

# Report

## CABINET

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### Part 1

Date: 14<sup>th</sup> November 2016

Item No: Insert item number here

**Subject** **September Revenue Budget Monitor**

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

**Author** Head of Finance

**Ward** All

**Summary** As at September 2016, the Councils revenue budget is more or less 'on budget' (July - £1.18m overspend). Although the position is balanced overall, there remain significant overspends within the service areas of £1.76m (exc. Schools/capital financing) including;

- Adult & Community services at £669k, mainly due to community care budgets;
- Education at £560k due to pressures on a number of Special Educational Need (SEN) budgets;
- StreetScene at £459k, mainly due to unachieved income in waste disposal site and essential highway maintenance;
- Children's Social care at £144k, mainly due to out of area placements;
- Regeneration, Investment & Housing at £111k, mainly due to unbudgeted investment in the provision market and income shortfalls across a number of budget areas.

This has been offset by non-service underspends on Council tax benefit rebates (£936k), Council tax surplus (£655k) and Teachers pension savings (£293k).

This position excludes schools, which are currently reporting a deficit position of £2.5m. The overall service position (inc. Schools) is £4.26m overspend, however, Schools have nil effect on the overall Council position as any variance against base budget is matched by a corresponding reserve transfer to or from schools balances.

The net position assumes, as we always do at the early stages of the year, that the contingency budget of £1.47m is 'committed'. There are no known commitments on this currently and if this remained the case at year-end, the position would be a £1.5m underspend currently.

Although the position has improved by £1.2m since that reported in July, as required by Cabinet; officers must continue to focus on specific action to address each of the overspending areas and ensure the emphasis remains on improving the position where possible and manage within budget. Non –service budgets will not necessarily be able to mitigate against service area overspending in the future, certainly at current levels, as (i) the Council Tax base is updated each year and the surplus there may not be repeated and most certainly at the current level (ii) it is likely that we will reduce the Council Tax

reduction scheme budget for the 17/18 budget, thus reducing potential for underspending there.

This last point here is crucial to appreciate and understand ensuring we take management action and the 2017/18 budget needs to resolve the underlying service areas budget issues robustly.

**Proposal** Cabinet is asked to

- Note the forecast 2016/17 revenue budget position and the key risks that have been identified at this stage;
- Cabinet Members, Directors and Heads of Service maintain on-going strong financial management, and People and Place directorates to confirm a comprehensive set of actions to reduce their overspending;
- Note the planned reserve movements and revised balances at the end of the year.

**Action by**

- Cabinet/ HoF/ SLT – confirm plans to reduce over-spending in service areas;
- HoF / SLT – promote and ensure robust forecasting throughout all service areas.

**Timetable** On-going

This report was prepared after consultation with:  
Strategic Directors  
Head of Finance  
Heads of Service  
Budget Holders  
Accountancy Staff

**Signed**

## Background

### Overview and Key Assumptions

1. As at September 2016 the Councils revenue budget is projecting to be more or less 'on budget' (July - £1.18m overspend). Although there are significant overspends within service areas it is fortuitous that there are one off non-service area savings to more than offset these. All service areas (with the exception of Corporate) are currently forecasting an overspend against budget.
2. The Council operates a risk based budget monitoring process, identifying key risk areas which are reviewed in detail on a monthly basis. This report is a summary statement of key issues that explain the current position and which subsequently impact upon financial management. There are monthly, service specific dashboards which HoS and Cabinet Members receive, providing more detailed explanations of the financial position, financial risks and actions being taken.
3. The forecast shows the Council more or less 'on budget'. Key assumptions within this are:
  - General contingency budget remains on budget (£1.47m);
  - Other approved costs to deliver planned 16/17 savings are funded from the Invest to Save Reserve.
4. Due to the uncertainty that presents itself in a number of service areas (detailed in para. 8) it is not recommended at this stage of the year to use the general contingency budget to mitigate against forecast overspends. The non-utilisation of the general contingency budget allows for mitigation where forecasts may change adversely due to unforeseen circumstances. The report highlights that there are a number of on-going budget risks at this stage and further management action to improve the position is required.
5. Service areas overall are projecting an overspend of £1.76m (exc. Schools). The mitigating underspends mainly comes from 'non-service' budgets, in particular council tax benefit rebates (£936k), Council tax surplus (£655k) and Teachers pension savings (£293k). Clearly, the council tax benefit budget is demand led and changes with the number of claimants and the collection of council tax can occur, with small percentage changes in collection having a significant impact on the forecast. In saying this, we are fortunate that these exist as if this was not the case the current level of service's forecast overspending far outweighs the revenue budget contingency. It is likely that these levels of potential mitigation will not be available in 2017/18 as the new budget will be adjusted in these areas and re-based substantially, therefore, management action and the 2017/18 budget needs to resolve the underlying service areas budget issues robustly.
6. Although management actions taken since July has seen the service area forecast position improve, as required by Cabinet; there needs to be consideration given to how the service areas are able to find mitigating savings to reduce this overspend further. The areas which need to be closely monitored and actions put in place to reduce the overspend are (i) Social Services (ii) Education and (iii) Streetscene & City Services.

