

20th March 2015**Notice of Special Meeting:****Economy and Development Select Committee****Monday 30th March 2015 at 10.00pm
Council Chamber, County Hall, Usk.**

**PLEASE NOTE THAT THERE WILL BE A PRE-MEETING
FOR ECONOMY AND DEVELOPMENT SELECT
COMMITTEE MEMBERS AT 9.30am.**

AGENDA

The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with adequate notice to accommodate your needs.

Item No	Item
1.	Apologies for absence.
2.	Declarations of Interest.
3.	Scrutiny of the performance of Y Prentis Scheme (copy attached)
4.	Pre-decision scrutiny of proposal to support Monmouthshire Businesses' competitiveness (copy to follow).
5.	Scrutiny of the performance of the Shared Resource Service (copy attached)
6.	Capital Budget Monitoring 2014/15 Month 9 Outturn Forecast Statement (copy attached)

**Paul Matthews,
Chief Executive**

Economy and Development Select Committee

County Councillors:

D.L.S. Dovey
D.L. Edwards
D.J. Evans
R.J.C. Hayward
S. Jones
J.L. Prosser
A.C. Watts
S. White
A. Wintle

Aims and Values of Monmouthshire County Council

Building 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

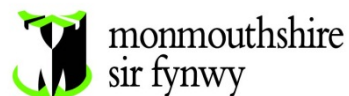
- Business and enterprise
- People have access to practical and flexible learning
- People protect and enhance the environment

Our priorities

- Schools
- Protection of vulnerable people
- Supporting Business and Job Creation
- Maintaining locally accessible services

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



SUBJECT:	Y PRENTIS: Shared Apprenticeship Programme for the Construction Industry
MEETING:	ECONOMY AND DEVELOPMENT SELECT COMMITTEE
DATE:	30th March 2015
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

1.1 To present an update of the Y Prentis, Shared Apprenticeship Scheme, established in September 2012.

2. RECOMMENDATIONS:

2.1 For Economy and Development Select Committee to receive the contents of this report which provides an overview of the activities of [Y Prentis](#) to date and future plans.

3. KEY ISSUES:

3.1 Y Prentis was established as a not for profit company limited by guarantee in September 2012. The purpose of the company is to deliver a Shared Apprenticeship Scheme across the South East Wales region in partnership with the Construction Industry Training Board (CITB). The vision for Y Prentis is to 'provide long term sustainable employment opportunities to help young people maximise their potential and gain fruitful future employment'. In addition Y Prentis has been designed to offer flexible options as a response to the growing demand for community benefit requirements within many construction based, development and maintenance contracts.

- 3.2 Y Prentis was established following a Cabinet decision on the 18th July 2012, to underwrite an overdraft to allow investment in the creation of a Special Purpose Vehicle to deliver the scheme, which is jointly owned by CMC² (MCC's Community Interest Company) and Melin Homes.
- 3.3 Y Prentis is different from many other construction training schemes as Y Prentis employs the apprentices rather than the construction companies having to employ them, themselves. This means that apprentices are able to move flexibly between a number of employers in order to gain wide ranging experience in the industry whilst still being employed by Y Prentis. As a result Y Prentis apprentices can gain a full apprenticeship qualification whilst gaining many different working skills including brickwork, plastering, electrical work and plumbing, etc. Training and work placements are provided by local colleges in the South East region and a wide range of employers from small sole traders to large multi-national companies are involved.

4. REASONS

- 4.1 Y Prentis was initially established as a £2 million venture to create 105 apprenticeships across South East Wales in its first three years. The scheme is part of Welsh Government's commitment to embed community benefits within public sector procurement using targeted recruitment and training solutions in order to aid job creation. Welsh Government believes that apprenticeships fuel the future essential skills base of the Welsh nation helping to inspire success in the individual and to bring huge benefits to the workplace.
- 4.2 As a Shared Apprenticeship Scheme, Y Prentis offers support to small businesses to capitalise upon supply chain development opportunities. The Construction Employment Forecast (2011-2015) identified that construction based employment is set to increase by 5% to 107,500; employment growth is expected to be strong due to the increase in housing renovation and maintenance activity; and the largest increase in growth will be among wood trades, interior fit out activities and labourers.
- 4.3 As a small company, Y Prentis is managed by a Programme Manager with support from an Employer Coordinator, a CITB Apprentices Coordinator and an Administrative and Marketing Assistant. The company is governed by a small Board of Directors which comprises of two Directors from MCC namely Rob O'Dwyer Head of Property Services and Facilities; Cath Fallon Head of Economy and Enterprise; and two Directors from Melin Homes namely Adrian Huckin Director of Communities, Enterprise and Care and Peter Crockett Deputy Chief Executive, Director of Finance. In addition, the CITB has a seat on the Board as an Observer, which is held by Rob Davies, Regional Delivery Manager plus there are additional advisors who represent the construction industry. In addition, there is an Advisory Panel to the Board which is comprised of representatives from South East Wales Construction companies which includes Morgan Sindall, Cowlin, Balfour Beatty, Lovel, Wilmott Dixon, Interserve, McAlpine, etc. as well as local authorities and colleges. The purpose of the Advisory Panel is to:

- advise Y Prentis Board members to ensure that Y Prentis is fit for purpose and meets the training requirements and needs of the construction industry;
 - provide placements for the apprenticeships which offer a wide range of experience to enable them to gain sector specific qualifications and employment;
 - offer advice regarding future recruitment patterns and needs; and
 - assist in influencing Welsh Government and training providers in prioritising training provision in line with industry requirements.
- 4.4 Y Prentis is funded from the following sources: CITB Attendance and Attainment Grants; Young Recruits Programme funding; and membership payments. Membership payments are paid by construction companies who are part of Y Prentis, the purpose of the membership fee is to pay towards a personal toolkit that each of the Y Prentis apprentices need when they start work and other items such as any additional training need requirements and personal protective equipment. The fees are either paid weekly or annually dependent upon the size of the company and the number of apprentices.
- 4.5 To date 109 apprentices have started with Y Prentis and there are currently 69 apprentices who are under-going an apprenticeship programme, currently only one of these is from Monmouthshire. However it is likely that the number of Monmouthshire apprentices will grow rapidly soon as the new 21st Century Schools Build programme starts and a local recruitment drive takes place.
- 4.6 In terms of its future direction Y Prentis has now completed its second year of trading in September 2014 and repaid the £50,000 overdraft facility afforded by the Authority in February 2015. The company is now in a position whereby it has generated a surplus profit. An investment strategy is therefore being developed that will identify projects that Y Prentis can support which are likely to be capital and revenue-based and are likely to enhance training facilities or training provision to support further apprenticeship development or added value skills. In addition, the Board has taken a decision to offer wider, more technical apprenticeships such as civil engineering and quantity surveying and is anticipating that these new apprenticeships will form part of the new intake in September 2015.
- 4.7 As Y Prentis is the only CITB approved deliverer of Shared Apprenticeships in South East Wales it has special status which improves its opportunities for long term sustainability. Unlike project based funding schemes, Y Prentis is not time limited. The funding for Y Prentis comes from a wide range of sources including private sector income for wages and membership fees. The CITB grants which Y Prentis benefits from are funded via a levy paid by the construction industry rather than time limited external funding sources. All this provides Y Prentis with sustainable, core funding which will continue as long as the company is managed efficiently and effectively. In addition Y Prentis is guided by an Advisory Panel comprising of key players in the construction industry and clients offering contract opportunities. This unique relationship informs apprentice volume projections whilst providing a vehicle for training providers to match future course

provision with future industry needs. This ensures that Y Prentis is driven and directed by the needs of the industry whilst also providing suitable work experience for the young people of South East Wales, as a result Y Prentis apprentices benefit from several advantages when seeking long term employment – they have a full framework qualification which is appropriate to their trade; they have wide ranging experience with several companies and they have job search support from the Y Prentis team.

5. RESOURCE IMPLICATIONS:

5.1 As this is an update report there are no associated resource or financial implications.

6. SUSTAINABILITY AND EQUALITY IMPACT ASSESSMENT

6.1 This report is for information and therefore there are no associated sustainability or equality impacts to be assessed.

7. CONSULTEES:

Senior Leadership Team
Economy and Development Select Committee Members

8. BACKGROUND PAPERS:

Not applicable.

9. AUTHORS:

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Cath Fallon, Head of Economy and Enterprise – cathfallon@monmouthshire.gov.uk (01633) 748316



**SUBJECT: UPDATE ON THE REVIEW OF SHARED RESOURCE SERVICES
(PUBLIC)**
MEETING: ECONOMY AND DEVELOPMENT SELECT COMMITTEE
DATE: 26 MARCH 2015
DIVISION/WARDS AFFECTED: ALL

1 PURPOSE:

- 1.1 To update Select Committee members on the progress made with the SRS review and resultant next steps and to provide an outline of the proposed forward business strategy and plan.

2. RECOMMENDATIONS:

- 2.1 That Select Committee examines the progress made in the review under the key headings stated below and approves to receive further reports to monitor and evaluate progress and develop opportunities for engagement in the development of the future business strategy for SRS.

3. KEY ISSUES:

- 3.1 In 2014, a report was first brought to Committee detailing the purpose of, and work delivered to date, on the SRS review. This work, commissioned by the three chief officers (Chief Constable and CEOs of Torfaen and Monmouthshire) addressed: the problems, solutions, evidence-base, business case and a sequential plan to guide activity and actions. In view of the fact that Monmouthshire invests c£2.2-4m in SRS annually, it represents our largest portion of IT spend and it is thus, essential we understand the nature of the service and the value it yields to the Council. The review has focussed on four main areas:

- Identifying the 'core service' – led by all
- Strategic finance – led by Monmouthshire
- Governance – led by Gwent Police
- Culture/HR/ Leadership – led by Torfaen

- 3.2 *Progress on the review*

3.2.1 The implementation of which is clearly a medium to long term endeavour, was fed back to Committee at an early stage. In the intervening period, a considerable amount of work has been undertaken in the four areas and comprehensive updates are provided below. In addition, as discussed at the last session with Committee, it is the overall business direction and evolution of SRS which not only overarches all four areas, but provides the future strategy, helping to guide decision-making and activity as well as aligning with each of the three partner organisations' own strategic plans and frameworks.

3.3 *The Core Service*

3.3.1 It was agreed across all partners that in order to address some of the problems around different working arrangements; varying needs and priorities and absence of genuinely shared systems and programmes, one overall document would be drawn up to describe and define the core functions and services that could be provided by SRS, accompanied by a schedule of costs. This allowed the partners to identify for the first time, from a core list or 'menu' the services and functions that most closely matched its business needs. Whilst this enables choices and decisions to be made in an evidence-based and cost-effective way, it has also enabled Monmouthshire to exercise a clear 'client-contractor' split and reinforce our core role as commissioners of the service. Monmouthshire's core commissioning document for the services it seeks to purchase from SRS in 15/16 is attached for information at Appendix 2.

3.3.2 The commissioning documents of each of the partners have been discussed at, and presented to the SRS Board well ahead of the beginning of the new financial year. This has enabled the SRS to plan cost-effective delivery, align resources and identify the areas in which greater service integration and sharing can take place. There are clear cross-overs with the strategic finance approach as we have complete clarity about the areas in which we continue to make investment and those areas in which disinvestments will be made.

Appendix 1 – Monmouthshire's commissioning document

Appendix 2 – SRS 'core service' schedule

3.4 *Strategic Finance*

3.4.1 The annual commissioning document approach enables clarity about future investment and disinvestment needs. Clearly, there is an important objective to reduce the overall cost of our technology base. Across the three partners, the net cost of SRS is approx. £9-10m annually. In 2013/14 the

net cost of commissioning services from SRS to MCC was £2.496m. In 14/15 we are on target to successfully reduce the net cost to £2.243m. In 2015/16 the target is to further reduce cost – with an overall target for IT of further £250k - £150k of which will come from SRS (the remainder is an income generation target for software development). We are managing declining resources through locating sustainable efficiencies; bringing development work in-house; renegotiating contracts, reducing licence costs, commissioning shared services and freezing existing staffing vacancies.

