



CABINET

***Following the Policy and Resources/Cabinet Scrutiny Committee on
WEDNESDAY, 8 NOVEMBER 2017***

COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE

Part 1

1. To receive any declarations of interest from Members
2. To receive the Report of the Corporate Directors' Group re Draft Budget (*Pages 3 - 32*)
3. To receive the Report of the Corporate Directors' Group re Revenue Budget Monitoring (*Pages 33 - 62*)
4. To receive the Report of Head of Financial Services re Capital Programme Monitoring (*Pages 63 - 68*)
5. Any urgent items (whether public or exempt) at the discretion of the Chairman pursuant to Statutory Instrument 2001 No.2290 (as amended)

S.Phillips
Chief Executive

Civic Centre
Port Talbot

Thursday, 2 November 2017

Cabinet Members:

Cllrs. R.G.Jones, A.J.Taylor, C.Clement-Williams, D.W.Davies,
D.Jones, E.V.Latham, A.R.Lockyer, P.A.Rees, P.D.Richards and
A.Wingrave

CABINET

REPORT OF CORPORATE DIRECTORS GROUP

8 NOVEMBER 2017

SECTION A – MATTER FOR DECISION

WARDS AFFECTED: ALL

DRAFT 2018/19 BUDGET FOR CONSULTATION

1. Purpose of Report

To seek Member approval to consult on draft proposals for financial savings and income generation for 2018/19 and beyond.

To confirm that consultation will take place to the 15th January 2018 prior to reviewing responses and setting a balanced budget for 2018/19 during February 2018.

2. Executive Summary

Today's report does not seek final decisions from Members on priorities or on where financial savings should be made. The aim of this report is to seek approval to go out to consultation and listen to the views of our County Borough citizens and stakeholders in relation to the issues set out in this report. Final decisions on setting the Council's Budget for 2018/19 will be required to be taken in February 2018 following the end of public consultation and receipt of the Welsh Government's Final Local Government Settlement.

On the 10th October 2017 The Welsh Government (WG) announced details of the Provisional Local Government Settlement for 2018/19. The settlement shows that the Welsh Government is providing £4.205bn of funding to Local Government. However this is £20m or -0.5% less in comparison with the current year. Neath Port Talbot Council's share at £210.832m is slightly better than the Welsh average but is a reduction of £950k or -0.4%. However, given that the Welsh Government provides 75% of our net budget funding, and the Council Tax payer pays only 25%, this reduction in funding has a

significant impact on the amount available to the Council to spend on service delivery. When inflation and other budget pressures are taken into account this results in a 2018/19 funding gap of £10.24m. This report sets out the draft proposals for consultation on how to close that gap.

Members should note that the Chancellor’s Budget Statement is due on 22 November with the Welsh Government’s Final Settlement expected on 20 December 2017.

The Welsh Government informed Councils to plan for a further cut in funding of 1.5% in 2019/20. The 5 year Forward Financial Plan to 31st March 2023 shows a projected funding gap of over £65m and a further report on reviewing options to close this longer term gap will be discussed with Members in early 2018.

3. Background

There is a statutory duty for the Council to set a balanced budget each financial year. Prior to setting the budget the Council has a duty to consult stakeholders on changes to the Budget. The objective of this report is to set out the projected funding gap for the next 5 years i.e. the current Council’s Administrative Cycle following the Council Elections of May 2017.

In February 2017, when setting the Council’s Budget for the current year i.e. 2017/18, it was noted that the Council had delivered £77m of savings since 2010 but there remained a projected funding gap of £24m over the next 2 years to 31 March 2020. This report updates that position with projected funding requirements for the next 5 years until 31 March 2023.

Funding Gap @ Feb 2017	2018/19	2019/20	Total
	£’000	£’000	£’000
Gross Budget Gap	14,197	12,268	26,465
FFP Savings identified	-904	-451	-1,355
Reduction of one-off funding to Environment	-970		-970
Net Budget Gap @ Feb 2017	12,323	11,817	24,140

** Members will recall that due to the better than expected Local Government Settlement for 2017/18 this enabled the Council to provide a one off additional investment of £970k to Environment Street scene services and therefore this is the first call for closing the budget savings gap in 2018/19.

The Welsh Government Draft Budget for 2018/19 and 2019/20 announced on 3rd October 2017 continues to prioritise and provide additional funding to the Health Service i.e. £450m over the next 2 years. It is likely that the Welsh Government will continue to prioritise funding for Health for an even longer period probably for the next 5 years and more. This will be at the expense of Local Government and other service areas and hence we are more than likely to continue to receive further funding reductions over the next few years.

Neath Port Talbot Council's net revenue budget for 2017/18 is £274.677m and together with grants and income results in a gross budget of £418m which are invested in Council services across the County Borough. The Council also invests annually a further £50m+ through its capital programme.

4. Council Priorities 2017 – 2022

At its meeting on the 28th September 2017, the Council adopted the Corporate Plan for 2017-2022 which sets out the Council's strategic objectives and priorities for the 5 year period.

The setting of these strategic objectives - the Council's well-being objectives - fulfil the requirement under (s3(2)(a) of the Well-being of Future Generations (Wales) Act 2015.

The Council's three well-being objectives are:

Well-being Objective 1

To improve the well-being of children and young people - "All of our children and young people have the best start in life, so they can be the best they can be".

Well-being Objective 2

To improve the well-being of all adults who live in the county borough - "Everyone participates fully in community life – socially and economically".

Well-being Objective 3

To develop the local economy and environment so that the well-being of people can be improved - “Neath, Port Talbot and Pontardawe will be a vibrant and healthy place to live, work and enjoy recreational time”.

Supporting each of the above well-being objectives are improvement priorities which fulfil different legal requirements set out in (s3(1)) of the Local Government (Wales) Measure 2009.

When setting the well-being objectives and priorities we analysed how they contribute to the seven national well-being goals that the Welsh Government requires all public bodies in Wales to contribute to. Council also agreed that it would further review in March 2018 the detail of its Corporate and Forward Financial Plans to ensure alignment of both plans.

5. Current Budget 2017/18

Neath Port Talbot Council approved its 2017/18 budget on the 1st February 2017 and finalised council tax setting at the meeting of 1st March 2017. The medium term budget forecast, at that time, assumed a 2.5% reduction in Welsh Government funding for 2018/19 and a 2% reduction in 2019/20. The forecast showed the need to identify savings solutions of circa £24m over the next two financial years.

The following table shows the summarised Council Funding and Net Budget for 2017/18.

Funding 2017/18	Budget £m	Budget %
Revenue Support Grant	£161.547	60.2%
National Non Domestic Rates	£46.024	15.7%
Discretionary Rates Relief	-£0.212	-0.1%
Council Tax	£67.318	24.2%
Total Income	£274.677	100.0%

Net Budget 2017/18	Budget	Budget
	£m	%
Total Education, Leisure & Lifelong Learning (including Schools at £79.95m)	£103.449	37.7%
Social Services, Health & Housing	£76.444	27.8%
Environment	£32.710	11.9%
Finance & Corporate Services	£16.554	6.0%
Fire Authority	£7.104	2.6%
Capital Financing	£17.830	6.5%
Council Tax Support	£17.447	6.4%
Other including Contingency	£3.139	1.1%
Budget Requirement	£274.677	100.0%

As Members are aware, the Council's Standard Spending Assessment (SSA) totals £262.581m. The SSA represents the Welsh Government's standard level of funding per service that it makes available to Local Authorities. As the Council spends £274.7m this is £12.1m or 4.6% above SSA. The following table illustrates the position per service area:

	SSA	Budget	Variance	Variance
	£m	£m	£m	%
Education	£101.907	£102.008	£0.101	0.1%
Social Services	£73.371	£83.058	£9.687	13.2%
Roads & Transport	£7.879	£10.772	£2.893	36.7%
Other Services	£39.438	£36.529	-£2.909	-7.4%
Capital Financing	£15.460	£17.830	£2.370	15.3%
Council Tax Support	£16.242	£17.397	£1.155	7.1%
Fire Service	£5.925	£7.083	£1.158	19.5%
Deprivation Grant	£2.359	-	-£2.359	-100.0%
Total	£262.581	£274.677	£12.096	4.6%

6. Provisional Local Government Settlement

The Cabinet Secretary for Finance and Local Government published the Welsh Government's Provisional Local Government Settlement on 10 October 2017.

The headlines are that for 2018/19 the Welsh Government will provide funding of £4.205bn to run local authority services across Wales. This represents an average reduction of -0.5% and is inclusive of a new funding provision of £6m for Homelessness responsibilities. It is also stated that the settlement includes the provision of additional monies of £62m for schools and £42m for Social Services. However, as Members are aware, these amounts are included in funding that shows an overall reduction of -0.5%. The Cabinet Secretary also announced that Local Authorities should plan on a further reduction of -1.5% for 2019/20.

The Neath Port Talbot Council share of the total funds available amounts to £210.832m. This is a reduction of -0.4% on the current year, it is the 11th best settlement in Wales and slightly better than the Welsh average.

The settlement includes a number of specific grants that total over £91m which are transferring into the settlement. This is welcomed by the Council as it will reduce bureaucracy and increase value for money. The following table illustrates the position for Neath Port Talbot and the whole of Wales.

Grant	NPT	All Wales
	£'000	£'000
ENV – Waste element of the Single Environment Grant	1,477	35,000
SS – Welsh Independent Living Grant	1,273	26,889
SS – Social Care Workforce Grant	948	19,000
SS – Looked after Children Grant	363	7,415
SS – Carers Respite Care Grant	150	3,000
Social Care for Prisoners in the Secure Estate	0	412
Total	4,211	91,716
New Monies & Responsibilities		
SS – Homelessness	285	6,000

The Draft Budget proposes to passport these grants to the relevant service area to meet service demand.

The Welsh Government also published on 24 October further information on Specific Grants. Details of the announcement are shown at Appendix 4. The schedule shows that the amount of Specific Grants total £584m with further grants to be confirmed which in the current year are circa £190m. These include Post 16 Education (£98m), Concessionary Fares (60m) and Bus Services (£28m).

