



POLICY AND RESOURCES SCRUTINY COMMITTEE – 17TH JANUARY 2017

**SUBJECT: WHOLE AUTHORITY REVENUE BUDGET MONITORING REPORT
 2016/17**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
 OFFICER**

1. PURPOSE OF REPORT

- 1.1 To provide details of projected whole-authority revenue budget expenditure for the 2016/17 financial year.
- 1.2 To provide an update on progress in delivering approved savings for 2016/17.

2. SUMMARY

- 2.1 This report provides information on the position of the whole-authority in respect of revenue budget monitoring for 2016/17. Detailed budget monitoring reports are prepared for Scrutiny Committees throughout the financial year. Consideration has been given to actual expenditure and income trends and projections have been made of the likely year-end outturn position. Where variations from budget have been identified these are commented upon throughout the report.
- 2.2 The report also provides details of progress in delivering approved revenue budget savings for the 2016/17 financial year and highlights those areas where savings are not currently progressing as originally planned.

3. LINKS TO STRATEGY

- 3.1 The Council has a number of corporate strategies and this report deals with the use of resources in the achievement of those strategies.
- 3.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
 - A prosperous Wales.
 - A resilient Wales.
 - A healthier Wales.
 - A more equal Wales.
 - A Wales of cohesive communities.
 - A Wales of vibrant culture and thriving Welsh Language.
 - A globally responsible Wales.

4. THE REPORT

4.1 Members will be aware of the ongoing challenging financial outlook for Local Government and the need to identify significant savings to support the Council's Medium-Term Financial Plan (MTFP). Officers have been mindful of this and consequently expenditure has been curtailed in a number of areas in recent years with the aim of identifying savings in advance to support the MTFP. This prudent approach has resulted in a trend of reported year-end underspends for all Directorates.

4.2 However, the position is now becoming more challenging with a number of cost pressures emerging across some service areas, in particular, Social Services and Waste Management. The table below makes a comparison between the original 2016/17 estimate, a revised estimate (where approved changes have been made in year) and the projected outturn. The total projected revenue budget underspend for the Authority for 2016/17 is £3,515k. This does not include the Housing Revenue Account (HRA), details of which are provided separately in paragraphs 4.8.1 to 4.8.5.

	Original Estimate 2016/17	Revised Estimate 2016/17	Projected Outturn 2016/17	Projected (Overspend) /Underspend
	£000's	£000's	£000's	£000's
Education & Lifelong Learning	124,790	124,790	124,773	17
Social Services	73,404	75,900	76,065	(165)
Environment	48,915	49,944	49,518	426
Corporate Services	22,087	21,862	20,592	1,270
Miscellaneous Finance	55,195	51,895	49,928	1,967
Totals: -	324,391	324,391	320,876	3,515

4.3 Education & Lifelong Learning (Projected Underspend of £17k)

4.3.1 A net underspend of £17k is currently forecast for the Directorate as summarised in the table below: -

	Projected (Overspend)/ Underspend £000's
Home to School/College Transport	(94)
Relief Supply Cover (Schools Related)	(59)
Management and Support Service Costs	129
Additional Support and Out-of-County Recoupment	(65)
Visually Impaired Service	66
Education Other Than At Schools (EOTAS)	(255)
Rising 3's – Early Years	37
Music Service	(85)
Education Achievement Service (EAS)	91
Regional Education Improvement Grant Match-Funding	61
Libraries	45
Other	146
Total: -	17

4.3.2 The Home to School/College Transport budget is managed by the Engineering Division in the Environment Directorate (with any variances ring-fenced to Education). There is a projected overspend of £147k which is partly due to an increase in demand in respect of SEN (Special

Educational Needs), ALN (Additional Learning Needs) and EOTAS (Education Other Than At Schools). An element of the projected overspend is also due to the fact that in the 2016/17 financial year there are 3 additional school days due to the timing of the Easter holidays. The projected overspend reduces to £94k after releasing one-off funding of £53k from the Transport Equalisation Reserve.

