisons of Capital Expenditure to Budget as at 30th June 2012 shows a spend of £7.927 m. Information on the main budgeted items is outlined below.

	Budget £'000	Actual £'000
Harbour Way (PDR2)	23,117	5,645
Dwr-y-Felin Comprehensive School – Single Site Amalgamation	2,620	567
Physical Regeneration	7,750	521
Street Lighting Replacement Programme	4,000	320
Remaining Capital Programme	23,864	874
TOTAL	61,351	7,927

4. Amendments to the Capital Budget

The Capital Budget will shortly be updated to incorporate balances brought forward from the previous financial year in addition to any changes or reprofiling requirements. These changes will be reported to Members in subsequent quarterly Budget Monitoring reports.

5. Recommendations

It is recommended that Members note the Capital Expenditure as at 30th June 2012.

Background Papers

Capital Programme working files

Wards Affected

All

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