Members will note the following points in relation to individual grants:

- The Education Improvement Grant has been cut from £133m to £118m (-£15m) with a further cut of £11m projected for 2019/20.
- The Single Environment Grant has been cut by £6m. This is after transferring £35m into the Settlement with the remaining specific grant amount available for sharing at £20.8m. This grant underpins the Council's waste recycling service and clarification on our share of this grant is being pursued.
- Most Social Services grants have been transferred into the settlement with only the Substance Misuse grant remaining outside at £22.6m
- The Welsh Government have also indicated that they are minded from April 2018 to provide further flexibility on the use of the following grants which total £254m - Supporting People, Flying Start, Families First, Communities First Legacy Fund and Employability Grants
- Further clarification of the changes and implication for these and all grants is being sought from the Welsh Government and consequential impacts are being evaluated and will be reported to members.

7. Budget and FFP Gap 2018/19 to 2022/23

Attached at Appendix 3 is a schedule of the inflation, pay awards and other factors used to prepare the Draft Budget. Given the recent increases in the reported Retail Price and Consumer Price indices together with pay award requests from Trade Unions the budget provides for increases of 2% across all years. It also assumes that the Welsh Government funding will continue to reduce from 2019/20 by 2% per annum. Attached at Appendix 2 is a list of pressures that have been built into the draft budget which total £2.519m (Gross of £3.489m less the £0.970m one-off funding provided in 2017/18).

These provisions result in a budget funding gap in 2018/19 of £10.24m and over £65m over the next 5 years. The following table summarises the latest position:

Service Area	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Budget Gap before Directorate Savings	11,210	14,056	14,263	13,613	13,678
Less one-off 2017/18 investment for Environment	-970	0	0	0	0
Cumulative Gap	10,240	24,296	38,559	52,172	65,850
FFP Savings - Directorate	-6,941	-938	0	0	0
FFP Savings - Corporate	-3,299				
Total savings to be consulted	-10,240	-938	0	0	0
Budget Gap @ October 2017	10,240	13,118	14,263	13,613	13,678
Cumulative Gap @ October 2017	10,240	23,358	37,621	51,234	64,912

Members should note though that there is work ongoing to verify whether the following items also need to be funded with any changes being built in to the final budget in February 2018:

2018/19 Pressures under review/consideration	£'000
Household Waste Recycling centres - increase in tonnages	100
Part funding of existing culvert/drainage clearing "jet-vac" vehicle & crew (previously joint use/funds with SWTRA)	95
Environment NNDR increase	75
Housing growth - increased recycling and street lighting	40
Energy costs increase of 13.57%	160
Planning fee income	100
School Efficiencies	253
Education Needs Support	450
Welsh Language Standards	50
Legislation	?
Reduction in Specific Grants affecting service needs	?
Total	1,323

In relation to schools, the draft budget for 2018/19 provides for an increase in the delegated schools budget of £1.756m to £81.7m. This represents a 2.2% increase in the budget and covers the inflation and workforce agreement related pressures but some efficiencies amounting to £263k are still required given the level of the financial settlement received from the Welsh Government. The following table summarises the projected funding required for the next five years on the basis of the inflation provision and potential changes in pupil numbers.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Schools Prior Year Base	79,952	81,708	83,459	85,468	87,524
Virement re debt charges re SSIP Borrowing	0	-300			
Inflation	1,516	1,782	1,766	1,806	1,843
Workforce Agreement	240				
Pupil Numbers projection	263	269	243	250	250
Less Efficiencies	-263	?	?	?	?
Draft Budget	81,708	83,459	85,468	87,524	89,617

The following tables show the estimated funding available from Welsh Government and Council Tax compared to the projected budget required for 2018/19 resulting in a budget gap of £10.24m.

Estimated total funding available 2018/19

	£'000
Net Budget 2017/18	274,677
WG Funding	3,260
Council Tax Increase	3,973
Draft Funds Available 2018/19	281,910

Estimated budget required 2018/19

	£'000
Net Budget 2017/18	274,677
Pay Award - Teachers	925
Pay Award - Other	2,060
LGPS Pension	1,075
Capital Financing	395
Council Tax Support	783
Inflation	2,735
Workforce Agreement	1,686
Schools Inflation	1,516
Pupil Numbers Projection	253
Pressures	2,519
Grants transferred into settlement	4,211
New Monies - Homeless	285
Environment one-off funding	-970
Draft Budget Required 2018/19	292,150

Draft Budget Gap 2018/19

	£'000
Budget Required 2018/19	292,150
Estimated Funds Available	281,910
Draft Budget Gap 2018/19	10,240

8. Draft Savings and Income Generation proposals for Consultation

Attached at Appendix 1 is a schedule of draft savings and income generation proposals for public consultation. The service schedule totals £6.9m for 2018/19 and £0.9m in 2019/20. Members should also note that the balance includes £3.3m of Corporate and Central Budget savings which are shown on the final page of Appendix 1.

The total savings per Directorate and Central as per Appendix 1 are as follows:-

Directorate	2018/19 £'000	2019/20 £'000
Education, Leisure & Lifelong Learning	£980	£677
Social Services, Health & Housing	£4,550	
Environment **	£713	
Corporate	£648	£261
Other	£50	
Total Service Directorates	£6,941	£938
Total Corporate and Central	£3,299	
Grand Total	£10,240	£938

** Members should note that in addition the Environment Directorate will not receive the one-off funding provided in 2017/18 of £970k.

In relation to council tax the 2018/19 Draft Budget assumes a 4.5% increase. However, the actual Council Tax for next year will not be set until the Budget Meeting of mid February 2018. For information Members should note that every 1% increase in council tax generates some £670,000 of additional funding (£500k net of Council Tax Support).

As Members are aware the Deputy Leader is chairing an Income Generation Group to review opportunities to increase income which will assist to close the projected gap and reduce the cost of council subsidies for some service areas such as leisure, parks etc. Given the projected 5-year FFP Gap and hence the requirement for ongoing budget savings beyond 2018, it is critical that we look to maximise income over the next few years. A separate report will be prepared for member consideration later in the year to identify areas for progression. Some pump priming monies will need to be made available to progress this work and this will also be subject to a separate report for members to approve.

9. Other Considerations

As in previous years members will review and scrutinise the draft proposals set out in this report in the relevant Scrutiny Committee from late November to January. The consultation period will end on 15th January 2018.

The Final Local Government Settlement announcement is expected on 20 December and a report will be prepared setting out all changes. The final Budget report due to be considered by Cabinet on 20 February 2018 will also take account of all matters identified by stakeholders during the consultation together with relevant issues from the UK and Welsh Government announcements. Continuous monitoring and appropriate changes will be made re Brexit, other economic, public spending and taxation matters.

As previously mentioned, 75% of the Council's funding comes from the Welsh Government. Local Authorities, the Welsh Local Government Association and Trade Unions have over the past few months set out their case for a reasonable funding settlement for local public services. Whilst the provisional settlement for 2018/19 is challenging with a cut of 0.5% the further reduction of 1.5% in 2019/20 means we must continue to lobby for better settlements in future years as Local Government and this Council will find it ever more difficult to provide the critical services that our citizens and service users need and require.

10. Crime and Disorder Impact

The Council has a legal duty under Section 17 of the Crime and Disorder Act 1998 to carry out all its various functions with "due regard to the need to prevent Crime and Disorder in its area".

Individual proposals are being assessed as to their impact on crime and disorder and should any specific impact be identified these will be identified against individual proposals and summarised in final proposals.

11. Equality Impact Assessment

The Equality Act 2010 requires public bodies to "pay due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristics and persons who do not share it."

This report identifies the need to make budget savings of over £10m for 2018/19 and £65m over the next 5 years. The draft proposals will have different impacts on services provided across the whole of the County Borough i.e. on citizens, on service users and various people included within the protected characteristics groups set out in the Equality Act 2010. Individual Equality Impact Assessments for specific proposals are being undertaken and will be made available to Members as part of the budget scrutiny process.

12. Workforce Impacts

The workforce will be impacted by the reduction in budget funding available to run services. The Council is sharing this report and information with trade unions and will continue to hold staff briefings over the next few months. The Council wishes to minimise compulsory redundancies and has opened the early retirement/voluntary redundancy scheme.

13. Consultation

Today will commence the formal consultation with the public and all stakeholders on the draft budget proposals for savings/income generation.

Members will note the consultation will commence immediately following Cabinet today until the 15th January 2018 prior to final decisions being made in February 2018.

14. Recommendations

It is recommended that Members authorise the Chief Executive to consult the public on the draft savings and additional income proposals set out at Appendix 1 of this report.

15. Reason for Proposed Decision

To commence the budget savings consultation for 2018/19.

16. Implementation of Decision

The decision is proposed for implementation immediately after consultation with the Cabinet Scrutiny Committee.

