

PLEASE NOTE THAT THERE WILL BE A PRE-MEETING FOR MEMBERS OF THE CHILDREN AND YOUNG PEOPLE SELECT COMMITTEE AT **1.30PM IN THE COUNCIL CHAMBER.**

County Hall
The Rhadyr
Usk
NP15 1GA

2nd December 2014

Notice of Special Meeting:

Children and Young People Select Committee

**Wednesday 10th December 2014 at 2.00pm
The Council Chamber, County Hall, The Rhadyr, Usk NP15 1GA**

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.	To scrutinise the Revenue & Capital Budget Monitoring 2014/15 Month 6 Outturn Forecast Statement (copy attached).
4.	To scrutinise the draft Capital Budget Proposals 2015/16 to 2018/19 (copy attached).
5.	To scrutinise the Budget Proposals 2015/16 to 2018/19 (copy attached).

6.	To scrutinise the service area budget mandates as follows (copies attached): (i) Mandate 14 – Revised Home To School Transport. (ii) Mandate 16 - Revised Schools Delegated Budgets. (iii) Mandate 20 - Schools Music Service Mandate. (iv) Mandate 35 - Transformation of Children’s Services. (v) Mandate 42 - Youth Service.
7.	To scrutinise the Whole Authority Risk Log (copy attached).

**Paul Matthews,
Chief Executive**

Children and Young People Select Committee

County Councillors:

D. Blakebrough
P.R. Clarke
P.S. Farley
L. Guppy
R.G. Harris
D.W. H. Jones
P. Jones (Chairman)
M. Powell
A.E. Webb

Added Members

Voting on Education Issues Only

Canon. Dr. S. James (Church in Wales)
Vacancy (Catholic Church)
Mrs. A. Lewis (Parent Governor Representative)
Mrs. S. Ingle-Gillis (Parent Governor Representative)

Added Members

Non-Voting

Mr. G. Murphy (NAHT)
Vacancy (ASCL)
Vacancy (NUT)
Vacancy (Free Church Federal Council)
Vacancy (NASUWT)
Mr. K. Plow (Association of School Governors)

Aims and Values of Monmouthshire County Council

Sustainable and Resilient Communities

Outcomes we are working towards

Nobody Is Left Behind

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

People Are Confident, Capable and Involved

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

Our County Thrives

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

Our priorities

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

Our Values

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



REPORT

SUBJECT	REVENUE & CAPITAL BUDGET MONITORING 2014/15 MONTH 6 OUTTURN FORECAST STATEMENT
DIRECTORATE	Chief Executive's Unit
MEETING	Children and Young Peoples Select
DATE	10th December 2014
DIVISIONS/WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the forecast outturn position of the Authority at the end of month 6 for the 2014/15 financial year.
- 1.2 It also seeks to provide summary performance indicator information alongside financial data to allow Members a better opportunity to consider how services are provided and whether resources are being utilised efficiently.

2. RECOMMENDATIONS AS AGREED BY CABINET ON 3RD DECEMBER 2014

- 2.1 That Members consider the position concerning 2nd quarter revenue monitoring and seek assurance of the action Chief Officers are taking to address the over spends in their service areas.
- 2.2 That Members approve the decommitment of specific reserve funded expenditure in current year evidenced in para 3.1.4, and re-introduction in 2015-16.
- 2.3 That Members consider the position concerning school balances and note the potential for in year withdrawal of school improvement grant by Welsh Government.
- 2.4 That Members approve a revision in school governor practice to require any governing body that anticipates a deficit reserve position to submit a recovery plan prior to the Council agreeing to the school moving into a deficit reserve position, rather than in arrears of the decision reached by the governing body as currently. The change would have the effect of withdrawing the automatic right of any governing body to incur a deficit reserve position without prior consultation and agreement of the Council.
- 2.5 Members note the variances in approach and progress concerning the mandates identified in para 3.3.3, and endorse the alternate savings and virements proposed by Directors to replace original proposals where it is unlikely that savings will be manifest during 2014-15 as per para 3.3.4..
- 2.6 That Members consider the position concerning 2nd quarter capital monitoring and concerns over the limited actual expenditure incurred to date, and note the slippage identified, and net underspends forecast by managers.