3.4.2 However, reducing the cost of our technology-base is isolation is not the end-game. Technology is increasingly central to transforming our wider service delivery and there are countless examples of where delivery of new services and products has enabled efficiency savings and effectiveness benefits – see attached. As the lead for strategic finance responsibilities within SRS, we have worked with partners and through the SRS Board to establish:

- R&D fund – board has agreed to re-purpose the ‘SRC reserve’ as a R&D fund. The fund is derived from the contribution towards the SRS over and above running costs for the data hall provision. The level of contribution for the data halls has been fixed at 12/13 levels which means that any reduction in costs or increased income (from SRS Business Solutions) creates a surplus. Current projections show a c£75k surplus in the reserve at outturn. The Board was presented with two options for utilisation of the reserve in that it could either make a one-off efficiency saving to be returned to the three partners, or used as a ‘live’ fund through which to support ‘Invest to Generate/ Save/ Redesign’ schemes. The fund will operate on the basis of business case submissions to the Board for projects that will yield demonstrable returns on investment to the partnership. Using the fund in this way will ensure the benefits are shared by all and gains are reinvested for future schemes and projects that meet the criteria;
- Charging policies and procedures – the process for charging other public sector customers was established on the formation of SRS in 2011. The process has not been reviewed for some time and whilst other potential partners and customers come on board, the charging protocols need to be reviewed. This work, to be led by MCC’s Assistant Head of Finance will commence shortly.
- Market Test and ensuring Value for Money – one of the problems identified in the initial review findings was that whilst we invest as individuals and a collective – there is currently no measure or gauge of value for money or

added value. We have therefore commissioned as a collective and via the SRS Public Board, a 'market test' exercise via SOCITM. The report documenting these findings is due to at the end of March and will be fed back to SRS Public board thereafter.

Appendix 3 – Efficiency savings and effectiveness benefits

3.5 Governance

3.5.1 The work on the governance strand of the review has been led by Gwent Police. Members will recall that in the original review findings presentation shared with Committee, that the proposal was to evolve SRS Public into a *'...Joint Committee with clear lines of accountability and autonomy. The new entity will provide strong foundation for strategic approaches to financial and human resource planning and delivery. The JC will function in line with a 3 year business plan which is clear about activity, outcomes and Return on Investment'*.

3.5.2 This shift has not proved possible since legally, Gwent Police cannot enter into such an arrangement. However, the key principles associated with the above statement have still been enshrined into the governance operations. The principal government document for the partnership is the Memorandum of Understanding (MoU). Some changes have already been made to this to reflect the following, whilst other more medium-term actions are in train:

- Strengthening the MoU to create a more strategic role for the SRS Public Board;
- Putting in place arrangements for the creation of an 'operations group' – which the review group will evolve into;
- Establishing an 'Advisory Board' of experts and external technology professionals who can play a role in informing and shaping the future of the SRS;
- Appointing political nominated representatives to the Board to provide an Executive function – for Monmouthshire this is Cllr P Murphy, Cabinet Member for Resources; for Torfaen, Cllr A Hunt, Executive Member for Resources and for Gwent Police, the Independent Police and Crime Commissioner for Gwent, Ian Johnson;
- The performance management activities have also undergone an overhaul with new a daily system (Heartbeat) for near-real time performance monitoring; re-purposing of broader 'value added' measures; introduction of a Board Action Planner and a greater focus on self-evaluation and continuous improvement.

Appendix 4 – SRS KPIs

Appendix 5 – SRS ‘What has been achieved in Monmouthshire 13-14’

3.6 *Culture/ HR/ Leadership*

3.6.1 Torfaen leads the fourth work-stream on the culture, leadership and HR service for SRS and this has worked well since all staff has now TUPE transferred to Torfaen CBC. As well as focus on building the brand identity and creating a level playing field for all staff, regardless of the organisation from which they originated, some of the work in this area has involved SRS staff working with MCC in order to provide clarity about ‘tools to do the job’ and support ongoing improvements in working across MCC and SRS. Other areas of development have included:

- SRS ‘Open House’ sessions – Open House session at SRS are held frequently as an opportunity for staff to share thoughts, suggestions and ideas to have questions answered by the COO and relevant representatives of the three organisations. Such sessions have provided invaluable feedback and insight into the ongoing needs – practical and developmental – of the SRS staff. In the same way, SRS staff have helped with the roll-out of ‘tools to do the job’ workshops and with implementation of the Hub;
- SOCITM staff survey – in order to provide more qualitative information to support the market test/ value for money work, it was deemed relevant to also understand the views and opinions held within the three organisations of the service provided by SRS. At the MCC staff conference in November 2014, IT was highlighted as an issue and an area for improvement by a small number of attendees. The SOCITM survey provides an opportunity to drill down and understand the exact nature of the issues, and if indeed they relate to SRS service provision at all. This will enable solutions to problems to be developed with user input and insight;
- Leadership development opportunities for SRS staff – SRS staff members have access to some of the training opportunities laid on by all three organisations. The SRS Leadership Team have also accessed formal external leadership development training and support;
- Alignment of the three Digital/ ICT Boards in each of the organisations in order that pertinent operational information is shared and developments appropriately coordinated;
- Significant work has also taken place around Improvement Planning (Project Phoenix) and encouraging staff to come forward with suggestions and projects with which to drive forward performance improvements. This

work has now been embedded into the work programme and updates are provided as required to Board; and,

- Regular 121s now take place between the SRS COO and the Chief Officer, Enterprise, Head of People and Commercial Development and Digital and Technology Manager.

Appendix 6 – Deep Dive Evaluation outline

Appendix 7 – Business Plan outline

3.7 *The future*

3.7.1 In order to pull all of the strands together and provide a coherent framework for service planning, a business plan is currently being prepared (see attached outline and accompanying proposed evaluation framework).

However an annual business plan by itself will not be sufficient to chart the medium and longer-term course for SRS. One of the decisions recently made by the Board is around the future mode of operation and the current physical presence (three buildings) in Blaenavon. Linked to the market test exercise, it has been further agreed that exploration will be made in terms of cloud services and whether a cloud model could wholly or in-part, provide a more efficient and effective solution which would enable the partnership to devise a new future for the space at Blaenavon. In order to ensure the annual business plan sits within a wider-range outlook for SRS, the next task is to articulate and develop the overarching business strategy.

3.7.2 Linked to this longer-term vision for SRS is an approach from a fourth prospective public sector partner. Currently, the COO is lending leadership support to this organisation which is generating a small level of income. This is helping form the process of due diligence which will be necessary for the board to complete in full prior to any business case being submitted for decision.

3.7.3 Both these developments – a potential virtual future provision and extending the network of potential partners, owners and customers – underline the need for a comprehensive business strategy.

4. REASONS:

4.1 The initial review findings indicated areas in which improvements needed to be made. This report provides an update against the four areas set out in the original report to Select Committee and for completeness, includes an overview of future direction and opportunities.

5. RESOURCE IMPLICATIONS:

5.1 There are no direct resource implications associated with this report.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

6.1 Putting SRS on a sustainable and sound footing contributes to delivery efficient and effective public services.

7. CONSULTEES:

SLT

Cabinet Member, Cllr Bob Greenland

Nominated representative, SRS Public, Phil Murphy

SRS Public Board

8. BACKGROUND PAPERS:

Appendices – 1 – 7.

9. AUTHOR:

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10. CONTACT DETAILS:

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Appendix 1

Monmouthshire County Council – Initial Commissioning Paper 2015-16 – Future SRS

Introduction

As part of the ongoing review of SRS, and, to inform the future business strategy, it is essential that all three partners observe the importance of the ‘client-contractor’ split. Clarity about those services and functions we each seek to commission from SRS is critical if we are to clearly evaluate and describe success and demonstrate value and returns for the investments made. *Commissioning is the process of specifying, securing and monitoring services to meet people’s needs at a strategic level* (National Audit Office). It is an ongoing process, not a one-off event; must be focussed on ensuring needs are met – irrespective of by whom or what and crucially - includes the market perspective because managing the market provides the right blend of skills, services and knowledge to manage need, advances thinking and ensures adaptation to changing conditions.

At this time, we are carrying out a process of understanding the ‘unit’ and ‘system’ costs of SRS which will enable a ‘market test’ or market comparison exercise to be undertaken. Such an activity needs to become more explicit in our financial leadership of SRS in order that we manage the market effectively, assess both economic and wider ‘value-adding’ returns on investment and ensure there is an in-built process of challenge to enable alignment of purpose and performance. As this process is not yet complete, it is impossible to fully inform a commissioning document. As a result, this paper provides a summary of the areas in which, subject to the results of the market test, we wish to make changes to the services commissioned via SRS. There is absolute alignment with the issues and findings emerging from the review work so far and it is clear that the ongoing process of re-purposing SRS will provide opportunity to further synchronise review and commissioning activity.

Business Strategy

There is currently no business strategy for SRS. What is it trying to do and be and what are its Unique Selling Points in today’s rapidly changing public sector? Moreover, what is its purpose and objective as it seeks to be relevant and legitimate in tomorrow’s market place? Given its make-up, membership and governance structures, it is clear that SRS Public is not going to be a major player in the commercial sector. Neither is it a managed service provider at scale, within the public sector. With the advent of cloud and virtualisation it is important we pause and reflect and understand if a physical data hosting presence is the right thing for us as partners and the types of organisation that we may be running in the future. The main difference between cloud and data centre is that cloud is an off-premise form of computing that stores data on the internet. A data centre refers

to on-premise hardware that stores data within a local network. Only a data centre can store services and equipment and cloud of course, still requires data centres to house cloud based resources. However, we need to ask the questions: given the likely future climate for public services, do we need a cloud or data centre? Can cloud provide better scale to meet our future business needs? Has SRS missed the boat on Public Cloud storage or does opportunity still exist? Would cloud offer greater efficiencies and effectiveness benefits? Can a data centre with larger overheads and bricks and mortar presence offer the speed, agility and immediacy of cloud? How are three buildings currently contributing to the success of SRS and does our brand and service offer need to be tied to a physical space? **The first piece of work we would like SRS to oversee (ideally, on behalf of partners) is an independent review of cloud v data centre, which should include an analysis of the cost-benefits of virtualisation, consolidation and integration.**

People

The above will have implications for the numbers and skills-mix of the people we employ. The challenge in this area is thus, how lean can we be and does this start with management tiers? We want to understand the potential for SRS to become truly networked with more streamlined and flatter leadership structures. **Aligned to the ongoing review work, and as part of the core service, we would like to understand the role and purpose of the various management roles and, as we shift our priorities – as set out in the Services and Functions section below – we want to understand how this is reflected in the leadership structure.** Commissioning and decommissioning services should change and flex the way in which we use staff – as is typical in the IT industry. It is clear that this will no longer signal ‘business as usual’ and as part of the core service we seek from SRS, we want to invest in the areas that can add the greatest value. In addition, as strategic commissioners of services and functions and in exercising our ‘intelligent client’ role we believe it is important for us to retain a certain level of technology savvy and strategic expertise in-house and it would be inappropriate to expect this level of advice and thought leadership from a service provider.

Services and functions

It is likely that in 2015/16 (subject to the market test work), Monmouthshire will:

- No longer require provision of a software development service from SRS;
- Seek to bring back in-house the GIS and LLPG functions as per the Torfaen model;
- Migrate to a self-service Helpdesk model as per Gwent Police lead;
- Seek greater systems efficiencies through business cases which pinpoint opportunities for integration, sharing of platforms and products and knowledge transfer;

- Continue development of the 'cluster' approach to bolster the school technicians service;
- Generally move towards more free open source technologies and agile principles; and,
- Want to review all non-core costs of PSBA. With BT securing the new contract for PSBA, we understand that every connection point will be subject to an annual review. This has the potential to identify overpayments for line rental vis a vis actual usage. In addition, with the promised alignment with Superfast Cymru, we want to understand potential for cutting costs through potentially using the same network.

Value added

The 'non-core' parts of the service will have to become more central to the business model if we're going to embrace the ideas, innovations and income generation that will be required to fund and subsidise the 'core' model in the future. We'd therefore like to invest further in understanding the potential behind:

- Income generation through CCTV as a specialist but non-core service and in particular, some of the market opportunities recently brokered;
- Opportunities for Big Data projects, services and platforms to make the most use of the significant data mine which underpins SRS;
- Other partners and organisations coming on board and the targeted efforts being made to bring this about; and,
- NATO legacy opportunities as so well described in the recent briefing paper.