17. Appendices

Appendix 1 - Draft Budget Savings and Income Generation for consultation

Appendix 2 - Revenue Service Pressures 2018 to 2023

Appendix 3 – Inflation and other Factors

Appendix 4 - Specific Grants Schedule 2018/19

18. Background Papers

Welsh Government Provisional Local Government Settlement
Announcement of 10 October 2017

Budget working files

19. Officer Contact

For further information on this report item, please contact:

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Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
ELLL704	ES&C	Out of county placements	Andrew Thomas	No major impact, pupils will have reached school leaving age. Also savings in special school transport costs	1,251	23%	213	72
ELLL707	ES&C	Pontardawe Arts Centre - Reduce Subsidy	Andrew Thomas	Further reduction in funding to theatres, possibly a reduction in opening times.	224	36%	40	40
ELLL708	ES&C	Gwyn Hall -Reduce Subsidy	Andrew Thomas	More efficient management of Celtic Leisure contract.	220	36%	40	40
ELLL712	ES&C	Reduction in management costs.	Andrew Thomas	Full year impact of 2017/18 decision	1,063	2%	19	0
ELLL714	ES&C	Disability Sport - Withdraw match support for Disability Sports Coordinator's post	Chris Millis	Withdraw match support for Disability Sports Coordinator's post	117	13%	15	0
ELLL715	ES&C	School Catering - Implementation of the review recommendations	Chris Millis	Savings from implementing new pay scale	1,835	5%	100	0
ELLL716	ES&C	Tir Morfa Education Centre	Chris Millis	Potential additional pressure on Adult Education, Skills and Training Unit and Youth Service Budgets.	0	N/A	76	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
ELLL801	ES&C	Re-negotiate current contract to deliver outdoor education at the Discovery Centre, Margam Park.	Andrew Thomas	Likely increased cost for NPT pupils - more in line with what other users pay. Every effort will be made to protect financially disadvantaged pupils from price increases.	366	68%	0	250
ELLL802	ES&C	Celtic Leisure Contract - negotiate a reduction in subsidy	Andrew Thomas	Possible reduction in opening times at leisure facilities. Minimal impact for service users	1,378	22%	100	200
ELLL803	ES&C	Youth Service - secure 5% efficiencies on core budget	Chris Millis	Reduced provision, resulting in less capacity to support young people.	510	5%	25	0
ELLL804	ES&C	School meals	Chris Millis	Savings identified as a direct result of the reduction in the number of schools	1,835	3%	50	0
ELLL805	ES&C	Music - set 10% efficiency target	Chris Millis	Reduced access to music provision across the County Borough.	170	10%	17	0
ELLL806	ES&C	Cut ERW additional funding	Chris Millis	Cease annual contribution to ERW and reduce core funding on the basis there are now far fewer schools in NPT	0	N/A	80	0
ELLL807	ES&C	School cleaning - full cost recovery	Chris Millis	Increase current costs to primary and special schools. Possible risk of outsourcing.	70	100%	70	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
ELLL808	ES&C	Margam Park - market test with a view to appoint an operator for the catering functions.	Andrew Thomas	No impact to service users. Possible TUPE issues for staff for the very small number of staff who may be affected	366	20%	0	75
ELLL809	ES&C	Inclusion services - efficiency savings	Andrew Thomas	Further review of all areas of expenditure to secure efficiencies, e.g. vacancy management, out of county placements of pupils, maximising income	4,648	1%	50	0
ELLL810	ES&C	Cefn Coed Museum - reduce subsidy	Chris Millis	Consult with Friends of Cefn Coed Museum to consider running the service as a Community Facility, if this is not a viable option, the facility could close.	55	18%	10	0
ELLL811	ES&C	Home to School Transport - 1% savings target	Chris Millis	Home to school transport route re-tender savings.	5,360	1%	50	0
ELLL812	ES&C	CYP - 5% efficiency on core budget costs	Chris Millis	Reduced provision, resulting in less capacity to support young people.	515	5%	25	0
SSHH801	SCHWB	Direct Payments	Andrew Jarrett/ Angela Thomas	A package of care (POC) through DP is on average 35% less expensive to deliver than a direct or commissioned service. Continue to promote service option.	18,907	5%	950	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
SSHH802	SCHWB	Asset Based Approach	Andrew Jarrett/ Angela Thomas	The asset based approach is a strategy that diverts demand through earlier intervention & prevention by identifying sources of community provision which will meet people's needs. This approach has been successfully implemented by Wigan Council.	18,907	4%	685	0
SSHH803	SCHWB	Children's Services	Andrew Jarrett	Reduction in the number of looked after children and associated costs by 18 children.	12,139	4%	500	0
SSHH804	SCHWB	Learning Disabilities reconfiguration	Andrew Jarrett/ Angela Thomas	Review of Independent Living packages of care, right sizing care to comparative levels of care, explore assisted technology.	10,772	5%	500	0
SSHH805	SCHWB	Right sizing domiciliary care packages of care	Andrew Jarrett/ Angela Thomas	Carry out reviews for packages as part of an enabling approach.	6,497	1%	85	0
SSHH806	SCHWB	Maximise usage of block booked residential care beds	Andrew Jarrett/ Angela Thomas	Ensure the utilisation for the block contracted beds are maximised to the 80% contracted amount with Pobl.	12,760	2%	200	0
SSHH807	SCHWB	Reconfigure assessment & reablement beds within block contract	Andrew Jarrett/ Angela Thomas	Review the use of assessment and reablement beds, convert a proportion of the capacity to long terms beds to maximise utilisation.	12,760	1%	80	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
SSHH808	SCHWB	Learning Disabilities right sizing	Andrew Jarrett/ Angela Thomas	Review of all placements receiving WILG funding to right size the packages of care	10,772	5%	500	0
SSHH809	SCHWB	Beaufort House	Andrew Jarrett/ Angela Thomas	Develop income generation opportunities for Beaufort House	76	198%	150	0
SSHH810	SCHWB	Mental Health placements	Andrew Jarrett/ Angela Thomas	Review all residential placements and seek ways to create cost effective community based services.	1,638	6%	100	0
SSHH811	SCHWB	Double handling programme	Andrew Jarrett/ Angela Thomas	Review all double handling care calls from the external homecare sector.	6,497	5%	300	0
SSHH812	SCHWB	Internal homecare review	Andrew Jarrett/ Angela Thomas	Explore the optimum operating model. Retain complex, reablement and rapid response elements, and explore ways to commission generic homecare from the independent sector to reduce the existing hours delivered internally. Savings from deleted vacant post and reducing the flexible cover budget.	3,024	17%	500	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
ENV706	CS&PP	Asset Sponsorship	Nicola Pearce	Income generation	0	N/A	75	0
ENV801	S&E	Car Parking	Dave Griffiths	Increased charges. Service options currently being prepared.	-171	-117%	200	0
ENV802	S&E	Waste Disposal Procurement	Michael Roberts	Subject to the outcome of procurement	4,915	4%	200	0
ENV803	S&E	Household Waste Recycling Centres	Michael Roberts	Alternative service delivery in the Upper Swansea Valley	1,299	8%	100	0
ENV804	all	Staff redundancies /deletion of posts	all	Reduced staff capacity	0	N/A	30	0
ENV805	CS&PP	Planning	Nicola Pearce	Reduced staff	310	10%	30	0
ENV806	R&SD	Crynant Business Centre	Simon Brennan	Increase rentals	18	100%	18	0
ENV807	S&E	Gnoll Country Park	Michael Roberts	Increase in charges including car parking	74	40%	30	0
ENV808	S&E	Survey Team	Michael Roberts	Service Review	66	46%	30	0
CORP576	P&R	Introduce revised access to service policy across council	Karen Jones	Implement the digital by choice strategy, moving more customers to self-serve options thus reducing the volume of telephone and face to face enquiries.	614	6%	0	36
CORP577	P&R	CCTV - cost savings	Karen Jones	Savings at the end of the current CCTV Maintenance contract period.	243	12%	0	30

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
CORP604	P&R	Occupational Health - reduce professional fees budget	Sheenagh Rees	Full year impact of savings from introducing Occupational Health on line referral system and the referral hotline number.	260	4%	10	0
CORP702	P&R	Staff reductions	S John	Development capacity will fall and service requests will take longer to effect. Income generation and/or collaborative opportunities may offset some job losses/service issues. A number of posts are funded from reserves which will be exhausted by March 2019.	3,883	8%	200	100
CORP705	P&R	Human Resources - occupational health, health & safety	Sheenagh Rees	Delete partial hours where post holders have reduced their working hours.	624	2%	15	0
CORP801	P&R	Financial Services - Staff reductions in various teams across the finance division	Dave Rees	These reductions will require restructuring of the relevant sections which may impact on performance levels. It is expected that the staff reduction should be achieved via ER/VR.	3,513	7%	163	95
CORP802	P&R	Financial Services - Non staff savings	Dave Rees	Further pressure to reduce spend on non-staff expenditure heads.	3,513	0%	15	0
CORP803	P&R	Legal services	David Michael	Staff savings	886	4%	32	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
CORP804	P&R	Land charges	David Michael	Staff savings	-51	-53%	27	0
CORP805	P&R	Legal Services - corporate support services	David Michael	Staff savings	112	12%	13	0
CORP806	P&R	Health & safety - Staff reductions	Sheenagh Rees	Reductions in capacity to manage health and safety of projects and staff.	364	4%	15	0
CORP807	P&R	HR - Staff reductions	Sheenagh Rees	Reduce capacity to respond to statutory data returns, implement personnel committee reports, data cleansing, resulting in delays in response to queries, compilation of FOI requests.	1,300	3%	34	0
CORP808	P&R	Training	Sheenagh Rees	Non staff savings	247	1%	2	0
CORP809	P&R	Corporate Services	Hywel Jenkins	Reduction in staff costs	3,513	1%	30	0
CORP810	P&R	Community Safety	Karen Jones	Staff savings	159	5%	8	0
CORP811	P&R	Community Safety	Karen Jones	Non staff savings	159	1%	2	0
CORP812	P&R	Democratic services	Karen Jones	Transport savings	1,344	1%	19	0
CORP813	P&R	Democratic services	Karen Jones	Staff savings	1,344	1%	17	0
CORP814	P&R	Democratic services	Karen	Non staff costs	1,344	0%	3	0

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000	2019/20 £000
			Jones					
CORP815	P&R	Corporate strategy	Karen Jones	Increase income	365	6%	23	0
CORP816	P&R	Corporate strategy	Karen Jones	Non staff savings	365	1%	2	0
CORP817	P&R	One stop shop	Karen Jones	Staff savings	614	1%	9	0
CORP818	P&R	One stop shop and contact Centre	Karen Jones	Non staff savings	614	1%	7	0
CORP819	P&R	Communications	Karen Jones	Non staff savings	272	1%	2	0
OTH801	P&R	Margam Crematorium	David Michael	Contribution from Joint Committee	0	N/A	50	0
				Total			6,941	938