- 4.3.3 Due to the unpredictability of sickness in Special Resource Bases and maternity absences across all school sectors, the Relief Supply Cover spend on school based staff is difficult to predict. However, based on spend to date and reasonable estimates an overspend of £59k is currently forecast.
- 4.3.4 The underspend in relation to Management and Support Service costs relates in part to a £30k vacant post (MTFP saving moving forward), plus 2 lengthy in-year vacancies and some changes to contractual hours.
- 4.3.5 Additional Support costs have risen significantly over the last 2 years and this is closely linked to an increase in Statements around ASD (Autistic Spectrum Disorder), which is a national trend. Whilst the level of spend on the Additional Support budget has increased, this cost is significantly less than the cost of a child placed in an out-of-county school on either a daily or residential placement. The projected overspend of £65k is based on current additional support in our schools, current placements and an estimate for potential additional needs. Due to the uncertain nature of this spend this budget will continue to be closely monitored to the end of the financial year.
- 4.3.6 In recent years the Visually Impaired Service has reported an underspend. This is expected to continue for 2016/17.
- 4.3.7 Education Other Than At Schools (EOTAS) provision is currently under review, both internally and with regards to procured activity. This provision, which accommodates learners who are unable to attend and learn through mainstream school, has seen a recent increase in referrals for children with challenging behaviour. In the short-term this provision is continuing to project an overspend, currently up to the value of £255k. This includes some additional one-off costs from September 2016 as we look to develop and invest in our own in-house provisions to better meet the needs of our pupils and in part address increasing cost pressures.
- 4.3.8 The Authority provides funding for Rising 3's nursery provision in our schools and in independent nursery settings. This is demand led and current projections suggest that there will be an underspend of £37k for the current year.
- 4.3.9 In 2016/17 there has been a further MTFP budget reduction of £100k against the Authority's Music Service and a Working Group has been set up to consider delivery options to achieve this saving. In the short-term there is a projected overspend of £85k due in part to a reduced uptake from schools (circa £20k). Managers remain confident that this savings target is achievable in the longer-term.
- 4.3.10 The charge on the main contract with the Education Achievement Service (EAS) is £91k less than the current budget provision.
- 4.3.11 A reduction in the level of the Regional Education Improvement Grant (EIG) has led to a reduction of £61k in the match-funding requirement from the Authority.
- 4.3.12 The projected underspend of £45k for Libraries is primarily due to vacant posts.
- 4.3.13 There is a net projected underspend of £146k on other budgets within Education and Lifelong Learning.

4.4 **Social Services (Projected Overspend of £165k)**

4.4.1 The 2016/17 projected outturn for the Social Services Directorate is an overspend of £165k. Cabinet will recall that the 2016/17 budget approved by Council on the 24th February 2016 included a contingency of £2.5m for Social Services cost pressures. This contingency was initially held corporately but has now been permanently transferred into the Social Services base budget. This transfer is necessary in order to fund the impact of fee increases awarded to providers of adult social care (due in the main to the introduction of the National Living Wage from April 2016), and to address demographic pressures experienced within both Children's Services and Adult Services since the start of the financial year.

4.4.2 The projected position (after the release of the £2.5m into the Social Services base budget) is summarised below: -

Division	2016/17 Revised Budget £000's	2016/17 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
Children's Services	19,769	20,329	(560)
Adult Services	53,606	53,354	252
Service Strategy & Business Support	2,525	2,382	143
Totals: -	75,900	76,065	(165)

Children's Services (Projected Overspend of £560k)

4.4.3 In response to the anticipated reductions in Welsh Government funding over the forthcoming financial years, a prudent approach to vacancy management has been adopted. This has led to a projected underspend of £511k against Management, Fieldwork and Administration posts within the Division.

4.4.4 An overall overspend of £1,036k is projected in respect of residential placements, fostering and adoption support. This reflects the demographic changes and additional cost pressures experienced within the financial year with more children presenting with more complex and challenging behaviour than in previous years. This pressure has grown steadily throughout the financial year to date and could continue to grow through the remainder of the year. The full-year effect of these pressures will have implications for 2017/18 and this has been considered as part of ongoing work on the Authority's MTFP.

