

# Report

## Cabinet

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### Part 1

**Date:** 17 January 2018

**Subject** **November Revenue Budget Monitor**

**Purpose** This report details the current forecast position on the Council's revenue budget and the risks and opportunities that present themselves within the November position.

**Author** Head of Finance

**Ward** All

**Summary** As at November 2017, the Council's revenue budget is forecasting an overspend of £843k, (September - £1,098k) excluding the impact of the revenue contingency budget. Applying the unused revenue budget contingency (£1,373k) to offset the general overspend achieves an underspend of £530k (September - £275k underspend).

The overall position has improved month on month since last reported to Cabinet. The pattern of issues remains broadly unchanged with the vast majority of budgets spending more or less to budget, with the overspend of £843k explained primarily by a very small number of key budget areas, as shown in Appendix Two:

- (1) There are overspends within 3 service areas of c£3.6m, excluding schools, (i) Children's social care – 'out of area placements' (ii) Adults social care – 'community care' and (iii) Education – 'special education placements', all areas linked to increasing need. These overspent in the previous year but have worsened in the current year;
- (2) There is c£0.57m of undelivered / delayed savings, mainly within 'Place' services;
- (3) These overspends above have been partially offset by:
  - (a) c£1m of staffing underspends across services;
  - (b) Non-service area savings of c£2m in respect of council tax rebates and council tax surplus.

The current overall position is being contained and managed for 2017/18 and implementing longer term plans to stabilise and control the 3 major over-spending areas, whilst managing the budget risks in the shorter term, should now be the Council's priority in financial management. Continued funding reductions and delivery of new savings adds to this challenge.

In addition to the above, school forecasts for 2017/18 currently predict an overspend of c£3m which will reduce school's individual reserves as they will be used to 'fund' this overspend. Currently, 48 out of 55 schools are reporting 'in-year' deficits, the Chief Education Officer has agreed licensed deficits for 7 schools and officers continue to work with these schools to develop deficit recovery plans, where appropriate.

The position is very finely balanced, very challenging and requires on-going diligent management.

**Proposal**

Cabinet is asked to:

- Note the overall budget forecast position and key budget challenges;
- Note the use of the Council's contingency budget to balance the current level of overspending, previously approved by Cabinet, which will be assessed each month on an on-going basis;
- Note that a targeted non-essential spending restriction is already in place as reported previously and re-affirm the need for robust financial management and maximise savings on the non-essential spend restriction, wherever possible;
- Note the level of undelivered savings and the risks associated with this;
- Note the forecast movements in reserves (appendix 4).

**Action by**

Cabinet Members / HoF / SLT / CMT confirm plans to:

- Promote and ensure robust forecasting throughout all service areas and maximise savings from non-essential spending.

**Timetable**

On going

This report was prepared after consultation with:

Strategic Directors  
Heads of Service  
Budget Holders  
Accountancy Staff

**Signed**

## Background

This report deals with 3 broad areas of financial management (1) the revenue budget position, including delivery of approved savings (2) use of reserves and (3) progress on spending the Cabinets one-off spending priorities from the 16/17 underspend.

This report is a high level summary, focused on the key issues and risks.

Other key information includes:

- (i) All budget/ service managers have 24/7 access to their budgets/ actuals/ forecasts through the on-line 'budget management system';
- (ii) Individual 'budget dashboards' for each service are produced for HoS/ Directors/ Cabinet Members monthly and set out main budget variances and actions in place to manage;
- (iii) Budget risk areas have been identified and further, specific management information, setting out key data on the income/ expenditure drivers in those areas are produced monthly to help show and explain budget variances;
- (iv) Dashboards and appendices to this report include forecasts broken down to activity levels within service areas;
- (v) As part of the new arrangements for scrutiny, the dashboards and risk based data is also shared in those forums.

### (1) THE REVENUE BUDGET POSITION

#### Summary

1. The current 2017/18 forecast represents variances in the following key areas:

	<b>£'000</b>
Net overspending in service areas (exc. Schools)	2,453
Overspends in Schools	<u>3,000</u>
<b>Service area overspends</b>	<b>5,453</b>
Schools reserves transfer to cover school overspends	(3,000)
<i>Non Service Variances:</i>	
Savings on C Tax benefit rebates – lower claimant No's	(1,377)
Council Tax surplus saving – housing growth	(814)
Other (non-service) variances	<u>581</u>
<b>Net Overspend</b>	<b>843</b>

2. As at November 2017 the Councils revenue budget is projecting an overspend of £843k (September - £1,098k overspend). There continues to be significant budget overspending in 3 key areas, partly mitigated by underspending on staffing budgets and non-service areas. The position has improved by £255k since that reported to Cabinet in September, mainly from reduced overspending in 'Place' services and Education.
3. The Council's contingency budget is integral in ensuring a balanced budget at year end where overspending occurs, and alongside the non-service underspending mentioned above, use of most of the available contingency budget balances the budget in 2017/18. Cabinet have already approved use of this contingency to balance the overall budget and the current position still

requires this. This will be monitored and updated on an on-going basis. It should also be noted that the service area overspending in both 2016/17 and 2017/18 (forecast) far outweighs the level of contingency budget that the Council has available and the current levels of underspending in non-service areas cannot be guaranteed as recurrent, at least at current levels and over the medium to long term.

