

Report

Cabinet

Part 1

Date: 19 July 2017

Subject **May Revenue Budget Monitor**

Purpose The purpose of this report is to give Cabinet an early indication of the revenue financial forecast position and the issues affecting financial management during 2017/18.

Author Head of Finance

Ward All

Summary As at May 2017, the Council's revenue budget is forecasting an **overspend of £133k**, excluding the impact of the revenue contingency budget. Although this represents less than 1% variation against the total Council's net budget there are significant overspends within service areas of £2,351k, excluding schools, which have been offset by non-service savings of £2,218k in respect of council tax rebates, council tax surplus and capital financing. This follows a similar pattern to 2016/17. If there were no savings forecast in the non-service areas, the revenue contingency budget would need to mitigate the service area overspend, although, service area overspending is nearly £900k higher than the contingency budget already.

In addition, budgets set by schools for 2017/18 will see them overspending their available funding by c£3m which will reduce the vast majority of school's individual reserves to almost zero.

It is very early to predict the outturn for the 2017/18 revenue budget; however, this report aims to give Cabinet a summary of the known key issues which will impact on the financial management of the 2017/18 revenue budget, such as:

- recurring pressures identified in the 2016/17 outturn position which have not been dealt with as part of the 2017/18 budget setting process;
- forecast delivery of 2017/18 savings (and previous years) to date;
- other key emerging risks/ opportunities.

The forecast position has significant consequences for the Council's work on its medium term overspending as significant, on-going issues may need to be reflected in budgets to ensure a robust budget can be set. In the context of significant savings needed to be found already, this will increase any budget gap, thus requiring further savings.

Proposal Cabinet is asked to:

- Note the overall budget forecast position and the key assumptions and issues which underpin and impact on the Council's financial forecast position;
- Agree to instruct all areas of the Council to maintain robust financial management and bring forward planned underspending wherever possible to mitigate against the current position;

- Note the level of undelivered savings within each directorate and the risks associated with this;
- Note the forecast movements in reserves;
- Agree to allocate £100k of the revenue contingency budget to a new, specific reserve, for 2018 'events'; and
- Note the projected balances of individual schools over the next two years and that a specific budget seminar for schools will be organised for schools in September to discuss and agree a way forward to the current position.

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

- promote and ensure robust forecasting throughout all service areas;
- reduce over-spending within People and Place Directorates;
- manage/ mitigate those projects that are unable to deliver required Medium Term Revenue Plan (MTRP) savings.

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. The Council has managed its budget well over the last year with services being provided and performance improving at the same time. Although the 2016/17 outturn position reported a balanced position, there remained significant service area overspending which, unless addressed, will remain an issue throughout 2017/18. The Council's contingency budget is integral in ensuring a balanced budget at year end, however, it should 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.
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 Heads of Service (HoS) and Cabinet Members receive, providing more detailed explanations of the financial position, financial risks and actions being taken. It is critical that the focus remains upon actions as we move into 2017/18.
3. The forecast shows the Council £133k over budget. Key assumptions within this are:
 - No use of the revenue contingency budget (£1.47m) to manage the general overspends at this early stage of the year. Assuming the recommendation to earmark £100k of this to 2018 events is confirmed, the contingency, if utilised against the overspend, would result in an overall underspend of £1.2m ;
 - Other approved costs to deliver planned 17/18 savings are funded from the Invest to Save Reserve.

Summary Budget Position

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

	£'000
Overspending in service areas (exc. Schools)	2,351
Overspends in Schools	<u>3,000</u>
Service area overspends	5,351
Schools reserves transfer to cover school overspends	(3,000)
<i>Non Service underspends:</i>	
Savings on C Tax benefit rebates – lower claimant No's	(1,114)
Council Tax surplus saving – housing growth	(793)
Capital financing saving	(283)
Other (non-service) variances	<u>(28)</u>
Net Overspend	133

5. Service areas overall are projecting an overspend of £2,351k (exc. schools/ capital financing). The mitigating underspends mainly come from 'non-service' budgets, in particular council tax benefit rebates (£1,114k), Council tax surplus (£793k) and capital financing (£283k). It is fortuitous that these exist as if this was not the case the current level of service's forecast overspending far outweighs the revenue budget contingency.