2.7 That Cabinet approves the change in approach advocated in para 3.5.3 that the balance of LCHO capital receipts should be made available to fund the additional costs (arising from differences in equity from purchase to resale) in relation to Castlewood and Home Finder schemes as and when they come up.

2.8 That Members reflect upon the comparative information included alongside traditional financial data to consider whether it assists them in providing a better link between inputs and outputs and allows them to better consider whether resources are being economically and efficiently utilised.

3. MONITORING ANALYSIS

3.1 Revenue Position

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

3.1.2 Responsible Financial Officer's Summary of Overall Position

Summary Position	Appendix	Annual Forecast @ Month 6	Annual Budget @ Month 3	Virements and Revisions since month 3	Annual Budget @ Month 6	Forecast Over/(Under) Spend @ Month 6	Comparative Forecast Over/(Under) Spend @ Month 3
		£'000	£'000		£'000	£'000	£'000
Social Care & Health	4&5	37,401	36,604		36,604	797	613
Children & Young People	5	52,347	52,302		52,302	45	26
Enterprise	3	10,340	10,252	33	10,285	55	232
Operations	2	18,089	17,849	8	17,857	232	385
Chief Executives Unit	2	7,168	7,425	(49)	7,376	(208)	(133)
Corporate Costs & Levies	2	17,825	17,941		17,941	(116)	(94)
Net Cost of Services		143,170	142,373	(8)	142,365	805	1,029
Attributable Costs – Fixed Asset Disposal	2	177	224		224	(47)	1
Interest & Investment Income	2	(87)	(29)		(29)	(58)	(48)
Interest Payable & Similar Charges	2	3,538	3,769	4	3,773	(235)	(231)
Charges Required Under Regulation	2	5,575	5,606	4	5,610	(35)	(35)
Capital Expenditure Financed from Revenue	2	16	16		16	0	0
Contributions to Reserves	2	72	70		70	2	5
Contributions from Reserves	2	(2,318)	(2,700)		(2,700)	382	0
Amounts to be met from Government Grants and Local Taxation		150,143	149,329	0	149,329	814	721
General Government Grants	2	(69,340)	(69,340)		(69,340)	0	0
Non-Domestic Rates	2	(28,984)	(28,984)		(28,984)	0	0
Council Tax	2	(57,195)	(56,780)		(56,780)	(415)	(348)
Council Tax Benefits Support	2	5,838	6,071		6,071	(233)	(154)
Council Fund (Surplus)/Deficit		462	296	0	296	166	219
Budgeted contribution from Council Fund		(296)	(296)		(296)	0	0

- 3.1.3 The bottom line situation, a £166,000 potential overspend, has been mitigated significantly by anticipated Council Tax receipts. The net cost of services pressure of £805,000, simplistically indicates an improvement of £224,000 since month 3, however this masks a budgeted use of reserves totalling £382,000 which is not anticipated to be progressed this year, so the accurate position concerning net cost of services is actually an additional pressure of £158,000 since month 3.
- 3.1.4 Consequently it is proposed that the following priority investment budgeted reserve funding is decommitted from net cost of services budgets in 2014-15 and reinstated in 2015-16, to aid transparency and avoid the need to report comparable over and underspends for the remainder of the year.

Scheme	£'000	Reason
Raising Education Standards	256	Review of the approach's effectiveness being considered, alongside consideration of revised EAS funding prior to re-comittment
Local Development Plan expenditure	100	Profile of expenditure changed from originally presumed
Total	356	

- 3.1.5 There are costs, such as redundancy payments, that aren't generally a budgeted expense. Such expenses will, during quarterly monitoring, appear as an overspend in comparison to the annual budget. This is a little different in schools where a budget of £300,000 has been provided against current costs of £378,000. The traditional expectation is that services bear such costs, that they are mitigated where possible through the year, and for any net balance to be considered and borne through a use of reserves during the outturn process.
- 3.1.6 Currently (excluding schools) the financial ledger indicates £196,000 costs incurred to date and forecast commentaries indicate a full year estimate of redundancy costs pressures to be circa £327,000, which are included in the £166,000 adverse balance above.