4.4.5 An overspend of £82k is projected in respect of Aftercare Services. This relates to increased numbers of 16 to 18 year olds in receipt of leaving care services and a growth in "When I'm Ready" placements for young adults who were previously fostered.

4.4.6 There is a projected £47k underspend for 'Other Costs' that can largely be attributed to the renegotiation of contracts with voluntary sector organisations.

Adult Services (Projected Underspend of £252k)

4.4.7 There is a projected underspend of £557k in Management, Fieldwork and Administration. This projection is net of the approved use of Social Services reserves totalling £254k to fund a number of temporary posts involved in transformational projects.

4.4.8 There is a projected underspend of £346k in relation to in-house provision of Residential Care and Supported Living. This is due to a combination of increasing client contributions and short-term staffing vacancies arising from delays in recruitment.

4.4.9 An underspend of £347k is anticipated in relation to the in-house provision of day care services. This is due to a combination of short-term vacancies and efficiency savings

delivered in advance of MTFP requirements.

- 4.4.10 There is a projected underspend of £91k on Aids and Adaptations budgets due to a refund from the Gwent-Wide Integrated Community Equipment Service (GWICES) in respect of unspent funding from 2015/16.
- 4.4.11 Underspending across the Gwent Frailty Programme largely resulting from short-term vacancies is likely to result in a £9k reduction in the contribution required from Caerphilly Social Services.
- 4.4.12 An overspend of £35k is currently projected against the Supporting People budget. This over commitment has been reduced by £141k over the last 2 months and the Supporting People Manager will continue to review existing contracts in order to further reduce expenditure.
- 4.4.13 Financial information in respect of External Residential Care, External Day Care, Home Assistance & Reablement and Other Domiciliary Care is captured separately for each service area. However, demand for these services is inter-dependent as it is difficult to predict the exact needs of future service users. If these services are considered as a whole then a projected overspend of £1,108k is anticipated as summarised below: -

Service	2016/17 Revised Budget £000's	2016/17 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
External Residential Care	12,008	12,361	(353)
External Day Care	885	980	(95)
Home Assistance & Reablement	10,551	10,397	154
Other Domiciliary Care	9,398	10,212	(814)
Totals: -	32,842	33,950	(1,108)

- 4.4.14 The pressures highlighted in the table above have occurred due to demographic changes experienced within Adult Services since the beginning of the current financial year. The full year effect of these changes will have financial implications for 2017/18 and this has been considered as part of ongoing work on the Authority's MTFP.
- 4.4.15 A £45k net underspend is projected against other Adult Services budgets largely as a result of the maximisation of the Wales Independent Living Grant.

Service Strategy & Business Support (Projected Underspend of £143k)

- 4.4.16 This service area is currently projected to underspend by £143k due in the main to structural savings delivered in advance of MTFP requirements and an anticipated underspend on transport costs.

4.5 Environment (Projected Underspend of £426k)

- 4.5.1 The projected outturn for Environment is an underspend of £426k which is the net position following a transfer of £800k into Community & Leisure Services from the one-off £1.6m waste management contingency approved by Council in February 2016.

Regeneration & Planning Division (Projected Underspend of £4k)

- 4.5.2 Overall an underspend of £4k is projected for the Regeneration & Planning Division consisting of an overspend of £227k for Planning Services and an underspend of £231k for Economic Development and Tourism.

