

27th January 2015

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA on Wednesday, 4th February January 2015, at 2.00 p.m.**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Consideration of reports from Select Committees (none).
4. Wales Audit Office – Financial Position Assessment Monmouthshire County Council (copy attached)
5. To consider the following reports (copies attached):
 - (i) **REVENUE MONITORING 2014/15 MONTH 9 OUTTURN FORECAST STATEMENT**

Division/Wards Affected: All Authority
Purpose: 1. The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of month 9 for the 2014/15 financial year. Revenue forecasting is being brought forward by a month against the usual timescale. Capital monitoring will be reporting against that usual timescale. 2.It also seeks to provide summary performance indicator information alongside financial data to allow Members a better opportunity to consider how services are provided and whether resources are being utilised efficiently..
Author: Mark Howcroft – Assistant Head of Finance
Contact Details: markhowcroft@monmouthshire.gov.uk
 - (ii) **ABERGAVENTNY: VIBRANT & VIABLE PLACES – TOWN CENTRE LOAN FUND**

Division/Wards Affected: Bryn y Cwm
Purpose: To seek Cabinet's and subsequently Full Council's approval to accept a Welsh Government repayable funding award of £1,250,000 to establish a Fund to improve redundant and underutilised sites and premises in Abergavenny Town Centre..
Author: Colin Phillips
Contact Details: colinphillips@monmouthshire.gov.uk

iii) **EXTENSION OF CALDICOT LINKAGE BUDGET TO ENABLE PROJECT IMPLEMENTATION**

Division/Wards Affected: Green Lane

Purpose: To seek approval of Cabinet to the extension of the existing £25,000 capital budget for the Caldicot Linkage scheme to £200,000 to progress the construction phase.

Authors: Colin Phillips

Contact Details: colinphillips@monmouthshire.gov.uk

(iv) **PROPOSED CHANGES TO THE SCHOOL FUNDING FORMULA**

Division/Wards Affected: All

Purpose: 1. To provide members with an update on proposed changes to the school funding formula for threshold payments and job evaluation.
2. To provide members with details of any responses received in relation to the consultation on the above proposals.

Author: Nikki Wellington – CYP Finance Manager

Contact Details: nicolawellington@monmouthshire.gov.uk

(v) **CHANGE TO THE DELEGATION OF SEN FUNDING (SEN LUMP SUM ALLOCATION) FOR SCHOOLS WITHIN MONMOUTHSHIRE**

Division/Wards Affected: All

Purpose: 1. To provide members with an update on the proposed change to the formula for distributing the SEN delegated lump sum to schools within Monmouthshire. 2. To provide members with details of any responses received in relation to the consultation on the above proposals.

Author: Gwen Phillips – SEN Support Officer

Contact Details: gwenphillips@monmouthshire.gov.uk

(vi) **SALE OF OLD COUNTY HALL SITE, CROESYCEILIOG**

Division/Wards Affected: Not applicable

Purpose: To jointly approve with Torfaen County Borough Council (TCBC) the terms and conditions of sale of the old county hall site in Croesyceiliog.

Authors: Roger Hoggins – Head of Operations

Contact Details: rogerhoggins@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS 2014

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	Organisational Development Whole Council Performance, Whole Council Strategy Development, Corporate Services, Democracy.	WLGA Council WLGA Coordinating Board Local Service Board	Portskewett
R.J.W. Greenland (Deputy Leader)	Innovation, Enterprise & Leisure Innovation Agenda, Economic Development, Tourism, Social Enterprise, Leisure, Libraries & Culture, Information Technology, Information Systems.	WLGA Council Capital Region Tourism	Devauden
P.A.D. Hobson (Deputy Leader)	Community Development Community Planning/Total Place, Equalities, Area Working, Citizen Engagement, Public Relations, Sustainability, Parks & Open Spaces, Community Safety.	Community Safety Partnership Equalities and Diversity Group	Larkfield
E.J. Hacket Pain	Schools and Learning School Improvement, Pre-School Learning, Additional Learning Needs, Children's Disabilities, Families First, Youth Service, Adult Education.	Joint Education Group (EAS) WJEC	Wyesham
G. Howard	Environment, Public Services & Housing Development Control, Building Control, Housing Service, Trading Standards, Public Protection, Environment & Countryside.	SEWTA SEWSPG	Llanelly Hill
G. Burrows	Social Care & Health Adult Social Services including Integrated services, Learning disabilities, Mental Health. Children's Services including Safeguarding, Looked after Children, Youth Offending, Health and Wellbeing.	Gwent Frailty Board Older Persons Strategy Partnership Group	Mitchel Troy
P. Murphy	Resources Accountancy, Internal Audit, Estates & Property Services, Procurement, Human Resources & Training, Health & Safety.	Prosiect Gwrydd Wales Purchasing Consortium	Caerwent
S.B. Jones	County Operations Highways, Transport, Traffic & Network Management, Waste & Recycling, Engineering, Landscapes, Flood Risk.	SEWTA Prosiect Gwrydd	Goytre Fawr

Sustainable and Resilient Communities

Outcomes we are working towards

Nobody Is Left Behind

- Older people are able to live their good life
- People have access to appropriate and affordable housing
- People have good access and mobility

People Are Confident, Capable and Involved

- People's lives are not affected by alcohol and drug misuse
- Families are supported
- People feel safe

Our County Thrives

- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation

Our Values

- **Openness:** we aspire to be open and honest to develop trusting relationships.
- **Fairness:** we aspire to provide fair choice, opportunities and experiences and become an organisation built on mutual respect.
- **Flexibility:** we aspire to be flexible in our thinking and action to become an effective and efficient organisation.
- **Teamwork:** we aspire to work together to share our successes and failures by building on our strengths and supporting one another to achieve our goals.



Financial Position Assessment

Monmouthshire County Council

Audit year: 2014-15

Issued: December 2014

Document reference: 735A2014

Status of report

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The team who delivered the work comprised Steve Wyndham, David Wilson and Non Jenkins.

Contents

The Council has generally adequate financial management arrangements but there are some shortcomings that may impact on its ability to deliver its financial plans.

Summary report

Background	4
------------	---

The Council has a good track record of operating within budget but is unable to demonstrate that previous years' individual savings targets have been met because of some weaknesses in the budget monitoring arrangements	5
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The Council has introduced plans and arrangements to deliver savings but there are some weaknesses that need to be addressed to ensure it delivers the savings it needs to make	6
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Proposals for Improvement	7
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Appendices

Detailed findings	8
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Summary report

Background

1. Good financial management is essential for the effective stewardship of public money and the delivery of efficient public services, and for ensuring authorities' ability to continue to deliver services to meet statutory obligations and the needs of local communities. It will help authorities take the right decisions for the short, medium and long term. Good financial management:
 - is essential to good corporate governance;
 - is about managing performance and achieving strategic objectives as much as it is about managing money;
 - underpins service quality and improvement;
 - is the basis of accountability to stakeholders for the stewardship and use of resources; and
 - is a key management discipline.
2. Managing for the long term is not about predicting the future; it is about preparing for it. Planning involves understanding future demand, assessing the impact of probable changes, reviewing the gaps between funding needs and possible income and developing appropriate savings strategies.
3. An authority's strategic priorities and its financial health should be the basis for deciding what is practicable. Well-considered and detailed long-term financial strategies and medium-term financial plans can ensure the delivery of strategic priorities by enabling appropriate financial choices. Conversely, short-term annual budget planning encourages an incremental and process-driven approach that is too inflexible in a period of rapid external change.
4. During the period May to August 2014, the Wales Audit Office examined authorities' financial position and how they are budgeting and delivering on required savings. This work considered whether authorities have robust approaches in place to manage the budget reductions that they are facing to secure a stable financial position that will enable them to continue to operate for the foreseeable future. The focus of the work was on the 2014-15 financial planning period. In order to inform views on the planning for and successful delivery of budgets, we also considered the track record for the previous financial years 2011-12 to 2013-14. This report details the findings from this work in relation to Monmouthshire County Council (the Council).
5. The work focussed on answering the following question: **Is the authority managing budget reductions effectively to ensure financial resilience?** In this report we set out our conclusions on both the track record and future prospects:
 - **Track record** – whether the Council successfully identified, planned for, and delivered the savings required in the period 2011-12 to 2013-14; and, if there was a shortfall, how was this addressed.
 - **Future prospects** – whether the Council has an effective corporate framework for financial planning, exercises effective financial management and control, has a robust framework for reviewing and challenging financial performance; and

whether the Council has realistic plans to make the savings required for 2014-15 and is taking appropriate steps to deliver them.

7. We have analysed a range of data produced by the authority from published accounts, performance returns to the Welsh Government and the Local Government Data Unit, completed a review of local reports considered by the Council and interviewed a small number of key staff. Our detailed conclusions are set out in **Appendix 1** and are based on the extent to which the Council has put in place, and is operating, effective financial management and controls which are supporting it to secure a stable financial position that enables it to continue to operate going forward.
8. Our overall conclusion is that the Council has generally adequate financial management arrangements but some shortcomings were identified that may impact on its ability to deliver its financial plans.
9. We came to this conclusion because we found that:
 - The Council has a good track record of operating within budget but:
 - is unable to demonstrate that savings plans prior to 2013-14 have been met as they have not been subject to specific monitoring and review; and
 - some volatility has been identified in the Council's in-year budget projections compared to the final reported out-turn positions.
 - The Council has introduced plans and arrangements to deliver savings but there are some weaknesses that need to be addressed to ensure it delivers the savings it needs to make.

The Council has a good track record of operating within budget but is unable to demonstrate that previous years' individual savings targets have been met because of some weaknesses in the budget monitoring arrangements

10. The Council has a good track record of operating within its budget but as savings plans have not been subject to specific monitoring and review during the 2011-12 and 2012-13 periods, insufficient evidence exists to confirm that previously identified savings plans have been delivered.
11. The fact that there were budget underspends during this period provides some assurance that some of the savings were achieved. But other factors also contributed to the favourable year-end positions, in particular better than expected council tax recovery and treasury management performance.
12. In addition, whilst the Council has been successful in operating within its budget for the 2011-12, 2012-13 and 2013-14 financial years the budget monitoring reports during each of the financial years rarely correctly projected the final underspend achieved at out-turn and often projected an overspend position as late as Month 9.
13. Our detailed findings that have informed this overall conclusion are outlined in **Appendix 1**.

The Council has introduced plans and arrangements to deliver savings but there are some weaknesses that need to be addressed to ensure it delivers the savings it needs to make

14. The Council is on track to establish an effective corporate framework for financial planning and has arrangements in place to identify and deliver savings. However, we have identified some weaknesses that the Council will need to address to ensure it delivers the savings and meets the significant financial challenges that it, along with other authorities in Wales, must face.
15. These weaknesses mainly relate to some improvement areas we have identified concerning the Council's savings plans and income generation arrangements. We have also noted that, based on the latest Medium Term Financial Plan, there is a risk of general balances falling below the prudent level. Our detailed findings upon these areas, and other issues that have informed this overall conclusion, are outlined in [Appendix 1](#).

Proposals for improvement

P1	The Council will need to consider whether it is being unnecessarily pessimistic or overly prudent in its budget monitoring projections or whether it is not correctly capturing complete information in order for it to make a robust estimate of the year-end position.
P2	The Council should introduce an Income Generation Strategy.
P3	Benchmarking should be undertaken with other local authorities in relation to fees and charges.
P4	The Council should further develop the reporting of financial information in conjunction with performance information.
P5	Monthly or bi-monthly monitoring and reporting of the Council's savings plans should be introduced.
P6	The 2014-15 savings plan should be revised to remove the double-counted savings and also reviewed to ensure that no similar errors exist.
P7	The budget-efficiency targets regarding the challenging income and expenditure inflation assumptions should be treated as a saving target and monitored accordingly.

Appendix 1

Detailed findings

This appendix summarises the detailed findings of our review that support, and have therefore informed, the summary conclusions within the main body of this report.

Conclusions on the Council's track record: 2011-12 to 2013-14

Our review has identified that the Council has a good track record of operating within its budget and savings plans have been subject to specific monitoring and review since 2013-14.

For the period 2011-12 to 2012-13, savings areas were identified and service area budgets were reduced by the savings but no arrangements were in place for the Council to separately track and monitor whether the savings were actually achieved or not. The Council's general budget monitoring arrangements together with the fact that budget underspends were achieved during this period provides assurance that some of the savings were achieved but equally other factors (such as council tax and treasury management performance) contributed to the favourable year-end positions.

In addition, whilst the Council has been successful in operating within its budget for the 2011-12, 2012-13 and 2013-14 financial years (ie, the period subject to review) the budget monitoring reports during each of the financial years did not correctly project the final underspend achieved at out-turn. The monitoring reports often projected an overspend position at Month 9 which was reported to Cabinet during March of the relevant financial year. Exhibit 1 below summarises our findings concerning this.

Exhibit 1 : Summary of Revenue budget projections and out-turns 2011-12 to 2013-14

Period	Budgeted Year end Position	Savings	Projected out-turn at Month 6	Projected out-turn at Month 9	Final year-end out-turn
2011-12	£209,000 underspend	£7.5 million	£1,606,000 underspend	£946,000 underspend	£424,000 underspend
2012-13	Nil (balanced budget)	£4.0 million	£452,000 overspend	£267,000 overspend	£419,000 underspend
2013-14	Nil (balanced budget)	£4.3 million	£821,000 overspend	£336,000 overspend	£877,000 underspend

Based upon on a net budget of some £150 million it is clear that budget projections will never be precise. Whilst the difference between the projected Month 9 figures and the final out-turn do not exceed one per cent of the net budget, the difference between Month 6 and out-turn is at times greater than one per cent. Given the challenges facing the Council and the importance of meeting budgets, it is important that the budget projections are as robust as possible in order to support robust financial planning. It is unclear whether the Council has been unnecessarily pessimistic or overly prudent in its projections or whether it is not correctly capturing complete information in order for it to make a robust estimate, during the financial year, of the year-end position.

We understand however that the Council has conducted its own self-evaluation of the budget monitoring work undertaken in 2103-14 and published this in the first quarter monitoring report for 2014-15 in order to identify where improvements can be made.

Conclusion on future prospects

The Council is on track to establish an effective corporate framework for financial planning and has arrangements in place to identify and deliver savings. However we have identified some weaknesses that the Council will need to address to ensure it delivers the savings and meets the significant financial challenges that it, along with other authorities in Wales, must face.

Our detailed findings that have informed this overall conclusion are outlined below and are summarised across each of the specific areas subject to our review.

Strategic Financial Planning

The Council has an effective corporate framework for financial planning including:

- A sufficiently detailed Medium Term Financial Plan (MTFP) exists that covers a rolling four-year period and is subject to regular update and revision.
- Savings proposals are developed in consultation with service Directorates and for the 2014-15 budget setting round:
 - a series of consultation events were held with residents; and
 - Members were provided with detailed proposals showing the merits and potential drawbacks of each saving proposal.
- There are clear links between the Council's improvement priorities, service plans and the budget savings mandates.

Financial Management and Control

We identified that the Council has well-developed budgetary control arrangements that provide a robust framework for reviewing and challenging financial performance. However, risks have been identified in regard to the Council's level and planned use of general reserves and potential opportunities exist to make improvements to the fees and charges arrangements.

General Fund Balances

A minimum prudent level of general reserves has been set by the Council of between four to six per cent of net budget and whilst the current general reserves balance of £7.079 million is within this threshold (4.7 per cent), given the Council's intended use of general reserves there is a risk that this threshold could be breached in 2016-17.

Exhibit 2 below provides a summary of the planned movements on the Council's general fund reserves and their closing balances per the latest MTFP at the time of our review.

Exhibit 2 : The Council's planned use of General Reserves

Period	Opening Balance	Use of / (contribution to)	Closing Balance
2014-15	£7.079 million	£0.296 million	£6.783 million
2015-16	£6.783 million	(£0.705 million)	£7.488 million
2016-17	£7.488 million	£1.243 million	£6.245 million
2017-18	£6.245 million	£(0.847 million)	£7.092 million

The Council, according to the MTFP, plans to use £834,000 (net) of its general reserves over the period 2014-15 to 2016-17 which will result in a closing general reserves balance of £6.245 million as at 31 March 2017. Given a net budget of £149 million this level of reserves, at 4.2 per cent, is marginally within the prudent level established by the Council and is dependent on the planned £705,000 contribution to the general fund during 2015-16. The probability of this contribution occurring is threatened by the latest settlement figures being proposed by the Welsh Government, which will put even greater strain on the Council balancing its budget over the coming years and therefore being able to operate within its reserve levels.

The MTFP is subject to ongoing review and revision to reflect changing circumstances and the reserves position will need to be closely monitored as part of this exercise.

Income Generation and Charging

We have identified that there is scope to improve the Council's arrangements in relation to income generation and charging:

- The Council does not have an income generation or charging strategy.
- No recent widescale benchmarking has been undertaken in relation to fees and charges with other local authorities. As the last benchmarking exercise identified that the Council was charging comparatively low cemetery fees which resulted in these fees increasing, there appears to be merit in undertaking a similar exercise again.

Financial Governance

Our review has identified that the Council has established a variety of measures to facilitate the effective review and challenge of financial performance, including:

- the Council has completed a significant level of work to assess the funding gap over the MTFP period and has undertaken widespread consultation within service areas, with the public and with Members to assess potential solutions to bridge the gap and to identify and discuss 36 savings areas;
- budget monitoring reports are compiled and reported to the relevant service Select Committees and, in aggregate, to Cabinet regularly during the financial year; and
- the delivery of the savings plans has been subject to monitoring and review since 2013-14 and arrangements are in place to track and report the delivery of the individual/approved saving mandates.

However, although many positive aspects of financial governance are in place, and some output based data is included in the budget monitoring reports, there remains scope to further improve the arrangements by further integrating the reporting of financial information in conjunction with performance information.

Current Savings Plans

In most cases the Council has made realistic plans to make the savings required for 2014-15 and is taking appropriate steps to deliver them. However a number of issues and weaknesses have been identified:

- Whilst monitoring and reporting arrangements regarding the delivery of the Council's Savings Plans are now in place, quarterly monitoring to Members is not considered to be sufficiently regular. The savings plan is only updated and reported on a quarterly basis and as at the start of August 2014 the savings position compiled and reported during May 2014 had not been updated.
Given that the savings plans are key to the Council's ability to meet its budget and, by their nature, are vulnerable to not being achieved, more regular monitoring and reporting arrangements should be in place. In total, of the 2014-15 savings target of £5.453 million, the early indications as at May 2014 suggest that £124,000 will not be achieved and a further £820,000 is subject to slippage.
- A saving of up to £50,000 has been double-counted in 2014-15 in that HR has budget savings around sickness absence and reduced overtime which have been included as a reduction in service budgets as 'staffing efficiencies'. However, Adult Social Care also has its own sickness absence saving which duplicates the HR savings proposal. Whilst this saving has been double-counted we understand that Directorates are required to work within their budget and where a saving area cannot be delivered then an alternative needs to be identified.
- A number of assumptions have been used in constructing the 2014-15 budget and whilst in most cases these are reasonable the one per cent expenditure and 2.5 per cent income assumptions concerning inflation were not realistic. It is recognised that this was intentional in that these assumptions were essentially being used as

efficiency/savings targets for service areas. Although these savings are monitored through the Council's standard budget monitoring arrangements they are excluded from the savings plans and the associated monitoring arrangements. As a result uncertainty exists as to whether these targets are actually being achieved.

- Various cost pressures have been identified within the Council's MTFP in determining the funding gap of £20.7 million over the 2014-15 to 2017-18 period. Some of the more significant pressures were examined as part of our review, including the pressure relating to 'Pension Auto-enrolment' which had been costed at £931,000 in 2016-17 and £1.005 million in 2017-18. However, it has been identified that the timing of this pressure had been mis-stated and it should have been included within the MTFP from 2017-18 only. No liabilities will arise on the Council during 2016-17 as the Council is not introducing auto-enrolment until the 2017-18 financial year. This timing error has been corrected by the Council.

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REPORT

SUBJECT	REVENUE MONITORING 2014/15 MONTH 9 OUTTURN FORECAST STATEMENT
DIRECTORATE	Chief Executive's Unit
MEETING	Cabinet
DATE	4th February 2015
DIVISIONS/WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of month 9 for the 2014/15 financial year. Revenue forecasting is being brought forward by a month against the usual timescale. Capital monitoring will be reporting against that usual timescale.
- 1.2 It also seeks to provide summary performance indicator information alongside financial data to allow Members a better opportunity to consider how services are provided and whether resources are being utilised efficiently.

2. RECOMMENDATION

- 2.1 That Members consider the position concerning 3rd quarter revenue monitoring (£74,000 deficit) and seek assurance of the action Chief Officers are taking to address the over spends in their service areas.
- 2.2 A caveated use of reserves is sought in relation to redundancy costs incurred by services this year totalling £545,000, whilst services will continue to find compensatory savings additional to the mandates to mitigate the net cost pressure by end of financial year.
- 2.3 That Members reflect upon the internal performance management information included alongside traditional financial data to consider whether it assists them in providing a better link between inputs and outputs and allows them to better consider whether resources are being economically and efficiently utilised.

3. MONITORING ANALYSIS**3.1 Revenue Position**

- 3.1.1 Revenue budget monitoring information for each directorate's directly managed budgets is provided together with information on corporate areas.

3.1.2 Responsible Financial Officer's Summary of Overall Position

Table 1: Draft Council Fund Outturn 2014/15 – Summary Total Net Expenditure Position at Month 9	Appendix	Annual Forecast at Month 9	Annual Budget @ Month 6	Revisions since month 6	Annual Budget @ Month 9	Forecast Over/(Under) Spend at Month 9	Comparative Forecast Over/(Under) Spend at Month 6	Comparative Forecast Over/(Under) Spend at Month 3
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social Care & Health	4&5	37,865	36,604		36,604	1,261	797	613
Children & Young People	5	52,243	52,302	(152)	52,150	93	45	26
Enterprise	3	10,142	10,285	(205)	10,080	62	55	232
Operations	2	17,964	17,857	4	17,861	103	182	385
Chief Executives Unit	2	6,991	7,376		7,376	(385)	(208)	(133)
Corporate Costs & Levies	2	17,758	17,941		17,941	(183)	(116)	(94)
Net Cost of Services		142,963	142,365	(353)	142,012	951	755	1,029
Attributable Costs – Fixed Asset Disposal	2	132	224		224	(92)	(47)	1
Interest & Investment Income	2	(88)	(29)		(29)	(59)	(58)	(48)
Interest Payable & Similar Charges	2	3,532	3,773		3,773	(241)	(235)	(231)
Charges Required Under Regulation	2	5,575	5,610		5,610	(35)	(35)	(35)
Capital Expenditure Financed from Revenue		16	16		16	0	0	0
Contributions to Reserves	2	275	70	204	274	1	2	5
Contributions from Reserves	2	(2,163)	(2,700)	353	(2,347)	184	382	0
Amounts to be met from Government Grants and Local Taxation		150,242	149,329	204	149,533	709	764	721
General Government Grants	2	(69,544)	(69,340)	(204)	(69,544)	0	0	0
Non-Domestic Rates	2	(28,984)	(28,984)		(28,984)	0	0	0
Council Tax	2	(57,169)	(56,780)		(56,780)	(389)	(415)	(348)
Council Tax Benefits Support	2	5,825	6,071		6,071	(246)	(233)	(154)
Council Fund (Surplus)/Deficit		370	296	0	296	74	116	219
Budgeted contribution from Council Fund		(296)	(296)		(296)	0	0	0
		74	0	0	0	74	116	219

3.1.3 The bottom line situation, a £74,000 potential overspend, has continued to be mitigated significantly by anticipated net Council Tax receipts and favourable treasury considerations. The net cost of services pressure of £951,000, simplistically indicates a worsening of circa £200,000 since month 6, predominantly reflective of the Children's Services challenges within the Social Care budget which has evidenced pressures totalling £475,000 since month 6 report.