Draft Budget Savings and Income Generation for consultation

Ref	Board	Description	Lead	Main Impacts	Net Budget 2017/18	% saving	2018/19 £000
OTH802	CAB	Council Tax increase	Cabinet	Due to Welsh Government Settlement of -0.4% amend draft Council Tax increase from 3% to 4.5%. Increased payment by council tax payer.	67,318	1.5%	1,024
OTH803	CAB	Council Tax collection rate	Cabinet	Increase the collection rate from 96% to 97%. This has no impact on the council tax payer.	67,318	1%	725
OTH804	CAB	Council Tax Support	Cabinet	Reduce budget provision due to lower costs incurred in current year.	17,397	1%	200
OTH805	CAB	Pay and Pension provision	Cabinet	Retain £650K as a provision. Reduction of £250K possible following distribution of workforce agreement and other pay provisions.	650	38%	250
OTH806	CAB	Contingency - Management of Change	Cabinet	Reduce provision by £300K to £500K	800	38%	300
OTH807	CAB	Contingency – General	Cabinet	Reduce by £800K. Manage any further requirement from reserves.	1,528	52%	800
				Total general savings			3,299
				Grand Total			10,240

Revenue Service Pressures 2018 to 2023

Ref	Service area	2018/19	2019/20	2020/21	2021/22	2022/23
		£'000	£'000	£'000	£'000	£'000
ELLL5	Home to School Transport - Welsh Medium 2nd campus	65	100	35	0	0
ELLL6	Ysgol Bae Baglan Pay Protection	-27	-53	0	0	0
SSHH44	Adult Services LD - growth	100	100	0	0	0
SSHH48	Adult Services LD - transition growth	100	100	0	0	0
SSHH50	Living Wage - Contracts	544	654	705	0	0
SSHH51	Residential care additional provision above 2%.	250	270	280	280	280
SSHH52	Under achievement of previous FFP savings target in care packages and transfers to direct payments	800	0	0	0	0
ENVT19	Provision for Single Environment Grant	100	100	0	0	0
ENVT21	One off funding for Environment and Street scene	-970	0	0	0	0
ENVT24	Environmental Health pressure	25	0	0	0	0
ENVT 25	Maintenance of PDR	50	0	0	0	0
ENVT 26	Additional Housing, Electronic signs and public lighting	28	0	0	0	0
ENVT 27	Additional costs waste strategy implementation	150	0	0	0	0
ENVT 28	Additional recycling crew and vehicle	150	0	0	0	0
CORP16	Housing Benefit Admin Subsidy Grant reductions	100	100	0	0	0
OTH004	Living wage - NPT	333	416	975	0	0
OTH008	Living wage - other contracts	0	250	0	0	0
OTH009	New Pay Scale	0	2,200	0	0	0
CONT1	General Contingency inc. Brexit, etc	721	500	1,000	2,000	2,000
	Total	2,519	4,737	2,995	2,280	2,280

Inflation and other Factors

	2018/19	2019/20	2020/21	2021/22	2022/23
<u>Expenditure</u>					
Teachers Pay Award (Sep)	1.58%	2.00%	2.00%	2.00%	2.00%
Non-Teachers Pay	2.00%	2.00%	2.00%	2.00%	2.00%
LGPS Employers Rate	5.88%	7.41%	1.72%	1.72%	1.72%
NNDR	2.00%	2.00%	2.00%	2.00%	2.00%
Supplies & Services	2.00%	2.00%	2.00%	2.00%	2.00%
General Inflation	2.00%	2.00%	2.00%	2.00%	2.00%
Waste - MREC	2.00%	2.00%	2.00%	2.00%	2.00%
CA Sites – (updated)	2.50%	2.50%	2.50%	2.50%	2.50%
Capital Financing	2.00%	2.00%	2.00%	2.00%	2.00%
Levies	2.00%	2.00%	2.00%	2.00%	2.00%
<u>Income & Funding</u>					
Income - Inflation & Volume	2.00%	2.00%	2.00%	2.00%	2.00%
RSG	-0.40%	-2.00%	-2.00%	-2.00%	-2.00%
Council Tax	4.50%	3.00%	0.00%	0.00%	0.00%

Appendix 4

Provisional Settlement Specific Grants 2018/19			
		£m	£m
Existing Grant name	2017/18	2018/19	Variance
Communities and Children			
Supporting People	123.688	123.688	0.000
Flying Start Revenue Grant	76.052	76.052	0.001
Families First	38.352	38.352	0.000
Communities First	19.647	0.000	-19.647
Childcare Offer	10.000	25.000	15.000
Communities for Work	7.120	7.199	0.079
Cardiff Bay Legacy	5.891	5.400	-0.491
Promoting Positive Engagement for Young People	4.330	4.330	0.000
Out of School Childcare	2.300	2.300	0.000
Violence against Women, Domestic Abuse & Sexual Violence Grant	1.938	2.438	0.500
St David's Day Fund	1.000	1.000	0.000
Lift	0.990	0.000	-0.990
National Approach to Advocacy	0.550	0.550	0.000
Community Cohesion	0.360	0.360	0.000
Maintaining the Delivery of the Wales Adoption Register	0.172	0.172	0.000
Armed Forces Day	0.035	0.100	0.065
Remploy Employment Support Grant	0.006	0.002	-0.004
Communities First Legacy	0.000	6.000	6.000
Communities Work Plus	0.000	10.050	10.050
Economy and Infrastructure			
Concessionary Fares	60.466	NA	
Bus Services Support Grant	25.000	NA	
Bus Revenue Support Traws Cymru	3.057	NA	
Road Safety Grant	2.000	2.000	0.000
Young Persons Discounted Bus Travel Scheme	1.000	NA	
Bus Revenue Support	0.546	NA	
New Developments	0.500	0.000	-0.500
Enterprise Zones	0.271	0.064	-0.207
Ports Development Fund	0.090	NA	
Community Rail Partnership	0.065	NA	
Travel Plan Co-ordinators	0.011	0.000	-0.011
Education			
Education Improvement Grant	133.282	118.137	-15.145
Pupil Development Grant	91.333	91.333	0.000
Pioneer Schools	7.895	NA	
Youth Support Grant	3.856	3.470	-0.386

Appendix 4

Provisional Settlement Specific Grants 2018/19			
		£m	£m
Existing Grant name	2017/18	2018/19	Variance
Reducing infant class sizes grant	2.000	3.000	1.000
School Uniform Grant	0.700	0.000	-0.700
Modern Foreign Languages	0.480	0.432	-0.048
Senior Business Managers	0.200	0.200	0.000
Mentoring and Networking Support for Headteachers	0.150	NA	
National Numeracy Tests - Supported Marking Grant to Consortia	0.020	0.020	0.000
Environment and Rural Affairs			
Single Revenue Grant - See note below	61.790	20.793	-40.997
Waste Infrastructure Procurement Programme - Gate Fee Contributions	7.507	7.867	0.360
Animal Health & welfare Framework Funding	0.200	0.200	0.000
Financial Support to enable prosecutions to be brought for breaches in TB	0.118	N/A	
Renewal of Grant for the South Wales Regional Aggregate Working Party	0.050	0.050	0.000
Waste Planning Monitoring Report - North Wales and South East Wales	0.049	0.049	0.000
Waste Planning Monitoring Report - South West Wales	0.025	0.025	0.000
Renewal of Grant for the North Wales Regional Aggregate Working Party	0.025	0.025	0.000
Finance and Local Government			
Cardiff Capital City Deal	20.000	10.000	-10.000
Lifelong Learning and Welsh Language			
Post-16 Provision in Schools	98.587	NA	
Adult Community Learning	4.307	NA	
Additional Learning Needs Innovation Fund	1.320	0.000	-1.320
Learning in Digital Wales (Phase 2)	0.500	0.450	-0.050
Promote and Facilitate the use of the Welsh language	0.314	0.314	0.000
Development of the Seren Network	0.120	0.250	0.130
Social Services and Public Health			
Welsh Independent Living Grant	27.000	RSG	
Substance Misuse Action Fund	22.663	22.663	0.000
Social Care Workforce Grant	19.000	RSG	
Expanding Edge of Care Services	5.000	RSG	
Carer's Respite Care Grant	3.000	RSG	
Support for Care Leavers	1.650	RSG	

Appendix 4

Provisional Settlement Specific Grants 2018/19			
		£m	£m
Existing Grant name	2017/18	2018/19	Variance
Reflect Project	0.850	RSG	
Secure Estates	0.412	RSG	
National Framework for Fostering	0.400	RSG	
Development of Adoption Support Services in Wales	0.215	0.090	-0.125
All Grants	900.454	584.424	-57.437
All Grants excluding NA (for like-for like comparison)	606.861	584.424	-22.437
NA = figures not available at time of publication			
RSG = funding transferring to Revenue Support Grant			

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE CORPORATE DIRECTORS GROUP

8th NOVEMBER 2017

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

BUDGET MONITORING REPORT 2017/18

1 Purpose of Report

1.1 This is a monitoring report which provides details for Cabinet to scrutinise and review the overall Authority budget position.

1.2 The report is set out as follows:-

Section	Description
2	Current year financial position identifying the major variances for scrutiny by members
3	Grants awarded – outlining any changes in grant funding for member information
4	Budget virements – identifying those virements which require approval from members
5	Reserve movements –outlining proposed changes in the use of reserves for member approval
6	Future year FFP savings – identification of risks identified regarding current year savings strategies

1.3 Members are invited to request further detailed reports relating to the issues raised, for consideration by the relevant scrutiny board.

2 Current Year Financial Position

2.1 The Net Directly Controlled Budget is projected to over spend by £697k, but this is offset by a projected underspend of £697k in the other elements of the budget (inclusive of proposed net transfer

to/from reserves). The net budget is therefore projected to be contained within the cash limit, as outlined in the table below.

	Original budget 2017/18	Revised budget 2017/18	Projected Outturn 2017/18	Variance
	£'000	£'000	£'000	£'000
ELLL - Schools	79,952	79,952	79,952	0
ELLL - Other	23,547	23,652	23,894	242
SSHH	76,444	75,744	75,609	-135
ENVT	32,710	32,756	33,426	669
CORP	16,554	16,754	16,675	-79
Directly controlled	229,207	228,859	229,556	697
Other	45,470	45,818	45,121	-697
Budget Requirement	274,677	274,677	274,677	0

- 2.2 The following paragraphs provide details of significant variances (>£50k) from the agreed budget for 2017/18, together with an explanation of the ways in which these variances are being managed.