- 4.5.3 Countryside Services are reporting an overspend of £25k. This consists of a £31k shortfall in income from car park charges which is largely offset by underspends in operational costs.
- 4.5.4 Development Control is reporting an overspend of £60k largely due to anticipated planning application fee income and pre-application advice income being £145k below the budgeted level. This income shortfall is partly offset by an underspend in staffing due to the delayed filling of vacant posts and MTFP savings in advance for 2017/2018. There is also a projected overspend of £89k in Building Control, where income is projected to be £106k below the £302k budget. Planning application fee and building control fee income is dependent on the number of applications received and applications and fee levels can vary significantly. The addition of one or two large planning applications can make a significant difference to income levels and this will be monitored closely over the next few months.
- 4.5.5 Strategic Planning budgets are presently projected to be £50k overspent due to a shortfall in rechargeable fee income, partly offset by staffing underspends due to staff on reduced working hour contracts.
- 4.5.6 Business Development has a projected underspend of £111k which is due to a combination of vacant posts (including the vacant Head of Service post) and underspends in other operational non-staff budgets. This underspend is partly offset by a temporary contract extension to a previously grant funded post. There is also a projected underspend of £40k for the Community Regeneration Fund due to an anticipated reduction in the number of applicants for grant match-funding support.
- 4.5.7 Business Urban Renewal is currently projected to overspend by £120k which is primarily due to a shortfall in rental income arising from under-occupancy of the Bargued retail shop units.
- 4.5.8 There is a projected £72k underspend in relation to Industrial Properties due to vacant posts from voluntary early retirements, partly offset by a £12k shortfall in income. Income budgets for 2016/2017 were increased by £100k as part of MTFP requirements and it is pleasing to note that this increased target is nearly fully achieved.
- 4.5.9 A net underspend of £10k is projected for Tourism Events, with additional income generated from pitch fees and concessions from the various events, particularly the Big Cheese. At present the Tourism Venues are reporting an overall underspend of £53k primarily due to vacant posts at a number of venues partially offset by reduced income. Income at the Cwmcarn Visitor Centre is lower than the budgeted level as a result of reduced visitor numbers due to the closure of the Scenic Drive for ongoing tree felling works. However, the Caerphilly Visitor Centre is exceeding income targets due to the continuing success of the coffee shop facilities.
- 4.5.10 There is a projected underspend of £65k for Community Regeneration. This is mainly due to additional recharge income from support provided to the grant funded Community First programme.

Engineering Division (Projected Underspend of £154k)

- 4.5.11 There is a projected underspend of £154k for the Engineering Division after adjusting for a projected overspend of £94k on Home to School Transport and an underspend of £33k on Social Services Transport. These transport budget variations are ring-fenced to Education & Lifelong Learning and Social Services.
- 4.5.12 Expenditure in relation to highway reactive maintenance repairs is presently projected to be £250k overspent due to ongoing pressures in this service area. The Engineering Division is reviewing the highway maintenance programme to identify measures to reduce the projected overspend by the end of the financial year. The severity of winter weather in relation to snow, gritting and flooding will have an impact on the overall outturn position but for now it is currently assumed that the winter maintenance budget of £1.14m will underspend by £209k.

There is funding in the winter maintenance reserve of £492k which can be accessed if necessary.

- 4.5.13 There is a projected overspend of £99k in relation to car parks, primarily relating to the ongoing review and asset management plan development for car parks. However this is offset by additional fee income for EPG (Engineering Projects Group). The payment of fees to EPG is to be funded from the use of identified unapplied grant from the Welsh European Funding Office (WEFO) park & ride project. There is also a £34k shortfall in the car park income budget at present.
- 4.5.14 An MTFP saving of £126k was applied to the Public Transport budget in 2016/17 but there is presently a projected overspend of £50k due to the timing of the implementation of the new bus contracts and other cost increases. This saving is anticipated to be fully achieved in 2017/2018.
- 4.5.15 There is a projected overall underspend of £230k in staffing across the Engineering Division due to vacant posts and secondments. Some of these vacant posts are MTFP savings in advance for 2017/2018.
- 4.5.16 A £40k surplus is currently projected for Network Contracting Services (NCS).