3.1.4 There are costs, such as redundancy payments, that aren't generally a budgeted expense. Such costs will, during quarterly monitoring, appear as an overspend in comparison to the annual budget. Specifically with regard to redundancy payments, the traditional expectation is that services bear such costs, that they are mitigated where possible through the year, and for any net balance to be considered and borne through a use of reserves during the outturn process. This is a little different for schools where instead a resource of £300,000 is provided for by CYP, with schools only bearing any costs above that level. Currently school redundancy costs amount to £391,000, of which schools have borne £91,000.

3.1.5 The forecast costs included within the monitoring associated with redundancy payments for the rest of the Council amount to ,

Directorate	Amount £'000
Children & Young People	7
Social Care & Health	0
Enterprise	113
Operations	378
Chief Executives Office	47
Total	545

3.1.6 Given the relationship with service re-engineering and savings mandates, and an appreciation that it is often difficult for managers to predict such costs with certainty at the outset without prejudging interview processes and redeployment opportunities, it is proposed to include this analysis as a standing item in future reports.

3.1.7 Also given the significance of such costs, and whilst services continue to bear and mitigate in first instance, it is prudent to seek a caveated use of reserves to apply to any unmitigated costs included in the table 3.1.5 where necessary at the end of the year.

3.1.8 Given the financial challenges that will continue to face the Authority for the foreseeable future, Chief Officers continue to be tasked with ensuring that services live within the budgets and savings targets set for the current financial year. Monitoring reports will seek to contain the information on what is being done to manage the overspends identified and the positive action that is required to ensure that the budget is not breached.

3.1.9 Summary pressures and underspends within the net cost of services include:

Service area	Indicative Forecast Position exclusive of savings not yet achieved	2014-15 savings not yet made	Forecast Position <u>net</u> of savings not achieved	Headline Cause
	Red=Adverse Green = Favourable		Red=Adverse Green = Favourable	
	£'000	£'000	£'000	
Social Care & Health (SCH)				
Children's Services	1,188	32	1,220 (worsening of 475)	Looked after children activity and additional team and conveyance of client costs
Adult Services	-70	111	41 (improvement of 11)	Most notably historic Monnow Vale partnership cost apportionments and residential care costs exceeding recovery due to means testing considerations
Sub Total SCH	1,118	143	1,261	

Children and Young People (CYP)				
Standards	-17	0	-17 (improvement of 267)	Reduction in shortfall on income targets, but mainly reduced costs involved in out of county placement and additional income from other Councils using MCC services plus reserve funding of £104k has been allowed subsequent to month 6 report to cover cost of winding up school library
Individual schools budget	54	0	54 (worsening of 279)	Budget included anticipated reserve funding, month 6 recommendation sought to increase transparency and defer both expenditure budget and reserve financing to 2015-16
Resources and Performance	30	53	83 (worsening of 38)	Effect of Recovery Board and tribunal costs, unbudgeted IT migration costs, and reduction in SEG grant in year impacting adversely upon the level of grant administration costs that are recoverable
Youth Services	-28	0	-28 (improvement of 3)	Additional income and reduced transport costs
Sub Total CYP	39	53	92	
Enterprise (ENT)				
Community Led Delivery	47	0	47 (improvement of 23)	Net effect of restructure changes not fully implemented within Libraries and new agreement between Community Education and Coleg Gwent not according with original budget
Commercial & People Development	-57	23	-34 (improvement of 17)	Reduced shortfall in savings target presumed on SRS, in house reduced IT costs, reduced HR and training costs
Tourism, Life & Culture	45	37	82 (worsening of 19)	Pressure mainly in tourism services, and in particular Caldicot Castle, employee cost pressures at Old Station, and reduced rental following Brecon Beacons National Park moving to tithe barn
Development Plans	-33	0	-33 (worsening of 67)	
Sub Total ENT	2	60	62	

Operations (OPS)				
Highways	-489	116	-373 (improvement of 73)	Extra agency income
Property	-56	89	33 (worsening of 44)	Schools meals service transfer from CYP with significant pressure, main improvement in schools cleaning area caused by removing unbudgetted contract consultancy costs
Home to school transport	319	40	359 (worsening of 88)	Past budget saving reviews of home to school and SEN haven't taken place. Overspends are in Council provided transport, mainly employee and transport maintenance costs. External transport provider costs tenders are anticipated to provide net savings to compensate for Council's SEN transport overspend. A bad debt assumption has been made in respect of historic debts of £50,000
Transport	94		94 (improvement of 35)	Predominantly car parking income deficit
Waste	20		20 (improvement of 85)	Net effect of redundancy costs anticipated from restructure of the service. Prospective MRF contract concerns have re materialised from month 3 but are not quantified in forecasting.
Raglan training	70		70 (worsening of 20)	Mixture of redundancy costs, additional training costs and reduced income anticipated
Grounds	-100		-100 (static)	Additional income
Sub Total OPS	-142	245	103	

Regulation & Central Support Services				
Chief Executives Office (CEO)	-384	0	-384 (improvement of 176)	Staff savings and increased income predictions in democratic services. Savings in audit and revenues team costs and housing benefit administration below budget levels
Corporate (CORP)	-183	0	-183 (improvement of 68)	Predominantly an underspend on external audit fees and small saving in precepts exhibited at mth 6, plus the saving effect from minor revisions in insurance cover
Sub Total Regulatory Services	-567	0	-567	
Total – Net Cost of Services	450	501	951	Net overspend position is £951,000 on net cost of services

3.1.10 More detailed monitoring information together with a narrative of more significant variance over £25,000 is provided in the Select Appendices 2 to 5.

3.2 Schools

3.2.1 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 9 projections.

Draft Council Fund Outturn 2014/15 – Summary Forecast Year-end School Balances Position at Month 9	Opening Reserves (Surplus)/ Deficit 14-15	In year forecast at Month 6 (Surplus)/ Deficit	Difference reported from Month 9 to Month 6 (Surplus)/ Deficit	In year forecast at Month 9 (Surplus)/ Deficit	Anticipated Reserves to be carried forward to 2015-16 (Surplus)/ Deficit
	£'000	£'000	£'000	£'000	£'000
Clusters					
Abergavenny	(285)	249	(77)	173	(112)
Caldicot	(242)	103	(36)	67	(175)
Chepstow	(14)	266	(11)	255	241
Monmouth	(394)	72	(15)	57	(337)
Special	(54)	11	53	65	10
	(988)	700	(85)	616	(372)

3.2.2 School balances at the beginning of the financial year amounted to £988,000 credit. The draw upon balances has been identified as being £616,000 resulting in closing school balances budgeted to be £372,000 credit, and an improvement of £84,000 on month 6 position, this is despite in year WG improvement grant reductions and net £91,000 redundancy costs borne by schools.

3.2.4 Within these summary figures, of particular note, is the deficit reserve position experienced in the Chepstow cluster, caused by a significantly worsening position at Chepstow comprehensive school, whose deficit is anticipated to be £385,000 by the end of year, a worsening of £10,000 on month 6 reported position. The school has prepared a draft recovery plan which has been endorsed by Governors, which is currently being analysed by Council with a view to being agreed. This level of deficit balance remains a risk to the Council going forward in the interim.

3.2.5 6 schools exhibited a deficit position at the start of 2014/15, and alongside Chepstow Comprehensive, Llandogo is predicted to exhibit a worsening position. However Deri View, Llanvihangel Crocorney, Castle Park are all forecast to improve their deficit balance position by the end of the year. Ysgol Gymraeg Y Ffin is predicting to come out of deficit by the end of the year

3.2.6. Of concern, King Henry Comprehensive and Mounton House are anticipated to move into deficit by the end of year.

3.2.7 Schools balances exhibit a reducing trend, and by definition can only be used once

Year	Net level of school balances
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15 forecast	(372)

3.2.8 There has been a significant reliance on reserve balances to supplement school spending plans in the last 2 years, and limited indication of significant replenishment. This isn't a sustainable prospect. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to 5% of budget share. Using 2014/15 delegated budget levels, this would equate to £2.2 million. Members may wish to seek a comfort that balances aren't being used to subsidise and sustain core costs such as staffing.

3.2.11 Further information on Schools is provided in Children & Young People Select appendix 5.

3.3 2014/15 Savings Progress

3.3.1 The monitoring above reflects the progress in achieving necessary savings agreed as part of the 2014/15 budget process. Appendix 1 provides details of specific savings initiatives and progress made in delivering them in full by the end of 2014/15 financial year.

In summary they are as follows,

2014/15 Budgeted Service Savings Mandates Progress at Month 9						
DIRECTORATE	Saving included in 2014/15 Budget £'000	Savings achieved month 6 £'000	Savings achieved month 9 £'000	% progress in achieving savings	Delayed savings £'000	Savings not achievable £'000
Children & Young People	722	669	669	93%	0	53
Social Care & Health	1,030	877	887	86%	0	143
Enterprise	1,366	1,025	1,306	96%	0	60
Operations	1,412	1,007	1,167	83%	176	69
Chief Executive's	923	923	923	100%	0	0
Total Budgeted Service Savings 2014-15	5,453	4,501	4,952		176	325

3.3.2 There wasn't a great deal of change evident between quarter 1 and 2 report. Conversely at month 9, managers report an improvement in progress of circa £450,000. Part of this progress reflects the approval by Cabinet at month 6 to accept alternate savings.

3.3.3 The savings appendix also indicates a risk score as to whether savings are likely to be achieved or otherwise. The following savings mandates are still reported to be high or medium risk.

Operations (OPS)

- School meals -increase price, market and expand service – none of saving anticipated has materialised (£69,000).
- Transfer of facilities to other providers – engagement and consultation means £20,000 is reported as delayed saving
- Transport review and fleet rationalisation, £40,000 short of mandate requirements
- Highways – review of management arrangements are anticipated to exhibit a shortfall in savings of £116,000 against £405,000 originally reported

Enterprise (ENT)

- Museums, Shirehall & Castles and Tourism – the Tourism aspects exhibit a £37,000 shortfall
- SRS savings exhibit a £23,000, as original intention to divest a building haven't occurred, the service is seeking alternate staffing savings to compensate

Children and Young People (CYP)

- Grants to micro finance and rationalise numerous grants to single organisations – none of savings required have materialised (£37,000)

Social Care & Health (SCH)

- Community meals increase take-up – meal numbers are still below the 1,450 target introducing a £16,000 shortfall, although exhibit a reported improvement on month 6
- SCH children's staff restructuring – Re-introduction of a post volunteered by the service for deletion introducing a £32,000 shortfall on savings target

All

- Review of additional payments – Social Care and Health exhibit challenges in meeting any of their saving requirements of £95,000, CYP report making £15,000 of £31,000 requirement, CEO and Operations report intention to make their £163,000 in other ways but haven't specified how, ENT report having made their £48,000 in full.

4 REASONS

4.1 To improve budget monitoring and forecasting information being provided to Senior Officers and Members.

5 RESOURCE IMPLICATIONS

5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

6.1 The decisions highlighted in this report have no implications, the budgets are being vired for the purpose they were agreed.

7 CONSULTEES

Strategic Leadership Team
All Cabinet Members
All Select Committee Chairman
Head of Legal Services
Head of Finance

8 BACKGROUND PAPERS

8.1 Month 9 monitoring reports, as per the hyperlinks provided in the Select Appendices

9 AUTHORS

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Appendices

Appendix 1 Savings Summary
Appendix 2 Strong Communities Select Committee portfolio position statement
Appendix 3 Economy and Development Select Committee portfolio position statement
Appendix 4 Adult Select Committee portfolio position statement
Appendix 5 Children and Young People Select Committee portfolio position statement

2014/15 Budgeted Service Savings Mandates Progress at Month 9

DIRECTORATE	Saving included in 2014/15 Budget £'000	Savings achieved month 6 £'000	Savings achieved month 9 £'000	% progress in achieving savings	Delayed savings £'000	Savings not achievable £'000
Children & Young People	722	669	669	93%	0	53
Social Care & Health	1,030	877	887	86%	0	143
Enterprise	1,366	1,025	1,306	96%	0	60
Operations	1,412	1,007	1,167	83%	176	69
Chief Executive's	923	923	923	100%	0	0
Total Budgeted Service Savings 2014-15	5,453	4,501	4,952		176	325

2014/15 Budgeted Service Savings Mandates Progress at Month 9

CHILDREN & YOUNG PEOPLE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 9 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 9	Risk of current forecast saving NOT being achieved (High / Medium / Low)
Schools delegated budgets	Proposal is about finding opportunities to reduce costs in schools. Schools budgets will be protected at cash limit, this means no pay inflation and or non pay inflation is provided for in funding,	434	434	0	0	Fully Achieved	Low
Review ISB - ALN contingency	Currently a contingency budget is held centrally, proposals to reduce this budget by £75k and reduce staffing in the service by £65,000	140	140	0	0	On Target	Medium
Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	37	0	0	37	These savings cannot be found from the grant areas as our grants cover a statutory provision.	High

School library service - combine with general library service	£50k is MCCs contribution to full year running costs of school library service, changes to service needs to be considered with TCBC	30	30	0	0	MCC savings have been achieved. Torfaen alongside MCC schools have now decided to withdraw from service, which will introduce additional severance costs (unquantified at present). These together with assets and deficit reserve balance of £100k, will need to be apportioned between MCC and TCBC	High
School Music service - reduction in subsidy	Total MCC contribution to schools music service is £260k, exploration of alternative models to reduce the subsidy required	50	50		0	Saving achieved, working with the service to achieve future savings identified within the budget mandate.	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	31	15	0	16	Given current pressures we are not able to achieve anymore of this saving.	High
		722	669	0	53		

2014/15 Budgeted Savings progress at Month 9

SOCIAL CARE & HEALTH							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 9 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 9	Risk of current forecast saving NOT being achieved (High / Medium / Low)
Community meals increase take-up	Mainly about increasing customer base	30	14	0	16	Weekly sales are 1,300, 150 below target.	High
Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	100	100	0	0		Low
Practice change - reduction in flexible budget/contingency	Working with individuals, families and communities to find sustainable solutions	277	277	0	0		Low
Redesign day provision in line with My Day/My Life	Reconfiguring day provision for people with Learning disability	160	160	0	0		Low
SCH restructuring: Direct care (£89k), Children's/Adults teams (£50k), Commissioning team (£31k)	Staffing efficiencies	163	163	0	0		Low

SCH Transition project staff transfer to Bright New Futures	Combining our initiative with Bright new futures to establish a shared service model	14	14	0	0		Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	95	0	0	95	Work not undertaken corporately on issues such as reviewing bank holidays.	High
Sustaining Independent Lives in the community	Cabinet report and business case presented on 2nd Oct 2013, aim is to divert people from needing statutory services through Local Area Co-ordination and small local enterprises	123	123	0	0		Low
TOTAL ADULTS SELECT		962	851	0	111		

CHILDREN & YOUNG PEOPLE SELECT

SCH children's staff restructuring	Rationalising service delivery within children's services	68	36	0	32	Due to Dr Paul Thomas one of the two posts was reinstated, but mandate and/or additional funding not adjusted for.	High
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1,030	887	0	143
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2014/15 Budgeted Service Savings Mandates Progress at Month 9

ENTERPRISE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 9 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 9	Risk of current forecast saving NOT being achieved (High / Medium / Low)
DEVELOPMENT OF LEISURE SERVICES	Income maximisation and staff review, developing the cycling offer, broaden leisure offer and explore new service provision options and models in the context of 'whole place'	125	125			Savings forecast to be achievable	Low
Collaboration on housing services and development of careline services	Commercialisation of careline service, one housing solutions service with TCBC focussed on enabling wider access to housing options and providing greater scope for increasing the resources with which to address housing need and homelessness	30	30			Savings forecast to be achievable	Low
Sustainable energy initiatives	Investing in biomass boilers, solar farms and reduction in Carbon Reduction Commitment budget	133	133		0	Savings achieved	Medium
Museums, Shirehall & Castles and Tourism	Consolidation of tourism and culture offer throughout the County through considering shared services models; making attractions self-sustainable and income generation. This relates to the museum business plan and explores roll-out of some community ownership models. Member consultation has indicated that the aspect of merging of museums and TIC (£150,000 in 2014/15) was not a preferable model, and will necessitate driving even further savings on other aspects of this mandate	245	208		37	Museums are on target to make the full 78k savings at M9. Shirehall are on target to achieve their 33,500 savings. TIC's 77k forecast. 13k not achievable due to ambitious income targets & reduced opening hours, although we have been forecasting the full 90k, at month 09 this doesn't look realistic with three months of the year left. Countryside 36,500 - Castle savings of 24k will not be met. 12,500 within countryside looks as though it will be met, but current underspends are offsetting overspends within the Castle and Old Station. The forecast overspend at M9 for Countryside is 89k.	Museums - Low Shirehall - Low TIC's medium

Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	50	50			Third sector bodies have already been made aware that their grant will be less this year and this was reflected in the budget.	Low
Strategic Property Review (phase 2)	Target to be achieved by the Accommodation working group and reduction in office accommodation, consolidate in Usk	75	75		0	Savings achieved	Low
R & C Staffing restructures	Senior management restructure to include new service groupings and alignments and green space concept	70	70			Achieved	Low
R&C - OSS and libraries - 10% reduction in staff budget	The aim is to have one access point for customer service in each of the 4 towns and create efficiencies through a management restructure	116	116			Savings achieved	Medium
Additional Libraries and communications saving	Libraries driver redundancy and media position deleted	80	80			Achieved	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	48	48			Achieved	Low
ICT	Staffing efficiencies, integrate enterprise agreement, reduce supplies and services budget	300	277	0	23	No plans to close Ty Cyd 3 means that savings will not be achieved. Additional CCTV income used in year 1 to purchase additional equipment. Further savings made by vacancies	Medium
Adult Education	Cost reduction through reducing overheads and premises costs	90	90	0	0	Savings through change of courses and reduction in premises costs	Low
Planning, place and enterprise	Increase in income from development plans (part of combined £32k savings)	4	4	0	0	Achieved	Low

1,366	1,306	0	60
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2014/15 Budgeted Service Savings Mandates Progress at Month 9

CHIEF EXECUTIVE'S UNIT & OPERATIONS								
Budget proposals 2014/15	Savings Proposal Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Value of Saving Forecast at Month 9 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 9	Risk of current forecast saving NOT being achieved (High / Medium / Low)
OPERATIONS								
School meals -increase price, market and expand service	Increase in school meal to £2.00, currently £1.65 infants and £1.80 junior based on an estimated 397,058 meals	69	0	0		69	Saving based on increased sales is unlikely in first 12 months due to A4L menu compliance, reduced take up due to price increase and increased cost of providing meals. In addition any additional saving will be offset against cost of running a client/contractor joint service provision to the standards required to achieve WG compliance status	High
Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	13	13	13	0	0	Achieved	Low
Highways - review of management arrangements, gritting schedules, verge maintenance, use of sub contractors	Reduction in management team and operate from 2 depots, reducing stand by payments and gritting frequencies. Reduce sub contractors and biodiversity policy on verges	405	274	289	116	0	Restructure of R&C will not allow whole year savings. Pressure from community groups are delaying savings in 2014/15. Some whole year savings predicted for 15/16 as mandate. Simpson review may not permit savings for MCC in Duty Officer mandate. Other offsetting savings will be made within Highways to meet the unachievable savings and the delayed savings.	High
Street Light savings	Review of turning off street lights at designated times	180	180	180			Achievable	Low

Street scene and pest control	Reduction in sweepers and number of cleaning rounds, opportunity for Town & Community Councils to contribute to service and full withdrawal of subsidy for pest control.	195	170	195			Achievable	Low
Home to School Transport - fundamental review of policy	Fundamental policy change - £420k - based around nearest school policy. Withdrawal of subsidy for post 16 transport.	47	47	47			These savings should be achievable as no travel grants will be issued to new applicants from sept 14	Low
Facilities - transfer functions to other providers	Engaging with town and community councils, friends clubs to take on service related costs - Linda Vista, Bailey Park, Public Conveniences	100	0	80	20	0	30k of mandate has been found from Town Councils, remaining has been found from additional grounds maintenance income	Medium
Transport review and fleet rationalisation	Increased income from private hire (Passenger Transport Unit), management and staff reduction	105	25	65	40	0	Budget problems within the PTU will require fundamental review of budget.	Medium
Property services and procurement	Staff efficiencies, systems review and procurement savings	115	115	115	0	0	Saving Realised.	Low
Cost neutral waste service	Route optimisation, green waste charges up from £8 to £10 and reduce spend on bags	60	60	60	0	0	Saving Realised	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	123	123	123	0	0	£24k will be made in accordance with the mandate. In general managers have seen this saving as just a straight cut in budget and have reorganised spend patterns accordingly. E.g. £41k Highways/Swtra – by reducing service or increasing income. £9k Grounds – by reducing service or increasing income. £32k Waste – reductions in other manpower budgets. All these savings are now forecast to be achieved.	Medium

TOTAL

1,412	1,007	1,167	176	69
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2014/15 Budgeted Service Savings Mandates Progress at Month 9

CHIEF EXECUTIVE'S UNIT							
Budget proposals 2014/15	Savings Proposal Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 9 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 9	Risk of current forecast saving NOT being achieved (High / Medium / Low)
CEO Staffing restructures	Senior management restructure to include new service groupings and alignments and green space concept	70	70		0	Achieved	Low
CEO - efficiencies, including on line services, staffing structures	Staffing efficiencies and improving on line services, reduction in democratic services will mean that only decision making committees can be serviced, merging of roles supporting area work	595	595		0	Achieved	Low
CEO - Restructure (Customer Access) - 10% reduction in staff budget	The aim is to have one access point for customer service in each of the 4 towns and create efficiencies through a management restructure	64	64		0	Achieved	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	40	40		0	Achieved. In general managers have seen this saving as just a straight cut in budget and have reorganised spend patterns accordingly.	Low
Public protection	Service Reductions in Public Protection Division	89	89		0	Achieved	Low

Legal	Reduction in Legal Services employee hours and Commons and Village Green Inquiries – Inspectors' fees	37	37		0	Split £30k Legal & Land Charges, £7k Emergency Planning	Low
Planning, place and enterprise	Increase in income from building control & development control (part of combined £32k savings)	28	28		0	Achieved	Low
TOTAL		923	923	0	0		

1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is,

Service Area	Budget Mth 6	Virements	Budget Mth 9	Forecast Outturn	Variance Mth 9	Variance Mth 6	Variance Mth 3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive's office	7,375		7,375	6,991	(384)	(207)	(133)
Operations	17,857	4	17,861	17,964	103	232	385
Corporate	17,941		17,941	17,758	(183)	(116)	(94)
Appropriations	6,964	558	7,522	7,279	(243)	8	(307)
Financing	(149,032)	(204)	(149,236)	(149,871)	(635)	(648)	(502)
Total	(98,895)	358	(98,537)	(99,879)	(1,342)	(731)	(651)

1.2 The more significant over and underspends are,

	Overspend predicted £'000	Underspend predicted £'000	Cause
Chief Executives Office		384 (176 improvement)	Policy Division net underspend of £23,000 despite £47,000 redundancy costs, reduced cost in Democracy Division (£173,000) and £189,000 savings in Finance division
Operations – Highways		373 (73 improvement)	Predominantly extra highway agency income, supplemented by additional fee income earned in traffic management and traffic & development and reduced costs in highways operations
Operations – Property	33 (44 improvement)		Pressures from schools meals continues (£110,000), cleaning mainly conveniences (£26,000), additional call charges (£30,000) compensated by comparable savings in office services, redundancy costs of £18,000 mitigated by procurement team savings (£54,000) and net accommodation cost savings (£69,000)
Operations – Home to school transport	359 (88 worsening)		Overspends in employee costs £203,000, (includes £7,000 redundancy costs), unachievable staff efficiencies £22,000, fuel and repair £50,000 and reduction in income £32,000 and a provision for historic bad debts recovery of £50,000. Whilst past budget saving reviews of home to school and SEN haven't taken place, the rolling tender of external transporter costs exhibit a compensatory saving.
Operations – Transport	94 (35 improvement)		Predominantly car parking income deficit
Operations – Waste	20 (85 improvement)		Predominantly redundancy costs (£171,000), potential for MRF contractor

			dispute identified at month 3 but discounted at month 6 has been re-introduced (£50,000), compensated by reduction in transfer station expenditure
Training Unit	70 (20 worsening)		Mixture of redundancy costs (£40,000), increasing costs and reduced income predictions
Operations – Grounds		100 (static)	Additional income
Corporate		183 (68 improvement)	Predominantly saving in external audit fees (£87,000) and effect of NNDR revaluation of Council properties £65,000 (compensatory increased costs in Directorates), and insurance negotiation savings (£30,000) on contract extension
Appropriations		243 (252 improvement)	Predominantly net reduction in interest payable (£240,000). Asset sale slippage results in £92,000 savings in disposal costs deferred. £59,000 interest receivable due to higher rolling investment balance than anticipated, and £35,000 reduction in anticipated borrowing repayment costs caused by slippage of previous years capital programme which covers for a further reduced call from reserves of £182,000.
Financing		635 (13 worsening)	Predicted extra Council tax receipts and reduced CT benefits
Total		1,342	

2. 2014-15 Savings Progress

- 2.1 The savings required by 2014-15 budget process, identified in appendix 1, are not fully secured.
- 2.2 Operations savings totalling £1,412,000, £1,167,000 (an increase of £160,000 against that reported at month 6) are anticipated to be made, £176,000 deferred to 2015-16 (an increase of £20,000 on month 6) and £69,000 not achievable (an improvement of £180,000).
- 2.3 As at month 9, Operations Directorate are anticipating an adverse outturn £103,000, as deferred and not achievable savings total £245,000, the service is effectively making adhoc savings of £142,000 to compensate in part for the level of savings that it has reported but has yet to make.
- 2.4 Of Chief Executives savings totalling £923,000, £923,000 continues to be reported as delivered.