### Detailed Budget Variances

7. A summary of the key issues are outlined below.

#### **SERVICE AREA BUDGETS – NET £1.76m OVERSPEND** (July – Net £2.81m overspend)

- (i) **PEOPLE** – Net £1.37m overspend (July - £1.61m overspend)
  - **Education** – £560k Overspend (July - £340k overspend)

The current forecast overspend has increased by £220k since July and this is due to pressures on a number of SEN budgets. These budgets are demand led and affected through the pupil statementing process - out of county placements represent £415k of the £765k pressure within the SEN service. These pressures have been offset by increased SMP credits, reduced charges from the EAS and the anticipated take up of placements for early years being less than budgeted (total £225k saving).

The forecast for schools currently shows a significant movement from school reserves (£2,500k). Regular updates will take place following budget visits as they take place during the Autumn and Spring terms. Schools have been advised by the Authority to reduce the current level of school reserves. It is important here to make the differentiation between one off expenditure and base budget overspending as the Authority has requested individual school spending plans where school balances exceed the agreed amount. Of the £2.5m forecast overspend, c£2m is a result of one off expenditure to reduce school balances with the remainder relating to base budget overspending. There are currently four schools projecting year end deficits and as per SLA arrangements schools of particular concern are being offered support and challenge when visits take place.

**Social Services – £813k overspend (Children’s - £144k overspend, Adults - £669k overspend)** (July – £1.27m overspend)

- **Children & Young People - £144k overspend** (July - £365k overspend)

The forecast overspend has decreased by £221k since that reported in July. This follows a review of out of area placements and placement end dates being brought forward, management action to reduce current overspending and improved cashable savings in respect of 16/17 MTRP proposals.

- Out of area residential placements - £619k overspend. This is a demand led budget and current forecast is based on current, known placements. The number of Children brought into out of area residential placements has increased in recent months and this has been the cause of the overspend in this area (currently 15 placements at varying costs against a budget of 10). There is an anticipated reduction in demand in future months and these have been built into the forecast (anticipate reducing to 11 placements by December). The anticipated fall in demand includes an expectation that adaptations to Forest Lodge are undertaken to ensure the facility is fit for purpose. This will enable one child to be brought back into the Authority, thus reducing the placement costs. A delay in doing this could cause further pressure on this area's budget;
- Staff saving - (£240K). Earlier than anticipated closure of Brynglas Unit has resulted in significant in year savings. This is not a recurring saving, instead an early achievement of a 17/18 savings proposal;
- In house fostering – (£174k) saving. This anticipates an upward trend, however, if the service are able to make more in house placements this underspend could increase further;
- Kinship – (£106k) saving. This budget received budget growth in 16/17 for anticipated pressures, however, current Special Guardianship Orders (SGOs) will not cost as much as anticipated this year resulting in an underspend;
- Leaving care - £91k overspend. Despite a specific budget investment for this being included within previous years MTRP for 'When I'm Ready' to support placements up to the age of 25, it is still projecting an overspend in this financial year. The main reason being that licence conditions placed on an individual meant that a placement was made to cater for specific accommodation needs – this was a one off monthly cost of c£100k;
- Independent fostering agencies - £44k overspend. Although this is due to underachievement against this year's MTRP saving, this has reduced following a budget virement of £90k from the in house fostering account due to lower than

budgeted numbers of children being fostered through our in house provision. This is sustainable mitigation based on spend over the last three years. The number of placements in the first half of 2016/17 is significantly over that budgeted (37 placements against a budget of 31). These numbers, however, are expected to reduce for the remainder of the year (reducing down to 33 by October), which has been factored into the forecast;

- Other savings have arisen as a result of management action to reduce the projected overspends and early achievement of MTRP savings (£90k).