4. As always, forecasts are subject to change and key areas of potential opportunities and risks in going forward include:

#### Opportunities

- The level of overspending has decreased since reported last time to Cabinet – mainly in the StreetScene service. The non-essential spending restrictions should provide further opportunities to reduce spend further, when applied rigorously. On-going forecasts will show progress.
- Forecasts have tended to be set at a ‘pessimistic’ level by service areas and have normally been improved at outturn. This cannot be guaranteed at this stage of course but is a pattern of earlier years, which is worthy of note.

#### Risks

- The key areas of children’s and adults social care are susceptible to change as client numbers change from current forecast assumptions, as are education special education placements. In particular, the current overspend assumes that a small number of placements can be returned back to provision in Newport, which can’t be guaranteed. These areas are showing particular challenges and stress this current year.

These opportunities and risks will undoubtedly affect forecasts over the coming months.

#### Reasons for budget Overspending

5. The following section highlights the key areas that contribute to the current overall Council position:

- budget underspends on staff costs at c£1.0m;
- budget overspends of c£3.6m in 3 key areas of risk; Children’s services – ‘out of area placements’ (£2,153k), Adult’s services ‘community care budgets’ (£468k) and Education – ‘out of area special education placements (£1,010k)
- budget overspends of £0.57m due to non/delayed delivery of agreed budget savings.

These three account for c£3.2m of net service area overspending. More details on each are shown below:

#### **(i) Staffing**

6. Employee budgets make up over a third of the Councils gross budget. The table below illustrates that a £991k forecast saving is anticipated against the £54m overall Council staff costs budget.

OVERALL STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	54,050	54,050	54,114	54,076	54,063	54,386	54,517	54,328	54,328	54,328	54,328	54,328
Forecast (£'000)	54,050	53,717	53,854	53,282	53,204	53,336	53,444	53,337	53,337	53,337	53,337	53,337
Variance (£'000)	0	(334)	(259)	(794)	(859)	(1,050)	(1,073)	(991)	(991)	(991)	(991)	(991)

A large proportion of this saving is in respect of late consequential funding from Welsh Government that has offset existing staff costs within the Social Services area and delaying recruitment wherever possible as part of the non-essential spending restrictions.

**(ii) Budget overspends in 3 key areas**

7. Three service/ budget areas are under significant pressure and account for £3,631k of the total forecast service area overspending. The table below shows the key areas and, as set out by HoS, what action is currently planned to take place to manage these risks as best as possible.

	2016/17 Outturn Variance Over/ (Under) spend £'000	2017/18 Forecast Variance Over/ (Under) Spend £'000	2017/18 Investment (Additional budget) £'000	Worsening/ (Improvement) since 2016/17 (after investment) £'000	Notes	Proposed Action
<b>Children &amp; Family Services</b>						
Out of area residential placements	892	2,153	(400)	1,661	Budget can afford 16 placements based on average package costs whereas the service has made 23 placements currently, one of which is at a cost of £8k per week. This has the potential to increase should the number of placements not reduce towards the end of the year. The number of placements have almost doubled over the last two years and although the budget can afford 18 placements in 2018/19 current forecasts suggest that there will be at least 21 at the start of the new financial year.	1. Currently regional and national groups in place to address the placements position across Wales. There is recognition regionally and nationally that in terms of cost, availability and quality the current position is unsustainable. 2. The overspend continues to be under constant scrutiny and all staff are fully cognisant with the risks. The service area continue to interrogate this area and apply the level of rigour required at every stage leading to such placements.
<b>Adult &amp; Community Services</b>						
Community Care	1,100	468	(1,044)	412	£1,076k is the gross overspend in this area based on current client numbers. This has been reduced by a one off benefit of £608k WG workforce grant bringing the net overspend down to £468k.	1. The Equality, Commissioning and Outcomes (ECO) process has been strengthened and covers all service areas including the hospital. 2. A number of actions have been agreed to address the Continuing Health Care (CHC) funding reduction and some fast track cases have been successfully challenged and learning disability cases are being formally placed in dispute with by NCC. this has included the implementation of stricter CHC guidance and support available for staff.
<b>Education</b>						
Special Educational Needs (SEN)	917	1,010	0	93	Although the number of Out of County (OOC) placements have reduced since 2017/18 the type of pupils requiring OOC placements are for 'high end' needs which are very costly.	1. New approaches to monitoring pupils likely to require OOC placements are in place and are supporting quality assurance processes; 2. A Service Area 'Strategic Board for Inclusion Provision' has met. Aims and objectives of the group have been set (which are focussed on extending local SEN provision, thus saving high end costs of OOC places in the future); 3. This month there will be an intense focus on developing further improvements relating to Transport budget management; 4. There is a new OOC reduction plan to mitigate the extent of the OOC overspend in 2018/19. Additional resources have been requested from the Business improvement & Performance Team (BIPT) to drive this work forward.
<b>SERVICE AREA SUBTOTAL</b>	<b>2,909</b>	<b>3,631</b>	<b>(1,444)</b>	<b>2,166</b>		

As the table shows, the overspending has increased from 16/17 levels in the service areas (from £2,909 to £3,631k), even though additional budgets of £1,444k were added to them for 2017/18 – therefore a worsening position of £2,166k.