3. Performance Monitoring

Policy & Engagement	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget	New service area	New service area	New service area	766,158	
Number of Staff Employed (FTE)	New service area	New service area	New service area	23.95	Q2
The percentage of national PIs improving or at maximum	63	63	70	74	Q2
Percentage Social Media Influence (Klout Score - higher is better)	not available	65	57	58	Q3
The percentage of Outcome Agreement Funding received	100	100	100	100	Q3
The percentage of people who agree that the local authority is good at letting them know how we are performing	not available	41	47	Not available until year-end	n/a
Average sickness days per FTE	New service area	New service area	New service area	0	

3.1 Performance improvement team report that 74% of the available national performance measures are showing improvement, this is a four percentage point improvement on the position in 2013-14.

Democracy & Regulatory Services	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget	New service area	New service area	New service area	4,445,262	
Number of Staff Employed (FTE)	New service area	New service area	New service area	88.71	Q2
Number of Building Control applications	343	306	306	296	year end forecast
Number of Planning applications received	1083	987	983	634 (by month 6)	Q2
Average days taken to Process Full Plan building control Applications	24	22	22	20	Q2
% High Risk Businesses Liable to Programmed Inspection that were inspected - Trading Standard	87	76	87	57	Q2
% High Risk Businesses Liable to Programmed Inspection that were inspected - Food Hygiene	100	N/A	100	43.7	Q2
% High Risk Businesses Liable to Programmed Inspection that were inspected - Animal Health	83	83	100	38 (by month 6)	Q2
Percentage Planning applications approved	93.6	93.7	93.7	94	Q2
Percentage Food Establishments are 'Broadly Compliant' with Standards	84.34	88.08	91.2	not available until year end	
Average sickness days per FTE	New service area	New service area	New service area	3.46	Q2

3.2 Generally activity seems consistent with previous year, with the exception of high risk inspections involved with food hygiene and animal health which appear on a straight line projection to be less than equivalent last year.

Finance	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget for Finance section	-	-	-	2,164,014	
Number of Staff Employed	-	-	-	49.36	Q2
Percentage of council tax due in the financial year received	97.3	97.5	97.9	57.5	Q2
Percentage of new housing benefit claims decided within 14 days	83	87	94	98	Q3
Percentage of planned internal audits completed	82	74	62	41	Q2
Percentage of invoices paid within 30 days	79	83	87	86	Q2
Average sickness days per FTE	-	-	-	2.64	

3.3 More housing benefit claim decisions are being made within 14 day period. A similar percentage of invoices are being paid within 30 days between current and previous year. Planned audit activity reporting is ahead of equivalent activity in 2013-14, on a straight line basis. Council tax collection is marginally behind equivalent month 6 activity for 2013-14(which was 59%). The difference is attributable to a greater proportion taking up 12 month instalment payments rather than the traditional 10 month.

Operations	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget	New service area	New service area	New service area	17,849,000	
Number of Staff Employed (FTE)	New service area	New service area	New service area	481.75	Q2
Tonnes of overall Municipal waste collected	45632	46007	45962	26902 (by month 6)	Q2
Number Fly tipping Incidents Reported	497	358	423	171 (by month 6)	Q2
Total length of A,B & C roads maintained (KM)	-	-	-	1481	Q2
% Municipal Waste Prepared for Reuse/Recycled	54.97	55.52	62.94	67	Q2
% Highways and Relevant Land Inspected of a High/Acceptable Standard	95.7	98.4	99	Annual - not yet available	
% of Reported Fly tipping Incidents Cleared Within 5 Working Days	81.09	82.1	95.98	97.78	Q2
Average Number of Calendar Days Taken to Repair Street Lamp Failures in Year	3.09	2.71	4.6	3.5	Q2
% A,B & C roads that are in Overall Poor Condition	9.4	7.8	9.8	Annual - not yet available	
Average sickness days per FTE	New service area	New service area	New service area	4.51	Q2

3.4 Encouragingly despite making currently £1,167,000 savings from Operations Directorate performance activity reported in relation to month 6 indicates an improving trend on previous year activity, if extrapolated on a straight line basis.

5 Director's Commentary (Head of Operations – Roger Hoggins)

6 Supporting Financial Monitoring Workbooks (ctrl click to access)

[CEO Month 9 Monitoring FINAL.xls](#)

[OPS Month 9 Monitoring FINAL.xls](#)

[COL Month 9 Monitoring FINAL.xls](#)

[APP Month 9 Monitoring FINAL.xls](#)

[FIN Month 9 Monitoring FINAL.xls](#)

1. Revenue Outturn Forecast

Service Area	Budget Mth 6	Virements	Budget Mth 9	Forecast Outturn	Variance Mth 9	Variance Mth 6	Variance Mth 3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community led delivery	2,414	44	2,458	2,505	47	70	107
Commercial & people development	4,187	(147)	4,040	4,006	(34)	(16)	79
Enterprise management	103		103	103	0	0	0
Development Planning	508	(100)	408	375	(33)	(100)	0
Tourism, life & culture	3,073	(2)	3,071	3,153	82	101	46
Total	10,285	(205)	10,080	10,134	62	55	232

The net forecast outturn expenditure is predicted as £10,161,000, of which £8,915,000 had been incurred at the end of 3rd quarter.

1.2 The more significant over and underspends are,

	Overspend predicted £'000	Underspend predicted £'000	Cause
Community led delivery	47 (23 improvement)		Net effect of restructure changes not fully implemented yet within libraries (£41,000), and net cost (£54,000) to Adult Education caused by Coleg Gwent franchise changes in September, £9,000 net effect of increased maintenance cost to industrial units and markets income under recovery not being mitigated in full by increased farm rental payments, mitigated in part by savings within Housing Services (£61,000)
Commercial & people development		34 (17 improvement)	Savings in People Services (£54,000) compensating for additional rates costs on Innovation building (£6,000) and net cost on business growth and enterprise (15,000) caused predominantly by redundancy costs
Tourism, Leisure & culture	82 (19 improvement)		Net saving/income within cultural services of £22,000. Leisure exhibits a favourable swing of £60,000 reporting an outturn of £14,000 surplus mitigating in full the net effect from summer cycling events. The main cost pressure continues to be exhibited within the Tourism function (£119,000) and predominantly Caldicot Castle and Country park, but this does include £23,000 redundancy costs which wouldn't be a budgeted expense.

Development Plans		33 (67 worsening)	Reduced draw upon reserve funded expenditure in 2014-15 to be undertaken in 2015-16
Total	62		

2. 2014-15 Savings Progress

- 2.1 The savings required by 2014-15 budget process, identified in Appendix 1, are not all fully secured.
- 2.2 Of Enterprise savings totalling £1,366,000, £1,306,000 are anticipated to be made (an increase of £281,000 since month 6).
- 2.3 £177,000 savings were predicted to be deferred at month 6, at month 9 no savings are anticipated to be deferred.
- 2.4 Similarly £164,000 was recorded as not achievable at month 6, at month 9 the Directorate now reports that unachievable savings total only £60,000 and reflect a shortfall in Shire Hall, Museums, Castles and Tourism mandate and ICT savings.

3. Performance Management

Commercial & People Development	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget	New service area	New service area	New service area	4,187,312	
Number of Staff Employed (FTE) - Commercial and People Development	New service area	New service area	New service area	43.54	Q2
Number of employees (headcount whole authority)	-	4025	3880	3983	Q2
Average sickness days per FTE (Whole authority)	13.3	11.9	11	9.9	forecast
Number of new business start-ups where assistance was provided by Monmouthshire Business and Enterprise and Partners	57	60	103	61 (by month 6)	Q2
Number of new jobs created where assistance was provided by Monmouthshire Enterprise and Partners	185	331	124	66 (by month 6)	Q2
Average sickness days per FTE (Commercial & People Development)	New service area	New service area	New service area	1.97	Q2

- 3.1 Average sickness days per FTE taken for the whole authority indicates a reducing trend, which is encouraging, but is still forecast as significant at circa 10 days per FTE.
- 3.2 Job creation and business start ups performance indicate favourable activity against previous year activity (on a straight line basis).

Tourism, leisure & Culture	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget	New service area	New service area	New service area	3,073,865	
Number of Staff Employed (FTE)	New service area	New service area	New service area	109.62	Q2
Number of visits to leisure centres	525291	627020	742368	not available until year end	
Number of visits to Museums	71097	64215	65116	38631 (by month 6)	Q2
Percentage of Rights Of Way maintenance issues resolved	61.94	62.99	66.02	64.85	Q2
% of children & young people who participate in physical activity (5 x 60 scheme)	N/A	40	41	Annual	
Total number of tourists per year	2,102,500	2,015,300	2,052,500	Annual	
Average sickness days per FTE	New service area	New service area	New service area	7.86	Q2

3.3 Limited in year activity is provided in this service area to develop any meaningful conclusion about service activity in comparison with previous year, although number of visits to museums if extrapolated on a straight line basis indicates a significantly increased footfall than previously.

3.4 Whilst average days lost to sickness per FTE are less than that experienced as a whole by the authority, it is still appears significant in this service area.

Community led Delivery	2011/12	2012/13	2013/14	2014/15	Period
Revenue Budget	New service area	New service area	New service area	2,412,802	
Number of Staff Employed (FTE)	New service area	New service area	New service area	76.5	Q2
Number of Bryn -y -cwn and Severnside programme board meetings held	N/A	N/A	2	6	Q2
Total number of visits to libraries	642,466	666,129	666,361	678,000	year-end forecast
Homeless applications determined	361	417	388	240	year-end forecast
Amount of energy generated from renewable sources (kWh)	169,940	292,174	509,649	364,401	Q2
Percentage of Homelessness applications accepted	60	52	44	38	Q2
Total number of library materials issued	544,394	547,641	534,196	535,000	year-end forecast
Average sickness days per FTE	New service area	New service area	New service area	3.24	Q2

3.5 Visits to libraries, the extent of programme board meetings and amount of energy generated from renewable sources all indicate a positive trend between current and previous years.

3.6 Less homelessness applications have been accepted than previously and consequently number of homeless application determined has indicatively reduced on previous years. This should be viewed as symptomatic of Council's successful prevention work and aspects like shared house initiative which seeks to avoid the need for homeless presentation where possible. An increase in the prevention of homelessness for longer than six months has improved from 24% to 47%.

4 **Director's Commentary (Kellie Beirne)**

5. **Supporting Financial Monitoring Workbooks (ctrl click to access)**

[ENT Month 9 Monitoring FINAL.xls](#)

1. Revenue Outturn Forecast

1.1

Service Area	Budget Mth 6	Virements	Budget Mth 9	Forecast Outturn	Variance Mth 9	Variance Mth 6	Variance Mth 3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services	6,830		6,830	6,961	131	163	128
Community Care	19,840		19,840	19,793	(47)	(38)	(8)
Commissioning	1,950		1,950	1,962	12	10	(6)
Resources & Performance	1,028		1,028	973	(55)	(83)	(83)
Total	29,648		29,648	29,689	41	52	31

The net forecast outturn expenditure is predicted as £29,699,000, of which £12,639,000 had been incurred at the end of 3rd quarter.

1.2 The more significant over and underspends are,

	Overspend predicted £'000	Underspend predicted £'000	Cause
Social Care – Adults			
Disability Equipment (Gwices)	1 (19 worsening)		
Day Centres		12 (21 improvement)	
Residential care	133 (21 worsening)		Employee efficiencies and savings not deliverable, Mardy Park partnership pressure
Community Meals	16 (13 improvement)		Shortfall in income
Domiciliary care		22 (47 improvement)	Predominantly the effect of one off intermediate care funding recently approved
Transition cooperative partnership		46 (static)	Secondment cost borne by partner
Management team	1 (15 worsening)		
Monnow Vale partnership	59 (6 improvement)		Historic agreement precludes passing equitable cost to partner
Community Care		47 (9 improvement)	Net effect of regional Frailty programme not spending to plan, results in loan repayment to WG being less than budgeted
Commissioning	12 (2 worsening)		
Resource and performance		55 (28 worsening)	Reduced premises and net salary saving
Total	40		

2. 2014-15 Savings Progress

- 2.1 The savings required by 2014-15 budget process, identified in Appendix 1, are not fully secured. Of Social Care savings affecting Adults totalling £962,000, £851,000 are anticipated to be made, none deferred to 2015-16 but £111,000 not achievable. This exhibits a £10,000 favourable effect since month 6.

3. Performance management

Adult Social Care	2011/12	2012/13	2013/14	2014/15	Period
Revenue budget*	-	28,351,000	28,723,000	28,619,861	
Number of staff employed (FTE)	287	not available	not available	281	Q2
Number of older people who get a package of care to support them in the community	1281	1247	1159	1116	Q3
Number of people in local authority funded residential care	239	254	227	209	Q3
Satisfaction with adult social care	93	96	90	94.6	Q3
Average sickness days per FTE	not available	not available	15.96	9.96	Q2
* total of adult, community care and commissioning budgets					

- 3.1 Service user numbers exhibit a similar, if slightly reducing, trend on previous year. The proportion of residential placements in comparison to care in community appears relatively static (19%). The average level of sickness per FTE whilst comparable with the Council as a whole but still appears rather significant.
- 3.2 Different ways of working within adult social care, focusing on what matter to people rather than process, are proving successful. This is enabling the council to meet the needs of a growing older population within declining resources. Satisfaction scores with the service indicate a favourable trend on previous year.

4. Director's Commentary (Social Care & Health – Simon Burch)

As Chief Officer I have to report that the pressures previously reported, and addressed by Cabinet authorising additional resources for 2015/16, have continued over the past quarter. The forecast outturn for month 9 is an increase since month 6 of £463K and this is almost exclusively due to pressures in Children's Services

To put this in context, Children's Services is a volatile area, with clear statutory safeguarding duties and consequently the budget is susceptible to fluctuating levels of demand and the complexity of placements required. Since month 6 we have had to place an additional 9 children into external placements, at a cost of £310K, taking the overspend to a predicted £812K. Legal costs are still generating an overspend, currently estimated at £70K, up by £15K since the last quarter, reflecting court activity. Due to vacancy and extra capacity issues, we are utilising agency staff which is further adding to the budget pressure.

In response we have carried out intensive analysis to ensure that we are working as effectively as possible and we have identified further projects to improve our support to Looked After Children. A further report on this will be coming to Cabinet in February

Finally I am pleased to note that Adult Services is continuing to reduce its overspend, with current predictions standing at a £40K overspend, £10K less than at month 6. This area is

stable with Community Care estimating an underspend of £47K, reflecting the excellent demand management work which is having a real budget impact.

6. **Supporting Financial Monitoring Workbooks (ctrl click to access)**

[SCH Month 9 Monitoring FINAL.xls](#)

1. Revenue Outturn Forecast

Service Area	Budget Mth 6	Virements	Budget Mth 9	Forecast Outturn	Variance Mth 9	Variance Mth 6	Variance Mth 3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Childrens Services (Social Care)	6,956		6,956	8,176	1,220	745	583
Individual schools budget (CYP)	44,421	(256)	44,165	44,219	54	(225)	0
Resources (CYP)	1,506		1,506	1,589	83	45	(12)
Standards (CYP)	5,578	104	5,682	5,665	(17)	250	38
Youth services (CYP)	797		797	769	(28)	(25)	0
Sub Total CYP	52,302	(152)	52,150	52,242	92	45	26
Total	59,258	(152)	59,106	60,418	1,312	790	609

The net forecast outturn expenditure is predicted as £60,418,000, of which £59,006,000 had been incurred by end of 3rd quarter (Childrens Services £6,014,000, CYP £52,992,000).

1.2 The more significant over and underspends are,

	Overspend predicted £'000	Underspend predicted £'000	Cause
Social Care – Children			
Looked after children	812 (310 worsening)		Proportion of more significant unit cost cases
Joint adoption	7 (3 worsening)		Reflective of anticipated activity
Fostering & allowances	67 (22 worsening)		Predominantly foster carers travel allowances – no budget
Disability equipment (Gwices)		24 (1 improvement)	
Therapeutic services		9 (2 worsening)	
Counsel costs	70 (15 worsening)		Anticipated in line with 2013-14 activity
Young person's accommodation		58 (3 improvement)	Reduced activity
Respite home		55 (static)	Premise closed whilst new carers identified and assessed
Team Costs	434 (130 worsening)		Staffing costs, predominantly use of agency staff and conveyance of client pressure
Unaccompanied asylum seeking children, local safeguarding board and misc. underspends		24 (2 improvement)	

Total	1,220		

	Overspend predicted £'000	Underspend predicted £'000	Cause
Children and Young People			
Resources delegated to schools	54 (279 worsening)		Budget included anticipated reserve funding, month 6 recommendation sought to increase transparency and defer both expenditure budget and reserve financing to 2015-16
Standards		17 (267 improvement)	Reduction in shortfall on income targets, but mainly reduced costs involved in out of county placement and additional income from other Councils using MCC services plus reserve funding of £104k has been allowed subsequent to month 6 report to cover cost of winding up school library service
Resources	83 (38 worsening)		Effect of Recovery Board and tribunal costs, unbudgeted IT migration costs, and reduction in SEG grant in year impacting adversely upon the level of grant administration costs that are recoverable
Youth services		28 (3 improvement)	
Total	92		

2. 2014-15 Savings Progress

- 2.1 The savings required by 2014-15 budget process, identified in Appendix 1, are not fully secured.
- 2.2 Of Social Care - Children savings totalling £68,000 £36,000 are anticipated to be made, none deferred to 2015-16 but £32,000 are regarded as not achievable. This exhibits no change since month 6.
- 2.3 Of Children & Young people Directorate savings totalling £722,000, £669,000 are reported to be made none deferred but £53,000 regarded as not achievable. This exhibits no equivalent change since month 6.

3. Schools reserves

3.1 Schools balances, as indicated in the main report from para 3.3 onwards exhibit a declining trend, such that the forecast outturn balance will not accommodate the same level of expenditure as the 2014/15 financial year. This remains a risk whilst the detail of individual school budgets remains unknown. The following table indicates anticipated reserve levels for each school. Bracketted amounts indicate a surplus position and non bracketed amounts a deficit.