Education, Leisure and Lifelong Learning

The Directorate has a budget of £79.952m for Schools and £23.652m for other Education, Leisure and Lifelong Learning services. The ELLL budget contains savings targets of £1.248m (5.3%), and is currently projected to overspend by £242k.

The main variance contributing to the over spend is:-

- **NPT works Programme £75k overspend**

The overspend is due to a projected shortfall against the income budget, which included an additional £30k target for 2017/18. Work is being undertaken to identify alternative savings to offset this pressure.

The Education Leisure and Lifelong Learning budget is currently projected to overspend by £242k. Work is ongoing to identify further savings to reduce the overspend as much as possible.

Social Services Health & Housing

The Directorate has a budget of £75.744m which includes savings targets of £2.552m (3.4%), and is currently projected to under spend by £135k.

The main variances contributing to the over spend are:-

- **Children – Social Work £448k underspend**

The under spend is due to vacant hours and short term vacancies.

- **Children Residential Care – External Provision £404k overspend**

The budget is based on 9 placements at an average cost of £173k, but the actual average to date amounts to 10 placements at an average cost of £200k. The increased cost is due to the complexity of the placements.

- **External Foster Placements £90k underspend**

The under spend is projected because additional funding was included in the budget to fund anticipated increase in costs which have not yet materialised.

- **Internal Fostering service £86k overspend**

An overspend is projected because a number of external placements have been transferred to the internal services. The average cost of an external placement is more than twice that of an internal placement.

- **Adoption £275k underspend**

The underspend has arisen because the authority has received a refund from the Western Bay Regional Adoption Service relating to an overpayment in 2016/17, together with an anticipated small saving on the current year contribution to the Joint Service.

- **External Foster Placements £234k underspend**

The underspend is projected because a number of external placements have been transferred to the internal foster service.

- **Youth Offending Team £97k underspend**

The underspend is due to savings on staff costs across the Joint Service.

- **Central services £76k underspend**

The underspend is due to savings on staff costs .

- **Child & Family Management £96k underspend**

The underspend is due to staff savings and a reduction in projected cost of legal fees.

- **Community Care Management £64k overspend**
 The overspend is due to additional cost of Deprivation of Liberty assessments (DOLS) and advocacy services.
- **Community Care Social Work £61k overspend**
 The overspend is as a result of increased staff costs. It is anticipated that the increased capacity will enable more packages of care to be reviewed and “right sized” thereby generating savings on placements costs to offset this pressure.
- **Elderly Residential Care – external provision £139k overspend**
 The overspend is due to an increase in the number of elderly people being placed in residential care.
- **Domiciliary Care - External Provision £675k overspend**
 The budget includes combined FFP savings targets (SSHH 566& SSHH608) of £1.3m, which have not yet been delivered in full. It is anticipated that savings can be realised through right sizing, reducing double handed cases and by reducing demand for the service. The dynamic purchasing system went live on 14th August, and it is anticipated that this will also generate savings by reducing the average cost of service.
- **Community Resource Team £106k underspend**
 The underspend is due to savings on staff costs.
- **Other Community Care – Direct Payments £114k overspend**
 The overspend is due to an increase in the number of service users receiving Direct Payments.
- **PD – Residential Care – External Provision £228k overspend**
 The overspend is due to an increase in the number of service users receiving external packages of care.
- **PD – Other community Care – Third Sector/ILF £309k underspend**
 The budget includes the Welsh Independent Living Grant (WILG) of £1.273m, which relate to Direct Payments to service users who are recipients of the former Independent Living Fund. The Authority currently has 64 recipients whose payments amount to £919k, the balance of the grant (£354k) is partially used to fund the cost of additional social workers who are reviewing care packages in line with Council policy. The outcome of these reviews is expected to produce cost savings ongoing into the next financial year. The grant is going to be transferred into RSG in 2018/19.
- **LD – External Placements £135k underspend**
 The underspend is due to a receipt of grant which can be used to fund the cost of the living wage and night time support.
- **LD – Day Opportunities – Care & support £81k underspend**

The underspend is due to part year savings from vacant posts. It is anticipated that posts will be filled from October 2017.

- **LD – Day Opportunities – Complex Needs £89k underspend**
The underspend is due to part year savings from vacant posts. It is anticipated that posts will be filled from October 2017.
- **MH Community Mental Health Team £59k overspend**
The overspend is projected as the budget contains a vacancy factor which is unlikely to be achieved.
- **MH – External Placements £103k overspend**
The budget includes a FFP savings target of £500k, which has only partially been achieved to date.

The Social Services Budget is currently projected to under spend by £135k.

Environment

The Directorate has a budget of £32.757m which includes savings targets of £1.115m (3.4%), and is currently projected to overspend by £669k.

The main variances contributing to the overspend are:-

- **Public Lighting £161k overspend**
An overspend is projected as the actual price increase (13%) on electricity exceeded the inflation provision included in the budget. The projection is based on actual usage to date and winter months usage for 2016/17, but it is difficult to accurately project as usage is heavily weighted to the winter months. However it is anticipated that some savings will arise due to the use of LED bulbs.
- **Household Waste Recycling Centres £102k overspend**
The pressure has arisen due to an increase in the amount of waste being taken to the centres.
- **Trading Services £150k overspend**
The trading service accounts in particular the waste service is projected to overspend by £150k due to changes arising from the implementation of the waste strategy.

The Environment budget is projected to over spend by £669k.

Corporate Services

The Directorate has a budget of £16.754m which includes savings targets of £864K (5.2%), and is currently projected to underspend by £79k.

The main variances contributing to the under spend are:-

- **Housing Benefit administration £83k underspend**
The underspend is due to receipt of additional grant from DWP for welfare reform new burdens.
- **Democratic services £61k overspend**
The overspend is due to the cost of the council as constituted following the Local Government Elections in 2017.

The Corporate Services Directorate is projected to under spend by £79k.

Other Services

- **Levies – underspend £18k**
- **Council Tax Support – underspend £277k**
- **Contingency –** virements are proposed in this report to transfer £167k from the contingency to ENVT to fund a one off repayment to SWTRA, and to transfer £450k to the contingency from SSHH. It is assumed that the remaining contingency budget of £1.458m will be fully committed by year end. Members should note that some of the contingency is likely to be required to fund expenditure re the Pantteg landslip.
- **Pay & Pension –** based on actual pension payments to date, it is anticipated that it will not be necessary to utilise the pension provision, and therefore an underspend of £400k is projected. It is assumed that the balance of this budget (£250k) is retained as a commitment at this stage.
- **Management of change –** it is assumed that this provision (£800k) will be fully utilised to fund the cost of ERVR.

A summary of the overall Net Authority budget is included in Appendix 1

3 Grants

The following grants have been awarded since the quarter 1 report

Value	Directorate	Service
£10k	CORP	DWP – to fund Housing Benefit administration for Welfare Reform New Burdens
£79k	SSHH	WG – for care leavers to enhance training and work placements, and to extend provision of personal advisors
£245k	SSHH	WG – to support families to keep young people safely at home and prevent children entering the care system
£150k	SSHH	WG – to deliver additional respite care for carers (including young carers)
£66k	SSHH	WG – Rural Outreach Opportunities Mobile Service (ROOMS) – to enable to council and agencies to engage with rough sleepers.

4 Budget Virements

4.1 The Council's Constitution requires the prior approval of any virement that does not involve a significant variation in the level or nature of the delivery of the service agreed by Council in the Revenue Budget as follows:-

Less than £100,000 – Corporate Directors

More than £100,000 but less than £500,000 – Cabinet

More than £500,000 – Council

4.2 Virements agreed by Corporate Directors are identified in Appendix 2

4.3 Virements requiring **Cabinet** approval are outlined below

Amount	Dir	Service
-120,000	SSHH	Children - Adoption Service
120,000	SSHH	Community care social work
-450,000	SSHH	Homecare Service - internal
450,000	SSHH	Domiciliary care - external provision
-450,000	SSHH	LD External Placements
450,000	Other	Contingency
167,000	ENVT	Highways Maintenance - Reactive
-167,000	Other	Contingency

The net effect of all of the above virements are summarised in Appendix 1.

5 Reserve Movements

The following reserve movements are proposed as a result of changes arising during quarter 1.

Amount	Specific Reserve	Explanation
£3,398	ERVR Reserve	Transfer from reserve to fund costs of staff leaving in NPT Works
£63,119	ERVR Reserve	Transfer from reserve to fund costs of staff leaving in Legal services
-£90,000	Corporate Equalisation Reserve	Transfer underspend in ICT to corporate equalization reserve to fund anticipated pressures in 2018/19
£16,000	Stock reserve	Transfer from reserve to write off stock identified as obsolete
-£30,000	Corporate Equalisation Reserve	Transfer to reserve to fund HR maternity cover in 2018/19
£50,000	Swansea Bay City Deal Reserve	Transfer from reserve to fund contribution for 2017/18
£16,776	ERVR Reserve	Transfer from reserve to fund costs of staff leaving in ICT

Specific Reserves Summary

	£'000
Opening balance on specific reserves 1/4/17	(30,628)
Budgeted contributions (to) /from reserves	2,263
Additional reserve movements already approved	236
Additional reserve movements proposed this quarter	29
Estimated closing balance on specific reserve 31/3/18	(28,100)

Details of all the above are included in Appendix 3

5.1 General Reserve

	£'000
Opening balance on the general reserve 1/4/17	(19,737)
Budgeted contributions (to) /from reserves	(665)
Additional reserve movements already approved	0
Additional reserve movements proposed this quarter	0
Estimated closing balance on the general reserve 31/3/18	(20,402)

Details of all budgeted movements against the general reserve are included in Appendix 4.

6 Forward Financial Plan Monitoring 2018/19 to 2019/20

- 6.1 The list of savings strategies included in the budget for 2017/18 are outlined in Appendix 5. Any variation to delivering the budget including the savings for 2017/18 are included in relevant narrative above.

Further work to update the FFP for 2018/19 and beyond will be separately reported to members.

7. Members Scrutiny

Scrutiny Members are invited to request further reports on selected items from within this report for consideration at the individual Scrutiny Committee.

8. Consultation

This item is not subject to external consultation.