**(iii) Delivery of Medium Term Financial Plan (MTRP) Savings:**

8. The following table shows the forecast delivery of savings across directorates. In the main this shows very good performance on achievement of these savings (to date, forecasted that 97% of the £5,725k savings target for 2017/18 will be achieved). There remain a couple of projects that are not expected to achieve the full extent of the proposed saving and currently no targeted plan exists to mitigate.
9. The main areas of undelivered projects currently sit within the Place portfolio, specifically:
- RIH – Property services profit anticipated from the Norse joint venture agreement - £106k;
  - Streetscene - Bus routes; removal of subsidy to support specific evening and Sunday bus services - £69k. There is proposed investment into this area as part of the 2018/19 budget setting process and so this will no longer be an issue.

**2017/18 Change Programme Financial Improvement Programme (FIP) by Directorate**

By Portfolio	People	Place	Corporate	Non Service	Total 17/18
<b>2017/18 MTRP Target (£) Total</b>	£2,979,000	£839,000	£734,000	£1,173,000	£5,725,000
<b>Total Savings Realised by Year End 2017/18</b>	£2,989,176	£630,000	£734,000	£1,173,000	£5,526,176
<b>Variation to MTRP Target</b>	£10,176	£-209,000	£0	£0	£-198,824
<b>Variation % to MTRP Target</b>	0%	-25%	0%	0%	-3%

10. Of the £565k undelivered savings relating to both 2017/18 (£199k) and previous years (£366k), the table below sets out areas where 2018/19 budget investment will rectify the issue.

Area	2016/17			2017/18		
	Undelivered Savings (£'000)	2018/19 Investment (£'000)	Pressure Remaining (£'000)	Undelivered Savings (£'000)	2018/19 Investment (£'000)	Pressure Remaining (£'000)
Streetscene	313	(60)	253	103	(69)	34
RIH	53	-	53	106	-	106
Childrens	-	-	-	30	-	30
<b>TOTAL</b>	<b>366</b>	<b>(60)</b>	<b>306</b>	<b>239*</b>	<b>(69)</b>	<b>170</b>

\* Overachievement in the People directorate (Adults) has reduced the overall 2017/18 undelivered saving down to £199k.

**(iv) Non-Service Underspending:**

11. Service area overspending has been temporarily mitigated by one off non-service area savings of c£1.6m. In the main, these savings have arisen in respect of council tax rebates and council tax surplus (£2.2m).

	2016/17 Outturn Variance Over/ (Under) spend	2017/18 Forecast Variance Over/ (Under) Spend	2017/18 Investment (Additional budget)	Worsening/ (Improvement) since 2016/17 (after investment)
	£'000	£'000	£'000	£'000
<b>Non Service</b>				
Savings on C Tax benefit rebates - lower number of claimants	(1,063)	<b>(1,377)</b>	400	(714)
C Tax surplus - housing growth	(1,539)	<b>(814)</b>	0	725
<b>NON-SERVICE SUBTOTAL</b>	<b>(2,602)</b>	<b>(2,191)</b>	<b>400</b>	<b>11</b>

These budget areas will continue to be closely monitored in light of new dwellings, claimants and collection rates.

### Schools

12. The current forecast for schools shows significant overspending based on schools individual budgets agreed by their Governing bodies for 2017/18. A summary of schools funding and forecast reserve movements has been included below:

School	School Balance as at 31/3/2017	Estimated in-year Surplus / -Deficit 2017/18	Estimated School Balance as at 31/3/18
<b>Total Secondary Schools</b>	<b>1,682,623</b>	<b>-1,773,180</b>	<b>-90,557</b>
<b>Total Primary Schools</b>	<b>3,153,021</b>	<b>-1,183,567</b>	<b>1,969,454</b>
<b>Total Nursery Schools</b>	<b>17,003</b>	<b>-26,050</b>	<b>-9,047</b>
<b>Total Special Schools</b>	<b>-21,337</b>	<b>-17,203</b>	<b>-38,540</b>
<b>Total All Schools</b>	<b>4,831,310</b>	<b>-3,000,000</b>	<b>1,831,310</b>

- It should be noted that the budgeted in-year movement does not recognise any additional income (grant & other compensation) that schools may receive during the financial year. There is currently no basis for anticipating this for 2017/18 though Newport Schools have received c£1m in each of the last 2 years;
- The Chief Education Officer has agreed licensed deficits for 7 schools and officers continue to work with these schools to develop deficit recovery plans, where appropriate.