Movement in Reserves	Opening Reserves (Surplus)/ Deficit 14-15	In year forecast at Month 6 (Surplus)/ Deficit	Difference reported from Month 9 to Month 6 (Surplus)/ Deficit	In year forecast at Month 9 (Surplus)/ Deficit	Anticipated Reserves to be carried forward to 2015-16 (Surplus)/ Deficit	Notes
Abergavenny cluster						
E003 King Henry VIII Comprehensive	(-114,518)	239,615	(-20,330)	219,285	104,767	Recovery plan drafted. TLR and Management team restructure have resulted in savings since Month 6
E073 Cantref Primary	(-68,138)	20,678	(-2,418)	18,260	(-49,878)	Investment plan process is underway
E072 Deri View Primary	79,952	(-42,703)	(-22,655)	(-65,358)	14,594	Seconded staff replaced on lower grade
E035 Gilwern Jnr & Inf	(-41,057)	16,061	2,036	18,097	(-22,960)	
E037 Goytre Fawr Jnr & Inf	(-4,709)	(-12,889)	7,619	(-5,270)	(-9,979)	
E041 Llanfair Kilgeddin CV Jnr & Inf	(-22,611)	45,016	(-24,304)	20,712	(-1,899)	Curriculum provision revisions have resulted in reduced staffing costs.
E093 Llanfoist Fawr	(-32,933)	(-6,921)	(-14,651)	(-21,572)	(-54,505)	Savings since Month 6 due to supply costs for covering seconded member of staff being lower than anticipated.
E044 Llantillio Pertholey Jnr & Inf	(-65,340)	16,980	11,193	28,173	(-37,167)	Newly seconded HT & Acting HT on higher scale than budgeted
E045 Llanvihangel Crocorney Jnr & Inf	40,656	(-17,983)	(-1,785)	(-19,768)	20,888	Recovery plan on track
E090 Our Lady and St Michael's RC Primary School	(-23,663)	(-13,246)	(-16,068)	(-29,314)	(-52,977)	Building plans budgeted to start this year will now start in new financial year. Investment plan process underway.
E067 Ysgol Gymraeg Y Fenni	(-32,161)	4,624	4,791	9,415	(-22,746)	
Caldicot cluster						
E001 Caldicot Comprehensive	(-60,620)	53,001	(-6,663)	46,338	(-14,282)	
E068 Archbishop Rowan Williams Primary	(-21,991)	(-4,948)	(-2,889)	(-7,837)	(-29,828)	
E094 Castle Park	97,998	(-36,613)	(-12,509)	(-49,122)	48,876	Recovery plan continues to be on track. Additional savings now forecasted as a result of a maternity post being covered on a lower grade.
E075 Dewstow Primary School	(-106,113)	77,043	(-20,759)	56,284	(-49,829)	Additional savings as a result of ALN funding being awarded where provision was already in place.
E034 Durand Jnr & Inf	(-44,725)	15,050	4,025	19,075	(-25,650)	
E048 Magor Vol Aided Jnr & Inf	(-31,137)	(-5,240)	18,224	12,984	(-18,153)	Increase in number of ancillary staff & hours. Also 2 Assistant HT's receiving increase in salary.
E056 Rogiet Jnr & Inf	(-83,152)	43,972	(-10,424)	33,548	(-49,604)	Sickness absence not previously made know to Finance the costs of which have now been reimbursed via the compensation scheme.
E063 Undy Jnr & Inf	(-10,117)	(-4,351)	(-8,160)	(-12,511)	(-22,628)	
E069 Ysgol Gymraeg Y Ffin	17,914	(-35,305)	3,132	(-32,173)	(-14,259)	
Chepstow cluster						
E002 Chepstow Comprehensive	214,589	158,084	12,327	170,411	385,000	Additional £10k forecasted to cover agency staff for short term sickness absences. Draft Recovery plan being analysed.
E091 New Pembroke Primary School	(-79,671)	63,990	2,225	66,215	(-13,456)	
E057 Shirenewton Jnr & Inf	(-81,568)	13,996	13,030	27,026	(-54,542)	Increased agency costs
E058 St Mary's Chepstow RC Jnr & Inf	(-813)	(-986)	(-12,145)	(-13,131)	(-13,944)	Additional income not anticipated at Month 6.
E060 The Dell Jnr & Inf	(-50,107)	2,080	5,513	7,593	(-42,514)	
E061 Thornwell Jnr & Inf	(-16,136)	28,459	(-31,558)	(-3,099)	(-19,235)	Following the forecasted deficit at month 6 the HT completed a recovery plan with CYP Finance, as a result supply cover provision has been significantly reduced and premises budget forecast has been revised to reflect only necessary expenditure.
Monmouth cluster						
E004 Monmouth Comprehensive	(-130,975)	0	0	0	(-130,975)	
E032 Cross Ash Jnr & Inf	(-47,987)	19,126	(-5,711)	13,415	(-34,572)	
E092 Kymin View Primary School	(-34,355)	9,034	3,117	12,151	(-22,204)	
E039 Llandogo Jnr & Inf	5,780	18,728	(-1,791)	16,937	22,717	
E074 Osbaston Church In Wales Primary	(-48,712)	(-9,656)	17,611	7,955	(-40,757)	Investment in IT as per plan
E051 Overmonnow Jnr & Inf	(-33,729)	23,214	2,679	25,893	(-7,836)	
E055 Raglan Jnr & Inf	(-41,259)	3,197	(-12,508)	(-9,311)	(-50,570)	Additional ALN funding where staffing provision already in place
E062 Trellech Jnr & Inf	(-33,605)	(-15,846)	783	(-15,063)	(-48,668)	
E064 Usk CV Jnr & Inf	(-28,687)	23,948	(-18,912)	5,036	(-23,651)	Reduced costs on salaries and further support from Donations
	(-933,700)	689,209	(-137,935)	551,274	(-382,426)	
Special Schools						
E020 Mounth House	(-18,464)	5,473	28,479	33,952	15,488	Additional staffing costs as a result of increased levels of sickness. Recovery plan to be undertaken.
E095 PRU	(-35,992)	5,708	24,919	30,627	(-5,365)	Additional staffing costs for education other than at school and CAMHS provision.
	(-54,456)	11,181	53,398	64,579	10,123	
	(-988,156)	700,390	(-84,537)	615,853	(-372,303)	

4. Performance management

Children's Social Care	2011/12	2012/13	2013/14	2014/15	Period
Revenue budget	-	6,075,000	6,572,000	6,956,246	
Number of staff employed (FTE)	93	not available	85	86	Q2
Percentage of referral decisions made in one day	96.7	93.9	99	98.6	Q3
Percentage of initial assessments completed within 7 working days	77	76.8	76.4	73.0	Q3
Number of children looked after	106	101	103	102	Q3
Number of children on the CPR	79	55	37	50	Q3
Average sickness days per FTE	not available	not available	15.18	5.09	

4.1 The number of staff employed in service is consistent with last year, despite £400,000 additional resources attributable to service as part of 2014-15 budget process. Average sickness days per FTE shows a significant improvement on 2013-14 and is now nearly half of that reported with Adult Social Care. The percentage of referral decisions and initial decision made within target timescale has remained similar to last year. Looked after children activity at month 9 reflects similar profile to that of whole year activity for 2013-14, and that level of activity appears pretty static on previous years. There is not a huge volatility in cases anticipated in final quarter, which suggests that the £1.2 m adverse situation caused by nature and mix of presentations favouring more intensive higher unit cost provision.

4.2 In children's social services the Council aspired to improve five key performance measures. All of these have shown marked improvement with three having achieved the desired target by quarter 2 and the others on course to achieve this milestone by year-end.

Individual School Budget	2011/12	2012/13	2013/14	2014/15	Period
Corporate budget delegated to schools	£42,411,451	£42,939,533	£43,543,431	£44,421,415	
Schools in deficit (no. and %)	8 / 21.1%	5 / 13.5%	6 / 16.2%	8 / 21.6%	Q2
Schools with reserves (no. and %)	15 / 39.5%	13 / 35.1%	9 / 24.3%	3 / 8.1%	Q2

4.3 There is an increase in anticipated number of schools likely to fall into deficit by end of year. The level of reserve usage has always been a feature of quarterly monitoring.

Resources	2011/12	2012/13	2013/14	2014/15	Period
Revenue budget	£1,977,307	£1,653,547	£1,099,936	£1,505,541	
Number of staff employed (FTE)	29.13	26.54	23.42	23.6	Q2
Percentage of class sizes above 30 pupils	0	0	0	0.4	Final
Number of pupils on roll in primary schools	6653	6612	6625	6670	Final
Number of pupils on roll in secondary schools	5205	5140	5065	4874	Final

4.4 National studies indicate that secondary-aged pupil numbers have been declining generally since 2004. However, this trend will start to reverse in 2016, and by 2020 numbers are expected to exceed their previous 2004 high, as the growth in primary-aged pupils begins to feed through.

4.5 These studies are consistent with the activity above, however decrease in secondary numbers in Monmouthshire exceeds the growth apparent in primary schools, which will continue to impact upon disaggregation of resources to schools, when there can be challenges in realising sufficient economies of scale in provision in a similar timescale to compensate for falling rolls.

Standards	2011/12	2012/13	2013/14	2014/15	Period
Revenue budget	£5,488,441	£5,833,904	£6,592,991	£5,578,277	
Number of staff employed (FTE)	40.68	42.21	42.09	33.87	Q2
Percentage Attendance in primary schools	94.4	94.7	94.4	95.8	Final
Percentage Attendance in secondary schools	92.3	93.2	93.4	94.6	Final
School causing concern (no. and %) determined by an overall red categorisation	n/a	n/a	n/a	3 (8.1%)	Final
Schools categorised as excellent (no. and %)	n/a	n/a	n/a	3 (8.1%)	Final
Foundation Phase indicator	n/a	86.8	89.5	91.2	Final
Key stage 2 core subject indicator	82.5	86.3	89.3	89.5	Final
Key stage 3 core subject indicator	71.5	77.7	80.3	84.2	Final
Key Stage 4 Level 2 including English/Welsh and Maths	51.3	56.3	57.3	66.3	Final

4.6 The service exhibits a 20% reduction in staff employed on previous year levels. In 2014 the percentage of children with five or more GCSEs including English and Mathematics increased from 57% to 65% - and is reported as the highest performance in Wales.

Youth Provision	2011/12	2012/13	2013/14	2014/15	Period
Revenue budget	£703,569	£644,491	£814,481	£796,780	
Number of staff employed (FTE)	n/a	40.73	46.16	31.84	Q2
Percentage of Monmouthshire's population who access the Youth service provision or programmes (aged 11-25)	18.0	23.0	25.0	not yet available	
Percentage of young people supported by Youth Access programme leaving school meeting the level 1 threshold of KS4	50.0	80.0	94.0	not yet available	

4.7 The staffing establishment has indicated a 30% reduction on 2013-14 levels. The equivalent activity data is not provided in year on which to base judgement yet in respect of 2014-15.

6. Directors' Commentaries

6.1 Social Care & Health (Simon Burch)

As Chief Officer I have to report that the pressures previously reported, and addressed by Cabinet authorising additional resources for 2015/16, have continued over the past quarter. The forecast outturn for month 9 is an increase since month 6 of £463K and this is almost exclusively due to pressures in Children's Services

Children's Services is a volatile area, with clear statutory safeguarding duties and consequently the budget is susceptible to fluctuating levels of demand and the complexity of placements required. Since month 6 we have had to place an additional 9 children into external placements, at a cost of £310K, taking the overspend to a predicted £812K. Legal costs are still generating an overspend, currently estimated at £70K, up by £15K since the last quarter, reflecting court activity. Due to vacancy and extra capacity issues, we are utilising agency staff which is further adding to the budget pressure.

In response we have carried out intensive analysis to ensure that we are working as effectively as possible and we have identified further projects to improve our support to Looked After Children. A further report on this will be coming to Cabinet in February

Finally I am pleased to note that Adult Services is continuing to reduce its overspend, with current predictions standing at a £40K overspend, £10K less than at month 6. This area is stable with Community Care estimating an underspend of £47K, reflecting the excellent demand management work which is having a real budget impact.

6.2 Children & Young People (Sarah McGuinness)

7. Supporting Financial Monitoring Workbooks (ctrl click to access)

[SCH Month 9 Monitoring FINAL.xls](#)

[CYP Month 9 FINAL.xls](#)

SUBJECT: Abergavenny: Vibrant & Viable Places - Town Centre Loan Fund

MEETING: Cabinet

DATE: 04/02/2015

DIVISION/WARDS AFFECTED: Bryn y Cwm

1. PURPOSE:

- 1.1 To seek Cabinet's and subsequently Full Council's approval to accept a Welsh Government repayable funding award of £1,250,000 to establish a Fund to improve redundant and underutilised sites and premises in Abergavenny Town Centre.

2. RECOMMENDATIONS:

- 2.1 Cabinet agree the proposal to accept repayable funding of £1,250,000 from Welsh Government to establish a Fund to improve redundant and underutilised sites and premises in Abergavenny Town Centre.

3. KEY ISSUES:

- 3.1 Monmouthshire County Council has been successful in its application for £1,250,000.00 of repayable funding under the Welsh Government's 'Vibrant and Viable Places' initiative.
- 3.2 If accepted, the award will enable the authority to establish a Fund that can provide 'interest free', town centre loans, for a period of 5 years to enable the redevelopment of redundant sites and premises in Abergavenny Town Centre.
- 3.3 The full terms of the offer are attached in Appendix 2, but key terms include:
- The repayable funding must be drawn down by March 31st 2015
 - Repayable funding would need to be repaid in full by March 31st 2030. If the funding repayable is less than the award (ie from loan default) then Welsh Government will share 50% of the reduction to a maximum amount of 2.5% of the funding awarded.
 - Any repayable funding not being utilised 6 months after April 2016 must be returned
 - The maximum repayable period for Town Centre Loans is 5 years (to allow recycling)
 - Funding can only be used to bring back into productive use vacant, underutilised and redundant sites and premises.
 - Funding must be administered by a 'Board' established in the local authority area.
 - Interest accrued by holding repayable funding must be recycled into the fund.
 - Funding cannot be used for management, administration or operational purposes.
 - However, a one off charge of up to 15% can be charged for administering loans applied for.

- 3.4 The award presents a significant opportunity for Abergavenny, but key issues are highlighted as follows:

Demand - The authorities original application for repayable funding included 4 potential projects – 3 of which have stalled. Therefore, the opportunity will need to be significantly re-marketed in the town.

Financial Risk – The most significant risk associated with the award is the potential for loan default. The terms allow for ‘capped’ sharing of risk with the Welsh Government. This can be mitigated through affordability checks and land charges against property but cannot be removed completely. Processes will also need to be put in place to monitor repayments.

Resource – The remarketing and administration of the Fund will involve significant resources. Most skills exist ‘in house’ from similar schemes applied across the authority (eg Houses to Homes and RDP grant experience) but costs would need to be charged to enable existing roles and commitments to be met.

Fee – Although a ‘one off’ fee is permissible, if it is too high it is likely to impact negatively on demand and be received negatively. An exact fee is yet to be determined, albeit that it must have regard to the costs incurred by the Council in administering the scheme.

- 3.5 Timescales for acceptance and drawdown of the offer do not allow for full resolution of the risks and requirements associated with the opportunity. However, we consider that clarifications received from Welsh Government, provide sufficient flexibility to remarket and re-assess demand with partner arrangements in the town and the time to establish robust processes that mitigate risks to an acceptable level.

4. REASONS:

- 4.1 To accept the repayable funding award to create a ‘Town Centre Loan Fund’ to support town centre regeneration objectives in Abergavenny Town Centre.
- 4.2 To accept the repayable funding award to bring back to life redundant and underutilised sites and premises in Abergavenny Town Centre.

5. RESOURCE IMPLICATIONS:

- 5.1 Significant resources will be required across directorates, however, experience and most skills exist ‘in house’ to provide acceptable arrangements to deliver, subject to estimated costs being incorporated into a set administration fee that can be reviewed over time.
- 5.2 It is proposed that the Project will be co-ordinated by Housing and Communities with support from the Whole Place Team (remarketing) with Financial Services, Estates, and Legal Services providing time charged support.

5.3 The anticipated demand is, as yet, uncertain, but the expectation is that the loan requirements will be for larger projects and therefore low in actual application numbers.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 The significant equality impacts identified in the assessment (Appendix 1) are summarised below for members' consideration:

None

.2 The actual impacts from this report's recommendations will be reviewed every year and criteria for monitoring and review will include:

No of re-utilised sites and premises

No of new residential units in the town centre

Impact on locality - Footfall figures/Retail composition/Vacancy rates

7. CONSULTEES:

All Cabinet Members

Leadership team

Head of Community Delivery – Debra Hill-Howells

Head of Legal Services – Rob Tranter

Local Members – All Bryn y Cwm

No comments received

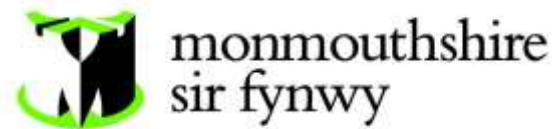
8. BACKGROUND PAPERS:

9. AUTHOR: Colin Phillips

10. CONTACT DETAILS:

Tel: 01633 644848

E-mail: colinphillips@monmouthshire.gov.uk



Equality Impact Assessment Screening Form

and

Sustainable Development Checklist

EQUALITY IMPACT ASSESSMENT SCREENING FORM

Assessor(s):	Directorate:	Department:
Colin Phillips	Enterprise	Community Led Delivery
Policy author / service lead	Date of assessment:	
Debra Hill-Howells	15/01/15	

1 Purpose of Policy/Service:

To accept award of repayment funding to establish a ‘town centre loan’ opportunity in Abergavenny to facilitate the regeneration of underutilised, vacant or redundant premises and sites.

2 Are there any people or groups of people with protected characteristics that this policy/service is likely to affect in a **negative** way? Please tick appropriate boxes below and move on to question/s **4** and/or **5** below

Or does the policy/service have a **neutral or positive (good)** effect? Please tick appropriate boxes below and move on to question **3** below.

Negative
Neutral
Positive
Negative
Neutral
Positive

Age		X		Race		X	
Disability			X	Religion or Belief		X	

Gender reassignment		X		Sex		X	
Marriage or civil partnership		X		Sexual Orientation		X	
Pregnancy and maternity		X		Welsh Language		X	

- 3 If you have assessed that the impact is either **neutral or positive** could you please give some detail below to justify/evidence this. Once you have done this there is **no requirement to carry on completing this part of the form**. Please move on to complete the **Sustainable Development checklist** on page 9

In accepting repayment funding to establish low cost loan opportunities in Abergavenny, it will be possible to assign reasonable accessibility conditions to the applications criteria.

- 4 What evidence (actual or perceived) do you have that this policy/service etc has a negative impact on any **external group(s)** or individuals with protected characteristics? Please tick any relevant characteristics below that may be affected and describe the negative impact/s.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

5 What evidence (actual or perceived) do you have that this policy/service etc has a negative impact **on individuals or groups of staff (internal)** with protected characteristics? Please tick any relevant characteristics below that may be affected and describe the negative impact/s.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

- 6 Please list the data that has been used for this assessment? eg Household survey data, Welsh Govt data, ONS data, MCC service user data, Staff personnel data etc.

- 7 Please indicate below whether you consider this policy/service to have a high, medium or low risk of **negative** impact.

	Negative Impact		
	High	Medium	Low
Are a large number of people affected?	3	2	1
Is the potential impact significant?	3	2	1
Is the scale/cost to the Authority significant?	3	2	1
Score			

Scoring

- 3 Low No significant impact No further action required
- 4 - 6 Medium Some impact Further consultation to decide whether a full impact assessment is necessary
- 7 - 9 High Significant impact A Full impact assessment is required

8 Is a full equality impact assessment required?

Using the matrix and scoring information above:

- A **low** rating means that there is no further action required
- A **medium** rating will require, as a first stage, further consultation in order to determine whether a full impact assessment is required
- A **high** rating in question 6 will mean that a Full impact assessment is required.

Yes / No

SUSTAINABLE DEVELOPMENT CHECKLIST

PEOPLE IN MONMOUTHSHIRE BENEFIT FROM AN ENVIRONMENT THAT IS DIVERSE, VIBRANT AND SUSTAINABLE					
Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Reduce, reuse and recycle waste and water		X			
Reduce carbon dioxide emissions by increasing energy efficiency or use of renewable energy		X			
Prevent or reduce pollution of the air, land and water		X			
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)		X			
Protect or enhance visual appearance of environment			X	Opportunity to improve presentation of existing underutilised and redundant sites and premises	
Reduce car and road freight mileage, and encourage public transport, walking and cycling		X			
Have a positive impact on people and places in other countries		X			

PEOPLE IN MONMOUTHSHIRE LIVE HEALTHY AND FULFILLED LIVES					
Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Ensure that more people have access to healthy food		X			
Improve housing quality and provision			X	Fund will allow conversion of empty premises to residential accommodation. Planning Building regs will set min improvements to standards. If social housing WG standards will apply	
Reduce ill health		X			
Improve facilities and choice of health care provision		X			
Encourage physical activity		X			
Promote independence		X			

PEOPLE IN MONMOUTHSHIRE LIVE SAFELY AND ARE PROTECTED FROM HARM

Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Encourage community participation/action		X			
Targets socially excluded			X	Potential for social housing development within some projects	
Help reduce crime and fear of crime		X			
Improve access to local facilities for all local people, regardless of age, gender, ability etc.			X	Provision of housing within town centre – improving access to services	

PEOPLE IN MONMOUTHSHIRE BENEFIT FROM EDUCATION, TRAINING AND SKILLS DEVELOPMENT

Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Improve access to education and training		X			
Value and support voluntary work		X			
Increase and improve access to leisure and recreation facilities		X			
Increase and improve access to cultural facilities		X			

PEOPLE IN MONMOUTHSHIRE BENEFIT FROM AN ECONOMY WHICH IS PROSPEROUS AND SUPPORTS ENTERPRISE AND SUSTAINABLE GROWTH

Elements	Contribution				Ideas for Improvement
What contribution does this make to:	-	0	+		
Protect local shops and services			X	Maximising opportunity for town centre residency. Contributing to footfall and overseeing of town centre	
Link local production with local consumption		X			
Improve environmental awareness of local businesses		X			
Increase employment for local people		X			
Preserve and enhance local identity and culture			X	Through encouraging vibrancy in a town centre	
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc		X			

- Appendix 2



Llywodraeth Cymru
Welsh Government

Paul Matthews
Chief Executive
Monmouthshire County Council
PO Box 106
Caldicot
Monmouthshire
NP26 9AN

20 November 2014

Dear Mr Matthews

Award of Repayable Funding for a Fund to support town centre regeneration in Abergavenny

1. Award of Repayable Funding

- (a) We are pleased to inform you that your Application has been successful and that repayable funding of up to £1,250,000 (One Million two hundred and fifty thousand pounds) (“the Repayable Funding”) is awarded to you for the Purposes (as defined in Condition 4(a)).
- (b) The Repayable Funding is available to you from 1 October 2014 and must be claimed in full by 31 March 2015. Any unclaimed part of the Repayable Funding will cease to be available to you after that date.
- (c) You must use the Repayable Funding for the Purposes from 1 October 2014 until 31 March 2030 (the “Term”).
- (d) The Repayable Funding must be repaid to us during the Term in accordance with the Repayment Plan set out in Schedule 3.
- (e) The Repayable Funding is dependent upon Financial Transaction Reserve budget. The terms of this particular source of funding have yet to be agreed with Her Majesty’s Treasury. You will work with us to vary these Conditions to reflect our obligations to Her Majesty’s Treasury in respect of the Financial Transaction Reserve budget.

- (f) If you have any queries in relation to this award of Repayable Funding or the Conditions please contact the Welsh Government Official who will be happy to assist you.

2. Statutory Authority and State Aid

- (a) This award of Repayable Funding is made on and subject to the Conditions and under the authority of the Minister for Communities and Tackling Poverty, one of the Welsh Ministers, acting pursuant to sections 70 and 71(1) of the Government of Wales Act 2006 and sections 126-128 of the Housing Grants, Construction and Regeneration Act 1996.
- (b) You must comply with the European Commission's State Aid Rules.

3. Interpreting these Conditions

Any reference in these Conditions to:

'you', **'your'** is Monmouthshire County Council, PO Box 106
Caldicot, Monmouthshire, NP26 9AN

'we', **'us'**, **'our'** is to the Welsh Ministers;

'Welsh Government Official' is to

Steffan Roberts,
Welsh Government,
Rhodfa Padarn,
Llanbadarn Fawr,
Aberystwyth,
Ceredigion.
SY23 3UR

Tel: 0300 062 2379

Email: steffan.roberts@wales.gsi.gov.uk

or such other Welsh Government Official as we may notify you.

'Project Manager' is to

Cath Fallon, Head of Economy and Enterprise
County Hall,
Rhadyr,
Usk
NP15 1GA
Cathfallon@monmouthshire.gov.uk
Tel 01633 748316 / 07557 190969

‘**Application**’ is to your application to the Welsh Government dated 25 July 2014;

‘**Baseline Statement**’ is to the baseline statement referred to in Condition 10 (d);

‘**Board**’ is the internal governance process for Monmouthshire County Council;];

‘**Fund**’ is to the fund described in Part 2 of Schedule 1;

‘**Conditions**’ is to the terms and conditions set out in this letter;

‘**Schedule**’ is to the schedules attached to this letter;

‘**Term**’ is to the period of time specified in Condition 1(c);

‘**Repayment Plan**’ is to the terms set out in Schedule 3 on which the Repayable Funding is repayable;

‘**Repayment Notice**’ is to the notice of demand for repayment as defined in Schedule 3, paragraph 1.

‘**Town Centre Loans**’ and ‘**TCL**’ have the meaning given in Schedule 1;

‘**Notification Event**’ is to any of the events listed in Schedule 2;

‘**State Aid Rules**’ is to the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109), secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission derived from Articles 107 to 109, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109;

‘**TCL Monitoring Form**’ is to the TCL monitoring form set out in Schedule 4; and

any legislation will include all amendments to and substitutions and re-enactments of that legislation in force from time to time;

4. What you must use the Repayable Funding for

- (a) You must use the Repayable Funding solely for and in accordance with the purposes set out in Schedule 1 (the “**Purposes**”).
- (b) Any change to the Purposes will require our written consent which must be obtained from us in advance of implementing any change.

Please note that we are not obliged to give our consent but we will consider all reasonable written requests.

- (c) You must not use any part of the Repayable Funding for: (1) party political purposes; (2) the promotion of particular secular, religious or political views; (3) gambling; (4) pornography; (5) offering sexual services; (6) purchasing capital equipment (other than as specified in the Purposes); (7) your legal fees in relation to this letter; (8) costs incurred and defrayed by you in the delivery of the Purposes prior to the period referred to in Condition 1 (b); (9) any kind of illegal activities; or (10) any kind of activity which in our opinion could bring us into disrepute.