- **Adult & Community Services - £669k overspend** (July - £902k overspend)

The position has improved by £233k since that reported in July. There continues to be strict oversight of placements by service managers and challenge of continuing health care (CHC) decisions where appropriate. Residential beds have been reopened at Blaen Y Pant and admissions are progressing.

There are some key areas of overspending within the service, specifically within community care. The £1.02m overspend on community care budgets can be broken down to the following key items:

- £178k reduction in Supporting People Grant (SPG) which has been funding personal care costs for individuals – therefore, no corresponding reduction to package cost now that the grant has reduced as care packages in place need to remain;
- £150k undeliverable double handling saving (full target of £300k). This business case was based on a piece of work using benchmark data from England and our neighbouring authorities. However, Newport has a much more robust process for assessing and reviewing double handling cases and therefore the potential for savings is reduced;
- Income shortfall – at the end of 15/16, residential income was £544k less than budget. There has been no increase in benefits this year and coupled with the loss of respite income due to fairer charging policy, there is a pressure of £445k anticipated;
- Other key items contributing to this overspend are ;
  - (i) CSSIW inspection created 12-14 bed vacancies at Blaen Y Pant earlier in the year. This resulted in service users being redirected to more expensive private accommodation;
  - (ii) The number of clients receiving community care funding (inc residential placements and non-residential care packages) increased towards the end of last year and has continued at that rate (current number of clients 1,667 at varying costs against a budget of 1,609). Average cost of packages and demand are the factors impacting on the financial stability of this budget;
  - (iii) Loss of respite income due to fairer charging policy.

A significant amount of savings are due to be delivered in Social Care, mainly adults and community services (£1.7m) and for this reason is likely to remain as a key risk area for the Council. The service area are currently over delivering against this £1.7m target by £293k which is improving the overspend position significantly. These savings cannot be relied upon for next year as they are subject to future MTRP savings.

(ii) **PLACE – Net £570k overspend** (July - £1.38m overspend)

- **Regeneration, Investment & Housing (RIH) – £111k overspend** (July - £295k overspend)

The position has improved by £184k since July in the main due to staff savings across a number of areas (£87k) and improved position in respect of adult education following the decision to vacate Charles Street (£65k).

- Provision market - £178k overspend. A one off overspend of £80k to enhance the market conditions and promote the market is forecast as the income for the year is predicted to be £97k lower than budget;
- Private sector housing - £78k overspend. A review of the private sector housing budget is currently underway following end of year audit. The statutory service costs have been determined for the Disabled Facilities Grant (DFG) and the income has been reduced accordingly. There is potential for the income forecast to reduce further;
- Homelessness - £67k overspend. The provision of accommodation for the homeless is subject to financial risk given the demand led nature of this budget. This position will continue to be carefully monitored as is likely to remain volatile throughout the year;
- Adult Education - £43k overspend due to under recovery of income. This has reduced by c£70k following mitigating action agreed by the Cabinet Member to close Charles Street – significant property related savings forecast.

The overspending areas outlined above have been offset by the following:

- £93k staff related savings (including £37k in respect of the HoS position following interim arrangements in Place to cover the role of Strategic Director until a permanent appointment is made);
- £90k saving resulting from the reduced number of carbon units purchased;

- **Street Scene & City Services – £459k overspend** (July - £1.09m overspend)

The majority of the overspend within Streetscene & City Services relates to the non-delivery of MTRP savings as Prosiect Gwyrdd (PG) incinerator has led to income pressures. Reduced NCC waste was due to provide capacity at the site to be filled by commercial and asbestos waste which failed to materialise due to PG and licensing issues respectively. As a result, MTRP income is £689k below target. The asbestos cell became fully operational early September and the projected income assumes that c£90k additional income will be generated throughout the remainder of the year. There is also an overspend on the Waste Grant of £319k as a result of the following (it should be noted that this has been identified as a recurring issue and so has been identified as a budget pressure for MTFP consideration):

- There has been a 6 month delay in transferring the collection of cardboard to Wastesavers which has resulted in additional costs being incurred. This one off expenditure relates to additional staff resource and the purchase of equipment has meant that an overspend of £153k is forecast;
- Vehicles originally purchased from the grant have become obsolete and been sold so replacement vehicles are required to be hired until new vehicles can be procured causing an over spend of £79k. This should be a one off pressure, however this is dependent upon securing capital funding and also vehicle lead times;
- The service has also used a different method of waste disposal to achieve the Council's recycling target, however, the costs are higher than using the incinerator resulting in a forecast overspend of £87k. Work is on-going to determine whether this is likely to be a recurring pressure and if this is the case whether there are mitigating savings elsewhere to permanently manage the issue.