Main Areas of Budget Variances

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

- (i) staffing projections;
- (ii) recurring pressures identified in the 2016/17 outturn position which have not been dealt with as part of the 2017/18 budget setting process;
- (iii) delivery of 2017/18 savings to date;
- (iv) other emerging risks/ opportunities.

(i) Staffing

7. Employee budgets make up 38% of the Councils gross budget. The table below illustrates that a £334k forecast saving is anticipated against the £57m overall Council staff costs budget.

OVERALL STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969
Forecast (£'000)	56,969	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636
Variance (£'000)	0	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)

(ii) Recurring Pressures

8. As noted within the previous year (2016/17) revenue outturn report, there are a number of key areas of overspending which are likely to continue given the demand and costs for services. Unless sufficient mitigation is identified these areas are likely to impact 2017/18 financial management.
9. A detailed review of 2016/17 budget variances has been undertaken to establish the nature of the issues in terms of whether it is a one off or recurring. Officers have made an assessment of each risk/ opportunity and, based on current information, quantified the likely financial impact in 2017/18. The table below shows the key areas of overspending and underspending and how they are currently forecasted to impact on the 2017/18 budget and financial management:

	2016/17 Outturn	2017/18 Budget Pressure (investment)/ Saving	Net Recurring Pressure (net of investment)/ saving	2017/18 Emerging Pressure/(Saving)	Revised Pressure/ Saving	Notes
	£'000	£'000	£'000	£'000	£'000	
Children & Family Services						
Out of area residential placements	892	(400)	492	670	1,162	Budget can afford 15 placements based on average package costs whereas the service has made 20 placements currently. This is likely to increase given the number of extensions to placements following individual reviews
Adult & Community Services						
Community Care	1,100	(1,044)	56	871	927	£472k is the net community care pressure once the additional £455k income in respect of the social care workforce grant has been accounted for. Forecast based on current client numbers (10 more clients than anticipated during 2016/17) and a further reduction to Supporting People Grant.
Education						
Special Educational Needs (SEN)	917	0	917	(917)	0	This pressure should reduce in 2017/18 following the transfer of in year funding adjustments budget to the individual school budget. This will continue to be carefully monitored
Schools						
Schools - overspending position (transfer from reserves)	1,050	0	1,050	1,950	3,000	Budgets set by schools in 2017/18 will see them overspending their available funding by £3m which will reduce the vast majority of school balances to almost zero
Regeneration, Investment & Housing						
Provision Market	148	(126)	22	(22)	0	Balance managed within existing budget provision
Non Service						
Savings on C Tax benefit rebates - lower number of claimants	(1,063)	(400)	(663)	(451)	(1,114)	Number of claimants will continue to be continually monitored. Non service savings currently offsetting significant service area overspending
Council Tax surplus saving – housing growth	(1,539)	0	(1,539)	746	(793)	Non service savings currently offsetting significant service area overspending
Council wide staff savings	(1,135)	excess of £1m	(1,135)	801	(334)	In the main, 2016/17 saving resulted from early achievement of 17/18 saving proposals and one off grant funding available to fund core staffing

(iii) Delivery of Medium Term Revenue Plan (MTRP) Savings:

10. The following table shows the forecast delivery of savings across directorates. In the main this shows good performance on achievement of these savings (to date, forecasted that 97% of the £5,575k 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 unless there is management action to mitigate, this will remain as a recurring issue and cause pressure in 2017/18 and beyond.

11. Forecasted 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;
- The balance of the £180k represents small unachieved savings against a number of other projects.