5. Repayable Funding Pre-Conditions

- (a) We will not pay any of the Repayable Funding to you until you have provided us with the following information and documentation:
- (i) documentary evidence that the signatories who have signed this letter on your behalf are duly authorised to do so;
 - (ii) confirmation that you have the necessary provisions in place to issue TCL and to place the appropriate charges on properties/land to secure those loans;
 - (iii) documentary evidence that you have put in place all staff and other resources as required to commence the Purposes;
- (b) Where you are required to provide information and documentation to us as evidence that you have satisfied a particular pre-condition, Condition or in support of a claim, the information and documentation must be in all respects acceptable to us. We reserve the right to reject any information and documentation which is for any reason not acceptable to us.

6. How to claim the Repayable Funding

- (a) The Repayable Funding will be paid to you in one instalment in the amount set out in the following payment profile:

	Amount	Period within which instalment can be claimed
Instalment 1	£1,250,000	1 October 2014 – 31 March 2015

- (b) Instalment 1 will be paid to you in full on receipt of a claim form.
- (c) You must claim the Repayable Funding within the period specified in the payment profile. We reserve the right to withdraw any part of the Repayable Funding that you do not claim promptly.

- (d) You must submit your claim for payment of Repayable Funding to the Welsh Government Official.
- (e) You must use our current claim pro-forma (which is available from the Welsh Government Official).
- (e) We will aim to pay the valid claims as soon as possible and typically within 28 days.

7. Your general obligations to us

You must:

- (a) safeguard the Repayable Funding against fraud generally and, in particular, fraud on the part of your management, employees, contractors and/or suppliers and notify us immediately if you have reason to suspect that any fraud has occurred or is occurring or is likely to occur. You must also participate in such fraud prevention initiatives as we may require from time to time.
- (b) comply with all applicable laws or regulations or official directives whether derived from domestic, EU or international law;
- (c) put in place and maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Purposes. We reserve the right to require you to provide proof of your insurance;
- (d) co-operate fully with the Welsh Government Official and with any other employee of the Welsh Government or consultant appointed by us to monitor your use of the Repayable Funding and your compliance with these Conditions.

8. Declarations

You declare that:

- (a) you have the power to enter into and to perform the obligations set out in these Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under these Conditions;
- (b) no litigation or arbitration is current or pending or, so far as you are aware, threatened, which have or could have an adverse effect on your ability to perform and comply with any of these Conditions;
- (c) you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which

ought to be provided to any person who is considering providing funding to you;

(d) the information contained in your Application is complete, true and accurate.

9. Notification Events and their consequences

- (a) You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- (b) We will seek to discuss the Notification Event with you and to agree a course of action to be taken to address the Notification Event and in doing so we will consider both the seriousness of the Notification Event and whether or not it can be remedied.
- (c) We will be entitled to take any of the actions listed in Condition 9(d) if:
 - (i) despite our reasonable efforts we have been unable to discuss the Notification Event with you, or
 - (ii) we notify you that the Notification Event is not capable of remedy, or
 - (iii) a course of action is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action), or
 - (iv) the course of action fails to remedy the Notification Event to our satisfaction.
- (d) If any of the circumstances set out in Condition 9(c) occurs we may by notice to you:
 - (i) withdraw the award of Repayable Funding; and/or
 - (ii) require you to immediately repay all or part of the Repayable Funding; and/or
 - (iii) require you to cease using the Repayable Funding for the Purposes;
 - (iv) suspend or cease all further payment of Repayable Funding; and/or
 - (v) make all further payments of Repayable Funding subject to such conditions as we may specify; and/or
 - (vi) deduct all amounts owed to us under these Conditions from any other funding or grant that we have awarded or may award to you or from any other sum payable by us to you; and/or
 - (vii) exercise any other rights against you which we may have in respect of the Repayable Funding.

- (e) All repayments of Repayable Funding must be made to us within 28 days of the date of our demand. You must pay interest on any overdue repayments at a rate of 1.5% per annum above the Bank of England base rate from time to time or at such other rate as may be required by the State Aid Rules. Interest will accrue on a daily basis from the date the repayment is due until actual repayment of the Repayable Funding, whether before or after judgment. You must pay the interest together with the overdue repayment.

10. Monitoring Requirements

You must:

- (a) provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions including without limit parts 1 and 2 of the TCL Monitoring Form on a quarterly basis on 31 March, 30 June, 30 September and 31 December of each year of the Term.
- (b) meet with the Welsh Government Official and such other of our representatives every 6 months and any other time as we may from time to time reasonably require.
- (c) ensure that the Project Manager (or such other person as we may agree) attends all meetings with the Welsh Government Official.
- (d) complete a Baseline Statement for 2014 and send it to the Welsh Government Official by 19 December 2014. For the purpose of measuring the Fund's intervention performance we will require you to establish a baseline of key performance indicators within each of the participating towns. This can be done through the consideration of a number of indicators such as footfall, vacancy rates, number of vacant sites/properties, housing register statistics, crime rates, perception surveys, parking surveys etc. It is for you to determine the indicators in line with local needs and issues and, most importantly, reflecting the Fund's activities. However, you must include a baseline for the number of empty properties and empty sites within the town centre. The Baseline Statement must be accompanied with the methodology for collecting the indicators and the geographical area involved. The methodology for collecting the information must be clear and easy to replicate for collection in future years.
- (e) ensure that a Board is established within your local authority area which will be responsible for the Fund locally and to act as the final decision-maker and the monitor of each transaction which uses Repayable Funding. The Board must ensure that each transaction which uses Repayable Funding is consistent with the Fund's criteria, aims and objectives and consistent with the local authority's

own governance requirements and standing orders. The Board must meet on at least a quarterly basis and report progress to the Welsh Government via the TCL Monitoring Form.

11. Audit Requirements

- (a) You must:
- (i) maintain clear accounting records identifying all income and expenditure in relation to the Purposes;
 - (ii) without charge, permit any officer or officers of the Welsh Government, Wales Audit Office or European Commission at any reasonable time and on reasonable notice being given to you to visit your premises and/or to inspect any of your activities and/or to examine and take copies of your books of account and such other documents or records as in such officer's reasonable view may relate in any way to your use of the Repayable Funding. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Wales Audit Office or the European Commission or any officer, servant or agent of any of the above;
 - (iii) retain this letter and all original documents relating to the Repayable Funding until we inform you in writing that it is safe to destroy them;
- (b) Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. He and his officials have the power to require relevant persons who control or hold documents to give any assistance, information and explanation that they may require; and to require those persons to attend before them for such a purpose. The Auditor General and his staff may exercise this right at all reasonable times.

12. Third Party Obligations

- (a) Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, employees and contractors).
- (b) You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly howsoever arising in contract, tort (including negligence) or otherwise and as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party.

13. Intellectual Property Rights & Publicity

- (a) Nothing in these Conditions transfers to us any rights in any intellectual property created by you as a result of the Purposes.
- (b) You must acknowledge our support on all publicity, press releases and marketing material produced in relation to the Purposes. Such acknowledgement must be in a form approved by us and must comply with the Welsh Government’s branding guidelines.
- (c) You must provide the Welsh Government Official with a copy of all material listed in Condition 13(b) for our approval before any such material is published and you may not publish such material without our prior written approval. We will endeavour to respond to all written requests for approval within 5 working days.
- (d) You agree that from the date of this letter until the expiry of the Term we may include details about your organisation and business, the Repayable Funding and the Purposes in Welsh Government promotional materials and you further agree to cooperate with our reasonable requests to achieve the production of such materials.

14. Access to Information

- (a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 (the “FOIA”), the Environmental Information Regulations 2004 (the “EIR”) and the Data Protection Act 1998 (the “DPA”).
- (b) You acknowledge that we are responsible for determining in our absolute discretion whether:
 - (ii) to disclose any information which we have obtained under or in connection with the Repayable Funding to the extent that we are required to disclose such information to a person making a disclosure request under the FOIA or the EIR; and/or
 - (iii) any information is exempt from disclosure under the FOIA or the EIR.

15. Buying Goods and Services

If you decide to buy any goods and/or services to deliver the Purposes, they must be purchased in a competitive and sustainable way so as to demonstrate that you have achieved best value in the use of public funds.

16. Giving Notice

- (a) Where notice is required to be given under these Conditions it must be in writing (this does not include email but may include a letter attached to an email) and must prominently display the following heading:

“Notice in relation to award of Repayable Funding for a Fund to support town centre regeneration in Abergavenny”

- (b) The address and contact details for the purposes of serving notice under these Conditions are as follows

You: the Project Manager at the address stated in Condition 3.

Us: the Welsh Government Official at the address stated in Condition 3.

- (c) A notice will be deemed to have been properly given as follows:-

Prepaid first class post: on the second working day after the date of posting.

By hand: upon delivery to the address or the next working day if after 4pm or on a weekend or public holiday.

By email attachment: upon transmission or the next working day if after 4pm or on a weekend or public holiday.

17. Equal Opportunities

You must apply a policy of equal opportunities as employers, as users of volunteers, and as providers of services, regardless of race, gender/gender identification, sexual orientation, religion and belief, age or any disability.

18. Welsh Language

Where the Purposes include or relate to the provision of services or written materials (including signage and information published online) in Wales, they must be provided in Welsh and English, unless it would be unreasonable or disproportionate to do so. Guidance about providing services and written materials in Welsh can be obtained from the Welsh Language Commissioner on 0845 6033 221 or by visiting www.comisiynyddygydraeg.org.

19. Sustainability

Your use of the Repayable Funding must (where reasonably practicable) meet the Welsh Government’s current agenda for sustainable development and the environment.

20. Welsh Ministers' Functions

You acknowledge that the Welsh Ministers have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in , or arising under or in connection with, these Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

21. General

- (a) If at any time any of these Conditions is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- (b) No failure or delay on our part to exercise any power, right or remedy under these Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) Any amendment or variation to these Conditions must be in writing and signed by us and you in the same manner as this letter.
- (d) You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under these Conditions.
- (e) Conditions 7, 9, 11, 12, 13, 14, 16, 21(e) and 21(f) and such other Conditions which by implication need to continue in force beyond the final payment of Repayable Funding will so continue in full force and effect.
- (f) The award of the Repayable Funding is to you alone and no one else is entitled to make any claim in respect of the Repayable Funding or seek to rely on or enforce any of these Conditions.
- (g) These Conditions are to be governed by and construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.

22. How to accept this offer of Repayable Funding

- (a) To accept this award of Repayable Funding you must sign and return a copy of this letter to the Welsh Government Official. None of the Repayable Funding will be paid to you until we have received your signed letter.
- (b) We must receive your signed letter within 14 days of the date of this letter, or this award of Repayable Funding will automatically be withdrawn.

Yours sincerely

Signed by Kath Palmer

under authority of the Minister for Communities and Tackling Poverty,
one of the Welsh Ministers.

SCHEDULE 1

The Purposes

1. The Repayable Funding is offered to you for the purpose of reducing the number of vacant, underutilised and redundant sites and premises in town centres and to support the diversification of the town centres by encouraging more sustainable uses for empty sites and premises, such as residential, leisure and for key services. The Repayable Funding can be used:

- (a) by you to acquire and unlock sites and premises with the intention of packaging and selling a proposal on the open market within an agreed timeframe;
- (b) by you to redevelop or refurbish sites and premises within an agreed timeframe; and
- (c) to provide loans to third parties for repayment within an agreed timeframe.

1 (a), (b) and (c) above are hereinafter referred to as the “Town Centre Loans” or the “TCL”.

Where any part of the Repayable Funding is used to support the build of social housing units, schemes must comply with Development Quality Requirements (“DQR”). In terms of value for money, schemes must have regard to Welsh Government Acceptable Cost Guidelines. Any scheme that does not meet either DQR or has a Scheme Cost Index above 120% must be discussed with the Welsh Government Official. The Guidance can be provided to you by request from the Welsh Government Official and any scheme supporting social housing should be discussed with the Welsh Government Official at the earliest opportunity.

Where any part of the Repayable Funding is used to support domestic energy efficiency projects, schemes must follow the Welsh Government’s energy company obligation (ECO) funding criteria. The Guidance can be provided to you by request from the Welsh Government Official.

Where any part of the Repayable Funding is used to provide a loan to third parties to deliver internal and external property improvements you will be allowed to charge a fee of up to 15% which can be retained to contribute to the TCL administration costs.

Part 1 of this Schedule sets out the specific criteria for the Town Centre Loans provided to third parties.

Part 2 of this Schedule sets out the conditions which apply to your use and administration of the Repayable Funding.

Part 1: Town Centre Loan criteria

Maximum TCL charge	A one off administration fee of up to 15 per cent e.g. a £10,000 TCL could incur a fee of £1,500.
Minimum and maximum TCL value	£5,000 up to £1 million
Improvement required	Works which make a residential property safe, warm and/or secure.
TCL can be used to improve a property to/for:	<ul style="list-style-type: none"> • Continued ownership • Sell • Rent • Unlock a vacant or stalled site
Loan criteria for private rented sector only	<ul style="list-style-type: none"> • Must be free of category 1 hazards.
Interest	TCLs must be interest free
Maximum TCL Period	5 years
Repayment terms	Choice of staged repayments or full repayment at end of loan term or on sale of the property if earlier.
Eligible applicants	Owners of sub standard properties e.g. landlords, owner occupiers who pass affordability checks i.e: charities – last 3 years financial accounts, companies/businesses – last 3 years accounts.
Risk mitigation measures	Two or more of the following: loan to value ratio, second property charges, local land charges, staged repayments.
Other funding options	<ul style="list-style-type: none"> • Other funding options such as Arbed must be explained to the applicant. • Other funding options can be used in conjunction with the loan as long as they are funding separate works.

	<ul style="list-style-type: none"> • Applicants that can easily obtain commercial finance to fund the improvement works should be directed to appropriate sources of funding.
--	--

Part 2: Conditions on the use and administration of the Repayable Funding.

1. The Repayable Funding is not awarded in replacement of any current scheme in place for those individuals/businesses in absolute need. It is offered and intended to complement any current scheme operated by you which provides grants to those who cannot make loan repayments.
2. You must hold and use the Repayable Funding as a recyclable fund (the "Fund"). Repayments by third party loan recipients and any profit you make when you use any part of, the Repayable Funding as described in paragraph 2 (a) and (b) of this Schedule 1 must be recycled during the Term. You may decide not to recycle the Repayable Funding during financial years (1 April – 31 March) 2027/28, 2028/29, 2029/30.
3. From 1 April 2016 you must not retain any Repayable Funding for longer than 6 months and must either make arrangements to transfer such underspend to another pilot local authority region (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
4. You must inform us of any expected "underspend" in the Repayable Funding immediately and make arrangements to transfer such underspend to another pilot local authority within the financial year [2014/15] [2015/16] (in accordance with paragraph 5 of Schedule 1, part 2) or to repay the sum to us on demand.
5. You may not transfer any Repayable Funding to another pilot local authority without our written approval. To obtain our written approval you must send the intra-region transfer pro-forma signed by you and the other pilot local authority to the Welsh Government Official.
6. Any interest earned from holding the Repayable Funding must be recycled into the Fund and added to the sum available for the Purposes.
7. The Repayable Funding cannot be used towards any management, administration or operating costs incurred by you in delivering the Purposes and in managing and administering the Fund.

8. Any fee charged by you for providing TCLs may be used towards any operating costs incurred by you in providing TCLs and managing and administering the Fund including (but not limited to) any legal or professional costs or the costs of any searches.
9. You are responsible for managing all TCLs provided and for ensuring that all necessary procedures are in place before any TCL is offered. In the event that you procure a third party to manage and administer the Fund and to provide the TCLs you must ensure that appropriate contractual documentation is in place between you and the third party.
10. You must determine what due diligence procedures are appropriate and undertake the necessary due diligence before using a part of the Repayable Funding to finance a transaction. .
11. You must put in place appropriate TCL terms and conditions ensuring that they are in accordance with the provisions of Part 1 of this Schedule 1. It is your responsibility to obtain legal advice on the terms and conditions on which any TCLs are provided.
12. You must agree with the loan recipient of each TCL the specific purpose for which the TCL is provided and how you will measure the success of the loan recipient's delivery of that purpose. SMART targets must be agreed.
13. You must collaborate with the other pilot local authorities within your region to agree (i) consistency in the provision and management of the TCL and (i) the procedure for the transfer of Repayable Funding to another pilot local authority during the financial year [2014/15] [2015/16] .
14. You must exercise reasonable skill care and diligence in your management of the Fund.

SCHEDULE 2
Notification Events

The Notification Events referred to in Condition 9 are listed below:

1. repayment of any part of the Repayable Funding is required under European Law (whether under State Aid Rules or otherwise);
2. you fail to comply with any of the Conditions;
3. we have made an overpayment of Repayable Funding to you;
4. any declaration made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
5. there is a change in your constitution, status, control or ownership and/or your external auditors resign.
6. any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under these Conditions (including but not limited to your ability to repay the Repayable Funding).

SCHEDULE 3

Repayment Plan

1. You must repay the Repayable Funding during the financial year 2029/30 (1 April 2029 – 31 March 2030) in one instalment within 3 calendar months of the date of the written notice of demand (the “Repayment Notice”) from us or such other period specified therein.
2. The sum repayable (the “Repayment Amount”) shall be the total sum of Repayable Funding paid to you (including any sum reallocated to you from another pilot local authority for the Purpose) minus:
 - a. the sum of any Repayable Funding already repaid by you to us for reallocation to another pilot local authority in accordance with paragraphs 3 or 4 of Schedule 1, Part 2;
 - b. the sum of Repayable Funding reallocated by you to another pilot local authority in accordance with paragraphs 3 or 4 of Schedule 1, Part 2; and
 - c. 50% of any shortfall in the Fund up to a maximum of 2.5% of the total sum of Repayable Funding paid to you.

For the purpose of this paragraph 2c:

- i. any transaction funded by part of the Repayable Funding with a repayment date after the date of the Repayment Notice shall be deemed to have been repaid in full. The entire financial risk of default by the recipient shall be borne by you; and
 - ii. “the total sum of Repayable Funding paid to you” shall mean the total sum of Repayable Funding paid to you (including any sum reallocated to you from another pilot local authority for the Purposes) minus the amounts described in paragraphs 2a and 2b above.
3. Within 1 calendar month of the date of the Repayment Notice you must confirm in writing the sum you intend to repay together with supporting evidence.
4. A repayment profile will be provided to you on a yearly basis on request. The repayment profile will set out the total sum of Repayable Funding paid to you, the sum of Repayable Funding repaid to us and the sum of Repayable Funding reallocated to or from you (if any).
5. All payments made by you to us must be made in full, without set-off, counterclaim or condition, and free and clear of, and without any deduction or withholding without our prior written agreement.

6. Interest will accrue on any overdue repayment of the Repayable Funding in accordance with Condition 9(e).
7. Once you have repaid the Repayable Funding to us, you must account to us for any surplus in the Fund. Any surplus in the Fund shall be divided equally between us and you must pay to us our share of the surplus at the end of the term.

SCHEDULE 4

Monitoring Requirements

TCL MONITORING FORM – Part 1

Local Authority Name:	
Contact Details:	
Town:	
Progress over last Quarter:	
Activities planned for next Quarter including any press opportunities:	
Risk Issues:	Milestones: Include individual project milestones
Rag Status (Red/Amber/Green)	
Any other comments / issues: (expand box if necessary and add photos if applicable)	
Signed (LA Project Manager):	
Date:	

TCL MONITORING FORM – Part 2

Local Authority Name:	
Contact Details:	
Town:	
Progress over last year:	
Activities planned for next year including any press opportunities:	
Risk Issues:	Milestones: Include individual project milestones
Rag Status (Red/Amber/Green)	
Any other comments / issues: (expand box if necessary and add photos if applicable)	
Signed (LA Project Manager):	
Date:	

TWO SIGNATORIES ARE REQUIRED

We hereby accept the award of Repayable Funding for a Fund to support town centre regeneration in Abergavenny and the Conditions relating to the Repayable Funding

An authorised signatory of **Monmouthshire County Council** Signature

_____ Name

_____ Job Title

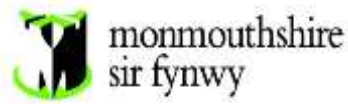
_____ Date

An authorised signatory of **Monmouthshire County Council** Signature

_____ Name

_____ Job Title

_____ Date



SUBJECT: Extension of Caldicot Linkage Budget to Enable Project Implementation

MEETING: Cabinet

DATE: 04/02/ 2015

DIVISION/WARDS AFFECTED: Green Lane

1. PURPOSE:

- 1.1 To seek approval of Cabinet to the extension of the existing £25,000 capital budget for the Caldicot Linkage scheme to £200,000 to progress the construction phase.

2. RECOMMENDATIONS:

- 2.1 To approve the extension of the existing £25,000 capital budget for the Caldicot Linkage scheme to £200,000 to progress the construction phase. To be funded from s106 contributions received from the ASDA development allocated to Public Realm Improvements.

3. KEY ISSUES:

- 3.1 Monmouthshire County Council obtained outline planning consent for the development of a foodstore and associated parking on a 4 acre plot at Woodstock Way on 5th April 2012.
- 3.2 In receiving consent, the authority agreed a planning obligation (transferrable to the future developer) to provide a s106 contribution of £200k towards 'linkage' improvements between Newport Road and the site.
- 3.3 In anticipation of these monies being received, Council authorised the establishment of a budget of £25k to progress design development on 26th September 2013. The remainder of £175k anticipated s106 contributions being reserved for implementation.
- 3.4 The subsequent design was exhibited in Caldicot Town Centre on 18th and 19th November 2014, attracting an estimated 500 visitors - with 83 questionnaires being completed. Over 85% of residents were approving of the design.
- 3.5 However, further investigation of feedback received at consultation stage regarding large vehicle reversing manoeuvres have required adjustment to the design to enable phased development. This has further compounded delays to programme with submission of a planning application being delayed until the end of January 2015.
- 3.6 As the linkage route will predominantly cross private land, extensive discussions regarding final specification and associated costs have also contributed to delays. However,

procuring and delivering the project through the landlord, under agreed terms, remains the preferred route for implementation.

3.7 To mitigate further delay on the project, it is recommended that the current budget be extended to the full s106 receipt of £200k received to enable terms to be agreed and landowner be permitted to commence procurement, whilst the planning application is considered.

3.8 With the cost of the proposed design exhibited being estimated at between £183k and £243k (dependent upon final detail specification), it is expected that current design amendments will bring this below the maximum budget balance allowable ie £175k

4. REASONS:

4.1 To extend the current budget, in line with s106 monies received, to progress implementation of the linkage scheme.

4.2 To enable terms to be agreed with the owner enabling procurement of construction services to proceed whilst the planning application is being considered.

4.3 To prevent further delay to the linkage scheme following the opening of the ASDA Foodstore in October 2014

5. RESOURCE IMPLICATIONS:

5.1 S106 have now been received. The proposed extension of the budget reflects this.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 The significant equality impacts identified in the assessment (Appendix 1) are summarised below for members' consideration:

None

6.2 The actual impacts from this report's recommendations will be reviewed every year and criteria for monitoring and review will include:

Footfall figures/Retail composition/Vacancy rates

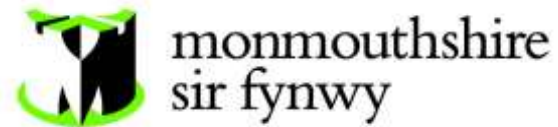
7. CONSULTEES:

All Cabinet Members
 Leadership team
 Head of Legal Services – Rob Tranter
 Local Member – John Marshall

Report amended following comments received:

- wording adjusted in accordance with Head of Finance advice that the report requires Cabinet approval only, as s106 heading has already been approved by Council.
- s3.6 adjusted in accordance with Cllr Greenland comments to reflect additional causes of delay.