Public Protection Division (Projected Underspend of £198k)

- 4.5.17 An underspend of £91k is currently projected for Environmental Health due to a combination of vacant posts and maternity leave and additional income in relation to pest control and court cost recoveries. Costs in relation to closed landfills, pollution and contamination can be volatile and subject to change during the year so these will be monitored closely as any increases in this area would impact on the overall financial position.
- 4.5.18 Trading Standards is reporting an underspend of £43k primarily relating to a vacant post in Commercial Services and additional income in relation to Registrar's fees, partly offset by a shortfall in Licensing fee income. CCTV is reporting a £12k underspend due to staff vacancies and increased income from CCTV recharges to other services.
- 4.5.19 There is a projected overall net underspend of £51k for Catering Services. This includes £98k in Primary School catering due to additional school meals income and underspends in staffing and other operational costs (albeit that food costs have recently increased due to inflationary price changes). There is also a projected underspend of £46k for Comprehensive School catering. These underspends are partly offset by a projected overspend in relation to Breakfast Clubs mainly due to a delay in implementing the agreed MTFP savings in this service area. There is also a £48k projected overspend in meals direct and civic catering due to a shortfall in income targets and the increased cost of food.

Community & Leisure Services Division (Projected Underspend of £67k)

- 4.5.20 The Community & Leisure Services Division is currently projected to underspend by £67k.
- 4.5.21 Waste Management & Cleansing is presently projecting an overall overspend of £912k but this reduces to £112k following the transfer of £800k into Community & Leisure Services from the one-off £1.6m waste management contingency approved by Council in February 2016. This temporary funding is available to fund cost pressures in dry recyclable waste only whilst alternative waste treatment arrangements are procured. The dry recycling treatment budget is presently projected to overspend by £1,133k (reduced to £333k after the £800k contingency funding) due to a combination of increased treatment costs per tonne, increased waste tonnages and additional costs of treating materials that cannot be recycled. There are also projected overspends of £105k in relation to an increase in tonnages of residual waste sent to the Project Gwyrdd plant in Cardiff and a £337k overspend due to an increase in the waste being processed at Civic Amenity Sites. These overspends are offset by underspends in relation to street cleansing due to vacant posts and an underspend against the RCCO

(revenue contribution to capital outlay) budget due to a revision in the vehicle acquisition requirements for 2016/2017.

- 4.5.22 An underspend of £100k is projected for Parks, Outdoor Facilities and Cemeteries inclusive of a £162k underspend in relation to Cemeteries. At its meeting on the 16th November 2016, Cabinet approved a recommendation that the 2016/17 underspend in relation to Cemeteries should not be ring-fenced as in previous years, but instead be retained within the base budget to partially offset other budget pressures within the Community & Leisure Services Division. The £62k overspend in the remainder of the Parks service is mainly due to the delayed retirement of the Parks Manager as part of the approved 2016/2017 MTFP savings.
- 4.5.23 Leisure Services is projecting an overall underspend of £81k. Leisure Centres are projected to overspend by £52k mainly due to a projected £45k shortfall in budgeted income. However, the overspend in Leisure Centres is more than offset by an underspend in central leisure of £96k due to vacant posts and an underspend in sports & health development of £37k due to vacant posts.
- 4.5.24 Vehicle Maintenance & Fleet Management is currently projected to overspend by £4k and Building Cleaning is projected to underspend by £1k.

Directorate General (Projected Underspend of £3k)

- 4.5.25 There is currently a projected underspend of £3k on the Directorate General budget.

4.6 Corporate Services (Projected Underspend of £1,270k)

- 4.6.1 The Directorate of Corporate Services is currently forecasting an underspend of £1,270k for the 2016/17 financial year.
- 4.6.2 There is a projected underspend of £260k in Corporate Finance which relates in the main to delays in appointing to vacant posts, vacancies which are being held to support MTFP savings requirements for 2017/18 and some one-off additional income.
- 4.6.3 There is an anticipated underspend of £170k in Procurement and Customer Services consisting of the following:-
- Projected underspend of £86k in Procurement which relates in the main to delays in appointing to vacant posts.
 - Customer First - £84k underspend which is also due in the main to vacancies being held to support MTFP savings requirements for 2017/18 together with some one-off savings due to a member of staff being on a career break.
- 4.6.4 Legal & Governance is projecting a net underspend of £84k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -
- Projected underspend on Members related expenditure of £126k. This is due in the main to underspends on Members Allowances which is partly off-set by reduced costs on printing/ webcasting.
 - Projected underspend of £46k on Electoral Services.
- The net underspend of £84k for Legal and Governance is due to vacancies.
- 4.6.5 Corporate Policy is projecting an overall underspend of £33k after taking account of: -
- Projected overspend of £51k in the Equalities and Welsh Language Team due to increased external translation costs and the need to appoint a temporary translator post to cope with workload caused by the new Welsh Language Standards.
 - Projected underspend of £25k on budgets in the Policy Team. This is after the one-off transfer of earmarked reserve.