Other pressures that have been included within the forecast are:

- Pothole repair scheme - £300k pressure. Additional expenditure required for highway pothole repairs across the City;
- Contact Centre/ Benefits - £102k overspend. This predominantly relates to the non-delivery of vacancy provision. The contact centre is a frontline service with a requirement to maintain a full complement of staff at all times hence the budgeted vacancy provision of £60k is unachievable;

- Pride In Newport Team - £50k overspend. Reinstatement of the Pride in Newport campaign.

Since July there have been a number of mitigating savings identified as a result of management action and decisions taken to defer spend in certain areas. The pressures identified above have been offset (in part) by the following areas of underspend:

- Asset & water management and drainage operations – Spending has been deferred as part of the operations review in attempt to reduce the level of overspending within Streetscene (£613k);
- Fleet management – Over recovery of income and other non-staff savings (£150k);
- External trade waste income forecast to be £113k better than budget.

**(iii) CORPORATE – Net (£188k) underspend (July – £94k underspend)**

Although most forecasts are within 1% of budget allocation, staff vacancies account for the current underspend. Risk in the form of CCTV income within Law & Regulation should be noted where a £90k income variance is being mitigated. Across the service area a number of potential budget pressures exist and are included within paragraph 8 (key budget risks / opportunities).

**(iv) CAPITAL FINANCING – Net (£82K) underspend (July – no change)**

Lower MRP charge for 16/17 as a result of the capital expenditure funded by borrowing for 2015/16 being lower than was anticipated when budget was set.

**(v) NON SERVICE – Net (£1.04m) underspend (July £977k underspend)**

This area has significant budget levels at £29m, of which Council Tax reduction scheme is £11.7m and levies £8.2m. These two items alone make up a large proportion of the overall budget.

Although there is relatively less volatility in this budget area, there are some significant forecast variances for 16/17:

- The Council Tax reduction scheme is demand led, and current forecasts are expecting this scheme to come in at £936k under budget. This area came in under budget in previous 2 years as claimant numbers decreased as the local economy improved. The budget was established at the point at which the burden for this fell on Local Councils;
  - this was at the height of the last recession and funding was set at a relatively high level and will need to be reviewed as part of the 2017/18 budget work;
- Increased Council Tax income above budget by £655k, primarily due to the increase in house building and completions, over and above that predicted when Council Tax was set. This will be reviewed carefully as we progress through the year; and will be re-based for the 2017/18 budget as we update the 'Council Tax Base'
- Savings of £293k in respect of Teachers pension costs;
- Non delivery of cross cutting MTRP savings (NWoW) – undelivered savings from previous years total £503k. The focus of this project has recently changed and coupled with the fact that savings to meet this come from service areas the original project has been concluded.

## Corporate and Cross Cutting Savings

There remains a balance of £503k against the outstanding programme target of £635k. There are savings of £355k and £25k included within the work programme to be delivered in 2017/18 and 2018/19 respectively. A change of approach has been promoted with the intention of the outstanding targets to be distributed to the relevant service areas to deliver from April 2017. This new approach will ensure that there is transparency, reduce risk of duplication and, therefore, slippage.

<b>NWoW Summary</b>	
NWoW MTRP Target 2016/17 (C&CC Budget Deficit April 2016)	<b>-£634,618</b>
Savings Forecast to be Delivered in 2016/17	£131,349
Variation to 2016/17 MTRP Target (C&CC Budget Deficit)	<b>-£503,269</b>
Savings Forecast to be Delivered in 2017/18	£355,932
Savings Forecast to be Delivered in 2018/19	£25,000
Variation to MTRP Target (C&CC Budget Deficit)	<b>-£122,337</b>

The source of the £355k projected savings in 2017/18 and the £25k projected savings in 2018/19 are outlined below:

	Social Services	Streetscene	Law & Regulation	Total
<b>2017/18</b>	£239,932	£100,000	£16,000	£355,932
<b>2018/19</b>	£25,000	-	-	£25,000
Total	£264,932	£100,000	£16,000	£380,932

Work is ongoing to determine how the outstanding balance of £122k is to be addressed.