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

By Portfolio	People	Place	Corporate	Non Service	Total 17/18
2017/18 MTRP Target (£) Total	£2,829,000	£839,000	£734,000	£1,173,000	£5,575,000
Total Savings Realised by Year End 2017/18	£2,829,000	£658,833	£734,000	£1,173,000	£5,394,833
Variation to MTRP Target	£0	-£180,167	£0	£0	-£180,167
Variation % to MTRP Target	0%	-21%	0%	0%	-3%

12. In addition, there remain projects outstanding in respect of undelivered 2016/17 projects at £531k.

2016/17 Unachieved Savings - Streetscene

	16/17 Target b/fwd
2016/17 MTRP Target (£) Total	£855,680
Total Savings Realised by Year End 2017/18	£324,634
Variation to MTRP Target	-£531,046
Variation % to MTRP Target	-62%

13. The £531k shortfall against a target of £856k relates to the following projects:

- Landfill site income - £218k. Options are being investigated to generate income at the land fill site through its asbestos operations. The waste strategy board has decided to commission an asbestos contractor to enhance the commercial performance of the section;
- Street cleansing service review - £59k. Options to mitigate in year currently being discussed with a proposal to reinstate this budget for 2018/19;
- Waste (Special Collections) - £27k. Options to mitigate are currently being discussed;
- Streetscene service review - £227k. Strategic review is required to identify outstanding actions and agree which elements are to be taken forward as part of the Streetscene 2020 programme.

(iv) Other Emerging Risks/ Opportunities

Adult & Community Services

- In house residential income - £165k overspend. The pressure has resulted from deaths, reassessments, refunds and OOA residents moving back to establishments in their local authorities. These issues came to light after the 2017/18 budget setting process.

Regeneration, Investment & Housing

- Centralised Properties – following the triennial valuation of the Gwent pension scheme, NCC are liable to fund the additional ‘employers pension payments’ of £340k which Newport Norse are now required to make into the fund. Furthermore, a pressure of £160k has been identified in respect of the anticipated profit share shortfall from Norse during 2017/18.
- Homelessness – overspend of £92k forecast due to recent changes to the housing benefit subsidy arrangements;
- Communities First - Welsh Government have notified all local authorities that a 30% cut to the grant should be expected in 2017/18. The HoS is currently working through a number of scenarios to determine the possible impact in terms of service delivery and redundancies for 2017/18 and beyond;

Law & Regulation

- Licensing income for houses in multiple occupation continue to be a potential risk during 2017/18 due to the fluctuating nature of renewals and new licences which are influenced by the property market and a range of UK government policies. In addition, new legislation in Wales requiring the licensing of landlords may deter some from the market. The impact of these issues on future income is unknown at this time.

Schools

14. The forecast for schools shows a significant movement from school reserves (£3,000k). Appendix 3 shows a detailed analysis of schools funding and reserve movements over the next two years. A summary table has been included below:

	Balance 31/3/17	Budgeted in-year movement 2017/18	Balance 31/3/18	Funding 17/18	Schools in deficit as at 31st March	
Sector	£	£	£	£	2017	2018
Nursery	17	-27	-10	450	1	1
Primary *	3,135	-1,698	1,437	46,818	1	1
Secondary	1,683	-2,202	-519	38,113		4
Special	-21	-155	-177	4,149	1	1
Schools contingency	0	0	0	768		
Total	4,813	-4,082	731	90,297	3	7

- It should be noted that the budgeted in-year movement does not recognise additional income (grant & other compensation) that schools may receive during the financial year. Based on historic trends this could be in the region of £1m, therefore, bringing the in year movement down to £2,000k;
- Seven schools are anticipating a negative balance position at the end of the current financial year, one from each of the nursery, primary and special sectors and four from the secondary sector. The cumulative forecast deficit for these schools is £895k. Projected school balances as at 31st March 2018 highlights that most schools will have minimal balances remaining at 31 March 2018 and the likelihood is that a significant proportion of schools will report a deficit position in 2019; unless action to reduce spend are taken;
- The schools resources team continues to support and challenge these schools and support ongoing work on deficit plans where appropriate.