- Projected underspend in the Performance Management Unit of £26k due to a vacancy being held to support MTFP savings requirements for 2017/18.
- Projected net underspend of £33k on other Corporate Policy budgets.

4.6.6 There is a projected break even position for Housing Services which consists of the following:-

- General Fund Housing is expected to break even but this is being achieved through utilising income received for leasing out Ty Croeso, which is normally set aside as a renewal fund for future building maintenance works. This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict.
- Private Housing is anticipating an overspend of £13k. The main concern for this budget area is Agency Fee Income which under-recovered last year by some £196k. The fee income has historically been generated from the private housing capital programme which has reduced substantially over the years. There is additional fee income expected this year from the allocation of WHQS works to leasehold properties but there is still a projected under recovery on agency income of £43k. This has been partially offset by savings of £30k which is mainly attributable to salaries as a result of staff retirements to support savings requirements for 2017/18. There are revenue balances available to meet the net projected shortfall of £13k this year.

4.6.7 There is an anticipated underspend of £484k for Information Technology consisting of the following:-

- IT Services - £428k underspend which is due in the main to vacancies being held to support savings requirements for 2017/18.
- Central Services – £56k underspend mainly due to a vacancy being held to support savings requirements for 2017/18 along with some one-off income.

Both IT and Central Services underspends may be partially utilised for one-off IT schemes. Business cases are under consideration.

4.6.8 For Corporate Property there is a net projected underspend of £55k consisting of the following: -

- Corporate Property - £89k overspend due to an agreed delay in a planned retirement offset by vacancy management savings. This will be funded by a one-off transfer of earmarked reserve.
- Corporate Buildings - £34k overspend in respect of spend on Tiryberth Depot, partially offset by small savings on NNDR and standby/relief cover and underspends on energy costs. Energy contract prices are due to be reviewed so this area of spend will need to be kept under review.
- Asset Management and Facilities – Projected £67k underspend mainly due to some reduced hours on salaries, increased recharges to schools/other services for maintenance management and some savings on lease costs on vacant properties.
- Building Consultancy – Projected £22k underspend based on agreed fees to date. These are reviewed on an on-going basis.

4.6.9 There is a projected underspend of £113k for Human Resources and Communications consisting of:-

- Human Resources projected underspend of £110k due in the main to salary savings from staff on career breaks, some staff not at the top of scale points, staff on long-term sickness and maternity leave.
- Communications - £3k underspend due in the main to salary costs arising from maternity leave.

4.6.10 There is a projected underspend of £34k for Health & Safety which is due to salary savings arising from delays in recruitment and additional Service Level Agreement (SLA) income

received from Cardiff City Council.

4.7 **Miscellaneous Finance (Projected Underspend of £1,967k)**

4.7.1 There is an overall projected underspend of £1,967k in Miscellaneous Finance which consists in the main of a projected underspend of £1,746k on Capital Financing budgets due to the following: -

- 2015/16 and 2016/17 supported borrowing has been deferred to future years as there are cash balances that can be utilised in the short-term.
- A 2.5% reduction in the assumed borrowing rate for 2016/17 (previously 5% in line with current Public Works Loans Board (PWLB) rates). This is a consequence of base rate reductions following the outcome of the EU Referendum.
- Improved returns on investments in accordance with the revised Treasury Management Strategy.