### **Emerging Risks and Opportunities**

8. All areas of the Council continue to manage and mitigate significant budget challenges. Where they are able to be quantified, the risks around these challenges have been incorporated into the forecasts presented within this report. Whilst the section above outlines the broad reasons why service areas are under-spending or overspending, this next section highlights key areas of concern and risks which have the **potential to be recurring**.

- Education

- **Out of County (OOC) Placements** – SEN is demand led and projections may change monthly. The INCLUDE group project is currently in operation, at a cost of £86k for 16/17. This should avoid specific out of county costs in future and would allow learners to remain in Newport. As placements change throughout the year forecasts will be revised accordingly.
- Actions have been outlined by the HoS and are to be agreed with the Cabinet Member in attempt to mitigate the overspending. If, however, these actions do not alleviate the pressure it should be considered within the MTFP.

- Children & Young People



- **Out of area residential placements** - This is a demand led budget and forecast is based on current, known placements. There is a project across children's services to improve the in house provision aiming to avoid further out of Authority placements and a significant piece of work has already been completed too test the robustness of the current process and decision making.
- Adults & Community Services
  - Inherent pressures from prior years in respect of demand/ non achievement of MTRP savings are in the process of being reviewed.
- RIH
  - **Private Sector Housing** – A review of this budget is currently underway. The income under recovery on management fees for disabled facilities grants is £78k, however, there is potential for this to increase further. Once the review has been concluded the full extent of the pressure will be known and reported.
- Streetscene & City Services
  - Income pressures for the Council resulting from the **Prosiect Gwyrdd (PG)** and other waste streams are becoming increasingly concerning. As the incinerator becomes more efficient more capacity is created and more contracts secured. The commercial and asbestos waste that this capacity at the landfill site was hoping to attract has not materialised due to PG and licensing issues. Management action is essential to ensure that this position does not worsen. The current projected shortfall against the service areas MTRP target is £689k;
  - **Contact centre** vacancy provision – net overspend of £55k pressure. The contact centre is a frontline service with a requirement to maintain a full complement of staff at all times, therefore, the budgeted vacancy provision of £60k is unachievable.
- Corporate
  - **People & Business Change** - £70k MTRP saving target in 16/17 is based on the IT service being outsourced to the SRS. If this project does not go ahead there will be significant pressure not only in respect of the efficiencies that have been pre-empted but also the significant investment required if the IT service were to remain in house;

## Financial management 16/17

9. Although the budget is more or less 'on budget', service area overspending requires improvement at this stage of the financial year. The position excludes the base budget 'contingency' and this provides a good level of cover for any further worsening of forecasts. As noted above, a few key areas are very volatile and significant savings are being delivered this year, in particular in Social Care and Education.

The Head of Finance recommends that Cabinet does not utilise the whole of the uncommitted contingency at this stage but consider what currently unfunded one-off spending priorities they may wish to take forward from the current year's underspend.

10. Noting the above agreed actions, it is essential that all service areas :

- Manage spending within their existing base budgets;
- Implement MTRP savings for 2016/17 robustly;
- Social care, Education and Streetscene confirm action agreed/ developed to deal with their overspending, as far as is possible.

Directors, with HoS need to ensure they are satisfied that robust financial management is being strictly adhered to, and further specific initiatives and actions are agreed to reduce spending/ increase income.

### Use of reserves

11. Appendix 3 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31<sup>st</sup> March 2016, planned transfers in/ (out) of serves and the forecast balance as at 31<sup>st</sup> March 2017. Current projections suggest that 9% of the Councils reserve will be used by the end of the financial year.

### 12. Financial Summary

The summary monitor in Appendix one and the main report contain the significant financial issues and overall position.

### 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?
Inaccurate forecasts	M	L	Risk based monitoring  Focus on capital/PFI financing budgets	HoF HoS
Budgets not managed	H	L	Reviewed by SLT/CLT  Review by Scrutiny and Cabinet	HoF SLT/CLT

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

Good financial management underpins the delivery of all Council services and achievement of priorities.

### Options Available

In terms of the financial position and financial management, there are no options – service areas do need to bring about improvements in their financial management and work with finance support teams to deal with base budget issues via a mixture of management action to manage issues and/or re-allocate budgets as appropriate. This will also need to include a review of budget issues to resolve in the 2017/18 budget, where required and necessary.

In terms of the financial position, the position is balanced but if contingency is not allocated, will result in a c£1.5m underspend based on current forecasts. As noted above, it is not recommended that all of this potential underspend is spent now as there are still budget risk to manage and 5 months of the financial year left.