### **(2) USE OF RESERVES**

13. Appendix 3 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31<sup>st</sup> March 2017, forecasted planned transfers in/ (out) of reserves in 2017/18 and the forecast balance as at 31<sup>st</sup> March 2018. Current projections suggest that 20%



(nearly £22m) of the Councils reserve will be used by the end of the financial year – in line with either the original budget set, expenditure agreed in year funded from reserves (mainly capital spend; agreed as part of the on-going monitoring of the capital programme) or known events and issues flagged up in this report e.g. schools overspending. The following points are important to note:

- apart from the general reserves, all reserves are earmarked for specific purposes;
- the general reserve is at the minimum level required (£6.5m) representing 2.5% of the overall net budget;
- most earmarked reserves are allocated to specific projects, with spending plans in place and already in progress, with the exception of:
  - (i) invest to save
  - (ii) capital expenditure
  - (iii) capital receipts – can only be used for capital purposes
  - (iv) welsh language
  - (v) city economic development

**(3) PROGRESS ON SPENDING CABINET’S ONE-OFF SPENDING PRIORITIES FROM 2016/17**  
**UNDERSPEND**

14. Cabinet has previously approved the creation of a £1.5m investment reserve from the 2016/17 planned underspend. This is held in a specific reserve and drawn down to fund expenditure on key priority areas. The following is a summary of spend committed during 2017/18;

	Approved Budget (£'000)	Committed Spend (£'000)
Regeneration, Investment & Housing	1,013	115
Streetscene & City Services	300	300
Corporate	87	89
Contingency	100	0
<b>Total</b>	<b>1,500</b>	<b>504</b>

15. The above table highlights that there is currently a balance remaining of £996k against the £1.5m investment reserve. The balance remaining will be utilised over the next two years to fund the one off priority projects approved in March 2017.

## Timetable

Ongoing

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Risk of overspending	H	M	Regular forecasting and strong financial management  Revenue budget contingency	
Poor forecasting	M	M	Better forecasting in non-service areas where large variances occurred in 16/17  Review and refinement in service areas risk based predictive models  CX/HoF setting out clear expectations	AHoF  SFBP's and budget managers  CX / HoF

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

Strong financial management underpins services and medium term financial planning.

## Options Available and considered

In terms of the financial position and financial management, there are no options – further in year mitigation and lower spending, from the already agreed non-essential spending controls is required to ensure that the Council brings about an overall balanced budget.

## Preferred Option and Why

As noted above, there are no options. Robust implementation of the non-essential spending controls is required to manage the overall budget.

## Comments of Chief Financial Officer

The current forecast points towards on-going significant financial pressures in 2017/18 in a few key areas with non-service area underspending essential to ensure that the overall budget is managed as current service area overspending significantly outweighs the revenue budget contingency available. The on-going availability of these, at current levels, cannot be guaranteed and is an on-going risk. This pattern has continued and been reported for most of this current financial year.

It will be important that longer term plans and /or investment are put in place to both control and stabilise the key issues causing over-spending. Therefore, in the meantime, short term budget mitigation will continue to be needed, including from non-service areas wherever possible.

The current areas of service area overspending have continued from similar patterns in 2016/17 but have worsened considerably. This represents a potential financial resilience risk to the Council if the position is not permanently rectified in the longer term.

### **Comments of Monitoring Officer**

There are no direct legal issues coming from of this report

### **Comments of Head of People and Business Change**

The report on the revenue monitor does not show any specific staffing issues, although clearly issues will arise if robust monitoring and management of budgets does not take place.

### **Comments of Cabinet Member**

The current financial position is concerning and we need all Cabinet Members with Heads of Service to ensure robust implementation of the current non-essential spending controls.

#### **Local issues**

N/A

#### **Scrutiny Committees**

N/A

#### **Equalities Impact Assessment and the Equalities Act 2010**

N/A

#### **Children and Families (Wales) Measure**

N/A

#### **Wellbeing of Future Generations (Wales) Act 2015**

This update is against a backdrop of prolonged pressure on public services as a combination of reduced income, rising demands on services, increased expectations, compliance with new legislation and the increasing costs of running services which has seen the delivery of significant budget savings over the last five years. Any future reductions in funding will need to reflect and be consistent with the five principles underpinning the Wellbeing of Future Generation (Wales) Act 2015.

#### **Consultation**

N/A

#### **Background Papers**

Dated:

- Appendix 1 Revenue Summary Monitor – November 2017
- Appendix 2 Revenue Summary Monitor – November 2017 by Activity
- Appendix 3 Planned Movement in Reserves