9. Recommendations

It is recommended that:

- the budget monitoring information is scrutinised and management arrangements put in place to minimise overspends and the adverse impact on reserves.
- Members note the additional grants received

- the proposed reserve movements and budget virements are recommended for approval by Cabinet.

10. Reason for Proposed Decision

To update the Council's budget for additional grants received, budget virements and reserve movements in line with the Council's Constitution.

11. Implementation of Decision

The decision is proposed for implementation after consultation with the scrutiny committee and then consideration and approval by Council.

12. Appendices

- Appendix 1 – Revenue Budget Summary 2017/18
- Appendix 2 – Virements approved by Corporate Directors
- Appendix 3 – Schedule of Specific Reserves
- Appendix 4 – Schedule of General Reserve
- Appendix 5 – Forward Financial Plan Savings Monitor

13. Background Papers

Budget working papers 2017/18

14. Officer Contact

For further information on this report item, please contact:

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Summary
at Quarter 2 30th Sept 2017

	Original	Virements			Revised	Projected	Variance
	Budget	Quarter 1	Quarter 2	Quarter 3	Budget	Outturn	
	2017/18				2017/18	2017/18	2017/18
	£				£	£	£
Education, Leisure and Lifelong Learning - Schools	79,952,000	0	0	0	79,952,000	79,952,000	0
Education, Leisure and Lifelong Learning - Other	23,547,000	105,000	0	0	23,652,000	23,894,162	242,162
Social Services Health & Housing	76,444,000	-250,000	-450,000	0	75,744,000	75,609,062	-134,938
Environment	32,710,000	-190,022	237,000	0	32,756,978	33,426,367	669,389
Corporate Services	16,554,000	200,000	0	0	16,754,000	16,674,481	-79,519
Directly Controlled Expenditure	229,207,000	-135,022	-213,000	0	228,858,978	229,556,072	697,094
Swansea Bay Port Authority	53,000				53,000	44,637	-8,363
Fire Authority	7,104,000				7,104,000	7,098,848	-5,152
Margam Crematorium	1,000				1,000	559	-441
Archives	92,000				92,000	88,400	-3,600
Magistrates Court	14,000				14,000	13,237	-763
Capital Financing	17,830,000	440,022			18,270,022	18,270,022	0
Council Tax Support	17,397,000				17,397,000	17,119,680	-277,320
Contingency	1,550,214	-305,000	213,000		1,458,214	1,456,759	-1,455
Pay & Pensions Provision	650,000				650,000	250,000	-400,000
Management of change	800,000				800,000	800,000	0
Miscellaneous	0				0	0	0
Cont. from Fire Authority Reserve	-21,000				-21,000	-21,000	0
Net Budget Requirement	274,677,214	0	0	0	274,677,214	274,677,214	0
RSG	-161,547,001				161,547,001	-161,547,001	0
NNDR	-46,023,812				-46,023,812	-46,023,812	0
Discretionary rate relief	211,536				211,536	211,536	0
Council Tax	-67,317,937				-67,317,937	-67,317,937	0
Total Funding	-274,677,214	0	0	0	274,677,214	-274,677,214	0

Virements Agreed by Corporate Directors – during Quarter 2

-£53,677	ELLL	Schools Specific Contingencies
£53,677	ELLL	Management & Admin
-£80,476	ELLL	Additional Learning Needs - transfer post
£80,476	ELLL	Wellbeing - transfer of post
£24,039	ENVT	Public Lighting & Signal Control
-£24,039	ENVT	Other Works
£22,000	ENVT	Building Cleaning
-£22,000	ENVT	Management Support
£22,632	ENVT	Management Support
-£10,998	ENVT	Estates
-£11,634	ENVT	Business Support & Research
-£2,500	ENVT	Environmental Health
-£3,000	ENVT	Environmental Health & Management Support
£5,500	ENVT	Trading Standards
-£10,083	ENVT	Passenger Transport
£40,000	ENVT	Pest Control
-£40,000	ENVT	Waste Management
£10,083	ENVT	Management Support
-£18,221	ENVT	Policy
£18,221	ENVT	Bio diversity
£100,000	SSHH	Children - Residential Care - External provision
-£100,000	SSHH	Children - External Foster Placements
-£9,000	SSHH	Central Services
£40,000	SSHH	Community Care Management
-£5,240	SSHH	LD Day Opportunities - care & support
£5,240	SSHH	LD Day Opportunities - complex needs
-£31,000	SSHH	MH Strategy & Support
-£30,417	ENVT	Drainage services - day to day
-£22,661	ENVT	Network Management
-£7,020	ENVT	Road Safety
-£1,141	ENVT	Parks & Open Spaces
-£8,862	ENVT	Estates
£15,028	ENVT	Asset & Energy Management
-£9,744	ENVT	Civic Buildings

£70,000	ENVT	Gypsy sites
-£20,000	ENVT	Non-operational land
£96,282	ENVT	Corporate Management
-£11,465	ENVT	Business Support & Research
£26,000	CORP	Communications & Marketing
£23,000	CORP	One Stop Shop/Customer Services
-£49,000	CORP	Corporate Strategy & Performance Management
-£70,000	OTH	Contingency

SCHEDULE OF SPECIFIC RESERVES

Description	Updated Reserve Balance at 1/4/17	2017/18 Budgeted Cont to reserve	2017/18 Budgeted Cont from reserve	Changes already agreed	Changes proposed in Period	Estimated Reserve Balance at 31/3/18
	£'000	£'000	£'000	£'000	£'000	£'000
EDUCATION, LEISURE & LIFELONG LEARNING						
<i>Delegated Schools Cash Reserves</i>						
Primary Schools Reserve A/C	-2,059	0	0	0	0	-2,059
Secondary Schools Reserve A/C	-569	0	0	0	0	-569
Special Schools Reserve A/c	-127	0	0	0	0	-127
ER Reserve Primary	-48	0	0	0	0	-48
Repair and Maintenance Reserve	-161	0	0	0	0	-161
	-2,963	0	0	0	0	-2,963
<i>Education, Leisure and Lifelong Learning</i>						
Education Equalisation Reserve	-55	0	0	20	0	-35
Home to School Transport	0	0	0	0	0	0
	-55	0	0	20	0	-35
Total Education Leisure & Lifelong Learning	-3,018	0	0	20	0	-2,998
SOCIAL SERVICES, HEALTH & HOUSING						
<i>Hillside Secure Unit</i>						
Hillside General Reserve	-1,713	-139	202	0	0	-1,650
<i>Other</i>						
WB Safeguarding Board Reserve	-100	0	0	0	0	-100
Substance Misuse Joint Committee	-27	0	0	0	0	-27
Homecare ECM Equipment Reserve	-43	-10	0	0	0	-53
Community Care Transformation Reserve	-108	0	0	0	0	-108
Social Services Equalisation	-40	0	0	0	0	-40
Youth Offending Team - Equalisation	-153	0	0	0	0	-153
Total Social Services, Health and Housing	-2,184	-149	202	0	0	-2,131

SCHEDULE OF SPECIFIC RESERVES

Description	Updated Reserve Balance at 1/4/17	2017/18 Budgeted Cont to reserve	2017/18 Budgeted Cont from reserve	Changes already agreed	Changes proposed in Period	Estimated Reserve Balance at 31/3/18
	£'000	£'000	£'000	£'000	£'000	£'000
ENVIRONMENT						
<i>Directorate</i>						
Concessionary Fare - Bus Pass Replacement Reserve	-152	0	0	0	0	-152
Asset Recovery Incentive Scheme	-86	0	0	0	0	-86
Local Development Plan	-126	0	39	0	0	-87
Economic Development	-40	-200	200	0	0	-40
Winter Maintenance Reserve	-764	0	0	0	0	-764
Building Maintenance Reserve	-100	0	100	0	0	0
Environment Equalisation Reserve	-184	0	50	95	0	-39
Environment Legacy Reserve (SWTRA)	-60	0	0	0	0	-60
	-1,512	-200	389	95	0	-1,228
<i>Operating Accounts</i>						
Stock Reserve	-36	0	0	0	16	-20
Operating Account -Equalisation	0	0	0	0	0	0
Fleet Maintenance Reserve	-100	0	15	0	0	-85
Vehicle Tracking	-12	0	0	0	0	-12
Operating Accounts -Vehicle Renewals	-1,705	0	498	0	0	-1,207
	-1,853	0	513	0	16	-1,325
Total Environment	-3,365	-200	901	95	16	-2,552

SCHEDULE OF SPECIFIC RESERVES

Description	Updated Reserve Balance at 1/4/17	2017/18 Budgeted Cont to reserve	2017/18 Budgeted Cont from reserve	Changes already agreed	Changes proposed in Period	Estimated Reserve Balance at 31/3/18
	£'000	£'000	£'000	£'000	£'000	£'000
FINANCE /CHIEF EXEC						
Elections Equalisation Fund	-367	0	200	0	0	-167
Health & Safety/Occupational Health	-104	0	30	0	0	-74
Development Fund for Modernisation	-145	0	90	0	0	-55
IT Renewals Fund	-1,512	0	500	0	0	-1,012
Corporate Services Equalisation Reserve	-805	0	436	65	-120	-424
Building Capacity	-72	0	21	0	0	-51
Digital Modernisation	-270	0	211	0	0	-59
Voluntary Organisation Reserve	-51	0	0	19	0	-32
Total Finance /Chief Exec	-3,327	0	1,488	84	-120	-1,875
CORPORATE RESERVES						
Insurance-Claims Reserve	-4,724	-280	280	0	0	-4,724
Swansea Bay City Deal	-50	0	0	0	50	0
Income Generation Project Reserve	-200	0	0	0	0	-200
Housing Warranties	-220	0	0	0	0	-220
Fire Authority Reserve	-52	0	21	0	0	-31
Waste Reserve	-423	0	0	0	0	-423
LAWDC Contingency Reserve	-988	0	0	17	0	-971
Treasury Management Equalisation Reserve	-3,075	0	0	0	0	-3,075
ER/VR - Transitional Reserve	-6,243	0	0	20	83	-6,140
Accommodation Strategy	-2,760	0	0	0	0	-2,760
Total Corporate Reserves	-18,735	-280	301	37	133	-18,544
TOTAL ALL REVENUE RESERVES	-30,628	-629	2,892	236	29	-28,100