Use of reserves

15. Appendix 5 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31st March 2017, forecasted planned transfers in/ (out) of reserves in 2017/18 and the forecast balance as at 31st March 2018. Current projections suggest that 18% of the Councils reserve will be used by the end of the financial year. The general fund reserve is at the minimum level required (£6.5m) representing 2% of the overall net budget. The following points are important to note:

- apart from the general reserves, all reserves are earmarked for specific purposes;
- most earmarked reserves are allocated to specific projects and spending plans in place, 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

- general reserves are at minimum levels.

Allocation from the Council's revenue contingency budget

16. Cabinet is asked to agree to allocate £100k of the revenue contingency budget to a new, specific reserve, for 2018 'events'. It should be noted that the contingency is there primarily to manage the risk of overspending and other unexpected financial costs that may arise in year. The use of the contingency budget at this stage in the year will need to be managed from a financial risk perspective especially in light of the level of service area overspending that has been reported.

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 of 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 – 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.

Preferred Option and Why

Given that there may be potential for the position to worsen, Cabinet is asked to note the current position and the risks of this changing and decide what corrective action is to be taken to reduce the forecast overspend to budgeted levels.

Comments of Chief Financial Officer

1. The current forecasts points towards significant financial pressures in 2017/18 which will need robust management and specific actions to mitigate, as far as is possible. If it were not for non-service area underspending, the position would be serious as current service area overspending significantly outweighs the revenue budget contingency available.

Given the significant issues in place, these should be considered in the Council's work on the 2018/19 budget and this would mean and require significantly more budget savings being identified. To that end, it is important that permanent mitigation is found to avoid this, given the challenges in balancing that year's budget already.

The Council's Cabinet and Senior Management / Heads of Service need to take specific action to mitigate this position and reflect those actions in forecasts in going forward.

2. In terms of the use of the revenue contingency budget for 2018 events, Cabinet should note that the contingency is there primarily to manage the risk of overspending and other unexpected financial issues in-year. Use for one-off spending priorities is an appropriate alternative use but, from a risk perspective, only once it is known that the above risks are manageable. So, to allocate early in the year on one-off spending brings with it some risks, especially in light of current forecasted overspending and on-going financial challenges, at this early point in particular. In saying this, the current risk is manageable within the headroom of the contingency and could be accommodated, if deemed a priority.

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.

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

Cabinet Paper – June 2017 – Revenue budget outturn

- Appendix 1 Revenue Summary Monitor – May 2017
- Appendix 2 Budget Monitoring Dashboards
- Appendix 3 Schools Funding and Balances
- Appendix 4 Delivery of Medium Term Revenue Plan (MTRP) Savings
- Appendix 5 Planned Movements in Reserves

Dated: 19 July 2017

APPENDIX 1 – Revenue Summary Monitor (May 2017)

Summary Revenue Budget				
	Apr-17	Current	Projection	(Under)/Over
2016/2017	Approved Budget	Budget		
	£'000	£'000	£'000	£'000
PEOPLE				
Children & Young People	21,027	21,068	22,106	1,038
Adult & Community Services	41,408	41,070	41,413	343
Education	14,859	14,878	14,878	-
Schools	90,297	90,297	93,297	3,000
	167,591	167,313	171,694	4,381
PLACE				
Regeneration, Investment & Housing	9,526	9,194	9,614	420
Streetscene & City Services	17,465	17,692	18,254	562
	26,991	26,886	27,868	982
CHIEF EXECUTIVE				
Directorate	557	557	557	-
Finance	2,719	2,719	2,719	-
People & Business Change	6,232	6,232	6,220	(12)
Law & Regeneration	6,493	6,524	6,524	-
	16,001	16,032	16,020	(12)
CAPITAL FINANCING COSTS & INTEREST				
Capital Financing Costs MRP	11,032	9,832	9,549	(283)
Interest Payable	9,085	9,085	9,085	-
Interest Receivable	(37)	(37)	(37)	-
Investment Props	-	-	-	-
PFI	8,315	8,315	8,315	-
	28,395	27,195	26,912	(283)
SUB TOTAL - SERVICE/CAPITAL FINANCING				
	238,978	237,426	242,494	5,068
CONTINGENCY PROVISIONS				
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	4,842	4,868	26
	6,537	6,890	6,916	26
LEVIES / OTHER				
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	10,959	(1,114)
Extraordinary Items	-	-	-	-
Charity Rate Relief	-	-	-	-
	21,858	21,857	20,689	(1,168)
TRANSFERS TO/FROM RESERVES				
Base budget - Planned Transfers to/(from) Reserves	(1,001)	199	199	-
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				1,941
Invest to Save Reserve (from)				(1,941)
	(1,001)	199	(2,801)	(3,000)
TOTAL	266,372	266,372	267,298	926
Funded by				
WAG funding (RSG & NNDR)	(208,250)	(208,250)	(208,250)	-
Council Tax	(58,122)	(58,122)	(58,122)	-
Council Tax Surplus			(793)	(793)
TOTAL	-	-	133	133