## APPENDIX 1 – Revenue Summary Monitor (November 2017)

Summary Revenue Budget				
	Apr-17	Current	Projection	(Under)/Over
2017/2018	Approved Budget	Budget		
	£'000	£'000	£'000	£'000
<b>PEOPLE</b>				
Children & Young People	21,027	21,068	22,686	1,618
Adult & Community Services	41,408	41,070	41,287	217
Education	14,859	14,878	15,561	683
Schools	90,297	90,297	93,297	3,000
	<b>167,591</b>	<b>167,313</b>	<b>172,831</b>	<b>5,518</b>
<b>PLACE</b>				
Regeneration, Investment & Housing	9,526	9,194	9,300	106
Streetscene & City Services	17,465	17,847	17,896	49
	<b>26,991</b>	<b>27,041</b>	<b>27,196</b>	<b>155</b>
<b>CHIEF EXECUTIVE</b>				
Directorate	557	557	583	26
Finance	2,719	2,719	2,662	(57)
People & Business Change	6,232	6,321	6,197	(124)
Law & Regeneration	6,493	6,524	6,459	(65)
	<b>16,001</b>	<b>16,121</b>	<b>15,901</b>	<b>(220)</b>
<b>CAPITAL FINANCING COSTS &amp; INTEREST</b>				
Capital Financing Costs MRP	11,032	9,677	9,677	-
Interest Payable	9,085	9,085	9,246	161
Interest Receivable	(37)	(37)	(37)	-
Investment Props	-	-	-	-
PFI	8,315	8,315	8,315	-
	<b>28,395</b>	<b>27,040</b>	<b>27,201</b>	<b>161</b>
<b>SUB TOTAL - SERVICE/CAPITAL FINANCING</b>				
	<b>238,978</b>	<b>237,515</b>	<b>243,129</b>	<b>5,614</b>
<b>CONTINGENCY PROVISIONS</b>				
General Contingency	1,473	1,473	1,473	-
Restructuring / Other Savings	-	-	-	-
Centralised Insurance Fund	570	570	570	-
Non Departmental Costs	5	5	5	-
Other Income & Expenditure	4,489	4,911	5,386	475
	<b>6,537</b>	<b>6,959</b>	<b>7,434</b>	<b>475</b>
<b>LEVIES / OTHER</b>				
Discontinued Operations - pensions	1,576	1,576	1,512	(64)
Levies - Drainage Board, Fire service etc	8,207	8,207	8,216	9
Non distributed grants	-	-	-	-
CTAX Benefit Rebates	12,073	12,073	10,696	(1,377)
Extraordinary Items	-	-	-	-
Charity Rate Relief	-	-	-	-
	<b>21,858</b>	<b>21,858</b>	<b>20,426</b>	<b>(1,432)</b>
<b>TRANSFERS TO/FROM RESERVES</b>				
Base budget - Planned Transfers to/(from) Reserves	(1,001)	40	40	-
Earmarked reserves: Queensbury Loan			-	-
Earmarked reserves: Transfer to/(from) Capital			-	-
Earmarked reserves: Transfer to/(from) Schools			(3,000)	(3,000)
Earmarked reserves: Transfer to/(from) Schools Redundancy			-	-
Invest to Save Reserve			1,457	1,457
Invest to Save Reserve (from)			(1,457)	(1,457)
	<b>(1,001)</b>	<b>40</b>	<b>(2,960)</b>	<b>(3,000)</b>
<b>TOTAL</b>	<b>266,372</b>	<b>266,372</b>	<b>268,029</b>	<b>1,657</b>
<b>Funded by</b>				
WAG funding (RSG & NNDR)	(208,250)	(208,250)	(208,250)	-
Council Tax	(58,122)	(58,122)	(58,122)	-
Council Tax Surplus			(814)	(814)
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>843</b>	<b>843</b>

**APPENDIX 2 – Revenue Summary Monitor by Activity (November 2017)**

Summary Revenue Budget					
	Apr-17	Current	Projection	(Under)/Over	Notes
2017/2018	Approved Budget	Budget			Explanation as required
	£'000	£'000	£'000	£'000	
<b>PEOPLE</b>					
<b>Children &amp; Young People</b>	<b>21,027</b>	<b>21,068</b>	<b>22,685</b>	<b>1,618</b>	
SOC5 First Contact	26	26	5	(21)	
SOC19 Pathway Team	2,175	2,175	1,980	(196)	There have been several vacant posts within the team during the 17-18 financial year.
SOC20 Leaving Care	700	700	655	(46)	
SOC21 Sthwrk 16+ Homeless	27	27	35	8	
SOC22 LAC Family Contact	101	101	101	-	
SOC23 Child Safegrd & Miss	128	128	119	(10)	
SOC24 Child & Fam Mgt Acct	509	479	380	(98)	Savings from vacant Service Manager posts
SOC26 Integ Fam Supp Serv	1,674	1,714	1,491	(223)	In year grant funding received and reduced spend on Integrated Family Support Team
SOC27 SE Wales Adoption	496	502	693	191	Increases in number of children being placed for adoption and costs for placements with providers outside of the South East Wales Adoption Service area
SOC28 Child Protection	3,320	3,330	3,218	(112)	£102k staffing savings, £105k forecasted reduction in Legal fees account, £94k reduction in operational budgets for day care / support to families all being offset by a forecasted overspend of £143k in the Looked After Children Remand account.
SOC30 NCC Child Res	1,949	1,949	1,986	37	
SOC31 Out of Auth Res Plac	1,993	1,993	4,145	2,153	Increased placements / costs with, now up to 23 residential placements during 17-18
SOC32 Ind Foster Ag Plac	1,348	1,348	1,409	61	
SOC33 In-House Fostering	3,947	3,947	3,873	(75)	Savings from vacant posts have been partly offset by increased in-house foster placements
SOC34 Kinship Payments	952	952	922	(30)	
SOC35 Education Supp Team	113	113	111	(2)	
SOC36 Drct Pay Child Serv	172	162	157	(5)	
SOC37 S17 Child Dis Aid	31	31	42	11	
SOC38 Adoption Allowances	271	296	304	9	
SOC39 Child Safeguard	554	554	503	(51)	Savings from vacant Service Manager posts
SOC40 Youth Offending Serv	540	540	557	17	