	Original Estimate 2017/18	Revised Estimate 2017/18	Difference 2017/18
	£'000	£'000	£'000
Opening balance 1st April	Cr 17,345	Cr 19,737	Cr 2,392
Council Tax increased income	Cr 1,400	Cr 1,400	0
Capital - Phase II Accommodation financing costs	350	350	0
Doubtful Debt Provision	160	160	0
Contributions to the Economic Development Fund	200	200	0
Community Councils Grant Scheme	25	25	0
Estimated Closing balance 31st March	Cr 18,010	Cr 20,402	Cr 2,392

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ELLL524	ECR	Leisure Services	Aled Evans	Reduction in Celtic Leisure contract sum via contract efficiencies	1,568	13%	200	0	0
ELLL604	ECR	Restructure of library service / further reduction or transfer of library provision	Andrew Thomas	Secure efficiencies in Baglan and Skewen Libraries. Explore further options by working closely with both communities. Savings proposals for 2017-18 reduced from £54k to £15k following consultation	1,555	1%	15	0	0
ELLL605	ECR	Reduction in subsidy for Cefn Coed Museum	Chris Millis	Continue consultation and working with the friends of Cefn Coed Museum to make efficiency savings.	65	15%	10	0	0
ELLL624	CYPE	Increase price of school meals by 10p from £2.30 from September 2017	Chris Millis	Increase price for school meals charged to parents	1,814	2%	30	0	0
ELLL626	CYPE	Review of Welsh translation unit and running costs	Chris Millis	Cost efficiencies and service charges moving towards full cost recovery over time	75	27%	20	0	0
ELLL701	CYPE	Reduction of Schools Base budget	Aled Evans	Less funding for schools.	79,616	1%	434	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ELLL702	CYPE	Reduce the DBS budget	Chris Millis	Traditionally the LA has paid for DBS checks on behalf of schools. This is no longer sustainable. Schools will be required to comply with the Safer Recruitment Policy. Regional working has reduced the unit costs.	251	11%	28	0	0
ELLL703	CYPE	School Cleaning - moving towards full cost recovery over time	Chris Millis	Risk that schools may choose to opt out of using the service.	173	44%	76	0	0
ELLL704	CYPE	Age profiles of children attending out of county placements	Andrew Thomas	No major impact, pupils will have reached school leaving age. Possible potential savings in special school transport costs	1,614	26%	135	213	72
ELLL705	CYPE / ECR	Vacancy Management	Andrew Thomas /Chris Millis	Additional workload for staff. Prioritised workloads.	19,000	0%	30	0	0
ELLL706	ECR	Increase Income Target - NPT Works	Chris Millis	Continued improvement in service delivery.	568	5%	30	0	0
ELLL707	ECR	Reduce Subsidy - Pontardawe Arts Centre	Andrew Thomas	Further reduction in funding to theatres, possibly a reduction in opening times. Following consultation in 2017-18 savings target reduced from £40k to £30k.	487	23%	30	40	40

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ELLL708	ECR	Reduce Subsidy - Gwyn Hall	Andrew Thomas	More efficient management of Celtic Leisure contract.	260	46%	40	40	40
ELLL709	ECR	Re-structure specific service delivery due to changes in level of service provision	Andrew Thomas	Two year redeployment of a member of staff to a grant funded post, thereby saving core cost.	146	27%	39	0	0
ELLL710	CYPE / ECR	Innovative use of grant funding	Andrew Thomas /Chris Millis	Review existing grants in order to maximise the use of grant funding	20,227	0%	100	0	0
ELLL712	CYPE	Reduce Special Education Needs budget for schools. Amended to a reduction in management costs.	Andrew Thomas	Following consultation responses, no cuts will be made to SEN budgets. The savings targets identified will be delivered by a reduction in management costs.	406	11%	27	19	0
ELLL713	CYPE	Negotiate a 10% reduction towards the Core Costs of ERW	Chris Millis	Reduced contribution towards the central support team of ERW.	1,177	0%	4	0	0
ELLL714	ECR	Withdraw match support for Disability Sports Coordinator's post	Chris Millis	Withdrawal of match funding support for a Disability Sports Co-ordinator	129	12%	0	15	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ELLL715	CYPE	Implementation of the recommendations from the catering review	Chris Millis	Recalibration of conditions of service for staff.	1,814	6%	0	100	0
ELLL716	ECR	Ensure that the running costs of Tir Morfa Education Centre are self-financing	Chris Millis	Potential additional pressure on Adult Education, Skills and Training Unit and Youth Service Budgets.	76	100%	0	76	0
SSHH514	SCHH /CYPE	Workforce Strategy Savings	All SSHH	Implement new grading structure	32,000	0%	95	0	0
SSHH516	SSHH	Homecare - Review of savings opportunities	N Jarman	Continue to improve the efficiency of the Homecare Service	3,981	8%	338	0	0
SSHH540	CYPE	Children Services	A Jarrett	Savings arising from ongoing reductions in Looked After Children	22,071	3%	614	0	0
SSHH543	SCHH	Restructure of Social Work Teams	N Jarman	Full year impact of previous years changes to Social Work workforce operations	2,997	4%	125	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
SSHH605	SCHH	Respite and day care	N Jarman	Modernisation of LD and OP respite and day care-rationalisation of premises and increase capacity utilisation (particularly Trem-y-Mor respite). Savings in Transport included by Environment Directorate.	2,149	12%	250	0	0
SSHH701	SCHH	Complex Needs	A Jarrett	Modernisation of complex needs service - rationalisation of premises and increase capacity utilisation, transferring more packages of care internally.	1,613	0%	0	0	0
SSHH702	SCHH	Community Resource Team	A Jarrett	Improve the flow of service users through the whole system which will allow more efficient use of the re-ablement service. Anticipated savings should arise from reduced demand for long term residential care and reduced hours of domiciliary care.	2,566	12%	300	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
SSHH703	SCHH	Placements Budget	A Jarrett	Reduce Placements budgets (extend the PTI approach to all packages of care), implement Local Area Co-ordination model and re-introduce panel arrangements for elderly residential care.	32,150	2%	500	0	0
SSHH705	SCHH	Supporting People	Angela Thomas	Review of externally commissioned housing services resulting in better use of grant to support independent living and Learning Disability Services.	4,894	5%	225	0	0
SSHH706	SCHH	Housing Services	Angela Thomas	Savings from staff vacancy and better use of hostels	1,003	6%	65	0	0
SSHH707	SCHH	Commissioning Services	Angela Thomas	Restructure and staff savings	729	5%	40	0	0
ENV508	E&H/E CR	Workforce Strategy Savings	All ENVT	Implement new grading structure	14,000	0%	14	0	0
ENV531	ECR	Cease security contract for Authorities Estate	S Brennan	Cease security contract costs	2,295	1%	20	0	0
ENV534	ECR	Reduce Building Maintenance expenditure	S Brennan	Will reduce maintenance works on County's buildings	1,804	3%	50	0	0
ENV556	E&H	Waste Disposal	M Roberts	Anticipated procurement savings	4,811	3%	160	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ENV639	E&H	Waste Collection	M Roberts	Savings from side waste restriction	1,552	3%	40	0	0
ENV603	ECR	Planning	N Pearce	Revised table of charges for pre-applications	217	5%	10	0	0
ENV606	ECR /E&H	Civic Building	S Brennan	Additional rental Income at Pontardawe one stop shop	2,295	0%	8	0	0
ENV612	ECR	Sandfields Young Business Centre	S Brennan	Increase Income	63	16%	10	0	0
ENV614	ECR	Planning	N Pearce	Reduce car allowances, professional fees, advertising costs	217	6%	12	0	0
ENV615	ECR	Building Control	N Pearce	Reduce office and general expenditure	268	3%	8	0	0
ENV616	ECR	Planning Policy	N Pearce	Reduce office and general expenditure	332	1%	2	0	0
ENV617	E&H	Wildlife, Countryside and Biodiversity	N Pearce	Reduction in expenditure	156	7%	11	0	0
ENV618	ECR	Property Division	S Brennan	Running costs savings re asset management, strategic development and land acquisition	539	6%	33	0	0
ENV623	ECR	Business Support Fund	S Brennan	Decrease in budget available to support Businesses	269	3%	9	0	0
ENV644	ECR	Building Maintenance	S Brennan	Reduction in building maintenance budget	1,804	3%	50	0	0
ENV626	ECR	Planning	N Pearce	Reduce staff costs	217	17%	36	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ENV627	E&H	Wildlife, Countryside and Biodiversity	N Pearce	Reduce staff costs	156	23%	36	0	0
ENV629	ECR /E&H	Civic Building	S Brennan	Reduce staff costs	2,295	1%	20	0	0
ENV637	E&H	Community Transport	D Griffiths	Full year savings from changes to Social Services Day services in 2016/17 resulting in reduced transport costs	1,145	23%	260	0	0
ENV640	E&H	Street furniture	M Roberts	Reduce purchases	29	10%	3	0	0
ENV641	E&H	Public Conveniences	S Brennan	Review and close public conveniences e.g. Resolven	191	8%	15	0	0
ENV645	E&H	Management of stray dogs	M Roberts	Full year impact of savings partially delivered in 2016/17	117	9%	10	0	0
ENV701	E&H	Community Services Transport Savings	Dave Griffiths	Service review including vehicle running cost savings	1,145	17%	200	0	0
ENV702	E&H	Transport Admin staff reduction	Dave Griffiths	Staff savings	637	4%	23	0	0
ENV703	ECR /E&H	Cease to use MENTOR system	Michael Roberts	Functionality to be replaced by in-house solution	3,506	1%	49	0	0
ENV704	E&H	Survey Team	Michael Roberts	Reduction in staff costs	89	29%	26	0	0
ENV705	E&H	Crematorium/ Cemeteries	Michael Roberts	Amalgamation of the two services.	1,000	5%	0	20	33