APPENDIX 2 – Budget Monitoring Dashboard

Attached:

- Overall Council dashboard

APPENDIX 3 – Schools Funding and Balances

School	Balance 31/3/17	Budgeted in-year movement 2017/18	Balance 31/3/18	Funding 17/18	Schools in deficit as at 31st March	
	£'000s	£'000s	£'000s	£'000s	2017	2018
Fairoak Nursery	27	-20	7	202		
Kimberley Nursery	-10	-7	-17	248	Y	Y
Alway Primary	136	-118	18	1,406		
Caerleon Lodge Hill Primary	34	-5	28	856		
Charles Williams Ciw Primary	72	-42	31	1,495		
Clytha Primary	37	-29	8	750		
Crindau Primary	139	12	151	1,313		
Duffryn Infants *	86	-47	40	317		
Duffryn Junior *	77	-59	19	303		
Eveswell Primary	238	-119	119	1,432		
Gaer Primary	57	-52	5	1,407		
Glan Usk Primary	93	-45	48	1,967		
Glasllwch Primary	70	-42	28	696		
High Cross Primary	71	-60	11	895		
Jubilee Park Primary	0	0	0	396		
Langstone Primary	74	-63	11	898		
Llanmartin Primary	44	-24	20	761		
Lliswerry Primary	52	-45	7	1,819		
Maesglas Primary	42	-35	7	900		
Maindee Primary	29	-18	12	1,477		
Malpas Church In Wales Infants *	27	-22	5	223		
Malpas Church In Wales Junior *	102	-91	11	243		
Malpas Church In Wales Primary	0	0	0	652		
Malpas Court Primary	56	-41	15	1,007		
Malpas Park Primary	59	-58	1	711		
Marshfield Primary	63	-13	50	1,257		
Millbrook Primary	68	-28	40	915		
Milton Infants *	48	-24	24	329		
Milton Junior *	4	-14	-10	322		
Milton Primary	0	0	0	901		
Monnow Primary	141	-68	73	1,385		
Mount Pleasant Primary	46	-41	6	795		
Pentrepoeth Primary	74	-73	0	1,222		
Pillgwenlly Primary	61	27	89	2,056		
Ringland Primary	23	-15	8	992		
Rogerstone Primary	73	-43	30	1,946		
Somerton Primary	54	-46	9	673		
St. Andrews Primary	40	3	43	2,075		
St. Davids Rc Primary	80	-42	38	662		
St. Gabriels Rc Primary	30	-4	26	538		
St. Josephs Rc Primary	35	-5	30	608		
St. Julians Primary	202	-59	143	1,817		
St. Marys Rc Primary	89	-71	18	1,075		
St. Michaels Rc Primary	60	-41	19	652		
St. Patricks Rc Primary	30	-20	10	658		