Directorate	Forecast	Service
Children & Young People	98,000	School library service – mix of redundancy and winding up costs
Chief Executive office	71,000	Policy & partnership
Enterprise	23,000	Tourism Life and Culture
Operations	135,000	Waste & Streetscene
Social Care & Health	0	
Total	327,000	

- 3.1.7 Since month 6 the national pay award for local government officers has been agreed. This arrangement does not affect teachers' costs. The effect of this agreement will be worked through in more detail for month 9 despite not being manifest until the last quarter of the financial year but the likely upshot is the original budgets allowed for 1% increase in rates where as the agreed award will be 2.2% starting in January 15. So for 2014-15 there is anticipated to be a beneficial effect, being the difference between a 1% increase in costs for 12 months in favour of a 2.2% increase over 3 month period. Conversely there will be a greater pressure in 2015-16 and beyond.

Indicatively this annual saving against budget is anticipated to be of the order of £290,000.

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

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

Service area	Indicative Forecast Position exclusive of savings not yet achieved Red=Adverse Green = Favourable	2014-15 savings not yet made	Forecast Position <u>net</u> of savings not achieved Red=Adverse Green = Favourable	Headline Cause
	£'000	£'000	£'000	
Social Care & Health (SCH)				
Children's Services	714	32	746 (worsening of 163)	Looked after children activity and additional team and conveyance of client costs
Adult Services	-70	121	51 (worsening of 21)	Most notably historic Monnow Vale partnership cost apportionments and residential care costs exceeding recovery due to means testing considerations
Sub Total	644	153	797	
Children and Young People (CYP)				
Standards	250	0	250 (worsening of 212)	Reduced income expectation – Mounton House placements, Breakfast club income presumption, and the cost of Schools library service closure
Individual schools budget	-225	0	-225	Predominantly reflective of reserve funded initiatives of Raising Education Standards not progressing as budgeted. This underspend in balanced against equivalent overspend on contribution from reserves.
Resources and Performance	-8	53	45 (worsening of 57)	Net effect of unbudgetted transport costs and recovery board costs plus additional support costs to schools
Youth Services	-25	0	-25 (improvement of 25)	Additional income and reduced transport costs
Sub Total	-8	53	45	

Enterprise (ENT)				
Community Led Delivery	-190	260	70 (improvement of 37)	Net effect of restructure changes not fully implemented within Libraries and new agreement between Community Education and Coleg Gwent not according with budget
Commercial & People Development	-66	50	-16 (improvement of 95)	Reduced shortfall in savings target presumed on SRS, in house reduced IT costs, reduced HR and training costs
Tourism, Life & Culture	69	31	100 (worsening of 54)	Redundancy costs at Caldicot Castle, reduced income anticipation, employee cost pressures at Old Station, and reduced rental following Brecon Beacons National Park moving to tithe barn, additional costs from Cycling event falling on the leisure budget,
Development Plans	-100	0	-100	Reflective of reserve funded initiative not progressing as budgetted. This underspend in balanced against equivalent overspend on contribution from reserves.
Sub Total	-287	341	54	
Operations (OPS)				
Highways	-431	131	-300	Extra agency income
Property	-92	169	77 (improvement of 31)	Schools meals service transfer from CYP with significant pressure, main improvement in schools cleaning area caused by removing unbudgetted contract consultancy costs
Home to school transport	191	80	271 (improvement of 83)	Past budget saving reviews of home to school and SEN haven't taken place. Overspends are in Council provided transport in employee and transport maintenance costs. External transport provider costs tenders are anticipated to provide net savings to compensate for Council's SEN transport overspend. A bad debt assumption has been made in respect of historic debts of £50,000
Transport	129		129 (worsening of 41)	Car parking income deficit

Waste	80	25	105 (improvement of 130)	Net effect of redundancy costs anticipated from restructure of the service. Improvement since mth3 are reflective of MRF contract concerns not materialising and savings in supplies and services costs
Raglan training	50		50 (worsening of 50)	Mixture of redundancy costs, additional training costs and reduced income anticipated
Grounds	-100		-100	Additional income
Sub Total	-173	405	232	
Regulation & Central Support Services				
Chief Executives Office (CEO)	-208	0	-208 (improvement of 75)	Staff savings and increased income predictions in democratic services. Savings in audit and revenues team costs and housing benefit activity below budget levels
Corporate (CORP)	-115		-115 (improvement of 21)	Predominantly an underspend on external audit fees and small saving in precepts exhibited at mth 3, plus the saving effect from minor revisions in insurance cover
Sub Total	-323	0	-323	
Total	-147	952	805	Net overspend position is £805,000 on net cost of services

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

3.2 **Schools**

3.2.1 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the forecast Schools' balances position for the year-end at month 6.

