



CABINET

9.30 am * TUESDAY, 30 JANUARY 2018

COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE

***Please note the day of the meeting**

Part 1

1. To receive any declarations of interest from Members
2. To receive the Report of the Corporate Directors' Group re the Revenue Budget Monitoring for 2017/18 (*Pages 3 - 32*)
3. To receive the Report of the Head of Financial Services re Capital Budget Monitoring 2017/18 (*Pages 33 - 36*)
4. 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

Wednesday, 24 January 2018

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

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE CORPORATE DIRECTORS GROUP

30th JANUARY 2018

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

REVENUE 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 £588k, but this is offset by a projected underspend of £1.349m in the other elements of the budget (inclusive of proposed net

transfer to/from reserves). The net budget is therefore projected to underspend by £761k, 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	23,570	23,728	158
SSHH	76,444	75,874	75,764	-110
ENVT	32,710	33,258	33,882	624
CORP	16,554	16,730	16,646	-84
Directly controlled	229,207	229,384	229,972	588
Other	45,470	45,293	43,944	-1,349
Budget Requirement	274,677	274,677	273,916	761

- 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 £23.720m 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 £158k.

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 across the Directorate to reduce this pressure. The NPT Works contract will end in March 2019 and a review has been undertaken which highlights that the most cost effective way of delivering the service is to reduce capacity over that period. It is anticipated that this will result in a further shortfall of £135k in 2018/19 which will also need to be funded.

The Education Leisure and Lifelong Learning budget is currently projected to overspend by £158k. Work is ongoing to identify further savings to reduce the overspend wherever possible.

Social Services Health & Housing

The Directorate has a budget of £75.874m which includes savings targets of £2.552m (3.4%), and is currently projected to under spend by £110k.

The main variances contributing to the under spend are:-

- **Children – Social Work £495k underspend**
The under spend is due to vacant hours and short term vacancies.
- **Youth Offending Team £108k underspend**
The underspend is due to savings on staff costs across the Joint Service.
- **Elderly Residential Care – external provision £544k overspend**
The overspend is due to an increase in the number of elderly people being placed in residential care.
- **Domiciliary Care - External Provision £193k overspend**
The original 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 ensuring the right packages of care, reducing double handed cases and by providing the right support and intervention at the appropriate time for service users. 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.
- **LD – External Placements £77k underspend**
The underspend is due to a number of packages of care becoming eligible for health funding.

The Social Services Budget is currently projected to under spend by £110k.

Environment

The Directorate has a budget of £33.065m which includes savings targets of £1.115m (3.4%), and is currently projected to overspend by £624k.

The main variances contributing to the overspend are:-

- **Public Lighting £117k overspend**
An overspend is projected as the actual price increase (13%) on electricity exceeded the inflation provision included in the budget.
- **Waste Disposal & Recycling £143k overspend**
The overspend is due to increased disposal and additional recycling awareness costs.
- **Household Waste Recycling Centres £85k overspend**
The pressure has arisen due to an increase in the amount of waste being taken to the centres.
- **Civic Buildings £58k underspend**
The underspend is due to backdated NNDR refund for the Quays and Neath Civic Centre.
- **Planning Development Control £287k overspend**
The overspend is due to under achievement of planning fee income, mainly relating to larger developments.

The Environment budget is projected to over spend by £624k.

Corporate Services

The Directorate has a budget of £16.704m which includes savings targets of £864K (5.2%), and is currently projected to underspend by £84k.

The main variances contributing to the under spend are:-

- **ICT £51k underspend**
The underspend is due to savings from vacant and seconded posts.
- **Democratic services £70k 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 £84k.

Other Services

- **Levies – underspend £18k**

- **Council Tax Support – underspend £397k**
- **Contingency – underspend £493k**
It is assumed that following the virements included in this report, the remaining contingency budget of £993k will not be required in full. However a provision of £500k is being retained to fund any further costs from the landslip at Pantteg and Cwmavon etc.
- **Pay & Pension – £440k underspend**
It is anticipated that it will not be necessary to utilise the pay and pension provision.
- **Management of change –** it is assumed that this provision (£950k) will be fully utilised to fund the cost of ERVR or used to replenish the reserve.