Evaluation

A wealth of new measures will inevitably result from the market comparison exercise. In the main, it is likely these may fall into the following areas:

- Value for money (expressed in unit cost)
- Financial ROI (multiplier £s)
- Value added to the organisations (expressed more qualitatively – responsiveness, knowledge of organisations and context, contribution to wider aims, how service users feel about level and quality of service and opportunity cost)
- Quality assurance (beyond ISO...checks for individual projects)

Additionally, it is possible that the market test will highlight areas for improvement which must be built into outcomes monitoring and evaluation.

The weekly update format must change to be less about project tracking and highlighting risk to embodying the above 'true' value measures. In addition, we would wish to see a P&L approach incorporated for special projects to start, in

order that we understand surplus generation and the costings and schedules that underpin pricing, charging and profit.

Conclusions

This paper is an initial attempt at identifying core service commissioning from SRS in 2015/16 and is subject to the results of the market test exercise, since that will provide a baseline for value judgements. In addition, whilst efficiencies and effectiveness benefits could be realised through this process, disinvestments in some areas will equal new or reinvestments in others – not all of which will be within SRS. It is therefore important the commissioning paper is not seen as wholly equating to Monmouthshire's required budget savings for 15/16 because whilst it will make a contribution, it is not the whole picture and the challenge to reduce costs and generate recurrent revenue streams remains a business objective irrespective of who commissions what. Our commissioning document aims to enable delivery of a highly productive, optimised and viable service to Monmouthshire County Council.

Appendix 2

SRS Core Service Delivery List

Core service delivery consists of many aspects which the end user of SRS services doesn't see, but without which they would not be able to use ICT services. This is the main list of core services provided by the SRS, and under these main headings there are numerous sub-categories.

- Oversight (Thought Leadership)
- Planning – Turning a vision into reality
- Strategy – Aligning the 3 strategies into one
- Back Office Procurement – For equipment and
- Service Desk – Help via the phone or self-service
- Desktop – the services seen on your laptop
- Repairs – Equipment, networks and servers
- Education and schools ICT provision
- Infrastructure (Core) – Wires and equipment
- Infrastructure (Project) – New initiatives
- Application Development (Core) – Keeping existing systems going
- Application Development (Project) – Commissioning new systems
- SIMS – The core education system
- GIS – The provision and management of the core spatial system
- Reform and Collaboration – Joint services and systems
- R&D (innovation) – For new applications and processes
- Automation and streamlining existing processes
- Quality – Testing and control of the services and infrastructure
- Financial – Managing budgets
- Project Management – For applications
- Relationship Management / Account / Stakeholder – Managing expectations and performance with MCC
- Business Solutions – Providing electronic solutions to business problems
- Training – ICT training for employees
- Value for Money Assessment – Ensuring services add value
- Security – Preventing cyber attacks
- Data Protection – Keeping data safe
- Disaster Recovery – Backup of data and services
- Mobile Device Management – Enabling us to use mobile equipment
- Contract management – Managing the many ICT contracts

Another future function is to bring both primary and secondary schools under the core service provision of the SRS, providing a common ICT platform and standard and ensuring futureproofed ICT services in education. Schools will enter into new SLA's for this revised service.

Appendix 5

Did you know that in 2013-14, for Monmouthshire CC, the SRS delivered -?

- A single tool to manage all Service desk calls using a collaborative platform shared with the Welsh NHS saving thousands in consultancy and software development.
- A tender to implement a single telephone system providing services to Torfaen and Monmouthshire saving over £60k in procuring separately. This will be implemented around August in 2014.
- All 74 PSBA (Public Sector Broadband Aggregation) network connections have been completed, delivering on the full business case from 2011-12 to connect Monmouthshire to the rest of the Public Sector. In addition, the SRS has facilitated the novation of the PSBA contract over to the BT provision.
- A new programme called “SRS Connects” which puts technicians into different departments each week to fix things on the spot and has been very well received.
- The remainder of the iLearnWales project and an integrated Office 365 environment to enable children to work from home or in the school.
- a reduced cost Microsoft Enterprise Agreement by £120k recurring, enabled through projects such as database clustering, user account clean ups and other audit work.
- A shared Primary file storage system and a Disaster Recovery file storage system shared with Torfaen saving around £200k by procuring together.
- A pilot Primary school migrated, The Dell, into the iLearnWales infrastructure which will start to maximise the investment made across all schools.
- A secure, ISO27001 accredited, Welsh Government security level assessed facility that is up to date with all the latest patch and security updates for code of compliance for the first time in Torfaen’s history.
- An increasing level of income in the CCTV area, £25k additional since January 1st 2014 with a reinvestment made in alarm monitoring to drive down internal cost and drive up income.
- Over 80% of the Monmouthshire estate into a virtualised environment to make the most effective use of the Monmouthshire physical footprint.
- Over £30,000 of contracts savings throughout better use of resources and software that exist elsewhere or are no longer used.

- A large Schools Information Management Systems (SIMS) centralisation project to remove a huge amount of risk from the LEA in Monmouthshire for all Secondary's and Primaries. There are no longer any critical SIMS databases and child records sat on old hardware in individual schools.
- The HUB Sharepoint site that connects all staff together in Monmouthshire on very short timescales for a large amount of work.
- Improved technology in Monmouthshire gyms through use of the Monmouthshire network and saving some costs that were previously being incurred.
- A GOLD standard level for gazetteer / mapping across Monmouthshire.
- A connected worker project around making members of staff mobile who would not have had access at all before the project.
- The Green Waste application that has for the second year enabled the Authority to take payments from citizens for bags and permits raising a considerable amount for the Authority.
- The MONICCA work with social services to develop tools they appreciate and use.
- An Electronic Data Records Management System (EDRMS) within the Sharepoint facility, saving money on buying something in.

Core Performance							
Critical Success Factor	Measures	SRS Strategic Aim	Accountable	Performance			
				SRS	GPA	MCC	TCBC
CSF 1 - Maximise availability	Number of outages (volume)	Hard, flexible infrastructure	AD Core / Ops	BM	BM	BM	BM
	Duration of availability (% of time)	Hard, flexible infrastructure	AD Core / Ops	BM	BM	BM	BM
CSF 2 - Service delivery and service standards	Success of implementation of planned changes	One SRS	AD Projects	100%	100%	100%	100%
	SLA targets met over a twelve month period	One SRS	AD Core / Ops	95%	95%	95%	95%
Project Performance							
Critical Success Factor	Measures		Accountable	Target			
				SRS	GPA	MCC	TCBC
CSF 3 - Deliver successful projects	Projects that have successfully delivered the customer agreed scope	Aligned to business needs	AD Projects	100%	100%	100%	100%
CSF 4 - Customer satisfaction with projects	Customer satisfaction rating (projects)	Professional, capable workforce	AD Projects	BM	BM	BM	BM
CSF 5 - Integration of systems	Savings released within the organisations	One SRS	AD Projects				
Customer Perspective (Frontline)							
Critical Success Factor	Measures		Accountable	Target			
				SRS	GPA	MCC	TCBC
CSF 6 - Customer ratings	Customer satisfaction rating (ICT service)	Professional, capable workforce	AD Core / Ops	BM	BM	BM	BM
CSF 7 - Service delivery and service standards	Resolve calls at the first point of contact	Aligned to business needs	AD Core / Ops	> 70%	> 70%	> 70%	> 70%
	Average call response time in seconds	Aligned to business needs	AD Core / Ops		90s	90s	90s
Financial Performance							
Critical Success Factor	Measures	SRS Strategic Aim	Accountable	Target			
				SRS	GPA	MCC	TCBC
CSF 8 - Manage the budget	Manage within the budget set for 2013-14 (millions of pounds)	Aligned to business needs	COO				
CSF 9 - Reducing organisational spend	Savings released within the organisations	Aligned to business needs	COO		£635k	£150k	£150k
CSF 10 - Revenue stream	Income into SRS Public	Collaborative approach	COO				

BM = Benchmark Year



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SRS Deep Dive

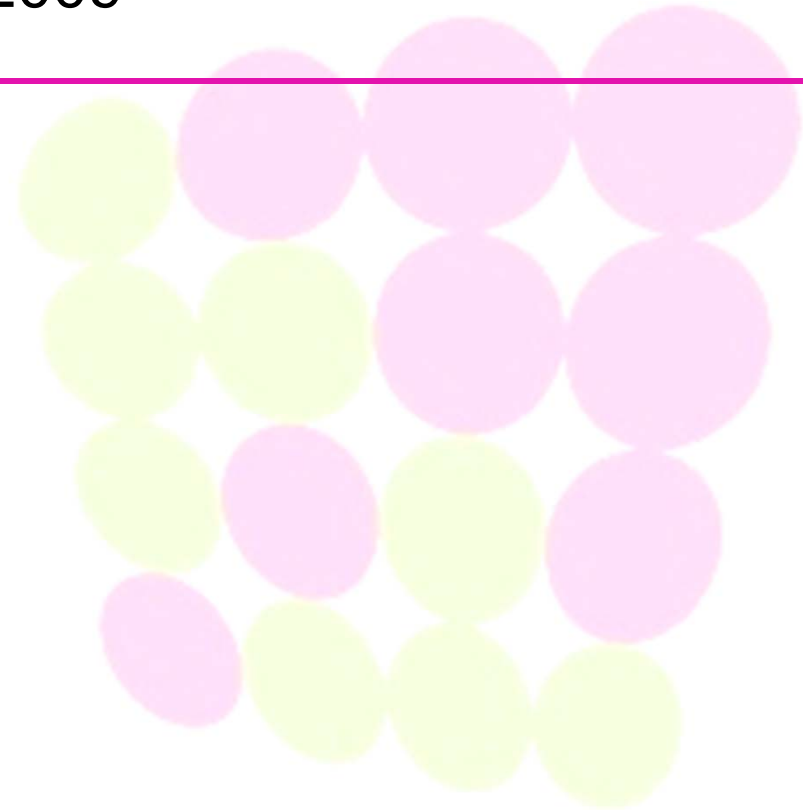
Monmouthshire

March 6th 2015



Where We Started April 2009

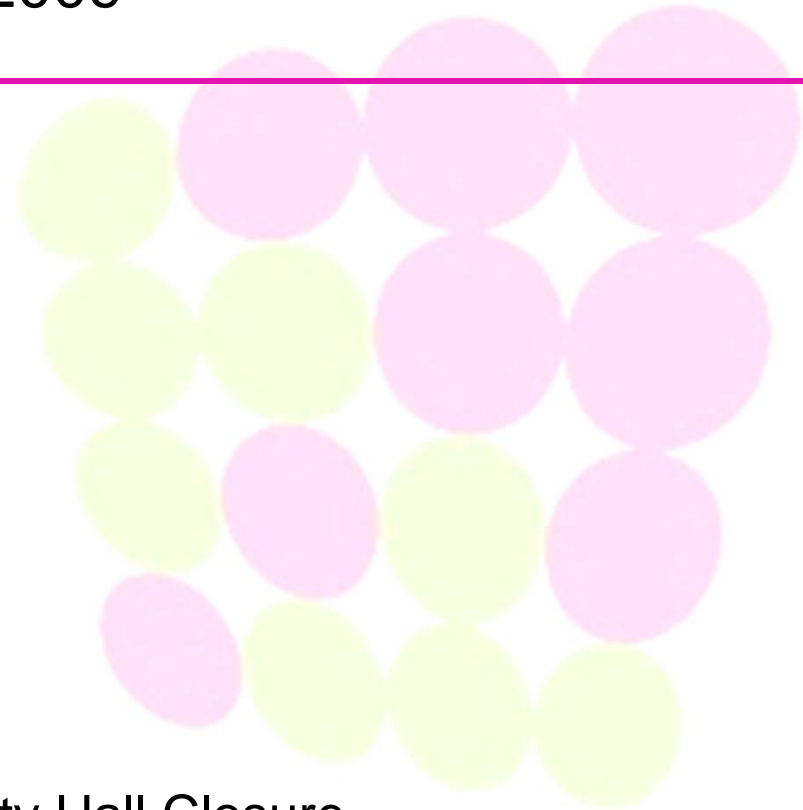
- Age of:
 - Servers
 - Network
 - Systems
 - Desktop computers
 - Requirement for Baseline Assessment
 - Review of Delivery Model / Collaboration
-