Draft Council Fund
Outturn 2014/15 –
Summary
Forecast Year-end
School Balances
Position at Month
6

	Opening Reserves (Surplus)/ Deficit 14-15	In year forecast at Month 3 (Surplus)/ Deficit	Difference reported from Month 6 to Month 3 (Surplus)/ Deficit	In year forecast at Month 6 (Surplus)/ Deficit	Anticipated Reserves to be carried forward to 2015-16 (Surplus)/ Deficit
	£'000	£'000	£'000	£'000	£'000
Clusters					
Abergavenny	(285)	226	24	249	(35)
Caldicot	(242)	76	27	103	(139)
Chepstow	(14)	214	52	266	252
Monmouth	(394)	70	2	72	(322)
Special	(54)	27	(16)	11	(43)
	(988)	612	88	700	(288)

3.2.2 School balances at the beginning of the financial year amounted to £988,000 credit. The budgeted draw on balances has been identified as being £734,000 resulting in closing school balances budgeted to be £254,000 credit.

3.2.3 At month 6, the current forecast suggests that the contribution required from school balances will be £700,000, a decrease from budget of £34,000, and would result in closing school balances of £288,000 credit. This is an improvement on month 3 and is despite schools picking up the net overspend on their schools based redundancies of combined £78,000.

3.2.4 Within these summary figures, of particular note, is the deficit reserve position experienced in the Chepstow cluster, caused by a significantly worsening position at Chepstow comprehensive school, whose deficit is anticipated to be £373,000 by the end of year, up by £21,000 on the position reported at month 3. The school has prepared a recovery plan which has been approved by Governors, but has been asked to re-look at it, as it doesn't adequately address the costs over that period or indicate the resourcing for priority appointments at the moment. This level of deficit balance remains a risk to the Council going forward in the interim.

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

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

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

Year	Net level of school balances
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15 forecast	(288)

3.2.8 There has been a significant reliance on reserve balances to supplement school spending plans in the last 2 years, and no indication of significant replenishment evident. This isn't a sustainable prospect. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to 5% of budget share. Using 2014/15 delegated budget levels, this would equate to £2.2 million. Members may wish to seek a comfort that balances aren't being used to subsidise and sustain core costs such as staffing.

3.2.9 Since month 3, the Council has received confirmation from Welsh Government that they do need to adjust downwards the level of grants paid to schools by £4.3 million across the Principality within the current year. The effect to Gwent based EAS will be of the order of £823,000, with MCC indicative effect being circa £80,000, before EAS seeks to mitigate the effect on schools improvement. This will necessitate schools reviewing and revising their improvement programmes and may introduce a further pressure to schools balances as schools accommodate the change.

3.2.10 The Fair Funding policy adopted by the Council in 2003 precludes any school from planning for a deficit. However recent examples indicates that schools governors are able to significantly adversely affect Council balances by utilising more reserves than the school has, in favour of producing a subsequent recovery plan that can take up to 4 years to recover from, which again is not consistent with Fair Funding policy. The application of the policy would seem to exhibit weaknesses, and the policy itself would have reflected a time of more beneficial financial settlements to the public sector. Collective school balances are at a level that won't sustain the same level of additional annual spending as presently incurred

It is understood that the Fair Funding policy is due review. It is advocated that an interim condition be adopted to amend the recovery plan practice to require that such documents must be submitted and agreed with the Council prior to the Council agreeing for schools to move into an interim deficit reserve position.

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

3.3 **2014/15 Savings Progress**

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

In summary they are as follows,

DIRECTORATE	Saving included in 2014/15 Budget	Savings achieved month 3	Savings achieved month 6	% progress in achieving savings	Delayed savings	Savings not achievable
	£'000	£'000	£'000		£'000	£'000
Children & Young People	722	639	669	93%	0	53
Social Care & Health	1,030	877	877	85%	0	153
Enterprise	1,366	1,126	1,025	75%	177	164
Operations	1,412	990	1,007	71%	156	249
Chief Executive's	923	923	923	100%	0	0
Total Budgeted Service Savings 2014-15	5,453	4,555	4,501		333	619

3.3.2 Overall there has been very little change between month 3 and month 6 in the savings that have demonstrably been delivered (a worsening of £54,000).