However, in saying that, Cabinet could now consider what currently unfunded one-off spending priorities they wish to consider to allocate this against. It can then be released to deliver these, in a managed way.

Alternatively, Cabinet could decide to not spend any of the underspend and that would then be available to put into an appropriate reserve for future spending

### **Preferred Option and Why**

Cabinet should note the potential underspend and consider what currently one-off unfunded spending priorities they might wish to allocate this against. The implementation of these can then be considered against the benefits of reserving any underspend for future years

### **Comments of Chief Financial Officer**

Main comments are contained within main body of the report.

It is good to see the required improvements in forecasts from that reported for July but it is incumbent on officers, with CM's, to apply strong financial management to early months forecasts and to then deliver on these. There has been a pattern over many years of forecasting a challenging position in early months and which then improves as the year progresses following senior management and Cabinet intervention and comment.

The service area position is challenging and budget proposals for 2017/18 will need to address some underlying budget problems which are not resolvable through management action alone.

### **Comments of Monitoring Officer**

There are no direct legal issues here

### **Staffing Implications: Comments of Head of People and Business Change**

### **Comments of Cabinet Member**

N/A

### **Local issues**

N/A

### **Scrutiny Committees**

No consultation with Scrutiny at this stage of the year. As agreed by Cabinet previously, the revenue budget position will be subject to Scrutiny reviews in late autumn of each financial year.

### **Equalities Impact Assessment**

N/A

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

N/A

### **Consultation**

N/A

## **Background Papers**

N/A

Dated:

## **Appendices**

Appendix 1 – Revenue Summary Monitor (September 2016)

Appendix 2 – Budget Monitoring Dashboards

Appendix 3 – Delivery of MTRP Savings

Appendix 4 – Planned reserve movements

## APPENDIX 1 – Revenue Summary Monitor (September 2016)

Summary Revenue Budget					
	Apr-16	Current	Projection	(Under)/Over	Change
2016/2017	Approved Budget	Budget	(exc I2S)	(exc I2S)	since last
					Statement (exc I2S)
	£'000	£'000			£'000
<b>PEOPLE</b>					
Children & Young People	21,084	21,401	21,545	144	(60)
Adult & Community Services	39,676	39,326	39,995	669	(151)
Education	13,869	13,863	14,423	560	13
Schools	89,835	90,000	92,500	2,500	(1)
	<b>164,464</b>	<b>164,590</b>	<b>168,463</b>	<b>3,873</b>	<b>(199)</b>
<b>PLACE</b>					
Regeneration, Investment & Housing	9,100	9,026	9,137	111	(32)
Streetscene & City Services	17,092	16,883	17,342	459	(99)
	<b>26,192</b>	<b>25,909</b>	<b>26,479</b>	<b>570</b>	<b>(131)</b>
<b>CHIEF EXECUTIVE</b>					
Directorate	552	552	475	(77)	(1)
Finance	2,678	2,742	2,705	(37)	(47)
People & Business Change	6,371	6,415	6,353	(62)	3
Law & Regeneration	6,474	6,521	6,509	(12)	(62)
	<b>16,075</b>	<b>16,230</b>	<b>16,042</b>	<b>(188)</b>	<b>(107)</b>
<b>CAPITAL FINANCING COSTS &amp; INTEREST</b>					
Capital Financing Costs MRP	10,813	10,813	10,731	(82)	-
Interest Payable	9,145	9,145	9,145	-	-
Interest Receivable	(37)	(37)	(37)	-	-
Investment Props	-	-	-	-	-
PFI Grants	8,261	8,261	8,261	-	-
	<b>28,182</b>	<b>28,182</b>	<b>28,100</b>	<b>(82)</b>	<b>-</b>
<b>SUB TOTAL - SERVICE/CAPITAL FINANCING</b>					
	<b>234,913</b>	<b>234,911</b>	<b>239,084</b>	<b>4,173</b>	<b>(437)</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	3,761	4,082	4,241	159	85
	<b>5,809</b>	<b>6,130</b>	<b>6,289</b>	<b>159</b>	<b>85</b>
<b>LEVIES / OTHER</b>					
Discontinued Operations - pensions	1,790	1,790	1,497	(293)	(47)
Discontinued Operations - Ex Gratia Payments	2	2	2	-	-
Levies - Drainage Board, Fire service etc	8,210	8,208	8,237	29	-
Non distributed grants	-	-	-	-	-
CTAX Benefit Rebates	11,735	11,735	10,799	(936)	(47)
Extraordinary Items	-	-	-	-	-
Charity Rate Relief	37	-	-	-	-
	<b>21,774</b>	<b>21,735</b>	<b>20,535</b>	<b>(1,200)</b>	<b>(94)</b>
<b>TRANSFERS TO/FROM RESERVES</b>					
Base budget - Planned Transfers to/(from) Rese	1,442	1,162	1,162	-	-
Earmarked reserves: Queensbury Loan				-	-
Earmarked reserves: Transfer to/(from) Capital				-	-
Earmarked reserves: Transfer to/(from) Schools			(2,500)	(2,500)	1
Earmarked reserves: Transfer to/(from) Schools Redundancy				-	-
Invest to Save Reserve				2,649	(4,918)
Invest to Save Reserve (from)				(2,649)	4,918
	<b>1,442</b>	<b>1,162</b>	<b>(1,338)</b>	<b>(2,500)</b>	<b>1</b>
<b>TOTAL</b>	<b>263,938</b>	<b>263,938</b>	<b>264,570</b>	<b>632</b>	<b>(445)</b>
<b>Funded by</b>					
WAG funding (RSG & NNDR)	(209,142)	(209,142)	(209,142)	-	-
Council Tax	(54,720)	(54,720)	(54,720)	-	-
Council Tax Surplus	(76)	(76)	(731)	(655)	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>(23)</b>	<b>(23)</b>	<b>(445)</b>