Where We Started April 2009

- Decision to:
 - Modernise
 - Rationalise
 - Centralise
 - Collaborate
 - Relocate
- Major Change Programme for County Hall Closure
- Major Change Programme for Agile working





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The Journey



The Journey

- June 2010 – Constructed the Server Room at Ty Cyd 1, new staff structure.
 - June 2011 – Rationalised and transferred systems and data to Ty Cyd 1.
 - July 2011 - Signed the MoU.
 - March 2012 – iLearnWales delivered
 - Feb 2012 – Commenced Implementation of PSBA network.
 - March 2013 - ISO Accreditation at Ty Cyd 1.
 - July 2013 - SRS COO weekly updates commenced.
 - July 2013 - Performance Framework Model introduced.
 - July 2013 - Contract for consolidated storage solution (TCBC & MCC).
 - Oct 2013 - Change Management Procedures implemented.
 - Nov 2013 – Commenced Strategic Review.
-



The Journey

- Nov 2013 - Disaster Recovery Solution Implemented (TCBC & MCC).
 - Dec 2013 – Establishment of ‘SRS Connects’.
 - Jan 2014 – TUPE transfer of Gwent employees to Torfaen CBC.
 - March 2014 – Combined VOIP Telephone solution.
 - April 2014 - Integration of Service Helpdesk.
 - April 2014 - ISO Re-Accreditation
 - May 2014 – Revision of Financial Procedures.
 - July 2014 – development of each members ICT programme boards.
 - July 2014 – ICT Commissioning requirements issued.
 - Sept 2014 – MOU documentation review.
 - Sept 2014 – Successfully delivered NATO functionality.
 - December 2014 – Single call queue
-



Summary Costs



The Cost Summary

- The 2013-14 budget was £2,495,849.
 - The 2014-15 budget was £2,243,149.
 - Current forecast is to come in under the 2014-15 budget.
 - The budget requirement for 2015-16 is £2,076,969.
 - The SRS costs broadly break down into the below areas of spend:
 - People providing services (£1,370,000)
 - Support contracts for the things you use (£380k)
 - Network costs communication lines you use (£430k)
 - Shared costs (£280k)
 - Income into the SRS for services provided (£391k)
-



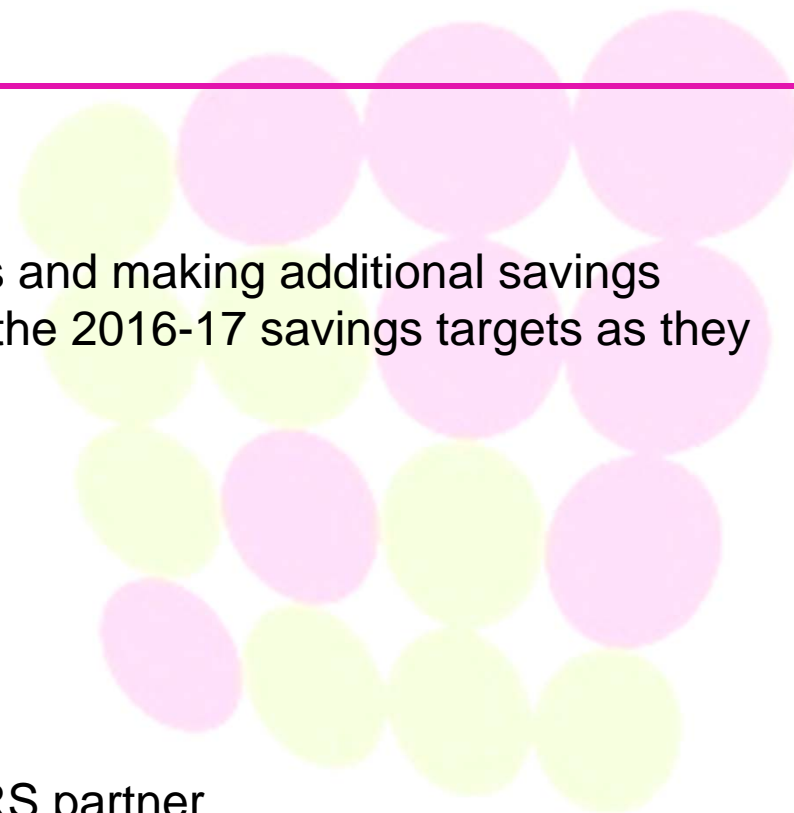
How have we reduced costs internally

- A renegotiated Microsoft Enterprise Agreement
 - Reducing other software maintenance contract spend
 - Redistributing workloads when vacancies arise
 - Rethinking the project / core spending ratios
-
- A decorative graphic on the right side of the slide, consisting of a cluster of overlapping circles in shades of pink, purple, and green, arranged in a roughly triangular shape.



Value For Money

- We will be making further improvements and making additional savings throughout 2015-16 to ensure we meet the 2016-17 savings targets as they become known.
- SOCITM Consultancy
- Service Quality & Benchmarking
- Progressing collaboration with fourth SRS partner





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The Data Centre



What does a rack look like ... ?





What does a data hall look like ... ?





What does the data centre look like ... ?





What do the supporting areas look like ... ?





The Component Parts The Collaborative Structure



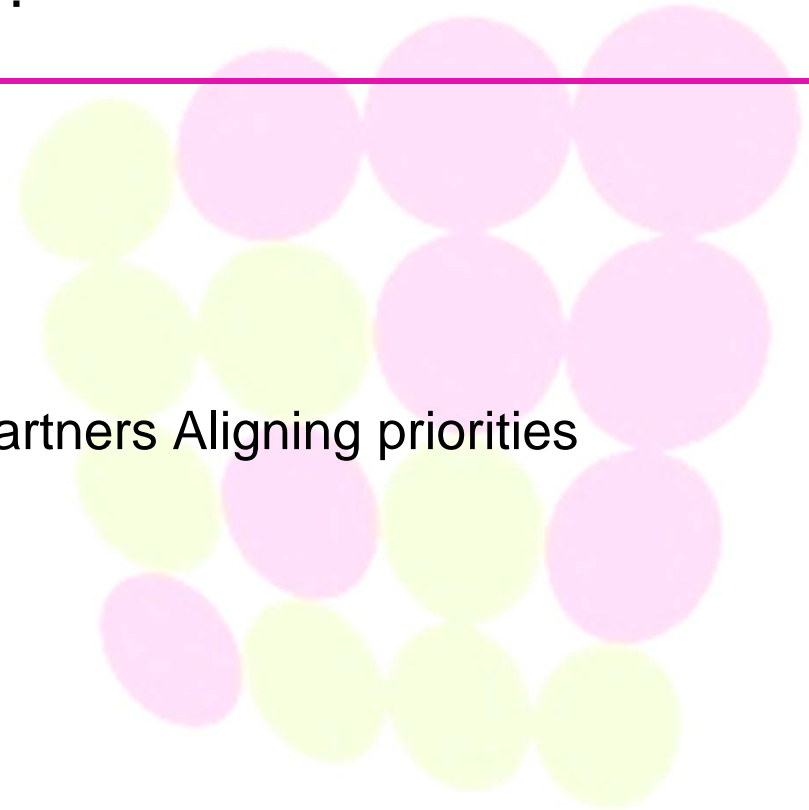
The structure costs

Mgt Team	£144,000
Server Team	£88,000
Network Team	£83,000
Apps Support Team	£76,000
Developers	£26,000
GIS team	£64,000
SIMS team	£39,000
Primary / Secondary Educaion Team	£326,000
Core Education Team	£52,000
Training	£33,000
Service Desk	£115,000
Implementation	£56,000
Inf Sec / CCTV	£45,000
Repairs	£61,000
Moves and Installs	£77,000
Back Office	£83,000



What Price Collaboration?

- Cost
 - Set up Cost / Investment
 - Management Focus
 - Maintaining relationships with partners Aligning priorities
 - Taking Staff on the journey
 - Giving up power for influence
- Gains
 - Economies of Scale
 - Service gains for one organisation rolled into other organisations free of charge
 - Enabler for Service Integration





Current Service Challenges

- Maintaining Old Equipment & Systems
- Competing Priorities
- High Expectations
- Reducing Resources
- Late Requests for Change
- Scope creep and project requirements





The Component Parts Networks and Connectivity



Current Network (82 Connected MCC Sites)

Additional Description - Site Name	Annual Amount
Caldicot One Stop Shop	£25,412.26
Kind Henry VIII	£12,873.92
Mardy Park Residential Home	£340.00
Wilcrick Motorway Depot	£1,427.20
Optons Motorway Depot	£1,301.20
New Tredegar Police Station	£1,372.16
Monmouth One Stop Shop	£2,753.12
Boverton House	£1,803.68
Dewstow Primary School	£1,458.92
Abergavenny One Stop Shop	£1,458.92
Budden Crescent	£1,345.52
Chepstow Comprehensive	£19,583.04
Aber Library	£1,458.92
ArchBishop RW	£1,458.92
Caldicot Castle/Museum	£1,392.76
Cantref School	£1,458.92
Chepstow TIC	£1,392.76
Gilwern Junior and Infant school	£1,458.92
Hanbury House	£1,458.92
Durand Primary	£1,458.92
Goytre Fawr	£1,458.92
Hywell Dda	£1,392.76
Llanfoist School	£1,458.92
Maindiff Crt	£1,392.76
King Henry VIII	£10,917.40
Magor Wales 1	£15,364.56
Mardy Park	£1,458.92
Monmouth Comprehensive	£10,917.40
Old_Pill_Farm	£1,392.76
Coed Glas	£1,458.92
Deri View Primary School	£1,458.92
Hillcrest	£1,345.52
Monmouth Troy Depot	£1,392.76
OLSM	£1,458.92
Raglan School	£1,458.92
Severn View	£1,458.92
Llandogo School	£6,804.76
Monmouth Shire Hall	£4,967.68
Overmonnow_Primary	£1,458.92
Raglan Depot	£2,783.68

Additional Description - Site Name	Annual Amount
Overmonnow Family Learning Centre	£1,392.76
Rogiet Primary School	£1,458.92
Tudor Daycare Centre	£1,392.76
Usk Primary	£1,458.92
Blaenavon Data Centre	£717.24
Castle_Park	£1,458.92
Thornwell Primary	£1,458.92
KyminView	£1,458.92
Contribution to Shared Cost	£155,020.00
Gilwern Youth Service	£1,082.36
Abergavenny Youth & Community Centre	£1,803.72
Ysgol Y Fin	£1,458.92
Undy Primary	£1,458.92
Llanfoist Recycling	£1,803.72
Caldicot Depot	£1,392.76
Llanvair Kilgeddin	£967.92
Flying_Start_Office	£1,032.16
Llanfoist Depot	£1,208.36
Usk Youth Centre	£1,196.80
Aber Museum	£1,392.76
Chepstow Museum	£1,392.76
Gilwern Community Education Centre	£1,458.92
Llanthilo Pertholy	£1,458.92
Magor Primary	£1,458.92
Mamhilad	£466.64
Monmouth Area Office	£1,458.92
Monnow Vale	£1,458.92
Osbaston Primary	£1,458.92
Pembroke Junior	£1,458.92
St Marys Chepstow	£1,458.92
Trellech School	£6,616.72
Usk Adult Education Centre	£1,458.92
Blaenavon Data Centre	£717.24
Caldicot Day Hospital	£1,082.36
The Drama Centre	£1,186.72
Caldicot one stop	£6,012.68
The Rhadyr	£5,790.16
Flying Start	£1,067.08
Chepstow Library	£2,772.84
Cross_Ash_Primary_School	£7,081.16
Blaenavon Primary Care Resource Centre	£1,666.32
Thornwell_Primary_School	£2,254.16



The Component Parts The Systems



Systems Support Contracts

- Hardware support of around £32k for servers and network switches across the data centre and MCC sites
- Software support contracts with the key areas being:
 - Email vault £12k
 - Microsoft server, desktop and Office software £235k
 - Citrix £31k
 - Firewall protection £14k
 - Virtualisation software £24k
 - GIS Mapping software £50k



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The Component Parts Customer Service



Service Desk Philosophy

- One collaborative system, shared with wide than Public Sector
- One collaborative team
- One telephone number
- New contact centre solution
- Re-purposing roles
- The future of the Service Desk