8. **BACKGROUND PAPERS:**
9. **AUTHOR: Colin Phillips**
10. **CONTACT DETAILS:**
Tel: 01633 644848
E-mail: colinphillips@monmouthshire.gov.uk



Equality Impact Assessment Screening Form

and

Sustainable Development Checklist

EQUALITY IMPACT ASSESSMENT SCREENING FORM

Assessor(s):	Directorate:	Department:
Colin Phillips	Enterprise	Community Led Delivery
Policy author / service lead	Date of assessment:	
Debra Hill-Howells	15/1/2015	

1 Purpose of Policy/Service:

To progress the implementation of design proposals for the Caldicot Linkage Scheme.

2 Are there any people or groups of people with protected characteristics that this policy/service is likely to affect in a **negative** way? Please tick appropriate boxes below and move on to question/s **4** and/or **5** below

Or does the policy/service have a **neutral or positive (good)** effect? Please tick appropriate boxes below and move on to question 3 below.

	Negative	Neutral	Positive		Negative	Neutral	Positive
Age		X		Race		X	
Disability			X	Religion or Belief		X	
Gender reassignment		X		Sex		X	
Marriage or civil partnership		X		Sexual Orientation		X	
Pregnancy and maternity		X		Welsh Language		X	

3 If you have assessed that the impact is either **neutral or positive** could you please give some detail below to justify/evidence this. Once you have done this there is **no requirement to carry on completing this part of the form**. Please move on to complete the **Sustainable Development checklist** on page **9**

Current design is neutral in respect of all groups identified as it seeks to rationalise existing pedestrian movements into a town centre.

4 What evidence (actual or perceived) do you have that this policy/service etc has a negative impact on any ~~external group(s)~~ **external group(s)** or individuals with protected characteristics? Please tick any relevant characteristics below that may be affected and describe the negative impact/s.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

5 What evidence (actual or perceived) do you have that this policy/service etc has a negative impact **on individuals or groups of staff (internal)** with protected characteristics? Please tick any relevant characteristics below that may be affected and describe the negative impact/s.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

6 Please list the data that has been used for this assessment? eg Household survey data, Welsh Govt data, ONS data, MCO service user data, Staff personnel data etc.

7 Please indicate below whether you consider this policy/service to have a high, medium or low risk of **negative** impact.

	Negative Impact		
	High	Medium	Low
Are a large number of people affected?	3	2	1
Is the potential impact significant?	3	2	1
Is the scale/cost to the Authority significant?	3	2	1
Score			

Scoring

- 3 Low No significant impact No further action required
- 4 - 6 Medium Some impact Further consultation to decide whether a full impact assessment is necessary
- 7 - 9 High Significant impact A Full impact assessment is required

8 Is a full equality impact assessment required?

Using the matrix and scoring information above:

- A **low** rating means that there is no further action required
- A **medium** rating will require, as a first stage, further consultation in order to determine whether a full impact assessment is required
- A **high** rating in question 6 will mean that a Full impact assessment is required.

Yes / No

PEOPLE IN MONMOUTHSHIRE BENEFIT FROM AN ENVIRONMENT THAT IS DIVERSE, VIBRANT AND SUSTAINABLE					
Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Reduce, reuse and recycle waste and water		X			
Reduce carbon dioxide emissions by increasing energy efficiency or use of renewable energy		X			
Prevent or reduce pollution of the air, land and water		X			
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)		X		Some loss of car park vegetation will be offset by new provision of landscaped area and incredible edible space.	
Protect or enhance visual appearance of environment			X	Opportunity to improve barren presentation of existing linkage route to town	
Reduce car and road freight mileage, and encourage public transport, walking and cycling		X			
Have a positive impact on people and places in other countries		X			

Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Ensure that more people have access to healthy food			X	Provision of incredible edible space	
Improve housing quality and provision		X			
Reduce ill health		X			
Improve facilities and choice of health care provision		X			
Encourage physical activity		X			
Promote independence		X			

PEOPLE IN MONMOUTHSHIRE LIVE SAFELY AND ARE PROTECTED FROM HARM Agenda Item 5iii

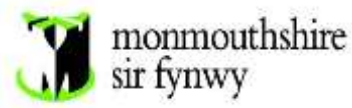
Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Encourage community participation/action			X	Consultation process has informed design	
Targets socially excluded		X			
Help reduce crime and fear of crime			X	Improved lighting	
Improve access to local facilities for all local people, regardless of age, gender, ability etc.			X	Provision of level access into town	

PEOPLE IN MONMOUTHSHIRE BENEFIT FROM EDUCATION, TRAINING AND SKILLS DEVELOPMENT

Elements	Contribution			Evidence	Ideas for Improvement
What contribution does this make to:	-	0	+		
Improve access to education and training		X			
Value and support voluntary work		X			
Increase and improve access to leisure and recreation facilities		X			
Increase and improve access to cultural facilities		X			

PEOPLE IN MONMOUTHSHIRE BENEFIT FROM AN ECONOMY WHICH IS PROSPEROUS AND SUPPORTS ENTERPRISE AND SUSTAINABLE GROWTH

Elements	Contribution			Ideas for improvement	Agenda Improvement
	-	0	+		
What contribution does this make to:	-	0	+		
Protect local shops and services			X	Maximising opportunity for linked trips between the Foodstore development and Town Centre	
Link local production with local consumption		X			
Improve environmental awareness of local businesses			X	Maximising opportunity for linked trips between the Foodstore development and Town Centre, through high quality public realm and signage.	
Increase employment for local people			X	Through encouraging linked trips and clawback of expenditure to town. Protecting retail services	
Preserve and enhance local identity and culture				Through encouraging vibrancy in a town centre that is in decline	
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc		X			



SUBJECT: PROPOSED CHANGES TO THE SCHOOL FUNDING FORMULA

DIRCTORATE: CHILDREN AND YOUNG PEOPLE

MEETING: CABINET

DATE: 4TH FEBRUARY 2015.

DIVISION/WARDS AFFECTED: ALL

1 PURPOSE:

- 1.1 To provide members with an update on proposed changes to the school funding formula for threshold payments and job evaluation.
- 1.2 To provide members with details of any responses received in relation to the consultation on the above proposals.

2 RECOMMENDATION:

- 2.1 To agree to fund teacher threshold payments on a bi-annual basis, noting that Governing Bodies must use the pay performance policy when awarding increments.
- 2.2 To agree to distribute job evaluation funding via pupil numbers, however protect Mounton House given their higher ratio of non-teaching staff.

3 BACKGROUND:

- 3.1 The schools funding formula is reviewed annually to ensure that all elements are distributing funding using the fairest method.
- 3.2 The decision to review the formula and the elements to be reviewed are made by the school funding forum following recommendations from officers.
- 3.3 A working group, representing all schools make recommendations as to the preferred method of distributing the funding, following which a consultation paper was circulated. This paper is attached in Appendix 1. A full list of consultees is provided under section 8.
- 3.4 It was decided to review the distribution method for threshold payments and job evaluation.
- 3.5 Threshold payments are made to teaching staff that are paid on the upper pay spine. Currently all staff are funded on their actual scale point and progressed every two years to reflect actual pay increases.
- 3.6 Recently the pay policy for teaching staff has changed and staff can progress much quicker, they do not have to wait for two years and they can move more than one incremental point.

- 3.7 Following the job evaluation process carried by the authority schools were funded for any incremental increases for non-teaching staff on an actual basis, and did not go through the formula.
- 3.8 Many of the posts and staff that this funding supported have changed or been deleted and therefore the proposal is to look at a different method of distribution.

4 KEY ISSUES:

Threshold Funding.

- 4.1 The decision on pay progression is the decision of the governing body, and they must follow the performance pay policy.
- 4.2 Should a governing body decide to accelerate a teachers pay, incrementing them every year or above a one point progression, under the new proposals this will not be funded.
- 4.3 The funding will continue at the current rate of every other year for teachers on the upper pay spine. This is proposed to allow all schools to have access to the funding of pay.
- 4.4 Should governing bodies wish to accelerate teachers progression then the school would need to fund this.
- 4.5 Of the thirteen consultation responses received, twelve are in agreement with this proposal. One did not agree with this proposal and suggested an alternative, their response is detailed in appendix 3.

Job Evaluation Funding.

- 4.6 Three proposals were put to the working group:
- (i) The total Job Evaluation funding is distributed via the Age Weighted Pupil Unit element, (pupil numbers).
 - (ii) The funding for Mounton House job evaluation element remains with Mounton House and the remaining schools funding is pooled and distributed via the Age Weighted Pupil Unit, (pupil numbers).
 - (iii) The funding for Mounton House job evaluation element remains with Mounton House and the remaining schools funding is pooled and distributed via the General allowances element of the formula.
- 4.7 Mounton House have a higher ratio of non-teaching staff due to the nature of the provision. The working group raised concerns that by pooling the funding this would see a large reduction in their budget.

- 4.8 The working group felt that the fairest method of distribution is via pupil numbers with the current weighting offered under the Age Weighted Pupil Numbers element and therefore the preferred method of distribution is proposal 2.
- 4.9 The effect on schools is show in appendix 2. It should be noted that this is based on the formula for 2014-15 and until the actual pupil numbers are known in late January 2015 it will not be possible to identify the actual difference by school.
- 4.10 Of the thirteen consultation responses received twelve agreed with using the preferred proposal, the remaining one preferred the use of General Allowances and questioned if Mounton House should be protected to the full extent due to the effects on the primary schools.
- 4.11 All consultation responses are shown in Appendix 3.

5 REASONS:

- 5.1 To distribute funding via the school funding formula using the fairest method.

6 RESOURCE IMPLICATIONS:

- 6.1 There are no resource implications it is not proposed to reduce the total funding for schools via this proposal.

7 SUSTAINABLE DEVELOPMENTAL AND EQUALITY IMPLICATIONS:

- 7.1 The equality impacts identified in the assessment (Appendix 4)

8 CONSULTEES:

- 8.1 All Headteachers
All Chairs of Governor
School Budget forum
Senior Management Team
DMT
All Elected Members
Diocesan Director of Education.
CYP Select Committee.

9 BACKGROUND PAPERS:

- Schools funding Regulations 2010.
- Working Group minutes and recommendations.

10 AUTHOR:

Nikki Wellington – CYP Finance Manager

11 CONTACT DETAILS:

nicolawellington@monmouthshire.gov.uk



APPENDIX 1.

MONMOUTHSHIRE LOCAL EDUCATION AUTHORITY
CHILDREN AND YOUNG PEOPLE DIRECTORATE
CONSULTATION DOCUMENT – CHANGES TO THE FUNDING
FORMULA FOR SCHOOLS.

- This document forms part of the consultation process on the proposed changes to the funding formula which delegates funding to schools within Monmouthshire.
- The relevant Welsh Government legislation that Monmouthshire Local Education Authority is bound by is:

The Schools Budget Share (Wales) Regulations 2010.

CONSULTATION DOCUMENT

**CHANGES TO THE DELEGATION OF FUNDING FOR SCHOOLS WITHIN
MONMOUTHSHIRE.**

Date of Issue: **21st November 2014.**

Action Required: **Consultation closes 19th December 2014.**

Title of Document: The Review of Funding for Schools in Monmouthshire Consultation Document.

Audience: All Head teachers of Monmouthshire Schools, Chairs of Governing Bodies of Monmouthshire Schools, The Schools Budget Forum, the Senior Management Team, the Departmental Management Team of the Children and Young People Directorate, Diocesan Directors of Education, and All Elected Members.

Overview: This document details the background that gave rise to the review of the current consultation on Schools funding and then outlines the new proposals for the distribution of this funding.

Action Required: A proforma (Appendix 1) is enclosed for your response. The completed form should be sent to the address below by the consultation closing date of **19th December 2014**

Responses to: Nikki Wellington

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Further Information: Enquiries about this consultation document should be directed to **Nikki Wellington**

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Additional Copies: These can be obtained from Nikki Wellington (telephone number and e-mail address above)

Related Documents: The Schools Budget Shares (Wales) Regulations 2010

CONTENTS

	<u>Page</u>
1 Background.	4
2 Issues with Current Arrangements	4
3 Funding of Job Evaluation	4
4 Funding of Teachers on Upper Pay Scales	5

Appendix 1 – Responses proforma.

1. Background

- 1.1. The School Budget Forum agreed to review the formula every year and to look at small changes to ensure the formula remains up to date and to ensure that it continues to distribute funding in the fairest way.
- 1.2. Following the establishment of a working group, with representatives from all groups of schools, this consultation document sets out the areas that are to be considered for implementation for the financial year 2015-16.
- 1.3. The areas to be considered are:
 - Redistribution of Job Evaluation Funding
 - Funding of Upper Pay Scales

2. Issues with current arrangements

- 2.1. Job Evaluation Funding was first allocated via the schools funding formula in 2012/13. The funding was based on actual cost to school budget including incremental increases. Since this time there has been staff restructures, changes to pay policies and natural staff movement, therefore we believe the current funding does not represent the funding required by the schools.
- 2.2. Through the age weighted pupil unit schools are funded for teachers at a main scale 6, additional top up funding is given for those teachers on upper pay scales. A change to the teacher's pay policy now allows teachers to progress through the pay structure by more than one point at a time, it is felt that it would be unfair to fund more than one increment.

3. Funding of Job Evaluation

- 3.1 The current funding no longer reflects the cost to the school.
- 3.2 The working group discussed three proposals (Appendix 2). Figures are based on 2014-15 Section 52 adjusted for September pupil numbers.
- 3.3 Proposal 1: Remove JE funding from lump sum allocation and distribute via general allowances under age weighted pupil unit. This will distribute the funding on a per pupil basis but weighted by year group.
 - Due to the nature of Mounton House, the schools funding would decrease by over £100k.
- 3.4 Proposal 2: Remove JE funding from lump sum allocation except for Mounton House and distribute via general allowances under age weighted pupil unit. This will distribute the funding on a per pupil basis but weighted by year group. Mounton house funding to remain the same but reviewed at next formula review.

- 3.5 Proposal 3: Remove JE funding from lump sum allocation except for Mounon House and distribute via administration under age weighted pupil unit. This will distribute the funding evenly on a per pupil basis. Mounon house funding to remain the same but reviewed at next formula review.
- 3.6 The working group agreed that proposal 2 would be the fairest distribution of funding.

Q1 – Do you agree that proposal 2 should be implemented?

Q2. - If you do not agree with this proposal, do you have any other suggested method of funding?

4. Funding of Teachers on Upper Pay Scales

- 4.1 Currently schools are funded for the upper pay scales and those teachers are incrementing to in the year.
- 4.2 A new pay policy has now been adopted where by a teacher can increment more than one pay point in a year and also do not have to wait two years before applying for the next point once incremented.
- 4.3 **Proposal:** The working group felt that if a school decided to increment a member of staff more than one point and/or increment in less than a two year period, the school should fund the difference and it should not be funded from the schools overall allocation which will dilute the funding for other schools.
- 4.4 CYP Finance section would regulate this and only fund the school based on a one point increase through main scale and every two years on upper pay.
- 4.5 If this proposal was agreed, 2015-16 funding for existing teachers would be based on 2014-15 information provided by schools allowing only for one increment in a two year period. This is due to changes already made in September 2014.
- 4.6 Those teachers who have not incremented more than one point, will only be funded on the next point if CYP are notified by the school (which is the current process)

Q3 – Do you agree with the above proposal to fund schools based on a biennial increment, if a teacher has incremented more than one point or they are incrementing more than once in a year?

Q4. - If you do not agree with this proposal, do you have any other suggested method of funding?

School	Preferred Method of Distribution			Appendix 2
	Difference if Total Job Evaluation is distributed via the Age Weighted Pupil Unit (pupil numbers)	Difference if Total Job Evaluation is distributed via the Age Weighted Pupil Unit (pupil numbers). Mounton House funding remains.	Difference if Total Job Evaluation is distributed via the Administration allowance. Mounton House funding remains.	
CALDICOT COMPREHENSIVE	(29,054)	(15,201)	(18,099)	
CHEPSTOW COMPREHENSIVE	(1,039)	8,292	5,539	
KING HENRY V111 COMPREHENSIVE	2,228	13,279	11,586	
MONMOUTH COMPREHENSIVE	(48,779)	(31,373)	(34,857)	
MOUNTON HOUSE SPECIAL SCHOOL	138,330	0	0	
PUPIL REFERRAL UNIT	0	0	0	
ARCHBISHOP ROWAN WILLIAMS C.IN W.	(55)	2,520	2,617	
CALDICOT GREEN LANE JUNIOR	0	0	0	
CASTLE PARK	(1,665)	1,009	1,110	
CALDICOT WEST END INFANTS & NURSERY	0	0	0	
CANTREF PRIMARY	(6,689)	(3,443)	(2,849)	
CROSS ASH PRIMARY	2,837	5,539	5,642	
DERI VIEW PRIMARY	8,060	12,277	13,646	
DEWSTOW PRIMARY	15,917	19,164	20,088	
DURAND PRIMARY	(5,480)	(2,363)	(1,601)	
GILWERN PRIMARY	(2,319)	227	323	
GOYTRE FAWR PRIMARY	1,287	3,777	3,871	
KYMIN VIEW PRIMARY	(6,079)	(3,634)	(3,149)	
LLANDOGO PRIMARY	(2,159)	(1,098)	(1,058)	
LLANFAIR KILGEDDIN CHURCH IN WALES PRIMARY	(252)	159	174	
LLANFOIST FAWR	(10,684)	(7,812)	(7,704)	
LLANTILLIO PERTHOLEY CHURCH IN WALES PRIMARY	(11,657)	(8,828)	(8,721)	
LLANVIHANGEL CROCORNEY PRIMARY	1,433	2,127	2,153	
MAGOR CHURCH IN WALES PRIMARY	(9,207)	(4,299)	(3,391)	
OSBASTON PRIMARY	(1,311)	1,575	1,684	
OLSM R.C. PRIMARY	(1,045)	1,586	1,685	
OVERMONNOW PRIMARY	17,231	22,557	23,560	
PEMBROKE PRIMARY	5,596	9,125	10,170	
RAGLAN V.C. PRIMARY	4,454	7,270	7,376	
ROGIET PRIMARY	(5,199)	(2,384)	(2,277)	
SHIRENEWTON PRIMARY	(7,392)	(4,492)	(4,382)	
ST. MARYS (CHEPSTOW) R.C. PRIMARY	1,546	4,191	4,291	
THE DELL PRIMARY	(14,889)	(9,103)	(8,884)	
THORNWELL PRIMARY & NURSERY UNIT	(1,791)	1,608	2,161	
TRELLECH PRIMARY	(7,265)	(4,987)	(4,901)	
UNDY PRIMARY	(5,032)	(802)	18	
USK C.V. PRIMARY	(8,096)	(4,800)	(4,675)	
YSGOL GYMRAEG Y FENNI	(7,699)	(4,758)	(4,646)	
YSGOL GYMRAEG Y FFIN	(8,774)	(6,315)	(5,860)	

Key: () = Increase in Funding

Responses were received from:

1. Caldicot School Governing Body
2. Cantref Primary School Governing Body
3. Llanfoist Primary School Governing Body
4. Osbaston Church in Wales Headteacher
5. Overmonnow Primary School Headteacher
6. Pupil Referral Service
7. Shirenewton Headteacher
8. Y Fenni Headteacher
9. Departmental Management Team
10. Durand Primary School
11. Raglan Primary School
12. The Dell Primary School.
13. Monmouth Comprehensive School.

Q1. – Do you agree that proposal 2 for funding Job Evaluation should be implemented?

Twelve responded yes to this proposal. One school made the following comments.

It does now seem to make sense to distribute based on Pupil Numbers, however we note the overall shift in funding from Primary to Secondary.

We have no objection to proposal 2 (General Allowances).

It seems a little biased to remove Mounton House from the calculations, when several Primary Schools are adversely affected by the change – would wonder in percentage terms of overall budget allocations if this reduction in budget is just as significant for them as for Mounton House?

Q2. - If you do not agree with this proposal, do you have any other suggested method of funding?

No one proposed an alternative.

Q3. – Do you agree with the proposal to fund schools based on a biennial increment?

Twelve responded yes to this proposal. One school made the following comments:

UPS Funding – Biennial incremental progression on Teachers UPS scale is no longer relevant – Nowhere in the SEWC Pay Policy and Teachers Pay and Conditions Document 2014 is reference now made to biennial incremental progression. The following extract has been taken from TPC Document 2014:

19.1 The relevant body must consider annually whether or not to increase the salary of teachers who have completed a year of employment since the previous annual pay determination and, if so, to what salary within the relevant pay ranges set out in paragraphs 13,14,16 and 17.

The only mention of a 2 year evidence base is in the SEWC Pay Policy and is for staff wishing to apply to progress from Main Scale to UPS1.

We have discussed this with MCC Personnel and cannot understand why a School would be penalised for following National and Local policies.

It has been confirmed that this proposed funding mechanism could not be applied to staff joining the LA who would have to be funded on actual incremental progression.

We disagree with the proposal.

Q4. - If you do not agree with this proposal, do you have any other suggested method of funding?

We maintain that Threshold Funding continues to be on actual incremental progression (not theoretical) – suggest that it would be more sensible (and less of an administrative burden) to ask for information from Schools in November for the coming financial year (as current) with proposed incremental progression then to re-visit in September/October the following year to establish if this progression has actually happened – schools would then be subject to a ‘clawback’ or entitled to additional funding (additional costs funded from ‘clawback’).

This method would be much less of an administrative burden than the suggested method above which would be fraught with issues

Appendix 4

The “Equality Initial Challenge”

Name: Nikki Wellington Service area: CYP Finance Date completed: 21 st November 2014		Please give a brief description of what you are aiming to do. To update the schools funding formula to ensure transparency and fairness. Job Evaluation funding to be funded on a per pupil basis and Threshold funding to match previous progression structure.	
Protected characteristic	Potential Negative impact Please give details	Potential Neutral impact Please give details	Potential Positive Impact Please give details
Age			Funding allocated will be weighted on age of pupil to best reflect the resources required at the school.
Disability			
Marriage + Civil Partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex (was Gender)			
Sexual Orientation			
Transgender			
Welsh Language			

Please give details about any potential negative Impacts .	How do you propose to MITIGATE these negative impacts
➤ <i>.There are 4 schools under the preferred method of distribution for Job Evaluation for which funding fall by £10,000 or more.</i>	➤ All schools have been consulted with on the proposals and their views have incorporated into the final proposals.
➤	➤
➤	➤
➤	➤

Signed N Wellington
Dated 21st November 2014.

Designation Finance Manager CYP

EQUALITY IMPACT ASSESSMENT FORM

What are you impact assessing	Service area
Change in Schools Funding Formula	CYP Finance
Policy author / service lead	Name of assessor and date
Nikki Wellington	Nikki Wellington

1. What are you proposing to do?

Background. Update the schools funding formula to ensure transparency and fairness of delegated funding.

Job Evaluation – removal of lump sum funding and allocate on a per pupil basis. Funding was previously allocated based on actual cost to the school, however since funding was determined there has been restructures and other movements in staff, therefore it is felt the funding no longer accurately reflects the need of a school.

Threshold funding – schools are currently funded on actual cost. Due to the change in policy Teachers are now able to increment more than one upper pay scale grade every two years. The proposal is to fund schools for the grade the teacher would have been paid based on the old policy. Governing bodies must follow the procedure laid down in the pay performance policy when considering pay increments.