## **APPENDIX 2 – Budget Monitoring Dashboards**

Attached:

- Overall Council dashboard
- Individual service area dashboards within People, Place and Chief Executive portfolios

## APPENDIX 3 – Delivery of MTRP Savings

### Financial Improvement Plan – September 2016

Overall Summary	Education	Childrens	Adults	RIH	Streetscene	PBC	Finance	L&R	Non Service	Total 16/17
<b>2016/17 MTRP Target (£) Total</b>	£60,000	£417,000	£1,712,000	£948,000	£2,215,000	£411,000	£222,000	£330,000	£2,283,000	<b>£8,598,000</b>
<b>Total Savings Realised by Year End 2016/17</b>	£60,000	£441,400	£2,005,000	£928,000	£1,526,475	£401,000	£222,000	£315,000	£2,283,000	<b>£8,181,875</b>
<b>Variation to MTRP Target</b>	£0	£24,400	£293,000	<b>-£20,000</b>	<b>-£688,525</b>	<b>-£10,000</b>	£0	<b>-£15,000</b>	£0	<b>-£416,125</b>
<b>Variation % to MTRP Target</b>	0%	6%	17%	-2%	-31%	-2%	0%	-5%	0%	-5%
<b>Undelivered Savings from Previous Years (C&amp;CC)</b>								<b>-£52,500</b>	<b>-£503,269</b>	<b>-£555,769</b>
<b>Impact of Savings Realised Early for project greater than one year duration</b>										
<b>Variation to MTRP Target</b>	£0	<b>-£170,600</b>	<b>-£170,000</b>	<b>-£20,000</b>	<b>-£688,525</b>	<b>-£10,000</b>	£0	<b>-£15,000</b>	£0	<b>-£1,074,125</b>
<b>Variation % to MTRP Target</b>	0%	-41%	-10%	-2%	-31%	-2%	0%	-5%	0%	<b>-12%</b>
<b>By Portfolio</b>										
	People	Place	Corporate	Non Service	<b>Total 16/17</b>	<b>Undelivered savings Previous Years</b>				
<b>2016/17 MTRP Target (£) Total</b>	£2,189,000	£3,163,000	£963,000	£2,283,000	£8,598,000	£687,118				
<b>Total Savings Realised by Year End 2016/17</b>	£2,506,400	£2,454,475	£938,000	£2,283,000	£8,181,875	£131,349				
<b>Variation to MTRP Target</b>	<b>£317,400</b>	<b>-£708,525</b>	<b>-£25,000</b>	£0	<b>-£416,125</b>	<b>-£555,769</b>				
<b>Variation % to MTRP Target</b>	<b>14%</b>	<b>-22%</b>	-3%	0%	<b>-5%</b>	<b>-81%</b>				