Service Desk Demand

@Team	w/c 24th October 2014			Classification Name
	OPCC	MCC	TCBC	
Applications/Database Support	25	17	26	Local Software
Back Office Support	6	9	16	Windows OS
Desktop Support	32	16	27	PC
First Line (Service Desk)	245	237	189	Network Drive/Folder/File
Network Support	23	7	7	Password Reset
Second Line Support	12	11	18	Niche
Server Support	15	6	6	Extranet
Grand Total	352	294	273	Microsoft Office - Outlook
				BlackBerry - Password Reset
Number of calls open at end of week	69	54	104	ORIS
% calls resolved within First Line	71.4%	83.2%	71.6%	



Service Desk and Self Service

Call List - Windows Internet Explorer provided by Gwent Police

https://live.srsservicedesk.com/ulite/calllist.cfm

ServicePoint *ultralite* SRS ServicePoint Nigel Stephens (GP) (403969) | Log out

Call	Logged	Updated	Type	Title	Service	Team	Status
32384	05-Nov-2014 (09:42)	05-Nov-2014 (09:42)	Password Request	Extranet Password Reset	GP Applications	First Line (Service Desk)	Closed
32336	05-Nov-2014 (08:00)	05-Nov-2014 (08:00)	Password Request	Extranet Password Reset	GP Applications	First Line (Service Desk)	Closed
32320	04-Nov-2014 (16:17)	05-Nov-2014 (09:52)	Login/Access Issue	Website - Unable to Access	GP Internet Services	First Line (Service Desk)	Closed
29167	15-Oct-2014 (15:30)	03-Nov-2014 (09:42)	Functionality Issue	Safend - policy not served	GP Desktop	Desktop Support	Awaiting 3rd Party
29118	15-Oct-2014 (14:07)	16-Oct-2014 (11:39)	Move Request	Equipment - Move Request	GP Installs	Desktop Support	Closed
27509	07-Oct-2014 (08:32)	16-Oct-2014 (09:39)	Hardware Request	new laptop	GP ICT Procurement	Desktop Support	Closed
27496	06-Oct-2014 (17:40)	07-Oct-2014 (13:13)	Standard Request	Lync Connection	GP Account Management	Server Support	Closed
26431	30-Sep-2014 (12:24)	01-Oct-2014 (09:51)	Security Issue	junk email received	GP Internet Services	Server Support	Closed
26147	29-Sep-2014 (10:15)	29-Sep-2014 (10:15)	Login/Access Issue	Citrix Client - Login Prompt (c)	GP Desktop	First Line (Service Desk)	Closed
25782	25-Sep-2014 (10:55)	25-Sep-2014 (11:02)	Disposal Request	Workstation	GP Misc	First Line (Service Desk)	Closed
23360	10-Sep-2014 (11:26)	07-Oct-2014 (10:28)	Functionality Issue	Citrix Client - Connectivity Issue	GP Desktop	Server Support	Closed
21559	02-Sep-2014 (08:37)	07-Oct-2014 (10:26)	Slow Response	User is experiencing problems within an ...	GP Applications	Server Support	Closed
21418	01-Sep-2014 (13:30)	01-Sep-2014 (13:30)	Functionality Issue	outlook has frozen	GP Citrix Services	First Line (Service Desk)	Closed
21085	29-Aug-2014 (11:24)	04-Sep-2014 (13:49)	Request for Information	Could you ask a costing to be put togeth ...	GP ICT Procurement	First Line (Service Desk)	Closed
19318	18-Aug-2014 (12:55)	02-Sep-2014 (15:17)	Request for Information	dongle usage	GP AWS Services	Server Support	Closed
17323	01-Aug-2014 (13:01)	11-Aug-2014 (11:58)	Functionality Issue	Citrix Outlook Issue	GP Citrix Services	Server Support	Closed
17068	31-Jul-2014 (08:35)	31-Jul-2014 (08:35)	Functionality Issue	unable to access outlook user now on xa ...	GP Applications	First Line (Service Desk)	Closed
16940	30-Jul-2014 (10:15)	30-Jul-2014 (10:40)	Functionality Issue	Outlook Access Issue	GP Citrix Services	First Line (Service Desk)	Closed
16488	25-Jul-2014 (16:12)	25-Jul-2014 (16:13)	Functionality Issue	Cannot access gwent guardian	GP Desktop	First Line (Service Desk)	Closed
16191	24-Jul-2014 (09:49)	24-Jul-2014 (09:50)	Functionality Issue	issue accessing u drive	GP Storage	First Line (Service Desk)	Closed
12384	01-Jul-2014 (12:17)	01-Jul-2014 (15:27)	Functionality Issue	I'm having a problem connecting. On p ...	GP Internet Services	Second Line Support	Closed
7411	03-Jun-2014 (15:40)	03-Jun-2014 (15:40)	Slow Response	xa 08 kicked users session off xa 17 sl ...	GP Citrix Services	First Line (Service Desk)	Closed
6501	29-May-2014 (08:08)	29-May-2014 (10:22)	Functionality Issue	Hi This evening between 5.30pm and 6.30 ...	GP Applications	Server Support	Closed

Calls logged in the last 52 weeks



The Future of the SRS



Further SRS Partners - LA

The SRS is structured with a Policing lead and a Local Authority lead.

Local Authority Sector

- The SRS COO has been asked to provide an ICT Leadership function for Blaenau Gwent ICT.
- Currently performing a review of ICT provision.
- A paper will be developed over the coming six months in support of a move into the SRS to be the fourth partner.



Further SRS Partners - Policing

Policing Sector

- Big advances made in technically connecting SWP and GP during the ICT JOINS project work.
 - The next step is to evaluate what a single ICT provision could look like as there are benefits of having one network, one log in account, one mail account, one system and so on.
 - “One SRS” is one of the strategic objectives of the SRS and we encourage these discussions between PCC’s and ACPO teams.
 - SWP ICT should be the fifth SRS partner.
-



SRS

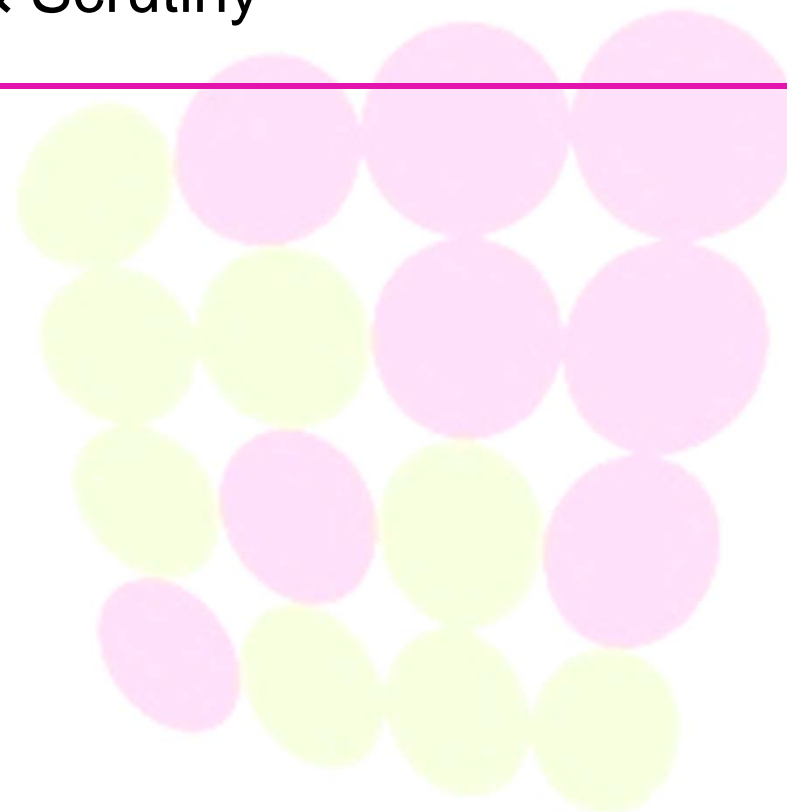
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SRS Governance



Governance, Reporting & Scrutiny

- Monmouthshire Digi Board
- SRS Board
- Torfaen Audit Services
- Scrutiny Committees
- Annual Performance Appraisal







REPORT

SUBJECT	CAPITAL BUDGET MONITORING 2014/15 MONTH 9 OUTTURN FORECAST STATEMENT
DIRECTORATE	Chief Executive's Unit
MEETING	Economy & Development Select Committee
DATE	30th March 2015
DIVISIONS/WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the capital forecast outturn position of the Authority at the end of month 9 for the 2014/15 financial year.

2. RECOMMENDATION

- 2.1 That Members consider the position concerning 3rd quarter capital monitoring with a revised budget of £16.1 million, month 9 spending of £8.2 million and forecast spend of a further £7.7million in last 3 months of financial year, to derive an outturn underspend of £187,000.

- 2.2 That in light of previous concerns about the level of progress with capital projects that Cabinet considers the slippage levels of £9.1 million identified in Appendix 1, and

- accepts slippage proposals totalling £8,159,000 subject to final outturn position being confirmed
- de-prioritises schemes totalling £771,000 whose funding is of a general nature subject to final outturn position being confirmed:

Property Maintenance Schemes	£185k
Infrastructure Schemes	£218k
ESR Access for All	£136k
General Access for All	£200k
RDP	£ 16k
Cemeteries	£ 15k

- Refers ICT schemes totalling £195,000 whose funding is from the IT transformation reserve to the Digital Board for them to consider whether the scheme should be decommitted or slipped as appropriate in the light of other pressures on the IT transformation Reserve

- 2.3 That Cabinet seek confirmation that practice designed to mitigate the level of slippage going forward in future years will be improved such as:

- Ensuring that capital schemes are planned before the beginning of the financial year so that spend can take place in the better weather rather than risk being deferred due to inclement weather later in the year
- Ensuring that there is clear agreement of interested parties as to what is being delivered, that any other funding streams brought to the project by third parties is confirmed, and that the project can progress significantly in the year the budget is requested to be profiled.
- Ensuring that project managers more carefully consider the plans to complete their schemes and estimate realistic timescales for completion so that budgets can be more accurately profiled

2.4 Utilises in part the £771,000 scheme decommitment above to fund the £395,000 new capital priorities of the 2015-16 budget report as per para 3.2.9 and unfinanced additional expenditure of £87,000 manifest at month 9 as per para 3.4.3 subject to final outturn position.

3. MONITORING ANALYSIS

3.1 Capital Position

3.1.1 The summary Capital position as at month 9 is as follows

Select Portfolio	Annual Forecast £'000	Slippage B/F plus Budget 14-15 £'000	Budget Virements & Revisions since last quarter £'000	Total Approved Budget £'000	Provisional Budget Slippage C/F to 2015-16 £'000	Revised Budget 2014-15 £'000	Annual Overspend / (Underspend) Month 9 £'000	Annual Overspend / (Underspend) Month 6 £'000
Children and Young people	7,006	13,084	6	13,089	6,082	7,008	(2)	(55)
Adult	274	259	14	273		273	1	29
Economy & Development	280	814		814	517	297	(18)	(92)
Stronger Communities	8,319	14,326	(3,313)	11,013	2,527	8,487	(168)	(140)
Grand Total	15,878	28,483	(3,293)	25,190	9,125	16,065	(187)	(258)

3.1.2 Revisions to the capital programme during the last quarter reflect combined property maintenance virements of £20,000 in CYP and Adult Select with a compensatory reduction in Stronger Communities select area, and a £106,000 addition to Sc106 Monmouth Development scheme and £34,000 additional Road Traffic Capital Grant scheme and the anticipated realignment of Abergavenny Library budget into alternate scheme in future year, subject to a separate report to Council on 26th February 2015.

3.1.3 The extent of progress and level of spend incurred has been questioned in each of the quarterly monitoring reports. Managers report collectively that they will spend £7.7m in the last 3 months of year, when they only spent slightly more than this over the first 9 months (net £8.2m). There is a risk that this will not materialise as only £3.8 m was spent between month 6 and 9 and the commonly inclement January to March weather is likely to introduce further risk that schemes have to be delayed.

3.2 Proposed Slippage to 2015-16

3.2.1 The forecast outturn presumes £9.1 m slippage, an increase of £3.5m since month 6 and whilst 21c schools initiative remain more significant aspects of it, there are a number of

schemes that evidence limited activity for in excess of 12 months and appear pretty historic in nature.