2. Are your proposals going to affect any people or groups of people with protected characteristics in a **negative** way? If **YES** please tick appropriate boxes below.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	✓
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

3. Please give details of the negative impact

The majority of school based staff are female therefore any changes to the formula may impact on this group.

4. Did you take any actions to mitigate your proposal? Please give details below including any consultation or engagement.

Consulted with a wide audience, including all schools, Chairs of Governors and elected members. Governing Bodies must follow the pay performance policy which has been adopted by School Governing Bodies.

5. Please list the data that has been used to develop this proposal? eg Household survey data, Welsh Govt data, ONS data, MCC service user data, Staff personnel data etc..

Schools funding formula
Performance related pay policy

Signed...Nikki Wellington

Designation Finance Manager CYP

Dated 21st November 2014

The “Sustainability Challenge”

Name of the Officer completing “the Sustainability challenge” Nikki Wellington		Please give a brief description of the aims proposed policy or service reconfiguration To update the schools funding formula to ensure transparency and fairness. Job Evaluation funding to be funded on a per pupil basis and Threshold funding to match previous progression structure.	
Name of the Division or service area CYP Finance		Date “Challenge” form completed 21st November 2014	
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food		✓	
Improve housing quality and provision		✓	
Reduce ill health and improve healthcare provision		✓	
Promote independence		✓	

Encourage community participation/action and voluntary work		✓	
Targets socially excluded		✓	
Help reduce crime and fear of crime		✓	
Improve access to education and training		✓	
Have a positive impact on people and places in other countries		✓	
PLANET			
Reduce, reuse and recycle waste and water		✓	
Reduce carbon dioxide emissions		✓	
Prevent or reduce pollution of the air, land and water		✓	
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)		✓	
Protect or enhance visual appearance of environment		✓	
PROFIT			

Protect local shops and services		✓	
Link local production with local consumption		✓	
Improve environmental awareness of local businesses		✓	
Increase employment for local people		✓	
Preserve and enhance local identity and culture		✓	
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc		✓	
Increase and improve access to leisure, recreation or cultural facilities		✓	

What are the potential negative Impacts	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments)
➤	➤
➤	➤

➤	➤
➤	➤

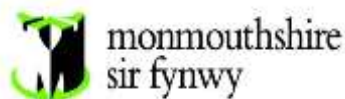
The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

Signed Nikki Wellington

Dated 21st November 2014



SUBJECT: CHANGE TO THE DELEGATION OF SEN FUNDING (SEN LUMP SUM ALLOCATION) FOR SCHOOLS WITHIN MONMOUTHSHIRE

DIRCTORATE: CHILDREN AND YOUNG PEOPLE

MEETING: CABINET

DATE: 4TH FEBRUARY 2015

DIVISION/WARDS AFFECTED: ALL

1 PURPOSE:

- 1.1 To provide members with an update on the proposed change to the formula for distributing the SEN delegated lump sum to schools within Monmouthshire .
- 1.2 To provide members with details of any responses received in relation to the consultation on the above proposals.

2 RECOMMENDATION:

- 2.1 To agree to distribute SEN delegated lump sum to schools via Free School Meal data.

3 BACKGROUND:

- 3.1 The funding formula for SEN was implemented in April 2010 following an extensive review and consultation.
- 3.2 Band Funding (D and E) was retained for pupils with severe and complex special educational needs requiring 75% and 100% TA support respectively which is distributed according to Statement of SEN and application to SEN Funding Panel.
- 3.3 The money not distributed for individual pupils via Bands D and E (minus an in-year contingency amount) was delegated to schools as an SEN Delegated Lump Sum. This was calculated via a formula, based on the size of school plus a social deprivation factor.
- 3.4 The size of the school was determined by the number of full-time pupils on roll up to Year 11 according to the January PLASC return. The SEN Finance Working Group in 2010 after much debate recommended that the preferred social deprivation factor should be derived from ACORN data. This was a value attributed to a school, based on the post codes of the individual pupils on roll and the known social demographic features of the areas where the pupils live.
- 3.5 Schools were placed in bands according to their ACORN value and a weighting added to the numbers of pupils on roll (Full Time Equivalent) to reflect increasing levels of deprivation, demonstrated as follows:

Schools' ACORN Value

Social Deprivation Weighting

0 to 9
10 to 19
20 to 29
30 to 39
40 to 49

1.1 x size of the school
1.2 x size of the school
1.3 x size of the school
1.4 x size of the school
1.5 x size of the school

4 KEY ISSUES:

- 4.1 The ACORN data previously provided by Fischer Family Trust to calculate the SEN delegated lump sum is no longer available and therefore an alternative deprivation factor is required.
- 4.2 The recent ALN review indicated that the majority of Monmouthshire Headteachers' supported the current SEN funding arrangement, as the SEN delegated lump sum enabled a level of autonomy at school level and ensured that SEN pupils have received early intervention.
- 4.3 Taking into account the above views the LA has not looked to substantially change the formula, but to find a suitable alternative replacement to the ACORN data previously used.

Review of Alternative Options

- 4.4 Monmouthshire liaised with other Welsh LA's via the ADEW group to seek details of how they delegated SEN funding and in particular if they used a deprivation factor as part of their formula. From the responses received the majority used free school meal data (FSM) as part of their formula and one LA which had previously used ACORN data had moved to Geo Demographic Data (GDF), which was also available via Fischer Family Trust. Several options were profiled, including the formula implemented by a neighbouring LA of GDF squared x number of pupils on roll, however such formulas created significant variations to the current SEN Lump Sum delegated to schools and would have impacted greatly on many schools. This was discussed at the Schools Budget Forum where it was requested that a preferred option could be produced.

The following two options were therefore chosen and compared against current financial year SEN Lump sum allocations to schools.

- To replace the ACORN data with Free School Meal Data
- To replace the ACORN data with Geo Demographic Data

In reviewing the formula, the LA has sought to maintain as close distribution of funding possible to that currently allocated.

- 4.5 To Replace ACORN Data with Free School Meal Data (FSM) The FSM Data was calculated as a percentage of the number of pupils on roll at each of the schools. As per previous methodology the values were placed in a band and a social deprivation weighting applied. The social index factor was then calculated by multiplying the number of pupils by the social deprivation weighting. By totalling the social index factor for all schools and dividing this into the total LA SEN lump sum available for allocation, it provided a monetary value per point, which was then

calculated for each school. The advantage of using FSM is that the data is collated centrally and readily available to the LA. Please Refer to Appendix 1

- 4.6 To Replace ACORN Data with Geo Demographic Data (GDF) - The Geo Demographic Factor is the current alternative data from the Fischer Family Trust and uses a wider classification in respect of deprivation to that which formed the ACORN data. The calculation of the SEN lump sum from the GDF follows a similar format to previous. Fischer Family Trust have indicated that there is no guarantee that GDF will continue to be available and/or the format of data will continue to be calculated in the same manner. There is therefore a risk that this data is less reliable and will become unavailable as per the ACORN data. Please refer to Appendix 2.
- 4.7 Both options have a similar impact on the SEN delegated lump sum allocated to schools. The preferred option would be to replace the ACORN data with FSM. The reasoning is that the data is readily available on a long-term basis to the LA and will not necessitate further adjustment to the SEN Delegated Lump sum formula.

4.8 Fourteen consultation responses were received. Ten agreed with this proposal.

4.9 The consultation responses are shown on Appendix 3.

5 REASONS:

- 5.1 The FSM data is readily available on a long-term basis to the LA and will not necessitate further adjustment to the SEN Delegated Lump Sum formula.
- 5.2 The funding allocation using this formula is generally in line with the original SEN delegated lump sum formula and therefore schools will not experience significant swings in regards to their budgets. It was therefore viewed as the fairest method.

6 RESOURCE IMPLICATIONS:

6.1 The proposal is cost neutral.

7 SUSTAINABLE DEVELOPMENTAL AND EQUALITY IMPLICATIONS:

7.1 The equality impacts identified in the assessment (Appendix 4)

8 CONSULTEES:

- All Head teachers of Monmouthshire Schools
- Chairs of Governing Bodies of Monmouthshire Schools
- The Schools Budget Forum
- The Senior Management Team, the Departmental Management Team of the Children and Young People Directorate,
- Diocesan Directors of Education
- All Elected Members.
- Children and Young People Select Committee.

9 BACKGROUND PAPERS:

SEN Funding Consultation Document 2010
Free School Meal Data for Monmouthshire

10 AUTHOR:

Gwen Phillips – SEN Support Officer

11 CONTACT DETAILS:

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MONMOUTHSHIRE LOCAL EDUCATION AUTHORITY
CHILDREN AND YOUNG PEOPLE DIRECTORATE
CONSULTATION DOCUMENT –
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Action Required: **Consultation closes 19th December 2014.**

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Audience: All Head teachers of Monmouthshire Schools, Chairs of Governing Bodies of Monmouthshire Schools, The Schools Budget Forum, the Senior Management Team, the Departmental Management Team of the Children and Young People Directorate, Diocesan Directors of Education, and All Elected Members.

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Responses to: Gwen Phillips

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e-mail: gwenphillips@monmouthshire.gov.uk

Further Information: Enquiries about this consultation document should be directed to **Gwen Phillips**.

Gwen Phillips
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e-mail: gwenphillips@monmouthshire.gov.uk

Additional Copies: These can be obtained from Gwen Phillips (telephone number and e-mail address above)

Related Documents: The Schools Budget Shares (Wales) Regulations 2010

CONTENTS

	<u>Page</u>
1 Background.	4
2 Issues with Current Arrangements	4
3 Review of Alternative Options	4
4 Proposal	5

Appendix 1 – Use of Free School Meal Data

Appendix 2 – Use of Geo Demographic Data

1. Background

- 1.1 The funding formula for SEN was implemented in April 2010 following an extensive review and consultation.
- 1.2 Band Funding (D and E) was retained for pupils with severe and complex special educational needs requiring 75% and 100% TA support respectively.
- 1.3 The money not distributed for individual pupils via Bands D and E (minus an in-year contingency amount) was delegated to schools as an SEN Delegated Lump Sum. This was calculated via a formula, based on the size of school plus a social deprivation factor.

The size of the school was determined by the number of full-time pupils on roll up to Year 11 according to the January PLASC return. The SEN Finance Working Group in 2010 after much debate recommended that the preferred social deprivation factor should be derived from ACORN data. This was a value attributed to a school, based on the post codes of the individual pupils on roll and the known social demographic features of the areas where the pupils live.

Schools were placed in bands according to their ACORN value and a weighting added to the numbers of pupils on roll (Full Time Equivalent) to reflect increasing levels of deprivation, demonstrated as follows:

<u>Schools' ACORN Value</u>	<u>Social Deprivation Weighting</u>
0 to 9	1.1 x size of the school
10 to 19	1.2 x size of the school
20 to 29	1.3 x size of the school
30 to 39	1.4 x size of the school
40 to 49	1.5 x size of the school

2. Issues with current arrangements

- 2.1 The ACORN data previously provided by Fischer Family Trust to calculate the SEN delegated lump sum is no longer available and therefore an alternative deprivation factor is required.
- 2.2 The recent ALN review indicated that the majority of Monmouthshire Headteachers' supported the current SEN funding arrangement, as the SEN delegated lump sum enabled a level of autonomy at school level and ensured that SEN pupils have received early intervention.
- 2.3 Taking into account the above views the LA has not looked to substantially change the formula, but to find a suitable alternative replacement to the ACORN data previously used.

3. Review of Alternative Options

- 3.1 Monmouthshire liaised with other Welsh LA's via the ADEW group to seek details of how they delegated SEN funding and in particular if they used a deprivation factor as part of their formula. From the responses received the majority used free school meal data (FSM) as part of their formula and one LA which had previously used ACORN data had moved to Geo Demographic Data (GDF), which was also available via Fischer Family Trust. Several options were profiled, including the formula implemented by a neighbouring LA of GDF squared x number of pupils on roll, however such formulas created significant variations to the current SEN Lump Sum delegated to schools and would have impacted greatly on many schools.

3.2 The following two options were therefore chosen and compared against current financial year SEN Lump sum allocations to schools.

- To replace the ACORN data with Free School Meal Data
- To replace the ACORN data with Geo Demographic Data

In reviewing the formula, the LA has sought to maintain as close distribution of funding possible to that currently allocated.

3.3 To Replace ACORN Data with Free School Meal Data (FSM) - The FSM Data was calculated as a percentage of the number of pupils on roll at each of the schools. As per previous methodology the values were placed in a band and a social deprivation weighting applied. The social index factor was then calculated by multiplying the number of pupils by the social deprivation weighting. By totalling the social index factor for all schools and dividing this into the total LA SEN lump sum available for allocation, it provided a monetary value per point, which was then calculated for each school. The advantage of using FSM is that the data is collated centrally and readily available to the LA.

Please Refer to Appendix 1

3.4 To Replace ACORN Data with Geo Demographic Data (GDF) - The Geo Demographic Factor is the current alternative data from the Fischer Family Trust and uses a wider classification in respect of deprivation to that which formed the ACORN data. The calculation of the SEN lump sum from the GDF follows a similar format to previous. Fischer Family Trust have indicated that there is no guarantee that GDF will continue to be available and/or the format of data will continue to be calculated in the same manner. There is therefore a risk that this data is less reliable and will become unavailable as per the ACORN data.

Please refer to Appendix 2

4. Proposal

4.1 Both options have a similar impact on the SEN delegated lump sum allocated to schools. The preferred option would be to replace the ACORN data with FSM. The reasoning is that the data is readily available on a long-term basis to the LA and will not necessitate further adjustment to the SEN Delegated Lump sum formula.

Q1 – Do you agree that the proposal should be implemented?

Q2. - If you do not agree with this proposal, do you have any other suggested method of funding?

APPENDIX 2 - FORMULA USING FSM DATA

£51 PER INDEX POINT				Social Deprivation	No on Roll x SD Weighting			
SCHOOL NAME	No on Roll	FSM	% FSM	Weighting	social index Factor	Lump sum	Funding 14/15	Variation
DERI VIEW PRIMARY	283	110	39	1.7	481.1	24,536	21,650	2,886
THORNWELL PRIMARY	243	72	30	1.7	413.1	21,068	18,590	2,478
PEMBROKE PRIMARY	225	58	26	1.6	360	18,360	16,065	2,295
DEWSTOW PRIMARY	212	49	23	1.5	318	16,218	15,137	1,081
LLANFOIST PRIMARY	204	41	20	1.4	285.6	14,566	13,525	1,041
OLSM	185	34	18	1.4	259	13,209	12,266	943
OVERMONNOW PRIMARY	376	69	18	1.4	526.4	26,846	26,846	0
CASTLE PARK	193	36	17	1.4	270.2	13,780	12,663	1,117
ROGIET PRIMARY	191	32	17	1.4	267.4	13,637	12,663	974
KING HENRY V111 COMPREHENSIVE	831	127	15	1.3	1080.3	55,095	55,095	0
LLANTILLIO PERTHOLEY	199	32	15	1.3	258.7	13,194	13,194	0
CHEPSTOW COMPREHENSIVE	685	97	14	1.3	890.5	45,416	45,416	-1
CALDICOT COMPREHENSIVE	961	131	14	1.3	1249.3	63,714	63,714	0
GILWERN PRIMARY	181	23	13	1.3	235.3	12,000	12,000	0
DURAND PRIMARY	213	25	12	1.3	276.9	14,122	15,208	-1,086
KYMIN VIEW PRIMARY	171	20	12	1.3	222.3	11,337	12,209	-872
YSGOL GYMRAEG Y FENNI	187	21	11	1.3	243.1	12,398	11,444	954
LLANVIHANGEL CROCORNEY PRIMARY	54	5	9	1.2	64.8	3,305	3,305	0
GOYTRE FAWR PRIMARY	171	15	9	1.2	205.2	10,465	10,465	0
MONMOUTH COMPREHENSIVE	1282	105	8	1.2	1538.4	78,458	78,458	0
YSGOL GYMRAEG Y FINN	145	15	7	1.2	174	8,874	9,614	-740
LLANFAIR KILGEDDIN	29	2	7	1.2	34.8	1,775	1,775	0
CANTREF PRIMARY	235	15	6	1.2	282	14,382	15,581	-1,199
USK C.V. PRIMARY	218	13	6	1.2	261.6	13,342	13,342	0
CROSS ASH PRIMARY	187	9	5	1.1	205.7	10,491	11,444	-953
MAGOR CHURCH IN WALES PRIMARY	336	16	5	1.1	369.6	18,850	20,563	-1,713
LLANDOGO PRIMARY	86	4	5	1.1	94.6	4,825	5,263	-438
RAGLAN V.C. PRIMARY	198	9	5	1.1	217.8	11,108	12,118	-1,010
THE DELL PRIMARY	410	17	4	1.1	451	23,001	25,092	-2,091
ST. MARYS (CHEPSTOW) R.C. PRIMARY	204	8	4	1.1	224.4	11,444	13,525	-2,081
OSBASTON PRIMARY	202	8	4	1.1	222.2	11,332	12,362	-1,030
ARCH. ROWAN WILLIAMS C.in W. PRIMARY	193	7	3	1.1	212.3	10,827	11,812	-985
UNDY PRIMARY	309	8	3	1.1	339.9	17,335	18,911	-1,576
TRELLECH PRIMARY	160	5	2	1.1	176	8,976	8,976	0
SHIRENEWTON PRIMARY	203	1	0	1.1	223.3	11,388	11,388	0

1239

1 = £51

12934.8

659675

SOCIAL DEPRIVATION

31% +

1.7

WEIGHTING

26% to 30%

1.6

21% to 25%

1.5

16% to 20%

1.4

11% to 15%

1.3

6% to 10%

1.2

0% to 5%

1.1

Increase



Decrease



APPENDIX 2 - LUMP SUM ALLOCATION USING GDF BY BAND

£ 51 PER INDEX POINT				No on Roll x GDF Band	GDF		
SCHOOL NAME	N on Roll	GDF	GDF BAND	Soc Index Factor	Lump Sum	14/15 Lump Sum	Variance
DERI VIEW PRIMARY	283	79.98	1.6	452.8	23,093	21,650	1,443
THORNWELL PRIMARY	243	76.57	1.6	388.8	19,829	18,590	1,239
PEMBROKE PRIMARY	225	70.63	1.5	337.5	17,213	16,065	1,148
DEWSTOW PRIMARY	212	70.96	1.5	318	16,218	15,137	1,081
KYMIN VIEW PRIMARY	171	52.07	1.4	239.4	12,209	12,209	0
CASTLE PARK	193	63.89	1.5	289.5	14,765	13,780	984
DURAND PRIMARY	213	51.26	1.4	298.2	15,208	15,208	0
OVERMONNOW PRIMARY	376	47.00	1.4	526.4	26,846	26,846	0
KING HENRY V111 COMPREHENSIVE	831	48.80	1.4	1163.4	59,333	55,095	4,238
LLANTILLIO PERTHOLEY	199	50.26	1.4	278.6	14,209	13,194	1,015
OLSM	185	52.10	1.4	259	13,209	12,266	944
CALDICOT COMPREHENSIVE	961	40.01	1.3	1249.3	63,714	63,714	0
ROGIET PRIMARY	191	53.11	1.4	267.4	13,637	12,663	974
YSGOL GYMRAEG Y FINN	145	41.39	1.3	188.5	9,614	9,614	0
GILWERN PRIMARY	181	45.57	1.3	235.3	12,000	12,000	0
CHEPSTOW COMPREHENSIVE	685	36.27	1.3	890.5	45,416	45,416	0
LLANFOIST PRIMARY	204	49.61	1.4	285.6	14,566	13,525	1,040
ST. MARYS (CHEPSTOW) R.C. PRIMARY	204	31.75	1.3	265.2	13,525	13,525	0
CANTREF PRIMARY	235	41.03	1.3	305.5	15,581	15,581	0
MONMOUTH COMPREHENSIVE	1282	26.60	1.2	1538.4	78,458	78,458	0
YSGOL GYMRAEG Y FENNI	187	33.55	1.3	243.1	12,398	11,444	954
ARCH. ROWAN WILLIAMS C.in W. PRIMARY	193	17.95	1.2	231.6	11,812	11,812	0
UNDY PRIMARY	309	7.46	1.1	339.9	17,335	18,911	-1,576
GOYTRE FAWR PRIMARY	171	28.09	1.2	205.2	10,465	10,465	0
LLANVIHANGEL CROCORNEY PRIMARY	54	22.76	1.2	64.8	3,305	3,305	0
USK C.V. PRIMARY	218	15.89	1.1	239.8	12,230	13,342	-1,112
LLANFAIR KILGEDDIN	29	16.96	1.2	34.8	1,775	1,775	0
RAGLAN V.C. PRIMARY	198	11.73	1.1	217.8	11,108	12,118	-1,010
THE DELL PRIMARY	410	8.63	1.1	451	23,001	25,092	-2,091
OSBASTON PRIMARY	202	11.95	1.1	222.2	11,332	12,362	-1,030
MAGOR CHURCH IN WALES PRIMARY	336	13.69	1.1	369.6	18,850	20,563	-1,714
CROSS ASH PRIMARY	187	10.28	1.1	205.7	10,491	11,444	-954
LLANDOGO PRIMARY	86	16.32	1.2	103.2	5,263	5,263	0
TRELLECH PRIMARY	160	11.94	1.1	176	8,976	8,976	0
SHIRENEWTON PRIMARY	203	8.31	1.1	223.3	11,388	11,388	0
					0		
				13105.3	668,370	662,796	

SOCIAL DEPRIVATION WEIGHTING	0 - 15	1.1
	16 - 30	1.2
	31 - 45	1.3
	46 - 60	1.4
	61 - 75	1.5
	75+	1.6

1 = £51

Increase
Decrease



Responses were received from:

1. Caldicot School Governing Body
2. Llanfoist Primary School Governing Body
3. King Henry VIII Comprehensive Headteacher
4. Overmonnow Primary School Headteacher
5. Pupil Referral Service
6. Shirenewton Headteacher
7. Y Fenni Headteacher
8. Departmental Management Team
9. Durand Primary School
10. Diocese of Monmouth/Raglan Primary School
11. The Dell Primary School Governing Body
12. Monmouth Comprehensive School
13. Cantref Primary School Governing Body
14. School Governor with ALN and Looked After Children Responsibilities

Q1. – Do you agree that the proposal should be implemented?

10 responded Yes to this proposal

Additional comments included:

“Yes - I agree with this proposal. This FSM data is always available and is clearly understood by schools. From a funding point of view both of these options work out the same.”

“Yes - But with reservation at using FSM data as increasingly this is being used to determine funding levels for schools. This data fluctuates yearly and could effect funding significantly. Would prefer that the other formula was used but understand that the data may not be available in future years.”

“Yes, it makes sense to be wary of adopting a new formula dependent on a factor that may disappear, as ACORN did; and it is true that the proposing option (using FSM) is cost-neutral for us and all the other comprehensives.”

“Yes - Whilst I have considerable concerns that the FSM factor is not ideal: SEN needs are often not linked to ‘poverty’ and affects families in all income brackets: inherited genetics don’t discriminate in this way! However I recognise that the GDF band may not be available in the future, there appears to be no other reliable alternative formula which could be used. To move to GDF banding for possibly only 1 year and then to change the formula again, means schools cannot plan ahead and will create uncertainty which will be more negative than taking an initial hit! So reluctantly I agree with the proposal as the best way forward.”

“Yes - Basing the funding on free school meals (FSM), as a starting point has its merits. As stated the data is readily available so there will be continuity. The formula does however seem to make an assumption that children receiving FSM all have additional learning needs (ALN) and all children with ALN, who need additional support, are on the FSM register which is not the case. But it is a starting point and given that a lot of children in receipt of FSM will have ALN it’s a sensible one.”

Q2. - If you do not agree with this proposal, do you have any other suggested method of funding?