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
£67,500	ELLL	Additional Learning Needs Transformation Grant. The council will be the host authority for the ERW region, and the grant will be used to fund the regional lead who will manage the transition from the current statutory SEN system to the proposed new ALN system.

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
£60,000	ELLL	Auto enrollment
£60,000	ENVT	Auto enrollment
£90,000	SSHH	Auto enrollment
-£210,000	Other	Pay & Pension Provision
£235,000	ENVT	Highways Maintenance - reactive (Pantteg)
-£235,000	Other	Contingency
£300,000	SSHH	Children - Residential Care - external Provision
-£40,000	SSHH	Children - Day care external provision
£140,000	SSHH	Internal Foster Service
-£300,000	SSHH	Children - Adoption service
-£100,000	SSHH	External Foster Service
-£50,000	SSHH	Central Services
-£50,000	SSHH	Business Support Services
£220,000	SSHH	Elderly - Domiciliary Care - External Provision
-£70,000	SSHH	Elderly - Community Resource Team
£120,000	SSHH	Elderly - Other Community Care Direct Payments
£250,000	SSHH	PSD - Residential Care - External Provision
-£350,000	SSHH	PSD - Other Community Care - Third Sector ILF
-£70,000	SSHH	LD - Day Opportunities Care & Support
-£150,000	ELLL	Schools Early Retirement costs
£150,000	Other	Corporate Management of Change
£26,000	CORP	SWTRA recharges
£93,000	ENVT	SWTRA recharges
-£119,000	Other	Corporate 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 3.

Amount	Specific Reserve	Explanation
£28,638	ERVR Reserve	Transfer from reserve to fund costs of staff leaving the Mayoral service
£30,000	Strategic Waste reserve	Transfer from reserve to fund the purchase of garden waste sacks
-£77,517	Baglan Bay Innovation Centre Reserve	Transfer to reserve to fund dilapidation costs at the centre
£20,000	Vehicle tracking / fleet Maintenance reserve	Transfer from reserve to fund the purchase of new tracking units
-£60,164	Home to School Transport Reserve	Transfer to reserve to fund the additional costs of 2 extra school days in 2018/19.
£30,000	ELLL Equalisation Reserve	Transfer from reserve to fund the pressure in cleaning
-£60,000	Corporate Equalisation reserve	Reduce the contribution required from the reserve due to savings realised by the directorate.
-£38,500	Local Development Plan Reserve	Planned transfer from reserve is no longer required in full
£13,213	ERVR Reserve	Transfer from reserve to fund costs of staff leaving Housing Benefits Admin
-£47,000	Digital Modernisation Reserve	Planned transfer from reserve is no longer required due to savings from a vacant post.
-£25,000	Corporate Equalisation Reserve	Planned transfer from reserve for Legal childcare is no longer required, due to savings realised by the service
-£21,000	Building Capacity Reserve	Planned transfer from reserve for Digital services is no longer required, due to savings realised in the service

-£12,300	Digital Modernisation Reserve	Planned transfer from reserve for Digital Champions is no longer required in full.
-£30,000	Corporate Equalisation Reserve	Planned transfer from reserve for Elections is no longer required in full .
-£55,000	Member Development Reserve	The planned transfer from reserves to fund ICT kit for new members is no longer required in full.
-£60,000	Corporate Equalisation Reserve	Transfer to reserves to fund cost of HR Service maternity cover in 2018/19

Income Generation Reserve

Members will note that the current balance in the income generation reserve totals £200k and the deputy leader is chairing a working group to develop further income generation opportunities for the council. Some of these will require pump priming monies and it was recently agreed by the Policy and Resources Cabinet Board to allocate £100k over the next three years towards increasing the capacity to generate income for Margam Park and the Princess Royal Theatre at Port Talbot. Members' approval is being sought to increase the reserve position by £550k which will be transacted during the closure of the 2017/18 accounts. The use of this reserve will be subject to individual reports to Policy and Resources Cabinet Board for their approval.