St. Woolos Primary	-6	-6	-13	941		Y	Y
Tredegar Park Primary	0	0	0	853			
Ysgol Gymraeg Bro Teyrnnon	126	-40	85	503			
Ysgol Gymraeg Casnewydd	101	-57	44	1,044			
Ysgol Gymraeg Ifor Hael	99	-16	83	678			
Bassaleg School	489	-470	19	5,608			
Caerleon Comprehensive	136	-238	-102	5,029			Y
Llanwern High	246	-235	11	3,969			
Lliswerry High	47	-320	-273	3,254			Y
Newport High	116	-289	-173	4,180			Y
St Josephs R.C. High	247	-200	47	4,698			
St Julians School	276	-228	48	6,067			
The John Frost School	82	-222	-140	4,595			Y
Ysgol Gyfun Gwent Is Coed	44	0	44	712			
Bryn Derw	0	0	0	576			
Maes Ebbw Special	-21	-155	-177	3,573		Y	Y
Schools contingency				768			
Total	4,813	-4,082	731	90,297		3	7

	Balance 31/3/17	Budgeted in-year movement 2017/18	Balance 31/3/18	Funding 17/18	Schools in deficit as at 31st March	
Sector	£	£	£	£	2017	2018
Nursery	17	-27	-10	450	1	1
Primary *	3,135	-1,698	1,437	46,818	1	1
Secondary	1,683	-2,202	-519	38,113		4
Special	-21	-155	-177	4,149	1	1
Schools contingency	0	0	0	768		
Total	4,813	-4,082	731	90,297	3	7

* the balances for amalgamating schools are as at 31/8/17 rather than 31/3/18

NB the budgeted in-year movement doesn't recognise additional income (grant & other compensation) that always accrues during the financial year but cannot be allocated to specific schools at this stage. Based on historic trends this could be in the region of £1m

projection of schools in deficit as at 31/3/19 assumes 2017/18 in-year movement recurring in 2018/19

APPENDIX 4 – Delivery of MTRP Savings

Financial Improvement Plan – May

Overall Summary	Education	Childrens	Adults	RIH	Streetscene	PBC	Finance	L&R	Non Service	Total 17/18
2017/18 MTRP Target (£) Total	£395,000	£930,000	£1,504,000	£409,000	£430,000	£357,000	£197,000	£180,000	£1,173,000	£5,575,000
Total Savings Realised by Year End 2017/18	£395,000	£930,000	£1,504,000	£297,833	£361,000	£357,000	£197,000	£180,000	£1,173,000	£5,394,833
Variation to MTRP Target	£0	£0	£0	-£111,167	-£69,000	£0	£0	£0	£0	-£180,167
Variation % to MTRP Target	0%	0%	0%	-27%	-16%	0%	0%	0%	0%	-3%

APPENDIX 5 – 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)
Earmarked Reserves:														
Pay Reserve	(1,418)													(1,418)
Music Service	(167)													(167)
Insurance Reserve	(1,706)													(1,706)
MMI Insurance Reserve	(602)													(602)
Health & Safety	(16)												16	-
Education Achievement Service	(92)													(92)
Schools Redundancies	(708)		708											-
Friars Walk	(9,985)												500	(9,485)
NEW - European Funding I2A & CFW	(79)												79	-
NEW - Metro Bus	(9)												9	-
SUB TOTAL - RISK RESERVES	(14,782)	-	708	-	-	-	-	-	-	-	-	-	604	(13,470)
Capital Expenditure	(5,817)												1,500	(4,317)
Invest to Save	(11,050)												1,941	(9,109)
Super Connected Cities	(670)												120	(550)
Landfill (fines reserve)	(345)													(345)
Christmas Lights	(15)												15	-
Usable Capital Receipts	(11,742)												8,000	(3,742)
SUB TOTAL - ENABLING RESERVES	(29,638)	-	-	-	-	-	-	-	-	-	-	-	11,576	(18,062)
STEP School Computers	(473)												160	(313)
Municipal Elections	(154)												100	(54)
Local Development Plan	(572)												(62)	(634)
Glan Usk PFI	(1,499)													(1,499)
Southern Distributor Road PFI	(44,515)												212	(44,303)
SUB TOTAL - SMOOTHING RESERVES	(47,214)	-	-	-	-	-	-	-	-	-	-	-	410	(46,804)