## Appendix 4 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-16	Planned movements in year												Balance at 31-Mar-17
		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	(5,881)	-	-	-	2,881	(380)	-	-	-	-	-	-	-	(3,380)
														-
<b>Earmarked Reserves:</b>														-
Music Service	(205)	-	-	-	-	-	-	-	-	-	-	-	-	(205)
Insurance Reserve	(1,925)	-	-	-	-	-	-	-	-	-	-	-	-	(1,925)
MMI Insurance Reserve	(352)	-	-	-	-	-	-	-	-	-	-	-	-	(352)
Legal Claims	(100)	-	-	-	-	-	-	-	-	-	-	-	-	(100)
Health & Safety	(16)	-	-	-	-	-	-	-	-	-	-	-	-	(16)
Council Tax Reduction	(500)	-	-	-	-	-	-	-	-	-	-	-	-	(500)
Education Achievement Service	(92)	-	-	-	-	-	-	-	-	-	-	-	-	(92)
Schools Redundancies	(453)	-	-	-	-	-	-	-	-	-	-	-	-	(453)
Friars Walk	(6,176)	-	-	-	-	-	-	-	-	-	-	-	(2,811)	(8,987)
Gem Services Reserves	(100)	-	-	-	-	-	-	-	-	-	-	-	-	(100)
<b>SUB TOTAL - RISK RESERVES</b>	<b>(9,919)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,811)</b>	<b>(12,730)</b>
Pay Reserve	(1,948)	-	-	-	-	-	-	-	-	-	-	-	730	(1,218)
Capital Expenditure	(7,084)	-	-	-	-	-	-	-	-	-	-	-	1,000	(6,084)
Invest to Save	(12,838)	-	-	-	-	-	-	-	-	-	-	-	2,649	(10,189)
Super Connected Cities	(749)	-	-	-	-	-	-	-	-	-	-	-	125	(624)
Landfill (Door Stepping Campaign)	(131)	-	-	-	-	-	-	-	-	-	-	-	131	-
Christmas Lights	(47)	-	-	-	-	-	-	-	-	23	-	-	-	(24)
Usable Capital Receipts	(8,059)	-	-	-	-	-	-	-	-	-	-	-	4,233	(3,826)
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>(30,856)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>8,868</b>	<b>(21,965)</b>



STEP School Computers	(638)	-	-	-	-	-	-	-	-	-	-	-	343	(295)
Municipal Elections	(120)	-	-	-	-	-	-	-	-	-	-	-	120	(0)
Local Development Plan	(528)	-	-	-	-	-	-	-	-	-	-	-	(69)	(597)
Glan Usk PFI	(971)	-	-	-	-	-	-	-	-	-	-	-	-	(971)
Southern Distributor Road PFI	(44,498)	-	-	-	-	-	-	-	-	-	-	-	17	(44,481)
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>(46,756)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411</b>	<b>(46,345)</b>
Works of art	(21)	-	-	-	-	-	-	-	-	-	-	-	-	(21)
School Works	(272)	-	-	-	-	-	-	-	-	-	-	-	(20)	(292)
Theatre & Arts Centre	(233)	-	-	-	-	-	-	-	-	-	-	-	-	(233)
Cymorth Income	(38)	-	-	-	-	-	-	-	-	-	-	-	38	-
Pupil Referral Unit	(60)	-	-	-	-	-	-	-	-	-	-	-	-	(60)
Gypsy and Traveller Site	(7)	-	-	-	-	-	-	-	-	-	-	-	-	(7)
Homelessness Prevention	(38)	-	-	-	-	-	-	-	-	-	-	-	-	(38)
Environmental Health - Improve Air Quality	(50)	-	-	-	-	-	-	-	-	-	-	-	50	-
Refurbishment of a Children / Older People Homes	(115)	-	-	-	-	-	-	-	-	-	-	115	-	-
ECDL Training Package - <b>Change to Apprenticeship Scheme</b>	(80)	-	-	-	-	-	11	11	11	11	11	11	14	-
City Deal Reserve - Rename - <b>City Economic Development</b>	(195)	-	-	-	-	-	-	-	-	-	-	-	100	(95)
NEW - Welsh Language Standards	(240)	-	-	-	-	-	-	-	-	-	-	-	-	(240)
NEW - YS Dilapidation Costs Information Shop	(51)	-	-	-	-	-	-	-	-	-	-	-	51	-
<b>SUB TOTAL - OTHER RESERVES</b>	<b>(1,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>126</b>	<b>233</b>	<b>(986)</b>
<b>RESERVES TOTAL</b>	<b>(101,311)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,881</b>	<b>(380)</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>34</b>	<b>11</b>	<b>126</b>	<b>6,701</b>	<b>(91,905)</b>