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	265
Additional reserve movements proposed this quarter	(365)
Estimated closing balance on specific reserve 31/3/18	(28,465)

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

10. Reason for Proposed Decision

To update the Councils 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:

Mr Hywel Jenkins – Director of Finance and Corporate Services

☐ 01639 763251

E-mail: h.jenkins@npt.gov.uk

Mr David Rees – Head of Financial Services

☐ 01639 763634

E-mail: d.rees1@npt.gov.uk

Mrs Sue Gorman, Chief Accountant - Financial Services

☐ 01639 763937

E-mail: s.gorman@npt.gov.uk

**Summary
at Quarter 3 (to 31st December 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	-82,000	23,570,000	23,727,811	157,811
Social Services Health & Housing	76,444,000	-250,000	-450,000	130,000	75,874,000	75,764,493	-109,507
Environment	32,710,000	-190,022	237,000	501,000	33,257,978	33,881,492	623,514
Corporate Services	16,554,000	200,000	0	-24,000	16,730,000	16,645,938	-84,062
Directly Controlled Expenditure	229,207,000	-135,022	-213,000	525,000	229,383,978	229,971,734	587,756
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	17,000,062	-396,938
Contingency	1,550,214	-305,000	213,000	-465,000	993,214	500,000	-493,214
Pay & Pensions Provision	650,000			-210,000	440,000	0	-440,000
Management of change	800,000			150,000	950,000	950,000	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	273,916,499	-760,715
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 3

-£65,360	ENVT	Highways Maintenance - Day to Day
£30,000	ENVT	Highways Maintenance - Bridges
£34,005	ENVT	Waste Policy
£31,355	ENVT	Parks & open spaces
£6,514	ENVT	Civic Buildings
-£6,514	ENVT	Lonlas Archive Unit
-£30,000	ENVT	Engineering Consultancy
£6,369	ENVT	Corporate Management
-£6,369	ENVT	Support Services
£8,000	ELLL	Telephone recharges
£2,000	ENVT	Telephone recharges
-£50,000	CORP	Telephone recharges
£40,000	SSHH	Telephone recharges
£78,711	ELLL	Children & young People's Partnership
-£78,711	ELLL	Management & Admin
-£28,000	ENVT	Markets
£35,000	ENVT	Baglan Innovation Centre
-£99,000	ENVT	Non Operational Land
£92,000	ENVT	Industrial Workshops
-£60,000	CORP	Housing Benefits Administration
£60,000	CORP	Contribution from Reserves
£60,000	SSHH	Children Residential care - external provision
-£60,000	SSHH	Children - supported accommodation
-£30,000	SSHH	Service strategy & Regulation
-£90,000	SSHH	LD- Day Opportunities - complex needs
£90,000	SSHH	MH - External Provision
-£20,000	SSHH	Housing Advice/options
£50,000	SSHH	Housing - Renovation Grants/ Renewal Areas
£11,000	ENVT	Waste Disposal & Recycling
£20,000	ENVT	Public Conveniences
£8,000	ENVT	Neath Fair
£3,000	ENVT	Baglan Innovation Centre
-£31,000	ENVT	Non Operational Land
-£11,000	Other	Corporate contingency
£100,000	ENVT	Refuse collection
-£100,000	Other	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	30	-5
Home to School Transport	0	0	0	0	-60	-60
	-55	0	0	20	-30	-65
Total Education Leisure & Lifelong Learning	-3,018	0	0	20	-30	-3,029
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 - Equalization	-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 £'000	2017/18 Budgeted Cont to reserve £'000	2017/18 Budgeted Cont from reserve £'000	Changes already agreed £'000	Changes proposed in Period £'000	Estimated Reserve Balance at 31/3/18 £'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	-39	-126
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 Equalization Reserve	-184	0	50	95	0	-39
Environment Legacy Reserve (SWTRA)	-60	0	0	0	0	-60
Baglan Bay Innovation Dilapidation Reserve	0	0	0	0	-78	-78
	-1,512	-200	389	95	-116	-1,344
<i>Operating Accounts</i>						
Stock Reserve	-36	0	0	16	0	-20
Operating Account -Equalisation	0	0	0	0	0	0
Fleet Maintenance Reserve	-100	0	15	0	8	-77
Vehicle Tracking	-12	0	0	0	12	0
Operating Accounts -Vehicle Renewals	-1,705	0	498	0	0	-1,207
	-1,853	0	513	16	20	-1,305
Total Environment	-3,365	-200	901	111	-96	-2,648