4 did not agree to the proposal.

“No, however I don’t think SEN funding should be linked to deprivation – there is funding for deprivation via PDG. Monmouthshire Schools with FSM pupils are being funded for them. SEN and FSM are not necessarily linked and to use any FSM or deprivation is to the detriment of SEN pupils in schools with low or no FSMs. SEN funding should be allocated by size of school numbers of pupils – as well as % of pupils achieving below 85 in tests.”

“Concern about the use of FSM data to determine the formula as FSM is such a flawed and disadvantaged system. Suggested Forum have an in-depth look into the use of the Welsh Index for Multiple Deprivation as a more robust and effective measure which goes beyond the ACORN data and is fundamentally more versatile than FSM benchmarking, particularly as we are proposing to look at pure FSM data, rather than e-FSM as the basis of the funding formula. Although neither would be any advantage to the school, it was felt that WIMD would be more robust and equitable measure than FSM.”

“We have analysed our current ALN provision and identified there is no secure link between SEN and FSM. In fact of the 191 students that require ALN support only 44 of them are claiming entitlement to FSM – 23%. Using FSM data as a measure for distribution of funding is not as secure as the ACORN/FFT. We are aware that a significant number of students in our school community would fit the eligibility criteria for FSM's but parents choose not to apply. Obviously, the ACORN/FFT data is gathered nationally and does not require application by parents.

Having researched what other authorities are doing we have discovered the following:

Warwickshire – use National Attainment tests in addition to use of ALN Audit and Indices of Multiple Deprivation to determine SEN Funding. Northumberland – use general pupil attainment, FSM and Indices of Multiple Deprivation to determine SEN Funding. As part of the Plasc return we provide detailed SEN data – is it not sensible for this data to be utilised ensuring that funding reflects ALN not purely eligibility for FSM?”

“Lump sum allocation using GDF by Band”

An additional comment on a Yes return indicated:

“Perhaps a fairer system of funding would be to use the proposal for a proportion of the funding available but then to incorporate other methods of allocation in distributing the balance. Given that Estyn identified ALN provision as unsatisfactory, it is right that the way in which it is funded is reviewed. The Council has indicated its intention to use an integrated approach. An approach where the child is placed at the centre, i.e. integrated and holistic, even where the funding in concerned is preferable. This may involve closer working with other departments such as Social Services. There are many children who are or have been ‘looked after’. These children will very often be placed in foster or adoptive homes in locations more affluent than they were born into. Many of these children will have ALN but not necessarily be FSM. The proposal does not seem to recognise these children and they therefore appear to be discriminated against. This may be true of other categories of ALN children.”

Appendix 4

The “Equality Initial Challenge”

Name: Gwen Phillips, SEN Support Officer		Please give a brief description of what you are aiming to do.	
Service area: Special Educational Needs			
Date completed: 19 th December 2014		Agree to change to the delegation of SEN Funding (SEN Lump Sum Allocation) for Schools in Monmouthshire	
Protected characteristic	Potential Negative impact Please give details	Potential Neutral impact Please give details	Potential Positive Impact Please give details
Age		Involves all children and young people	
Disability			Maintaining inclusion for all children and young people
Marriage + Civil Partnership		N/A	
Pregnancy and maternity		N/A	
Race		Involves all children and young people	
Religion or Belief		Involves all children and young people	
Sex (was Gender)		Involves all children and young people	
Sexual Orientation		Involves all children and young people	
Transgender		Involves all children and young people	
Welsh Language		Involves all children and young people	

Please give details about any potential negative Impacts .	How do you propose to MITIGATE these negative impacts
➤ <i>If the agreement was not to fund the in year grant cuts this could result in schools having to make redundancies to find the savings.</i>	➤ Follow HR policies if this was to occur. Provide support to schools to minimise the risk of this, ie to look at savings in non pay areas.
➤	➤
➤	➤
➤	➤

Signed G. Phillips
Dated 19th December 2014.

Designation SEN Support Officer

EQUALITY IMPACT ASSESSMENT FORM

What are you impact assessing	Service area
Change to the delegation of SEN Funding (SEN Lump Sum Allocation) for Schools in Monmouthshire	CYP SEN
Policy author / service lead	Name of assessor and date
Gwen Phillips/Stephanie Hawkins	Gwen Phillips, 19 th December 2014

1. What are you proposing to do?

Background

The ACORN data previously provided by Fischer Family Trust to calculate the SEN delegated lump sum is no longer available and therefore an alternative deprivation factor is required.

2. Are your proposals going to affect any people or groups of people with protected characteristics in a **negative** way? If **YES** please tick appropriate boxes below. No.

Age		Race	
Disability		Religion or Belief	
Gender reassignment		Sex	
Marriage or civil partnership		Sexual Orientation	
Pregnancy and maternity		Welsh Language	

3. Please give details of the negative impact

n/a

4. Did you take any actions to mitigate your proposal? Please give details below including any consultation or engagement.

n/a

5. Please list the data that has been used to develop this proposal? eg Household survey data, Welsh Govt data, ONS data, MCC service user data, Staff personnel data etc..

SEN Funding Consultation Document 2010
Free School Meal Data for Monmouthshire
Headteachers
The Schools Budget Forum

Signed...Gwen Phillips

Designation SEN Support Officer, CYP

Dated 19th December 2014

The “Sustainability Challenge”

Name of the Officer completing “the Sustainability challenge” Gwen Phillips		Please give a brief description of the aims proposed policy or service reconfiguration Change to the delegation of SEN Funding (SEN Lump Sum Allocation) for Schools in Monmouthshire	
Name of the Division or service area SEN, CYP		Date “Challenge” form completed 19 th December 2014	
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food		N/A	
Improve housing quality and provision		N/A	
Reduce ill health and improve healthcare provision		N/A	
Promote independence			To promote levels of independence for children and young people who are supported in schools

Encourage community participation/action and voluntary work		N/A	
Targets socially excluded		N/A	To reduce exclusions and increase accessibility of mainstream schools in Monmouthshire to children and young people
Help reduce crime and fear of crime		N/A	
Improve access to education and training			Increased inclusion for all learners
Have a positive impact on people and places in other countries		N/A	
PLANET			
Reduce, reuse and recycle waste and water		N/A	
Reduce carbon dioxide emissions			Maintaining pupils in in-county provision/local school setting and reducing the need to transport to out of county provision
Prevent or reduce pollution of the air, land and water		N/A	
Protect or enhance wildlife habitats (e.g. trees, hedgerows, open spaces)		N/A	

Protect or enhance visual appearance of environment		N/A	
PROFIT			
Protect local shops and services		N/A	
Link local production with local consumption		N/A	
Improve environmental awareness of local businesses		N/A	
Increase employment for local people			Possibility of maintaining and increasing staffing in schools to support CYP in mainstream settings within Monmouthshire
Preserve and enhance local identity and culture			Children and young people are educated within their own community
Consider ethical purchasing issues, such as Fairtrade, sustainable timber (FSC logo) etc		N/A	
Increase and improve access to leisure, recreation or cultural facilities			Children and young people are educated in their own community

What are the potential negative Impacts	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments)
➤	➤
➤	➤
➤	➤
➤	➤

The next steps

- If you have assessed the proposal/s as having a **positive impact please give full details** below

ALN review indicated that the majority of Monmouthshire Headteachers' supported the SEN funding arrangement, as the SEN delegated lump sum enabled a level of autonomy at school level and ensured that SEN pupils have received early intervention.

The aim is to maintain pupil access to education for CYP within their own community. Staff within local mainstream schools will be upskilled to manage the needs of CYP within their community.

- If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact:

Signed Gwen Phillips

Dated 19th December 2014



REPORT

SUBJECT: Sale of Old County Hall site, Croesyceiliog

MEETING: Cabinet

DATE: 4th February 2015

DIVISION/WARDS AFFECTED: Not applicable

1. PURPOSE

To jointly approve with Torfaen County Borough Council (TCBC) the terms and conditions of sale of the old county hall site in Croesyceiliog.

2. RECOMMENDATIONS

- 2.1 That the terms and conditions of sale proposed in the attached report, specifically Section 12 (Appendix 1) be approved.
- 2.2 Within the constraints of the financial tolerances described within the attached report (Appendix 1), that any further decisions necessary to make progress with the sale be delegated to the Head of Operations (Monmouthshire County Council representative on the joint officer working group) and Head of Finance in consultation with the relevant Cabinet Member(s).

3. KEY ISSUES

- 3.1 When TCBC and MCC agreed to vacate County Hall in Croesyceiliog a joint Project Working Group was established with various delegated powers to progress the disposal of the asset. This was reported to and agreed by members in a Cabinet report presented on 20 July 2011
- 3.2 An early decision was that the site would be more valuable if cleared prior to offer for sale and the buildings were subsequently demolished and the site prepared for sale. Funding for the demolition and landscaping of the County Hall site was approved, with Torfaen and Monmouthshire each contributing £1m. Further funding from the surplus on the previous Monitor Facilities accounts of £312,000 was also made available
- 3.3 Outline planning approval for residential development on the site was subsequently sought and was granted on 23 November 2012 in line with Torfaen's Local development Plan proposals
- 3.4 It was agreed that the officers of MCC would lead on demolition, clearance and preparation of the site with any technical staff time being met from the project funding. In subsequent discussions the Project Working Group

agreed that TCBC officers would lead on the marketing and disposal of the site, with related staff time met from the proceeds of disposal.

- 3.5 The Project Working Group was originally established with representation from the Police and Crime Commissioner (PCC) (formerly Gwent Police) on the understanding that the PCC would be vacating their headquarters adjacent to the County Hall site in 2013 and the site would then be prepared for sale as a single lot. However, these plans did not materialize and during 2014 the PCC indicated that they were reconsidering options surrounding the provision of a police headquarters (at this time officers are not aware of what options for the provision of a HQ are under consideration by the PCC)

However TCBC officers have ascertained that the withdrawal of the PCC HQ site area would not adversely affect the sale value of the County Hall site area so disposal has progressed without the inclusion of the PCC HQ site.

4. REASONS

- 4.1 The preparation of the site for disposal has progressed within the approvals previously granted by the two authorities. However we are now at the stage where further approval is required by the two authorities to proceed with the sale of the site in line with the attached report (prepared by TCBC officers).
- 4.2 At the outset it was agreed in principle that it was in the best interest of both authorities that they act jointly in managing the disposal of the site. To complete the sale both authorities are again asked to approve common recommendation(s) so the same report is being presented for approval to each authority (TCBC Cabinet will consider the report on the 10th February 2015).

5. RESOURCE IMPLICATIONS

As detailed within the body of the report (appendix 1).

The receipt value assumed with the capital budget forecast is £1.5m.

The demolition and preparation of the site, coupled with ongoing costs such as security has been funded separately by the two authorities. Costs incurred are £422,587(revenue) and 1,681,205 (capital) both of which fall within the approved budgets.

6. SUSTAINABLE DEVELOPMENT and EQUALITY IMPLICATIONS

This report seeks approval for terms and conditions of sale of an asset. It has no impact upon any service nor makes any recommendations upon how the capital receipt might be used. As such an Eqia or Sustainable development assessment are not considered necessary.

7. CONSULTEES:

SLT
Cabinet members

8. BACKGROUND PAPERS:

9. AUTHORS

Roger Hoggins, Head of Operations

CONTACT DETAILS: rogerhoggins@monmouthshire.gov.uk

CABINET
10 February 2015

DISPOSAL OF THE FORMER COUNTY HALL SITE, CWMBRAN

Report Submitted by: Lynda Willis, Chief Legal Officer and Monitoring Officer
Report Written by: Victor Mbvundula, Asset and Disposal Manager

1. Area Affected

The property is situated in Llanyrafon North Ward.

2. Purpose of Report

To inform Cabinet about offers received for purchase of the freehold interest of former County Hall site and to recommend a preferred bidder for Cabinet approval.

3. Key messages

- Following a two-month marketing period six offers were received for the former County Hall site.
- The top two offers comprised of a higher aggregate sum payable in two equal instalments 12 months apart and a lower sum payable in full on completion.
- The higher offer was adjusted downwards to reflect the risk associated with the second instalment owing beyond the sale completion. The effect of this adjustment was that the overall difference between the two offers became marginal.
- The offer constituting a single payment on completion of the sale is being recommended for acceptance because it is less risky to the landowners.
- This offer is subject to refinement when the exact affordable housing requirements are confirmed and foundation designs for each plot are verified in due course. This would have applied to similarly to any of the offers.

4. Background

4.1 The former County Hall site is jointly owned by Torfaen County Borough Council and Monmouthshire County Council. On 25 March 2014 Cabinet declared TCBC's share of the freehold interest surplus to Council requirements and authorised TCBC's Legal and Asset Management Service to manage the disposal of the site on behalf of both landowners. The site is allocated for residential development in the Local Development Plan for Torfaen.

4.2 Prior to marketing the site two local authorities had spent approximately £1.7million in demolishing the County Hall building and clearing the site. The site was marketed by Informal Tender between 6 October and 9 December 2014.

5.0 Issues and Findings

- 5.1 The affordable housing policy requirement for Llanyrafon North ward where the site is located is up to 30% of the total number of dwellings. The exact provision partly depends on the impact of abnormal costs associated with the site that together with the affordable housing requirements and other planning obligations may render the site unprofitable for development. In the case of County Hall at the time of marketing it was uncertain whether the site could sustain 30% affordable housing if the cost of demolishing County Hall was factored into the viability test. For this reason bidders were asked to submit their offers on three affordable housing scenarios: 10%, 20% and 30%.
- 5.2 Six offers were received. Each of them was conditional on grant of planning permission. All six bidders also reserved the right to adjust their offers after undertaking detailed ground investigations if selected as the preferred bidder. These conditions are not unusual.
- 5.3 The three lowest bidders had a consistent ranking (4, 5 and 6, respectively) across all the assumed affordable housing scenarios. Due to the consistently inferior monetary sums these offers were not considered any further.
- 5.4 The remaining three offers interchanged positions across the three affordable housing scenarios so they were analysed in more detail, and interviews held. This led to the elimination of one of the bidders leaving a final choice to be made between two.
- 5.5 Final Two Shortlisted Bidders
The main difference between the two remaining bidders, apart from the amounts offered, was on payment terms proposed. One offered full payment on completion while the other offered 50% payment on completion with the other 50% to be paid 12 months apart. The single payment offer was lower for both 20% and 30% affordable housing scenarios than the equivalent offer payable in two instalments.
- 5.6 From the landowners' perspective receiving full payment on completion is less risky than instalments. However, a payment by instalments has its merits especially if all the following conditions apply:
- a) If the risk-adjusted aggregate payment is significantly higher (see paragraph 5.7 below).
 - b) If satisfactory security is provided for the deferred payment to cover the risk of default: a Guarantor that can provide cash payment is preferable over a legal charge for which the only recourse in the event of default would be repossession and resale of a partially-developed and fragmented site.
 - c) If the buyer has a strong credit rating commensurate with the amount deferred.
- 5.7 The adjustment referred to in paragraph 5.6a) above only applies to the instalment(s) deferred beyond the completion date. A downward adjustment is necessary, in order to reflect the relative risks and disadvantages of the delay in receiving the payment in comparison to full payment received on completion.

- 5.8 This approach was provided for in the Tender Guide under paragraph 4.4 part of which stated the following:
“Tenders offering staggered payments extending beyond the sale completion date are likely to be adjusted downwards by the Sellers...”
- 5.9 The adjustment factor applied to the second instalment was of a similar scale to the typical profit margin that residential developers typically require in order to deem undertaking a development scheme worthwhile. This is considered a fair and logical measure of risk from the perspective of the landowners.
- 5.10 After the adjustment was made, the bid offering full payment on completion turned out to be higher for the 20% affordable housing scenario while the one offering two instalments was higher on 30% affordable housing scenario. This was inconclusive, in the absence of confirmation of the final affordable housing percentage. Further comparison was then done on the average figures between the two affordable housing scenarios. On this measure the full payment offer came out marginally higher overall.
- 5.11 The bidder offering full payment did not allow for a pedestrian crossing that will be required on Turnpike Road. This omission was consciously made because it is not confirmed whether a zebra crossing or a toucan crossing will be required. However, the bidder provided the expected costs for either type of crossing that will be deductible from the amounts offered when the crossing type is confirmed. Deducting the cost of the zebra crossing still leaves the full payment offer higher. Deducting the cost of a toucan crossing leaves it lower, but only by less than 1%.
- 5.12 Given how close the average figures are meant the payment terms became a decisive factor in selecting the preferred bidder. With reference to the desirable factors for deferred payments outlined in paragraph 5.6 the bid offering instalments fared as follows:
- a) After being adjusted for risk the average of the aggregate payment was lower than the equivalent sum offered with the full payment on completion by the competing bidder.
 - b) The security offered for the deferred payment was a legal charge covering 50% of the site, to reflect the 50% amount outstanding beyond the legal completion date and entry onto the land. No other form of security providing cash in lieu of repossession could be offered. This was considered unsatisfactory because in the event of default the landowners would be left with a partially developed site but only with the right to repossess half of it.
 - c) The bidder is a fairly new private limited company and publicly available records suggest that it is relatively small in financial terms.
- 5.13 By way of comparison Torfaen County Borough Council recently undertook a disposal of a site for which there were deferred payments as well. The buyer was an long established publicly listed company and the aggregate sum payable was approximately half of what is being offered by the bidder offering two instalments in the present case (prior to adjustments). In that transaction, on advice from external solicitors acting for TCBC in the matter, a parent company guarantee and a legal charge were negotiated as security for the deferred sum. Based on that precedent a similar two-tier security is considered the minimum acceptable for any deferred payments in this transaction, especially given that bidder’s stature.

- 5.14 Under Section 123 of the Local Government Act 1972 local authorities have a duty to dispose of land for the best consideration that can reasonably be obtained at the time. This does not necessarily make it imperative to indiscriminately accept the highest monetary sum without regard to other pertinent considerations such as risk. Having regard to all factors outlined in the above analysis it is considered that, on balance, the offer with full payment on completion represents best consideration in this case.
- 5.15 The amounts offered by affordable housing scenario are set out in the table below. Torfaen County Borough Council is entitled to 50% of the amount in each case.

Affordable Housing Percentage	Amount Offered for Entire Site	TCBC Share (50%)
20%	£4,577,000	£2,288,500
30%	£3,410,000	£1,705,000

- 5.16 These amounts will need to be adjusted for the cost of a pedestrian crossing on Turnpike Road as outlined in paragraph 5.11. On the other hand the amounts may go up following ground investigations if it is established that some plots where raft foundations have been assumed are in fact suitable for less costly strip foundations. The additional amount per plot where this may apply has already been confirmed by the bidder. The exact final payment will also depend on the amount of affordable housing to be ascertained as part of the planning process.

6. Consultation

- 6.1 The Project Board overseeing the decommissioning of County Hall was consulted on the content of this report. The board comprises of senior officers from Monmouthshire County Council and Torfaen County Borough Council.

7. Policy Impact Assessment

- 7.1 See Policy Impact Assessment Matrix in Appendix 1.

8. Risks

- 8.1 Legal: There is a risk that other bidders may challenge the recommendation of preferred bidder in this report. While this would be within their rights, the rationale for the recommendation is considered to be defensible.

9. Action to be taken following decision

- 9.1 If the recommendation of this report is approved the following step will be taken:
- All the bidders will be formally notified of the outcome regarding their respective offers.
 - Detailed contract negotiations with the preferred bidder will be undertaken.
 - The preferred bidder will undertake ground investigations to confirm the foundation assumptions and price adjustments if appropriate.
 - Solicitors will be instructed to undertake the conveyancing.

10. Measure of success

10.1 There are two main measures of success.

- a) Because the site is surplus to the Council's requirements its expeditious disposal will contribute to the Council's corporate priority of *"Using resources wisely, to include maintaining the highway infrastructure and reducing energy consumption and waste"*.
- b) One of the Council's priorities in its Corporate Plan 2 is to *"Prevent Torfaen residents becoming homeless"*. One way in which this is to be done is to: *"Ensure the range and quality of housing is appropriate to meet people's needs."* Making the former County Hall site available for residential development will contribute to this priority.

11. Conclusion/summary

11.1 Following a two-month marketing period six offers were received for the former County Hall site. The top two offers were of a higher aggregate sum payable in two equal instalments 12 months apart and a lower sum payable in full on completion. Detailed analysis of the assumptions and perceived risk was done. The outcome is that the offer constituting a single payment on completion of the sale is being recommended for acceptance. The offer is subject to refinement to establish the exact final price when the affordable housing requirement and foundation assumptions are confirmed in due course. This would have applied to similarly to any of the offers.

12. Recommendation(s)

12.1 That Cabinet accept on a "Subject to Contract" basis the offer for the purchase of its half share of the freehold interest in the former County Hall site to the bidder offering the following sums depending on the eventual affordable housing scenario, with full payment being made on completion of sale.

Affordable Housing Percentage	Amount Offered for Entire Site	TCBC Share (50%)
20%	£4,577,000	£2,288,500
30%	£3,410,000	£1,705,000

12.2 That Cabinet authorises the TCBC Legal and Asset Management Services to negotiate detailed contract terms for the disposal of the former County Hall site and manage the conveyancing process on behalf of both landowners.

12.3 That Cabinet grants specific delegated authority to the Executive Member for Resources to determine any issues pertaining to the disposal of TCBC's half share of the former County Hall site that will require further executive approval.

Appendices	1. Appendix 1 – Policy Impact Assessment Matrix
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Background Papers	Note: Members of the public are entitled, under the Local Government Act 1972, to inspect background papers to reports.
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THIS DOCUMENT IS AVAILABLE IN LARGER PRINT UPON REQUEST

	The following is a list of the background papers used in the production of this report.
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	Cabinet Reports dated 12 July 2011 and 25 March 2014
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For a copy of the background papers or for further information about this report, please telephone:
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Appendix 1 Policy Impact Assessment Screening Matrix

Project/Activity	Disposal of the former County Hall site		
Project Manager:	Victor Mbvundula	Appraiser:	Victor Mbvundula
		Date:	

Theme	Criteria	Type of impact Positive + Negative – None NA	Significance of impact High H Low L	Notes
Resource Implications	Legislation	N/A		Disposal of the site will generate a significant capital receipt for the Council.
	Finance	+	H	
	Communication	N/A		
	Employees	N/A		
	Partnership/Collaboration	N/A		
Health	Physical Health	N/A		
	Mental Health	N/A		
	Healthy Lifestyles	N/A		
Education	Educational Attainment	N/A		
	Basic Skills	N/A		
	Continuous Learning	N/A		
Housing	Good Quality Housing	+	H	Disposal of the site will enable residential development, subject to planning permission.
	Homelessness	+	H	
	Affordable Housing	+	H	
Economy	Poverty	N/A		
	Employment	N/A		
	Business	N/A		
	Community Enterprise	N/A		
Equality	Age	N/A		
	Disability	N/A		
	Gender	N/A		
	Marriage & Civil Partnership	N/A		
	Pregnancy & Maternity	N/A		
	Race	N/A		
	Religion & Belief	N/A		
	Sexual Orientation	N/A		
	Welsh Language	N/A		
	Group not achieving equality of service	N/A		
Human Rights	N/A			
Safer Communities	Crime	N/A		
	Anti Social Behaviour	N/A		
	Safety of area or people	N/A		
Transport	Public	N/A		
	Private	N/A		
	Walking / Cycling	N/A		
Built Environment	Local Distinction & Heritage	N/A		
	Waste & Recycling	N/A		
	Energy / Water Efficiency	N/A		
Pollution	Air / Water / Ground	N/A		
Natural Environment	Climate Change	N/A		
	Animal / Plant Species	N/A		
	Habitat / Landscape	N/A		