4.7.2 There is a projected net underspend of £221k on other budgets within Miscellaneous Finance.

4.8 **Housing Revenue Account (Projected Underspend of £1,648k)**

4.8.1 There is currently a projected year-end underspend of £1,648k for the Housing Revenue Account (HRA) which represents just under 3% of the total HRA budget.

4.8.2 Salaries and associated costs are expected to overspend by £38k. This is a net position where underspends in Sheltered Housing and Area Housing are offset by overspends expected in the Housing Response Team (as a consequence of increased work to support the WHQS programme) and in Allocations (due to a recent review to address the new Common Housing Register). Non-pay budgets are projected to underspend by £377k. These budgets include office running costs and tenant related expenditure such as Decoration Allowances, Energy Performance Certificates and Security of Void Properties.

4.8.3 Building Maintenance is projecting a £183k overspend due to £1.5m additional expenditure in Housing Response as a result of increased work in supporting the WHQS programme and end of tenancy voids, largely offset by underspends in Revenue Projects of £772k and Planned Cyclical works of £587k.

4.8.4 Additional Income is expected to be £1.6m higher, mainly as a result of the increased work in supporting the WHQS programme via the Housing Response Team.

4.8.5 The HRA allows for some £13.5m of revenue contributions towards the WHQS programme this year and £2.1m for the delivery team fees. This is expected to be fully utilised this year with the delivery team costs likely to be some £131k higher due to an increase in agency posts.

4.9 **Progress Made Against Approved 2016/17 Revenue Budget Savings**

4.9.1 The approved budget for 2016/17 included total savings of £11.117m. Appendix 1 provides details of approved 2016/17 savings that are currently not being achieved and details of 2016/17 savings that still may not be achieved in 2017/18.

4.9.2 For 2016/17 there is currently a projected shortfall of £468k against the approved total savings of £11.117m. In the main this shortfall is being covered through one-off in-year underspends largely due to MTFP savings in advance. However, Members will note that £151k of the approved 2016/17 savings still may not be achieved by 2017/18. Heads of Service will be required to identify alternative savings to address any shortfall.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

- 6.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqLA) process does not need to be applied.

7. FINANCIAL IMPLICATIONS

- 7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

- 8.1 The personnel implications of agreed savings are carefully managed and staff are fully supported to identify redeployment opportunities wherever possible.

9. CONSULTATIONS

- 9.1 There are no consultation responses that have not been reflected in this report.

10. RECOMMENDATIONS

- 10.1 It is recommended that Members continue to request Directors and Heads of Service to review expenditure and income levels in order to ensure that annual budgets and in-year savings are achieved.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 The Council budget is based upon the achievement of both expenditure targets and income targets. In order to ensure these are met and that the Council's financial integrity is maintained, Members are required to review expenditure and income trends included in budget monitoring reports.

12. STATUTORY POWER

- 12.1 Local Government Act 1972 and 2000.

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Mike Jones, Interim Financial Services Manager, Social Services
Lesley Allen, Principal Accountant, Housing

Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services
Cllr D Poole, Deputy Leader & Cabinet Member for Housing

Appendices:

Appendix 1 2016/17 Savings Not Being Achieved

Background Papers:

Council (24/02/16) - Budget Proposals 2016/17 and Medium-Term Financial Strategy 2016/2021