- 3.2.2 Examination of requested slippage proposals has focussed on schemes where,
- there has been little or no progress in 12 month,
 - the level of expenditure incurred this year has been less than in year budget and slippage brought forward, to consider any opportunity to realign the budget to more realistic levels or reprofile budget more accurately over multiple years,
 - or where there are identified problems/barriers to progress e.g. no agreement over scheme, archaeological considerations, planning considerations not yet satisfied or where little or no explanation of the reason for the slippage is given.
- 3.2.3 Appendix 1 indicates slippage requested by managers, alongside progress narratives, spending activity over the year, whether the budget has slipped forward from previous years and an indication of how the particular capital project is financed to recommend whether the slippage should be approved
- 3.2.4 The analysis indicates £9.1 million slippage proposed by managers, on presumption that Abergavenny Library situation has been confirmed and agreed by Council in the intervening period.
- 3.2.5 Of this £8.1million reflects schemes of an active nature, and where a use of slippage is recommended.
- 3.2.6 Conversely £771,000 worth of schemes exhibit limited progress.

In summary this is represented by the following breakdown:

Property Maintenance Schemes	£185k
Infrastructure Schemes	£218k
ESR Access for All	£136k
General Access for All	£200k
RDP	£ 16k
Cemeteries	£ 15k

- 3.2.7 It is recommended to de-commit these schemes. This will effectively create an underspend on the budget and subject to confirmation at outturn will be used as follows:
- to offset any emerging overspends forecast as £87,000 and subject to confirmation at the year end
 - to fund the additional priorities for the 2015-16 capital programme as recently highlighted in the capital budget report,

“These schemes are assessed as being of a higher priority than schemes currently included in the programme. This relates to the following schemes:

- *Community Hubs – £300k capital investment required to achieve revenue budget savings and create the Hubs in Caldicot by creating the Hub in the existing Library, in Chepstow by creating the Hub in the existing building, in Monmouth by creating the Hub in the Market Hall or Rolls Hall and in Usk by creating the Hub in the building with the Youth service. It is assumed that the proposal in Abergavenny will be funded from the capital already allocated to the Library.*
- *Rights of way issues – current allocation of £40k to be increased by £30k to enable some mitigation measures to be undertaken*
- *Monmouth sports ground - £25k required to ensure the drainage meets all statutory requirements*

- *Caldicot castle kitchen - £40k to bring kitchen up to date and comply with environmental health requirements to enable income targets to be met*

The schemes above are considered of sufficient priority that they need to be funded, however they are not self-financing. All possible sources of external funding will be explored, however if this is not forthcoming it is proposed that any underspends in 2014/15 are carried forward and used for these priority schemes. In the absence of both of these funding streams it is proposed that the following budgets in 2015/16 are reduced to provide the required funding in order for these schemes to go ahead:

*£136k from Property maintenance
£159k from Infrastructure maintenance
£100k from County farms maintenance*

The impact on these capital budgets means that refurbishment and maintenance works to highway infrastructure, property and county farms will be curtailed.”

3.2.8 The remaining possible headroom created could present a number of options to Members as follows:

- to bank as an underspend, reducing the pressure on the revenue budget.
- to be held as a source of headroom to facilitate any capital investment required to deliver further revenue savings in the MTFP
- to reconsider the issues and pressures previously presented in the attached Appendix 2

3.2.9 There is a further category of de-commitment proposed, which due to the specialist IT nature of funding, isn't readily transferrable to alternate schemes. These schemes need to be reconsidered by the Digital Board once timely spending can be guaranteed, that the nature of the works/costs is explicit, that impediments to progress have been resolved, and agreement confirmed with interested parties. The category of de-commitment totals £194,000 IT transformation reserve funded.

3.3 Outturn

3.3.1 The capital programme for 2014-15 evidences a forecast underspend of £187,000, largely the consequence of,

Children and Young People – **underspend** in SIMS development costs (£5,000) compensating for overspend in Property Maintenance costs (£3,000)

Adult – **overspend** in Property Maintenance cost at Mardy Park (£1,000)

Economy & Development – net **underspend** (£18,000) in development schemes compensating for legal costs incurred in successfully defending the Council practice in Abergavenny regeneration project. Colleagues are exploring whether and to what extent the Council could reclaim our legal expenses.

Stronger Communities – net **underspend** of £168,000, predominantly the effect of an underspend of £207,000 against an abortive highways scheme which ultimately isn't a net underspend as it's financing will need to be returned to Welsh government, underspends on IT projects totalling £36,000, net savings of £4,000 in property maintenance costs (compensating for property maintenance cost overspends in CYP and E&D), £17,000 underspend on maintenance to County Farm portfolio, which mitigate an overspend to the 3g pitch project and surrounding ground condition issues of combined £83,000 (subject to a separate report to March Cabinet meeting), miscellaneous overspends of circa £9,000, and

an overspend of £5,000 in respect of old" County Hall which would be funded 50:50 funded with Torfaen County Borough Council.

Given the return of transport grant and part funding of old County Hall costs by TCBC, Stronger Communities capital schemes more transparently indicate a £37,000 overspend for the reasons described above.

Whilst there are forecast over and underspends in respect of Property maintenance across Select areas, traditionally property maintenance have been viewed collectively and overall exhibits a balanced position.

3.4 Capital Financing and Receipts

3.4.1 Given the anticipated capital spending profile reported in para 3.1.1, the following financing mechanisms are expected to be utilised.

Financing Stream	Annual Forecast Financing	Approved Slippage B/F	Original Budget	Budget Virements & Revisions	Total Approved Budget	Provisional Budget Slippage C/F to 2015-16	2014-15 Adjusted Budget	Increased / (Reduced) Financing	Comments
Supported Borrowing	2,420		2,420		2,420		2,420	0	
General Capital Grant	1,473		1,473		1,473		1,473	0	
Grants and Contributions	2,481	53	1,246	4,348	5,647	2,962	2,685	-204	An underspend on specific grant funded schemes of £207,000 offset by an increased contribution due from TCBC in the event that the forecast overspend on County Hall demolition
S106 Contributions	422	556		527	1,083	661	422	0	
Unsupported borrowing	5,036	6,710	3,492	91	10,294	5,257	5,037	-1	
Earmarked reserve & Revenue Funding	407	656	0	231	887	439	448	-41	Underspends on ICT schemes
Capital Receipts	4,400	2,957	1,707	2,095	6,759	2,260	4,499	-99	County Farms maintenance and reinvestment & RDP schemes are forecast to underspend by £17,000 and £75,000 reducing the need to call on capital receipts.
Low cost home ownership receipts	52	60			60	8	52	0	
Unfinanced	158				0		0	158	Overspends on the 3G pitch Caldicot (£71,000), Abergavenny Regeneration (£57,000), Caldicot School Drainage (£11,000), County Hall replacement (£7,000), County Hall demolition (£2,500) and other small scheme variances (£10,000)
Grand Total	16,849	10,992	10,338	7,292	28,623	11,587	17,036	-187	

3.4.2 The effect of slippage and underspends identified above are anticipated to predominantly delay the need to access unsupported borrowing and capital receipts.

3.4.3 There will be a need to identify funding for £158,000 worth of overspends that are currently unfinanced. The sc106 aspect element on 3g pitch will be subject to a separate report for funding consideration, and whilst the remaining balance (£87,000) would normally involve a recommendation about additional capital receipts usage or borrowing. There would still be an anticipated net surplus resource created by the decommitment of historic schemes identified in para 3.2.6 despite proposing in the first instance to use this capacity to support the new priorities in the 2015-16 totalling £395,000.

3.5 Useable Capital Receipts Available

3.5.1 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments is shown. This is also compared to the balances forecast within the 2014/18 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

TOTAL RECEIPTS	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000
Balance b/f 1 st April	7,854	15,423	11,782	21,205
Receipts forecast to be received	21,165	13,556	4,000	2,000

in year as 2014/18 MTFP

Increase / (decrease) in forecast receipts forecast at month 9	(10,170)	(2,881)	21,200	0
Deferred Capital Receipts	4	4	4	4
Less: Set aside Capital Receipts	0	0	(10,452)	0
Less: Receipts to be applied	(3,429)	(1,930)	(76)	(538)
Less :21C Schools programme	(0)	(12,391)	(5,252)	(11,207)
TOTAL Actual / Estimated balance c/f 31st March	15,423	11,782	21,205	11,464
TOTAL Estimated balance reported in 2014/18 MTFP Capital Budget proposals	14,062	26,923	30,851	32,317
Increase / (Decrease) compared to MTFP Capital Receipts Forecast	1,361	(15,141)	(9,645)	(20,853)

3.5.2 The Council has agreed to the inclusion of 21c schools initiative within the capital programme. This relies on utilising £29 million receipts during this next 4 year MTFP window, and a further £600,000 in 2018-19. Consequently the balance of capital receipts available during this MTFP window has reduced compared to the original 2014/18 MTFP predictions due to the anticipated resourcing of the 21st Century Schools programme.

3.5.3 Despite changes in the timing of individual receipts, which remains a risk to the Council to ensure it has sufficient receipts to fund its expenditure aspirations in the years necessary and avoid temporary borrowing costs, the balance of capital receipts available to fund capital expenditure, at the end of this next MTFP window has been revised to circa £11 million, as a consequence of additional receipts predominantly LDP related.

4 REASONS

4.1 To identify the progress with capital projects and improve the timely utilisation of resources.

5 RESOURCE IMPLICATIONS

5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

6.1 The decisions highlighted in this report are reviewed in the attached EQIA.

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 Slippage analysis
- Appendix 2a Major capital pressures
- Appendix 2b Issues List
- Appendix 3 Strong Communities Select Committee portfolio position statement
- Appendix 4 Economy and Development Select Committee portfolio position statement
- Appendix 5 Adult Select Committee portfolio position statement
- Appendix 6 Children and Young People Select Committee portfolio position statement

Proposed Slippage Analysis and Recommendation**Appendix 1**

- 1.1 Managers combined advocate the following budgets to be carried forward into 2015-16.
- 1.2 The majority of which is sensible to slip forward as it is an extension of existing work that is demonstrable, however there are a minority of schemes, where
 - there has been little or no progress in 12 month, and the budget has slipped forward from a previous year
 - the level of expenditure incurred this year has been less than in year budget and slippage b/fwd., so I'd propose taking the opportunity to realign the budget to more realistic level,
 - or where there are identified problems/barriers to progress e.g. no agreement over scheme, archaeological considerations, planning considerations not yet satisfied or where the manager hasn't evidenced in the progress narrative why this should be slippage rather than an underspend.
- 1.3 Officers of the Capital Working Group, who act as representatives for their Directorates and services, have been engaged with intentions. To date no adverse feedback has been volunteered to specific proposals and the general reaction is it would be sensible to review historic schemes to consider whether they still exhibit a strategic relevance for the authority, particularly in an environment where new schemes have to demonstrate that they are either self-funding or that new priorities displace existing schemes within the programme.