SCHEDULE OF SPECIFIC RESERVES

Description	Updated Reserve Balance at 1/4/17 £'000	2017/18 Budgeted Cont to reserve £'000	2017/18 Budgeted Cont from reserve £'000	Changes already agreed £'000	Changes proposed in Period £'000	Estimated Reserve Balance at 31/3/18 £'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	-55	-110
IT Renewals Fund	-1,512	0	500	0	0	-1,012
Corporate Services Equalisation Reserve	-805	0	436	-55	-175	-599
Building Capacity	-72	0	21	0	-21	-72
Digital Modernisation	-270	0	211	0	-59	-118
Voluntary Organisation Reserve	-51	0	0	19	0	-32
Total Finance /Chief Exec	-3,327	0	1,488	-36	-310	-2,185
CORPORATE RESERVES						
Insurance-Claims Reserve	-4,724	-280	280	0	0	-4,724
Swansea Bay City Deal	-50	0	0	50	0	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	30	-393
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	103	42	-6,098
Accommodation Strategy	-2,760	0	0	0	0	-2,760
Total Corporate Reserves	-18,735	-280	301	170	72	-18,472
TOTAL ALL REVENUE RESERVES	-30,628	-629	2,892	265	-365	-28,465

	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

This page is intentionally left blank

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

REPORT OF THE HEAD OF FINANCIAL SERVICES

30th JANUARY 2018

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 £76.366m was approved by Council on 29th November 2017.

The purpose of this report is to update Members as to the delivery of this Programme as at 31st December 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 was judged the UK's 'Building Project of the Year' at the 2017 Constructing Excellence Awards having already been awarded the title of 'Best Educational Building' at the grand finals of the 2017 Local Authority Building Control (LABC) Building Excellence Awards. Earlier in the year it also won 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 £75.153m with the main variations being the re-profiling of expenditure relating to the 21st Century School programme mainly relating to Ysgol Newydd Margam and the inclusion of a budget provision of £2.050m relating to the proposed acquisition of the former Crown Foods site in Neath.

2017/18 Capital Expenditure

5. Details of Capital Expenditure as at 31st December 2017 are outlined in the table below:

Table 1 – Capital Budget and Spend 2017/18

	Current Budget £'000	Proposed Budget £'000	Actual @ 31st Dec 2017
Ysgol Bae Baglan *	0	1	-524
Ysgol Gymraeg Ystalyfera (Welsh Medium North Campus)	4,025	4,025	2,215
Ysgol Newydd Briton Ferry	5,385	5,385	1,907
Ysgol Gymraeg Bro Dur (Welsh Medium South Campus)	12,439	12,439	6,317
Ysgol Newydd Margam	18,549	16,000	9,289
Schools Capital Maintenance	1,083	1,238	1,161
Highways and Engineering Maintenance	2,153	2,098	1,316
Integrated Transport Hub	2,539	2,539	1,613
Bridge Strengthening – Alltwen Hill	864	864	501
Retaining Edge Work – Afan Valley	409	300	189
Bus Corridor Improvements	617	617	18
Bus Routes and Cycle Ways (LTF)	847	847	393
Road Safety Improvements	582	582	304
Safe Routes in Communities	250	250	95
PDR 2 – Land Compensation	500	500	40
Street Lighting	1,482	1,851	875
Vehicle Replacement Programme	2,413	2,413	731
Health and Safety	1,080	1,080	732
Regeneration	2,952	1,593	806
Neath Town Centre Redevelopment	500	100	10
Former Crown Foods Site Acquisition		2,050	0
Harbourside Development	199	199	104
Disabled Facilities Grants	3,063	3,063	2,169
Housing Energy Efficiency Works	477	477	401
Residential Care Contract Contribution	10,000	10,000	10,000
Contingency	401	486	
Remaining Capital Programme	3,557	4,156	2,493
Total	76,366	75,153	43,155

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

Risk Management

6. 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

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

Recommendations

8. Cabinet commends to Council:
 - The approval of the proposed 2017/18 budget totalling £75.153m
 - And note the position in relation to expenditure as at 31st December 2017.

Reason for proposed decisions

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

Implementation of Decision

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

List of Background Papers

11. Capital Programme working files

Officer Contact

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

Mr David Rees – Head of Financial Services
Tel: 01639 763634; E-mail: d.rees1@npt.gov.uk

Mr Huw Jones – Chief Accountant - Capital and Corporate
Tel: 01639 763575; E-mail: h.jones@npt.gov.uk