2016/17 SAVINGS NOT BEING ACHIEVED

SERVICE AREA	MTFP REF. NO.	DESCRIPTION OF AGREED SAVING	AGREED SAVING 2016/17 £000's	AMOUNT ACHIEVED 2016/17 £000's	ANTICIPATED SHORTFALL 2016/17 £000's	WHERE SAVINGS HAVE NOT BEEN ACHIEVED, WHAT PLANS ARE IN PLACE TO ADDRESS THIS?	HAVE THERE BEEN ANY UNEXPECTED CONSEQUENCES AS A RESULT OF THE SAVING?	POTENTIAL SHORTFALL IN 2017/18 £000's
Community & Leisure Services	CL03	Removal of Parks & Outdoor Facilities Manager post.	60.00	14.00	46.00	One off retirement costs £33k funded in 2016/17 and £13k pay due to delay in retirement date. Will be fully achieved in 2017/18.	No	0.00
Corporate Finance	CF12	Sundry Debtors - Saving on printing costs.	5.00	0.00	5.00	This is being kept under review but savings are proving difficult to achieve.	No	5.00
Corporate Finance	CF01	Council Tax - Increase in court fees.	75.00	58.00	17.00	Additional estimate too high as case load has not increased.	No. Anticipated debtor complaints have not materialised.	17.00
Econ Dev, Regen and Planning	ERP02	Llancaiach Fawr - Income.	20.00	0.00	20.00	Income streams in this area are being reviewed to establish whether the savings target can be fully achieved by the end of the financial year.	No	20.00
Econ Dev, Regen and Planning	ERP03	Industrial Property Income.	100.00	88.00	12.00	Endeavouring to increase occupancy at Industrial Units and possible rent review.	No	0.00

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Econ Dev, Regen and Planning	ERP04	Cwmcarn Visitor Centre – Income.	20.00	0.00	20.00	Tree felling works at the Cwmcarn Scenic Drive has adversely affected visitor numbers so the income budgets are under achieving. Operations being reviewed to try and increase income to compensate. In the long-term the saving should be achievable.	No	20.00
Econ Dev, Regen and Planning	ERP11	Pre-planning Advice – Income.	5.00	0.00	5.00	The level of income is influenced by economic activity. The position will be kept under review.	No	5.00
Education & Lifelong Learning	EDLL17	Music Service.	100.00	15.00	85.00	A Working Group has been established to look at options both internally and with the Gwent Music Service.	No	0.00
Engineering	FY 15/16	Review of Passenger Transport Services.	126.00	76.00	50.00	New bus contracts have been implemented later than anticipated. Full saving will be achieved in 2017/18.	No	0.00
Health & Safety	HS01	Additional Health & Safety training fee income.	50.00	20.00	30.00	It is anticipated that the saving will be fully achieved in 2017/18.	No	0.00

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ITCE	ICE13	ICT - Reduction in support vans.	7.00	3.50	3.50	Full saving is expected to be delivered by 2017/18.	No	0.00
Policy & Performance	LG10	Equalities - Vacancy management.	28.40	0.00	28.40	Additional staffing resources have been put in place to address the increased demand for Welsh Language translation. It will not be possible to achieve this saving.	Further costs are anticipated to deal with the volume of work arising from the Welsh Language Standards. This is being considered as part of the budget-setting process for 2017/18.	28.40
Policy & Performance	LG11	Equalities - Reduce Welsh language initiatives budget.	5.00	0.00	5.00	Additional costs have been incurred in external translation services to address the increased demand for Welsh Language translation. It will not be possible to achieve this saving.	Further costs are anticipated to deal with the volume of work arising from the Welsh Language Standards. This is being considered as part of the budget-setting process for 2017/18.	5.00
Property	PRP01	Head of Service retirement.	67.00	0.00	67.00	Delayed retirement of Head of Service. Corporate Services reserves will be used to find this shortfall in 2016/17.	No	0.00

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Public Protection	PP05	Increase prices in civic catering by 5%.	4.90	0.00	4.90	The MTFP price increase savings are being offset by lower demand. Initiatives are under consideration to increase the customer base to increase income.		4.90
Public Protection	PP08	Introduce charge to schools for the setting up of sandwich places.	102.00	76.00	26.00	Income of £76k is being achieved from schools that have signed up for this service. The remaining saving is being achieved via reduced Catering Service staffing costs.		26.00
Public Protection	PP12	Reduce operational Breakfast Clubs costs.	70.00	27.00	43.00	Staffing levels are being reviewed on a site by site basis. Redeployment opportunities are continuing to be explored and any vacant posts are reviewed before being filled. The Corporate Management Team reviewed progress at the end of December 2016.		20.00
		Total	845.30	377.50	467.80			151.30