Summary Revenue Budget					
	Apr-17	Current	Projection	(Under)/Over	Notes
2017/2018	Approved Budget	Budget			Explanation as required
	£'000	£'000	£'000	£'000	
<b>Adult &amp; Community Services</b>	<b>41,408</b>	<b>41,070</b>	<b>41,287</b>	<b>217</b>	
SOC1 HomeCare&ExtraCare	1,968	1,750	1,671	(78)	Staffing underspend on extracare
SOC2 Older Ppl Res Units	2,187	2,193	2,333	140	Underachievement of income budget for in house residential home fees. Level of fees payable is based on statutory financial assessment.
SOC3 Supp Living Agency	613	613	635	23	
SOC4 Day Opportunities	1,177	1,184	1,039	(145)	Mainly staffing due to vacancies and early achievement of 1819 MTRP saving of £60k
SOC5 First Contact	398	398	519	122	Hospital team overspend £85k staffing overspend as covering maternity absence with agency staff. Emergency Duty Team contract increase of £36k.
SOC6 SMAPF	-	-	0	0	
SOC7 Integrated OT Total	607	607	576	(31)	
SOC8 Centrica Lodge Resp	322	247	224	(23)	
SOC9 Community Care Teams	1,725	1,764	1,881	117	Overspends on staffing costs including the use of agency staff.
SOC10 Community Care Packs	24,901	24,589	25,413	824	Numbers of externally placed care packages and costs vary according to need. Changes monthly dependant on numbers and level of care required. Increase in 25 service users this month mainly non residential care
SOC11 Mental Health Total	2,363	2,388	2,077	(311)	Underspend on Mental Health under65 care packages mainly residential and supported living. Packages and costs vary according to need.
SOC12 Frailty Pooled Budg	1,793	1,851	1,744	(107)	Expected underspend on pool contribution £77k and staffing budget £30k for the year.
SOC13 Adults Mgt Acct	772	754	580	(174)	£30k service manager 50% paid for by education, £121k S&S budget held centrally but virement required to cover new contracts. £20k one off income
SOC14 Service Dev & Comm	901	901	788	(113)	Mainly staffing underspends due to vacancies, grants and early MTRP achievement for 1819.
SOC15 Supporting Ppl Gen	168	168	176	8	
SOC16 Adult Serv Cont Sup	1,024	1,173	1,120	(53)	
SOC17 Telecare Contract	82	82	61	(21)	
SOC18 Adult Safeguard Tot	409	409	451	42	

Summary Revenue Budget					
2017/2018	Apr-17	Current	Projection	(Under)/Over	Notes
	Approved Budget	Budget			Explanation as required
	£'000	£'000	£'000	£'000	
<b>Education</b>	<b>14,859</b>	<b>14,878</b>	<b>15,561</b>	<b>683</b>	
EDU2 School Based Counsel	206	206	206	-	
EDU3 Autistic Spect Dis	40	40	20	(20)	
EDU4 Psychology Services	371	371	326	(45)	
EDU5 SEN Team	269	269	229	(40)	
EDU6 SEN Recoup OOC	2,948	2,948	3,929	981	Demand led budget. Variance reduced in comparison to previous month. Out of county placements' pressure and recoupment income less than budget. High risk for 18/19. There is a new out of county project action plan to mitigate the extent of the out of county overspend associated with 2018/19.
EDU7 SEN Equip & Resource	108	108	137	29	
EDU8 SEN Local Provision	156	156	352	196	Bridge achievement centre contribution and Include contract (keeping pupils within Newport rather than out of county which would be more costly).
EDU9 Inclusion Mgt Acct	656	656	603	(53)	
EDU10 Education Welf Serv	315	315	307	(8)	
EDU11 Bridge Achieve Cent	952	972	993	21	
EDU12 EIG-Educ Improv Grnt	466	466	468	2	
EDU13 GEMS	(16)	(16)	(16)	-	Potential cut to grant in 18/19 which would lead to a pressure within the service.
EDU14 Breakfast Clubs	404	404	460	56	Current budget insufficient for the number of clubs running. Potential to decrease 60mins current provision.
EDU15 School Meals RepMain	294	294	211	(83)	School meal numbers less than budget.
EDU16 Edu Mgt - Mgt Team	249	249	212	(37)	
EDU17 Edu Mgt - Non Team	(411)	(411)	(544)	(133)	SMP credits from Non Del higher than budget plus savings in Education's Supplies & Services.
EDU18 Service Dev & Bus	181	229	206	(23)	
EDU19 Schools Admiss&Appl	241	241	255	14	
EDU20 21CS Programme	125	76	77	1	
EDU21 Early Years & Integ	1,095	1,095	1,010	(85)	Additional grant income, limited training and grants to other organisations less than budget.
EDU22 Redund & Superann	1,008	1,008	1,008	-	
EDU23 Joint Services	1,507	1,507	1,444	(63)	
EDU24 Transport	3,696	3,696	3,669	(27)	