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
ENV706	ECR /E&H	Asset Sponsorship	Nicola Pearce	Income generation - move to 18/19 due to lead in time	332	23%	0	75	0
CORP503	PRB	Workforce Strategy Savings	All CORP	Implement new grading structure	18,000	0%	40	0	0
CORP576	PRB	Introduce revised access to service policy across council	Karen Jones	Implement the digital by choice strategy, moving more customers to self-serve options thus reducing the volume of telephone and face to face enquiries. The channel shift will reduce the staffing requirement across Customer Services and change the skills mix. New voice technology to provide opportunities to automate a significant element of the switchboard function. The target has been re-profiled over the next 3 years, rather than £150k in 2017/18 due to delays in introducing new voice technology	547	24%	22	75	36

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
CORP577	PRB	Review of CCTV operation to further reduce costs	Karen Jones	Discussion with the City and County of Swansea to establish if a business cases exists to create a joint CCTV monitoring service which would restore 24/7 monitoring across the remaining cameras has been unsuccessful, therefore the £44k saving for 17/18 has been withdrawn. The target has been reduced from £114k as Members elected not to pursue further reduction in the monitoring service. The £30k saving in 19/20 is available following the end of the current contract period.	236	13%	0	0	30
CORP591	PRB	Legal Staffing	David Michael	Reduction I childcare Legal Team and other legal services running costs	857	12%	100	0	0
CORP598	PRB	ICT - Strategies to be identified	Steve John	Identify new income streams - but if these cannot be identified will result in reduction of staff.	4,104	9%	359	0	0
CORP602	PRB	Human Resources	Sheenagh Rees	Reduce non salary budget lines, e.g. car allowances, printing expenses, postage costs, etc.	1,264	1%	15	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
CORP603	PRB	Reduce Corporate Training Budgets	Sheenagh Rees	Reduced provision of corporate management development and equalities training, which will now be minimal.	208	5%	11	0	0
CORP604	PRB	Reduce Occupational Health Professional fees budget	Sheenagh Rees	Introduction of Occupational Health on line referral system and the referral hotline number will reduce unnecessary referrals to the service and increase capacity of professional nursing team, reducing the need for externally purchased service.	268	7%	10	10	0
CORP608	PRB	Democratic Services	Karen Jones	Reduce budgets to reflect actual costs across a range of headings	1,362	1%	15	0	0
CORP609	PRB	Corporate strategy	Karen Jones	Remodelling of staffing arrangements to take account of the impact of new legislation on the corporate strategy function	256	9%	18	6	0
CORP613	PRB	Financial Services - increase Income generation	Dave Rees	Limited scope for income generation	2,616	1%	23	0	0

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
CORP614	PRB	Financial Services - reduce staffing across the division	Dave Rees	Reduced capacity to provide services to the public and other directorates following staffing reductions via ER/VR.	5,247	4%	210	0	0
CORP701	PRB	Non staff savings	D Rees	Limited scope for further non staff savings	891	1%	6	0	0
CORP702	PRB	Staff reductions	S John	The ICT service will be significantly impaired. Development capacity will fall and service requests will take longer to effect. Income generation and/or collaborative opportunities may offset some job losses/service issues. A number of posts are funded from reserves which will be exhausted by March 2018.	4,104	10%	0	200	200

Ref	Board as at Feb 2017	Description	Lead	Main Impacts	Net Budget 2016/17	% saving over 3 years	2017/18 £000	2018/19 £000	2019/20 £000
CORP703	PRB	Increase Emergency Planning Team charges for externally provided services carried out in relation to COMAH work to ensure full cost recovery.	Sheenagh Rees	The Council has a duty to address the statutory requirements of the COMAH regulations including the development, production, maintenance and testing of COMAH off site emergency plans. The Council is entitled to recover the costs for providing this service. The charging regime has been reviewed to ensure that costs match current service provision.	87	8%	7	0	0
CORP704	PRB	Delete vacant assistant HR officer post	Sheenagh Rees	The team will no longer have a 'training grade' post which has been used to grow our own HR Officers - a result of this, should HR Officer vacancies arise which need to be filled, will be that that we will have to go to the external market to fill.	1,264	2%	28	0	0
CORP705	PRB	Human Resources - Occupational Health, Health & Safety	Sheenagh Rees	Delete partial hours where post holders have reduced their working hours.	1,264	1%	0	15	0
				Total			5,779	904	451

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE HEAD OF FINANCIAL SERVICES

8th NOVEMBER 2017

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED – ALL

CAPITAL BUDGET MONITORING 2017/18

Purpose of Report

1. To provide Members with information in relation to delivery of the 2017/18 Capital Programme.

Background

2. On 1st February 2017 Council approved its Capital Programme for 2017/18; the report detailed planned Capital Expenditure totalling £59.273m for the financial year. An updated Programme totalling £64.708m was approved by Council on 6th September 2017.

The purpose of this report is to update Members as to the delivery of this Programme as at 30th September 2017 and to seek approval for an updated budget position.

Targeted Achievements

3. As Members are aware the following achievements are being targeted during this financial year:
 - Construction of a new 3-16 School in Margam to replace the Lower and Upper sites of Dyffryn Comprehensive as well as Groes Primary School (Ysgol Newydd Margam) with a budget of £31m.
 - Continuation of the construction and re-modelling works at the Welsh Medium 3-18 North Campus site in Ystalyfera (Ysgol Gymraeg Ystalyfera). Also, commencement of the new Welsh Medium 11-16 South Campus (Ysgol Gymraeg Bro Dur) on the site of the former Sandfields Comprehensive School.

- Members should also note that Ysgol Bae Baglan has won Welsh Project of the Year at the Construction Excellence awards and will be going forward to the UK Awards in November. It has also won Local Authority Building Control Awards for Wales and the prestigious Gold Medal for Architecture at the National Eisteddfod of Wales 2017.
- Construction of a £7.6m new primary school in Briton Ferry, 'Ysgol Newydd Briton Ferry', on the site of the former Cwrt Sart Comprehensive School. The project will see three primary schools (Brynhyfryd, Llansawel and Ynysmaerdy) with significant surplus capacity and backlog maintenance issues close and be replaced by a new 21st Century school.
- Town Centre Regeneration including the commencement of the next phase of the redevelopment of Neath Town Centre.
- Completion of the Integrated Transport Hub in Port Talbot. The Hub will improve access to employment on strategic sites and integrate public transport connecting bus and rail services and will improve public transport's viability as a realistic alternative for commuting.
- Further investment of £3m into Disabled Facility Grants to assist people to live at home and investment of c£3m in Schools Capital Maintenance and Highways and Engineering Maintenance improvements.

Changes to the approved Budget

4. The updated Capital Programme now totals £76.366m with the main additions being:
 - A budget increase of £10m which represents the capital contribution required as a result of the recently re-negotiated residential care contract with Pobl Group/Gwalia. Full details regarding this arrangement can be found in the report to the Social Care, Health and Housing Cabinet Board on 16th March 2017.
 - A grant award of £617k from the Welsh Government's Local Transport Network Fund (LTNF) which will enable the continuation of bus corridor improvements.

- Re-profiled expenditure in relation to the Vehicle Renewals fund programme resulting in an increase in expenditure of £817k this financial year.
- The Council has recently been successful with a funding application to the Welsh European Funding Office (WEFO) to progress with the development of the Harbourside area of Port Talbot. The total project cost is £5.3m of which £3.5m will be funded through European Grant with the match funding coming from existing resources earmarked within the regeneration programme. In relation to this financial year a budget of £199k has been included within the programme.

2017/18 Capital Expenditure

5. Details of Capital Expenditure as at 30th September 2017 are outlined in the table below:

Table 1 – Capital Budget and Spend 2017/18

	Current Budget £'000	Proposed Budget £'000	Actual @ 30th Sept 2017
Ysgol Bae Baglan *	869	0	-531
Ysgol Gymraeg Ystalyfera (Welsh Medium North Campus)	3,472	4,025	1,063
Ysgol Newydd Briton Ferry	4,951	5,385	695
Ysgol Gymraeg Bro Dur (Welsh Medium South Campus)	10,125	12,439	3,177
Ysgol Newydd Margam	19,488	18,549	4,393
Schools Capital Maintenance	1,083	1,083	806
Highways and Engineering Maintenance	2,035	2,153	991
Integrated Transport Hub	2,539	2,539	887
Bridge Strengthening – Alltwen Hill	779	864	297
Retaining Edge Work – Afan Valley	299	409	102
Health and Safety	1,080	1,080	564
Street Lighting	1,482	1,482	681
Vehicle Replacement Programme	1,596	2,413	682
Regeneration	3,380	2,952	145
Neath Town Centre Redevelopment	2,000	500	6
PDR 2 – Land Compensation	500	500	11
Bus Corridor Improvements		617	0
Bus Routes and Cycle Ways (LTF)	837	847	50
Road Safety Improvements	582	582	174

Table 1 - Continued	Current Budget £'000	Proposed Budget £'000	Actual @ 30th Sept 2017
Safe Routes in Communities	250	250	5
Harbourside Development		199	19
Disabled Facilities Grants	3,063	3,063	1,444
Housing Energy Efficiency Works	477	477	
Residential Care Contract Contribution		10,000	10,000
Contingency	601	401	
Remaining Capital Programme	3,220	3,557	1,963
Total	64,708	76,366	27,624

* The negative actual relates to contract retention accounted for in 2016/17 but not yet paid.

Risk Management

- The capital programme is actively managed by managers and the Capital Programme Steering Group to comply with all relevant planning conditions, legislation, regulations and health and safety.

Consultation

- There is no requirement under the Constitution for external consultation on this item.

Recommendations

- Cabinet commends to Council:
 - The approval of the proposed 2017/18 budget totalling £76.366m
 - And note the position in relation to expenditure as at 30th September 2017.

Reason for proposed decisions

- To update the capital programme for 2017/18 and inform Members of the current year spend to date.

Implementation of Decision

11. The decisions are proposed for implementation after consultation with the Scrutiny Committee and approval by Council.

List of Background Papers

12. Capital Programme working files

Officer Contact

13. For further information on this report item, please contact:

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