	Annual Forecast	Approved Slippage B/F	Total Approved Budget	Provisional Slippage identified by managers	Recommended Slippage	Budgets proposed to be de-committed to provide headroom for Cabinet to consider alternate priorities	Budgets proposed to be de-committed, where financing usage is restrictive and not recyclable to alternate general schemes, to be brought back for Cabinet endorsement once scheme, need and cost has been reviewed	Funding aspect
Children & Young People Select Portfolio								
New Monmouth Comp – 21c Schools	511,000	0	2,740,000	2,229,000	2,229,000			
New Caldicot Comp – 21c Schools	478,000	0	3,211,000	2,733,000	2,733,000			
ESR: Access For All	27,380	127,380	177,380	150,000	14,000	136,000		£14k of ESR receipts. General element recyclable
New School Caldicot Green Lane Site	25,000	50,000	50,000	25,000	25,000			
New Thornwell Primary	656,782	598,037	690,037	33,255	33,255			
Monmouth Comp – 21C Feasibility	426,133	839,133	839,133	413,000	413,000			
Caldicot Comp – 21C feasibility	463,063	863,063	863,063	400,000	400,000			
Economy & Development Select Portfolio								
Brewery Yard Development	10,000	12,500	12,500	2,500	2,500			
Replacement Cattle Market	28,325	226,325	226,325	198,000	198,000			
Caerwent House, Major Repairs	0	300,000	300,000	300,000	300,000	0		Self financing CPO
Rural Development Plan for Wales	0	6,430	6,430	16,181		16,181		This usage of slippage is not strictly in the conditions of the RDP grants but is MCC funded so could be recycled

	Annual Forecast	Approved Slippage B/F	Total Approved Budget	Provisional Slippage identified by managers	Recommended Slippage	Budgets proposed to be de-committed to provide headroom for Cabinet to consider alternate priorities	Budgets proposed to be de-committed, where financing usage is restrictive and not recyclable to alternate general schemes, to be brought back for Cabinet endorsement once scheme, need and cost has been reviewed	Funding aspect
Stronger Communities Select Portfolio								
Proposed New Abergavenny Library	0	3,433,302	3,433,302	0	0			
County Farms Fixed Asset Disposal Costs	7,600	20,899	20,899	7,000	7,000			
Non County Farms Fixed Asset Disposal Costs	60,781	224,116	394,116	335,335	335,335			
Access For All	203,605	223,619	473,619	270,014	70,014	200,000		MCC funding
lfton Common Sewerage Treatment Plant	0	10,070	10,070	10,070	10,070			
Area Management (Combined)	15,000	15,725	35,725	20,725	20,725			
Cemeteries Investigations	953	15,907	15,907	14,954		14,954		MCC funding
PV Scheme - Usk Primary	0	29,334	29,334	29,334	29,334	0		This is borrowing taken out for specific schemes. Interest/mrp on borrowing is paid for by service from income from panels when in use. Can not be taken for other scheme. If scheme could not go ahead this would have to be removed from program and budget vired back to service.
Car Park Granville St & Wyebridge St	0	200,000	200,000	200,000	200,000	0		This comes from Invest to redesign reserve - as Cabinet report 27/9/2012 so would have to go back to that reserve if not spent. (Although could then reuse reserve)
Signing Upgrades And Disabled Facilities	0	51,250	91,738	91,738		91,738		MCC funding
Implementation & Review Of TRO's	0	10,250	18,348	18,348		18,348		MCC funding
Parking Studies	0	31,779	39,877	39,877		39,877		MCC funding
Structural Repairs - PROW	24,755	52,336	92,820	68,065	68,065			
Accessibility Enhancements	3,729	72,643	72,643	68,914		68,914		MCC funding
CRM	40,000	146,652	146,652	106,652		0	106,652	IT reserve funded
Highways Asset Management & Road	12,176	50,089	50,089	37,913	37,913			
Replace MCC Central Storage Devices(Net App Servers)	0	49,299	49,299	49,299		0	49,299	IT reserve funded
Purchase of Sharepoint and Active Directory Licences	0	38,737	38,737	38,737		0	38,737	IT reserve funded
Imp. Physical & Virtual Access-Museums Collections	20,125	44,480	44,480	24,355	24,355			
Internet / Intranet Functionality	680	40,104	40,104	39,424	39,424			
Low Cost Home Ownership	52,000	60,000	60,000	8,000	8,000			
County Farms Maintenance & Reinvestment	324,445	236,877	441,603	100,000	100,000			

	Annual Forecast	Approved Slippage B/F	Total Approved Budget	Provisional Slippage identified by managers	Recommended Slippage	Budgets proposed to be de-committed to provide headroom for Cabinet to consider alternate priorities	Budgets proposed to be de-committed, where financing usage is restrictive and not recyclable to alternate general schemes, to be brought back for Cabinet endorsement once scheme, need and cost has been reviewed	Funding aspect
Magor & Undy Community Hall	0	49,846	32,346	32,346	32,346	0	0	S106
Multi Use Games Area Bayfield Open Space	0	70,470	70,470	70,470	70,470	0	0	S106
S106 – Recreation Croesonen	0	40,000	40,000	40,000	40,000	0	0	S106
S106 - Llanfoist and Llanwenarth Ultra	23,000	141,052	141,052	118,052	118,052			
S106 – Church Road Caldicot – Offsite Rec	32,494	70,619	70,619	38,125	38,125			
S106 - Pedestrian Improvement RE Land off Sudbrook Road	0	28,334	28,334	28,334	28,334			
S106 - Croesonen Infants Site, Abergavenny	0	23,374	23,374	23,374	23,374	0	0	S106
S106 – Combined 3 Monmouth Developments	129,250	0	439,574	310,324	310,324			
Slippage excluding Property Services	3,576,276	8,504,031	15,760,999	8,739,715	7,959,015	586,012	194,688	
Property Services Maintenance								
Stronger Communities Select Portfolio								
Penyrhiw - improvements to treatment plant	0	62,335	62,335	62,335		62,335		MCC funding
Passenger Transport - Repair path & resurface yard	0	0	6,810	6,810		6,810		MCC funding
Various - Safety Glazing film works	23,876	0	28,375	4,499	4,499			
Chepstow LC - repair/repl timber cladding to sports hall	0	0	11,350	11,350		11,350		MCC funding
Slaughterhouse Arches - Continue Stonework repairs & repointing	350	0	28,375	28,025	28,025			
Abergavenny LC - Replace CHP Plant	0	0	79,450	79,450		79,450		MCC funding
Chepstow LC - Replace CHP plant, Flues. Heat curtain to entrance	2,153	0	96,475	94,322	94,322			
Property Services								
Thornwell Primary - Re-render panels	188	25,000	25,000	24,812		24,812		MCC funding
Trellech Primary - install biomass boiler	5,970	0	79,450	73,480	73,480	0		MCC funding
Property Services explicit slippage	32,537	87,335	417,620	385,083	200,326	184,757	0	
TOTAL	3,608,813	8,591,366	16,178,619	9,124,798	8,159,341	770,769	194,688	

Indicative Major Capital Pressures

Appendix 2

Appendix 2a - Major Capital Pressures

Description of Pressure	Forecast Cost
<p>The major review of the waste Mgt and recycling service is ongoing and will report in late Winter 2014 to Members with a proposal to delay revisions to the service until further analysis has been done. Proposals are likely to include consideration of receptacles rather than bags (anticipated cost of between £0.3-1.3m) To accommodate the change at kerbside, developments will be needed at our transfer stations at an indicative cost of £800k depending on the scale of works required. Options may be limited if WG insist on certain scheme components. The quoted capital costs exclude new vehicle costs which are modelled as being leased currently.</p>	2,100,000
<p>Monmouth Community Amenity site upgrade - indicative costs are £1.5-2m if built and run by the Council. The transfer station and CA capital costs could be avoided if the Council decided it was best value to procure a build, finance, operate contract for its sites in future. The work to evaluate these options will follow on after kerbside collection.</p>	2,000,000
<p>Bringing County highways to the level of a safe road network. This backlog calculation figure has been provided by Welsh Government. The Authorities Capital Programme is not addressing the backlog significantly as the annual level of funding available is not of sufficient magnitude to address this. The annual programme is set in relation to the approved budget and this programme is shared with all members. Routes are selected on the basis of their significance within the overall highway network and their condition. Programmes are reviewed annually around December and then distributed to members.</p>	80,000,000
<p>Investing in infrastructure projects needed to arrest road closures due to whole or partial bank slips. Without additional expenditure there is the potential for deterioration, increased scheme costs, disruption to communities and the travelling public and road closures.</p>	5,000,000
<p>Backlog on highways structures including old culverts, bridges and retaining walls. With existing budget this backlog will take 23 years to cover and there will be increased likelihood of loss of network availability.</p>	12,700,000
<p>Reprovision or repair of Chain Bridge - Cost prediction is indicative at present. Detailed estimates will be available Jan 2015. The bridge is currently under special management measures and inspection. Repair/ reprovision will remove / minimise the need for these measures. Without remedial work, the structure will continue to deteriorate. The current 40T maximum limit will have to be further reduced restricting access to the Lancayo area especially for heavy vehicles.</p>	2,500,000
<p>Property Maintenance requirements for both schools & non-schools as valued by condition surveys carried out some years ago. The existing £2m annual budget mainly targets urgent maintenance e.g. health & safety, maintaining buildings wind & watertight, etc., and is insufficient to address the maintenance backlog. A lack of funding means maintenance costs will rise; that our ability to sell buildings at maximum market rates will be affected ; Our ability to deliver effective services will be affected and a Loss of revenue and poor public image.</p>	25,000,000
<p>Disabled adaptation works to public buildings required under disability discrimination legislation.</p>	7,600,000

Maintenance and H&S works to historic buildings. Little progress has been made to date as the only budget available is the already overstretched capital maintenance programme. Without remedial works, Health and Safety risks become higher, long term maintenance costs become higher and potential revenue is lost from e.g. tourism, bookings, exhibitions, use of the locations for large events i.e. Food festival. CADW and landlords could force authority to carry out emergency repairs.	4,000,000
School Traffic Management Improvements at Castle Park and Durand Primary Schools - based on works carried out on similar buildings.	450,000
Refurbishment of all Public Toilets	250,000
Modification works to school kitchens to comply with Environmental Health Standards. Without additional funding school kitchens may have to be closed and additional costs for transporting meals incurred, possibly causing disruption to the education process.	400,000
Remedial works to deal with Radon gas issues. Once the surveys are completed, where high levels of radon gas are established action has to be taken. Without this action, buildings will need to be closed and costs may be incurred for moving and relocating staff or schools.	250,000
Removal of Asbestos containing materials (ACM's) from buildings	2,000,000
Caldicot Castle remedial works - longer term pressures given the condition of the curtain walls / towers etc. The £2-3m estimate is a ball park figure ranging from just the backlog of maintenance to also including improvements to bring the visitor facilities up to modern standards. An RDP grant is paying for a condition survey / outline conservation plan. The current condition of buildings constrains current operations and will impact on future management options including the assessment of viability of potential Cultural Services Trust. Heritage Lottery Funding is possible (but very competitive) Substantial match funding would still be required.	3,000,000
Countryside Rights of Way work needed to bring network up to statutorily required and safe standard. This should be taken as a provisional figure as surveys and assessments of bridges and structures are on-going and the rights of way prioritisation system which includes risk assessment will more accurately define and rank the backlog. Bridge management report on 787 bridges completed in October 2013 identifies 254 known bridge issues of which 77 need repair, 31 replacement & 80 are missing. 68 have 'other' issues including 51 bridges which require full inspection to further ascertain requirements/costs. 13 bridges are 10m+ and require replacement or repair. It is not possible to cost all of these currently but a ball park figure of £288k has been identified for the first tranche of issues.	2,200,000
Transportation/safety strategy –Air Quality Management, 20 mph legislation and DDA (car parks)	1,200,000
Disabled Facilities Grants (DFGs) - The DFG's budget has remained unchanged for the last ten years. Each year the fully committed/spent date falls earlier in the financial year. This year we expect the budget to be fully committed by end October.	500,000
Sub Total Major Pressures	151,150,000

Appendix 2b - Issues List			
Area	Background	Forecast Cost if known	Recommendation
Community Hub	The revenue budget proposal to create community hubs will require capital investment to ensure the Hubs have appropriate accommodation in Caldicot by creating the Hub in the Library, in Chepstow by creating the Hub in the existing building, in Monmouth by creating the Hub in the Market Hall or Rolls Hall and in Usk by creating a Hub in the building with the Youth Service. It is assumed that the proposal in Abergavenny will be funded from the capital already allocated to the library.	300,000	Being included in Capital Budget for 2015/16
Monmouth Pool	Monmouth Pool – Recent report indicated options for members. Preference was to replace the pool, with a 4 lane 25 metre pool , subject to finalisation of budget costs and funding streams linked to 21st century schools	4,000,000	Requires business case to establish funding
Cycle track	The site at Gilwern wasn't suitable due to ecology issues in the national park and the need to use flood lights etc. Alternative sites will be considered if appropriate. Gilwern report 6/11/13 - was for £150k from Sports Wales, £120k S106 funding, £50k from Leisure budget and £150k Invest to save.	0	Requires business case to establish funding
Energy Efficiency schemes	Solar farm project requires member and Planning support - estimate Nov 14 Cabinet – proposal to be funded initially from borrowing (£5.7m cost), but ultimately self-financing from feed in tariff to provide net saving in time.	0	Requires business case to establish funding
Accommodation rationalisation including J block	Rationalisation of property portfolio to include remodelling of J Block, Usk - Lease extension to Coleg Gwent until Dec 2016. Once building empty, 9 month refurbishment before move in (Sept 17) which will require capital investment.	0	Need to establish cost for consideration in 2016/17 capital budget
Car parking strategy – Rockfield road £250k	Cabinet report 3/9/14 - proposed that a report go to Council to invest capital budget to include Rockfield Road £250,000 subject to final agreement of charging policy	250,000	Subject to final agreement on charging policy
Outdoor education strategy	A review of the service is ongoing looking at increasing revenue opportunities and also if the current three site approach is suitable for future delivery. If the conclusion of the report is close a facility, capital money will be required to develop facilities on remaining sites. The review is at an early stage. If combined 3 buildings into one, could free up a site and maybe generate a capital receipt; Will have completed review by Dec 14 ;	0	Review to take place
ALN strategy	Mandate 35 of the MTFP 14/15 outlines a review of current ALN service to ensure integration and streamlining the current service offer and may require capital investment	0	Review to take place