Summary Revenue Budget					
	Apr-17	Current	Projection	(Under)/Over	Notes
2017/2018	Approved Budget	Budget			Explanation as required
	£'000	£'000	£'000	£'000	
<b>PLACE</b>					
<b>Regeneration, Investment &amp; Housing</b>	<b>9,527</b>	<b>9,194</b>	<b>9,300</b>	<b>106</b>	
RIH1 Homelessness	468	468	431	(37)	
RIH2 Strategy & Dev	254	253	232	(21)	
RIH3 Housing Needs	688	688	717	29	
RIH4 Private Sector Hous	65	67	76	9	
RIH5 Com & Ind Portf	(942)	(945)	(1,155)	(210)	Better than anticipated income levels from the Commercial and Industrial portfolio as well as a reduction in the level of Repairs and Maintenance expected for the remainder of the financial year.
RIH6 Provision Market	(146)	(127)	(83)	44	Increased costs for repairs and maintenance to the Market building and to modernise individual units as well as being unable to achieve income targets for the financial year.
RIH7 Civic Centre Fac Mgt	285	649	668	19	
RIH8 Station Buildings	437	535	486	(49)	Introduction of National Software Academy into the Information Station will create an income stream in terms of rent and service charges.
RIH9 Centralised Prop	4,367	3,370	4,030	660	Changes made to pension valuation and reduction in expected profit share by Joint Venture partner Newport Norse
RIH10 Carbon Reduction	345	392	362	(30)	
RIH11 Building Control	15	15	(53)	(68)	Staff savings in year (£-30k) also additional licenses income received in year (£-23k)
RIH12 Plan & Dev Mgt Ac	98	98	94	(4)	
RIH13 R+R Pooled Admin	66	66	64	(2)	
RIH14 Urban Regeneration	255	255	247	(8)	
RIH16 Development Mgt	270	270	209	(61)	Over recovery on income in year also savings on legal fees budget anticipated.
RIH17 Planning Pol & Imp	203	203	154	(49)	One off S106 monitoring fee income received, will not be repeated in future years
RIH18 Local Dev Plan	72	72	72	-	
RIH19 Community Centres	172	193	199	6	
RIH20 Com Dev Core	202	204	188	(16)	
RIH21 Youth Core	280	280	266	(14)	
RIH22 City Play schemes	81	81	81	-	
RIH23 Adult Education	(100)	(100)	(141)	(41)	Staff vacancies savings in year
RIH24 Libraries	921	1,036	995	(41)	Staff vacancies in year as well as savings anticipated on supplies and services and premises budget headings.
RIH25 Museum Art & Gallery	380	376	365	(11)	
RIH26 Medieval Ship	65	65	60	(5)	
RIH27 Partnerships	196	196	189	(7)	
RIH28 Tredegar House Grnds	400	400	399	(1)	
RIH29 14 Locks	21	21	21	-	
RIH30 Transporter Bridge	109	113	109	(4)	
RIH31 CD Communities First	-	-	(36)	(36)	
RIH32 Work & Skills Employ	-	-	66	66	Income under recovery due to delays with finalising apprenticeships agreements with Acorn and coleg Gwent and work programme income lower than originally anticipated; this has been offset by salary savings and supplies and services reductions.
RIH33 Work & Skills Europe	-	-	-	-	
RIH34 Families First	-	-	-	-	
RIH35 Flying Start	-	-	-	-	
RIH36 Monwel	-	-	(12)	(12)	
RIH37 Youth	-	-	-	-	



Summary Revenue Budget					
	Apr-17	Current	Projection	(Under)/Over	Notes
2017/2018	Approved Budget	Budget			Explanation as required
	£'000	£'000	£'000	£'000	
<b>Streetscene &amp; City Services</b>	<b>17,466</b>	<b>17,848</b>	<b>17,897</b>	<b>49</b>	
STR1 Env Serv	778	777	786	9	
STR2 Cemeteries	(502)	(503)	(482)	21	
STR3 Public Transport	984	980	1,033	53	Double counted MTRP saving for removal of bus service in 1718 (£69k)
STR4 Asset Mgt	1,149	578	563	(15)	
STR5 Street Lighting	2,032	2,318	2,279	(39)	
STR6 Staffing	269	229	413	184	Includes the £227k underachieved MTRP saving brought forward from 16/17
STR7 Traffic Mgt & Street	(419)	(419)	(410)	9	
STR8 Road Safety	181	181	146	(35)	
STR9 Leisure Trust	2,727	2,830	2,691	(139)	Reductions in the utility costs across all leisure sites has resulted in the current position. Work is ongoing to monitor the forecasts as we enter the winter period.
STR10 Waste Disposal Site	(772)	(346)	(997)	(651)	One off contract for commercial waste has resulted in additional disposal income (£500k) and reduced leachate expenditure (£24k)
STR11 Sustainable Waste	847	872	937	65	Increased kerbside recycling payments (£35k) and staffing costs (12k)
STR12 Refuse Collection	2,436	2,246	2,304	58	Reduced income for external trade waste (£47k)
STR13 Civic Amenity Site	718	448	486	38	
STR14 City Centre Mgt	34	-	-	-	
STR15 Drainage Operations	66	581	582	1	
STR16 Fleet Mgt	2,023	2,092	2,105	13	
STR17 Grounds Maint	515	569	827	258	Grounds lost a number of external contracts which shows as an underachieved level of income against budget targets. This position has worsened with the transfer of large areas of land from Newport City Homes to the Council which require ongoing maintenance. Seasonal agency have been employed to cover grass cutting and maintenance services with agency also required to cover sickness absence.
STR18 Routine Maint	2,267	1,865	2,007	142	A number of larger resurfacing projects have been identified in addition to the on-going reactive program resulting in the current position. Due to the current climate, these works will not be completed until February/March 18.
STR19 SDR South Distr Road	(40)	(61)	(82)	(22)	
STR20 Off Street Park	(351)	(257)	(266)	(9)	
STR21 Street Cleans	900	1,237	1,284	47	
STR23 Depot Salaries	113	151	175	24	
STR24 Winter Maint	127	127	156	29	
STR25 Public Features	81	51	63	12	
STR26 Customer Services	1,405	1,405	1,373	(32)	
STR27 Benefits	(102)	(101)	(76)	25	