Depot rationalisation – transport	As it currently stands – Transport will not be requiring any capital monies. Transport Manager is working on a report to rent premises and bring PTU buses in house for servicing which will help cover the additional cost of the premises. A new fitting shop is becoming essential for Caldicot. Presently considering a site which would need around £25k capital set up costs	25,000	To be covered within existing budgets
Cultural services strategy	Currently the service is exploring future delivery options including trust status. Part of the work will involve conditions surveys which may lead to capital works being required. Included:- e.g. museums, Shire hall, Abergavenny castle, Old station Tintern, Caldicot castle; Have requested £30k from Cabinet to undertake the review (15/10/14);	1,000,000	Review to take place
Cemeteries	Monmouth Cemetery closed; A new north of county cemetery is regarded as low priority. Cabinet recommended that SCOMM Select look into this further.	0	Select to consider
Business Growth & Enterprise Strategy	The ‘draft’ strategy is currently out for consultation and we will be looking to bring the final report back through Cabinet. There are potential capital expenditure requirements in the following areas. Investment in digital and web presence – some of this is being secured through existing budget provision. However, there are likely to be business cases put through that will request additional funding. This will ultimately feed through Digital Board. Monmouthshire Crowd funding platform / lottery – a piece of research being done by the University of South Wales. Whether we move forward with a lottery concept and/or a crowdfunding platform there is potential for a request for MCC loan finance to: (a) Provide the initial capital (early estimate of £50k) for an independent organisation to run it; and (b) To provide initial capital (estimate of £1m) to allow loan finance to allow businesses to access low-interest or interest free	1,050,000	Requires business case to establish funding
Business Growth & Enterprise Strategy	Loan finance, potentially as match funding alongside crowdfunding. Business Hubs – working with Estates to identify appropriate space that would allow the Authority to develop Business hubs in our key towns. This will require a business case to come through.	5,000	Requires business case to establish funding
SRS	Similarly there is work ongoing with the SRS. We are putting a commissioning document in place that outlines what we require from the SRS going forward. This is being informed by a market testing exercise that is being done. This will then result in SRS providing clarity on what this means, not just in ongoing revenue terms, but also in terms of medium term capital implications.	0	Requires business case to establish funding
People Strategy	A revised People and Organisational Development Strategy has been taken through Cabinet. There is some work to do on our HR systems and processes. From this it is envisaged that there may well be investment needs that are required which of course would feed through Digital Board.	0	Requires business case to establish funding
Children's Services Contact centres	Capital required for adaptation of buildings for occupation.	0	Being completed in 2014/15

Sewerage treatment plan	Shirenewton sewerage treatment plant - Estimate increased from £50k to £75k. Last service /inspection report received in Sept 2014 stated 'very poor general condition and system in desperate need of replacement'.	75,000	To be managed within the current allocation in the budget
Sewerage treatment plan	Penyrhiw, Llanwenarth Citra sewerage treatment plant – is being reactively managed and remedially repaired, but is well past economic repair.	75,000	
Sewerage treatment plan	Itton Common Sewerage treatment plant - There is currently £10k in the capital programme but anticipated cost of works suggests a requirement for an additional £15k due to the need to acquire an additional area of land.	25,000	
Countryside	Llanfoist Bridge - The failure of the stone blockwork on the River Usk by Llanfoist bridge in Castle Meadows, Abergavenny – This continues to get worse and whilst we occasionally fill the resulting voids as it slumps it will eventually fail more fundamentally probably associated with a major flooding event. Given it's the likely site for the Eisteddfod this is becoming a much higher corporate risk.	50,000	Capital allocation for countryside to be increased from £40k to £70k. An additional £30k included in 2015/16 capital budget
Countryside	Current Rights of Way issues (Whitebrook byway) - Engineering assessments have been completed on landslip / collapse of byway at Whitebrook, estimated cost of repairs in the region of £70-£80k.	75,000	
Countryside	Current Rights of Way issues (Wye and Usk Valley Walks) - Engineering assessments have been completed on river erosion / landslips on the Wye and Usk Valley Walks. [Monmouth Viaduct] (Wye Valley Walk) £23,925, [Clytha] (Usk Valley Walk) £46,725, [Coed Y Prior] (Usk Valley Walk) £9,900, site investigations/design £5,500	86,000	
Countryside	Current Rights of Way issues (Closed Dangerous Bridges) - part of the wider rights of way bridges pressure (see major pressures) but specifically relating to those bridges in such poor condition that they have been legally closed on health and safety grounds	29,000	
Leisure	Monmouth Sportsground - The Monmouth Sports Pavilion is part of the land leased to the Monmouth Sports Association. The drain was diverted direct into the River Monnow when the second Monnow Bridge was constructed. However this needs to be reviewed to ensure it complies with all requirements. Capital costs are likely to be £10,000 for the sewer re-routing and connection works plus fees, the cost of a Section 104 Agreement with Welsh Water (DCWW) and the cost of adopting the sewer connection once the work is completed.	25,000	
Property services	Radon Gas Surveys	30,000	Revenue cost
Property services	Tree Risk Assessments	30,000	Revenue cost
Countryside	Caldicot Castle - Kitchen Modifications (£40k) to bring up to date and comply with environmental health requirements and to allow banquets to take place and provide additional income to the castle. Consolidation of fire and security alarms (£20k)	60,000	£40k capital investment being included in 2015/16 to achieve the increase income targets in the revenue budget
Property services	School Kitchen H&S Works - Gas safe interlock valves are now required to all school kitchens to comply with Gas safe regulations. Also required to these kitchens are replacement cookers as some of the units present do not have gas flame safety devices	36,000	Being funded through property planned maintenance allocation

Leisure	Caldicot 3G pitch - Unanticipated ground conditions, electrical connection capacity and retention of original pitch by school are anticipated to increase costs.	55,000	Being addressed in 2014/15

**Strong Communities Select Committee Portfolio Position Statement
Position Statement and Prospective Scrutiny Points**

Appendix 3

1. Capital Outturn Forecast

- 1.1 The capital budget has been revised to £8,487,000 from £10,037,000. This was made up of £6,235,000 2014-15 allocation, £7,192,000 slippage from 2013-14 (although £3,433,000 relates to the new library provision and is anticipated to slip again into 2015-16). The budget has been increased between October and December by £120,000 on the previous revisions reported of £899,000 but does also reflect the proposed realignment (subject to separate report) of Abergavenny Library resource to future years. These latest revisions comprise

	£'000
Monmouth Development Sc106	106
Additional Road Traffic Capital Grant to supplement works	34
Reduction in property maintenance (virements to other Select areas, nil effect overall)	(20)
Total	120

- 1.2 The budget exhibits a net reduction since month 6 due to the net increase in slippage being higher than increase in revisions. Slippage is proposed to increase by £1,671,000 to £5,960,000 and comprises

	Month 9 £'000	Month 6 £'000
Abergavenny Library (subject to separate report concerning decommitment)	0	3,433
Fixed asset disposal	342	146
Access for all scheme	270	120
Infrastructure repairs	287	30
IT systems	297	92
Section 106 schemes	661	468
Development Schemes	75	
Granville St & Weybridge St Car Parks	200	
County Farms maintenance	100	
Low cost home ownership	8	
Property maintenance	287	
Total	2,527	4,289

- 1.3 At the start of 2014-15 the Council accrued for £890,000 worth of work completed but not invoiced, as at the end of month 9 it had incurred only £4,493,000. As communicated previously during quarterly monitoring this wouldn't normally be a profile that would indicate full spending by the end of the year, a symptom of which being the need to report increasing slippage as the year progresses.
- 1.4 The outturn forecast exhibits a net underspend of £168,000, however £207,000 of this relates to a transport grant scheme not progressing which was highlighted at month 6 and for which we will need to repay WG grant so there isn't a saving that can be offset against other schemes in reality. So the more transparent position is an overspend of £39,000, predominantly the effect of overspends to 3g project and related drainage works in vicinity

which exhibits a combined pressure of £83,000, which will be subject to a separate report to March Cabinet committee. There are some other minor overspends caused largely by retentions being larger than remaining budget for a minority of schemes which have been offset by savings in IT scheme spend (£34,000), fixed asset disposal costs (£4,000), county farms maintenance (£17,000) and property maintenance (£4,000).

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

[Month 9 Capital Monitoring \(please don't check out document\)](#)

**Economy & Development Select Committee Portfolio
Position Statement and Prospective Scrutiny Points**

Appendix 4

1. Capital Outturn Forecast

- 1.1 The capital budget for the year is £297,000, a reduction on £732,000 budget reported at month 6, caused by £517,000 slippage reported by managers which wasn't evident at month 6. The original budget was made up predominantly from slippage brought forward from 2013-14 and £82,000 worth of in year revisions reported previously in respect legal costs incurred in relation to Abergavenny regeneration. These costs have increased by a further £57,000 since month 6. The Council has successfully defended the claim and officers are considering whether, and to what extent such costs could be transferrable to the plaintiff.
- 1.2 At the start of 2014-15 the Council accrued for £232,000 worth of work completed but not invoiced in respect of cattle market commissioning. As at the end of month 9 it had incurred only £195,000, and only £2,000 related to the cattle market. As communicated previously during quarterly monitoring this wouldn't normally be a profile that would indicate full spending by the end of the year, a symptom of which being the need for managers to report increasing slippage as the year progresses.

The £517,000 slippage relates to

	Month 9 £'000	Month 6 £'000
Cattle market	198	
Brewery Yard retentions	3	
Caerwent House	300	
Regional development plan work	16	
Total	517	

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

[Month 9 Capital Monitoring \(please don't check out document\)](#)

**Adult Select Committee Portfolio
Position Statement and Prospective Scrutiny Points**

Appendix 5

1. Capital Outturn Forecast

- 1.1 The capital budget for the year is £273,000. There was no slippage from 2013-14, and is predominantly relates to upfront funding of Swift software replacement of £200,000 which will ultimately be funded from IT licence revenue savings within SCH.
- 1.2 At the start of 2014-15 the Council accrued for £3,000 worth of work completed but not invoiced. As at the end of month 9 it has incurred £155,000 cost. Managers forecast an outturn spend that exhibits negligible variance to the budget.

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

[Month 9 Capital Monitoring \(please don't check out document\)](#)

**Children and Young People Select Committee Portfolio
Position Statement and Prospective Scrutiny Points**

Appendix 6

1. Capital Outturn Forecast

- 1.1 The capital budget for the year is £7,008,000, a reduction on £12,252,000 reported at month 6. This was made up of £4,044,000 2014/15 allocation and £3,067,000 slippage from 2013/14 and revisions of £5,978,000 (an increase of £6,000 on month 6 levels and due to property maintenance virements).
- 1.2 The budget exhibits a net reduction since month 6 due to the net increase in slippage being higher than increase in revisions. Slippage is proposed to increase by £1,299,000 to £6,081,000 and comprises

	Month 9 £'000	Month 6 £'000
21 c schools feasibility	813	751
21 c schools build	4,962	3,951
Access for all scheme	150	80
Thornwell school works	33	
Green Lane school works	25	
Property maintenance	98	
Total	6,081	4,782

- 1.3 At the start of 2014/15 the Council accrued for £509,000 worth of work completed but not invoiced. As at the end of month 9 it had incurred only net £3,571,000. This wouldn't normally be a profile that would indicate full spending by the end of the year but project officers are confident to predict a forecast outturn that accords with reduced budget but this still necessitates a spend of £3,435,000 in the last 3 months of the year.

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

[Month 9 Capital monitoring \(please don't check out document\)](#)