Summary Revenue Budget					
	Apr-17	Current	Projection	(Under)/Over	Notes
2017/2018	Approved Budget	Budget			Explanation as required
	£'000	£'000	£'000	£'000	
<b>CHIEF EXECUTIVE</b>					
Directorate	557	557	583	26	
Finance	2,719	2,719	2,662	(57)	
FIN1 Accountancy	1,885	1,885	1,848	(37)	
FIN2 - Internal Audit	314	314	287	(27)	
FIN3 Purchase to Pay	114	114	123	9	
FIN3 Purchase to Pay (+£78k)	79	82	88	6	
FIN4 Strategic Procurement	308	308	272	(36)	
FIN4 Strategic Procurement (-£78k)	(79)	(82)	(88)	(6)	
FIN5 Council Tax & NNDR	(48)	(48)	(7)	41	
FIN6 Debtors	146	146	139	(7)	
People & Business Change	6,232	6,321	6,197	(124)	
PBC1 HR Strategy & Op	453	461	483	22	
PBC2 HR Emp Serv	451	451	416	(35)	
PBC3 Business Chg Improv	322	322	322	-	
PBC3 Business Chg Improv (£292k) / PBC4 F	69	69	69	-	
PBC5 Com Cohesion	17	17	17	-	
PBC6 Partnership	523	523	443	(80)	The projected underspend is due to a delay in the Welsh Language Translation work
PBC7 Partnership & Policy	343	343	347	4	
PBC8 Health and Safety	143	154	153	(1)	
PBC9 Social Services	261	241	241	-	
PBC10 Digital	47	47	47	-	
PBC 11 Info Gov & Dev	182	182	144	(38)	
PBC12 Shared Res Serv	2,980	3,069	3,072	3	
PBC13 Document Services	238	238	240	2	
PBC14 Spatial Data Unit / PBC15 Gazetteer &	203	204	203	(1)	
Law & Regeneration	6,493	6,524	6,459	(65)	
LAW1 Comms & Market	565	565	552	(13)	
LAW2 Registrars	73	98	132	34	
LAW3 Demographic Serv	532	535	503	(32)	
LAW4 Members Allowances	1,033	1,033	1,054	21	
LAW5 Electoral Reg	216	216	231	15	
LAW6 Legal	1,111	1,176	1,158	(18)	
LAW7 Land Charges	(122)	(122)	(117)	5	
LAW8 Insurance	856	856	799	(57)	
LAW9 Com Safety	675	571	642	71	
LAW10 Environmental health	1,048	1,049	1,088	39	
LAW11 Trading Standards	679	694	667	(27)	
LAW12 Licensing	(173)	(147)	(250)	(103)	Increase in income based on trends and outturn in previous years.

### APPENDIX 3 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-17	Planned movements in year												Balance at 31-Mar-18
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	£'000													
Council Fund:	(6,500)													(6,500)
Balances held by schools for future use	(4,831)												3,000	(1,831)
<b>Earmarked Reserves:</b>														
Pay Reserve	(1,418)												(233)	(1,651)
Music Service	(167)												40	(127)
Insurance Reserve	(1,706)													(1,706)
MMI Insurance Reserve	(602)												300	(302)
Health & Safety	(16)												16	-
Education Achievement Service	(92)													(92)
Schools Redundancies	(708)												708	-
Friars Walk	(9,985)												3,750	(6,235)
NEW - European Funding I2A & CFW	(79)												(117)	(196)
NEW - Metro Bus	(9)												9	-
<b>SUB TOTAL - RISK RESERVES</b>	<b>(14,782)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,473</b>	<b>(10,309)</b>
Capital Expenditure	(5,817)												2,304	(3,513)
Invest to Save	(11,050)												1,457	(9,593)
Super Connected Cities	(670)												120	(550)
Landfill (fines reserve)	(345)													(345)
Christmas Lights	(15)												15	-
Usable Capital Receipts	(11,742)												8,726	(3,016)
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>(29,638)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,622</b>	<b>(17,016)</b>
STEP School Computers	(473)												100	(373)
Municipal Elections	(154)												100	(54)
Local Development Plan	(572)												(53)	(625)
Glan Usk PFI	(1,499)													(1,499)
Southern Distributor Road PFI	(44,515)												212	(44,303)
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>(47,214)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359</b>	<b>(46,855)</b>