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

Operations (OPS)

- School meals -increase price, market and expand service – none of saving anticipated has materialised (£69,000).
- Street scene and pest control - £25,000 short of requirement relating to work with Town & Community Councils
- Facilities - transfer functions to other providers – none of the work with Town & Community Councils likely to realise £100,000 saving
- Transport review and fleet rationalisation, £40,000 short of mandate requirements

Enterprise (ENT)

- Sustainable energy initiatives – a worsening shortfall of £68,000 against mandate requirements.
- Museums, Shirehall & Castles and Tourism – net additional salary costs evident in Countryside of £31,000
- Strategic Property Review (phase 2) - shortfall in savings of £15,000 caused predominantly by move of SCH Children's services into 2nd floor of Magor. Original intention was to rent this space out.
- Additionally the Adult Education mandate (£90,000) is unlikely to be delivered in the way originally expected, and requires a more fundamental consideration of sustainability of service due to the extent of funding withdrawal (from £607,000 to £400,000) by Coleg Gwent for courses run from September 2014.

Children and Young People (CYP)

- School library service – shortfall of £30,000 against target. Cabinet has subsequently received and agreed a report pertaining to cessation of this service, and so this saving has moved from savings not achievable to made but in a different fashion than originally intended.
- Grants to micro finance and rationalise numerous grants to single organisations – none of savings required have materialised (£37,000)

Social Care & Health (SCH)

- Community meals increase take-up – meal numbers are 200 below the 1,450 target introducing a £26,000 shortfall

- SCH children's staff restructuring – Innovation facilitated work has proposed re-introduction of post volunteered by the service for deletion introducing a £32,000 shortfall on savings target

All

- Review of additional payments – Social Care and Health exhibit challenges in meeting any of their saving requirements of £95,000, CYP report making £16,000 of £31,000 requirement, CEO and Operations report intention to make their £163,000 in other ways but haven't specified how, ENT report having made their £48,000 in full.

3.3.4 It is a common aspect of annual budget setting that there will always be some savings that are more challenging to achieve in the timescale originally required such that Directorates will attempt to make alternate savings elsewhere. Previously such actions have been reported as compensatory over and underspends throughout the year. Given the shift in budget management reporting and to aid that transparency, Directors have been encouraged to formalise these underspends where practical as budget virements and replace the budget savings that exhibit higher risk of not being achieved. Consequently the following virements are intended.

Original Saving proposal	Saving amount not achievable £'000	Alternative proposal
Transfer functions to other providers	100	Additional income generated from Grounds Maintenance works
Highways – various	15	Additional income generated from Highways agency
Street scene and pest control	25	Additional income generated from Highways agency
Transport review	40	Additional income generated from Highways agency
Sustainable energy	68	Other compensatory underspends in Estates and Sustainability of £33k reduce this to £35k
Strategic Property review	15	Additional income from Cemeteries
Total	263	

3.3.5 It is stressed that these adjustments will not alter the bottom line pressure being reported, but instead simplifies reporting, to allow a better focus on highlighting those challenging areas for resolution.

3.4 Capital Position

3.4.1 The summary Capital position as at month 6 is as follows

Select Portfolio	Annual Forecast	Slippage B/F plus Budget 14-15	Budget Virements & Revisions since last quarter	Total Approved Budget	Provisional Budget Slippage C/F to 2015-16	Revised Budget 2014-15	Annual Overspend / (Underspend) Month 6	Annual Overspend / (Underspend) Month 3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children and Young people	8,246	7,112	5,972	13,084	4,782	8,301	(55)	(68)
Adult	288	59	200	259		259	29	35
Economy & Development	723	732	82	814		814	(92)	82
Stronger Communities	9,897	14,199	127	14,327	4,289	10,037	(140)	(14)
Grand Total	19,154	22,102	6,381	28,483	9,072	19,412	(258)	35

3.4.2 Revisions to the capital programme since the last quarter reporting reflect the inclusion of 21c schools initiative in the 14-15 capital programme (£5.95million), funding the overspends identified at month 3 in respect of overspends to Abergavenny regeneration (£82,000), Caldicot 3g pitch (£53,000) and saving in respect of County Farms maintenance (£100,000), temporary capital funding of Swift IT system within Social Services (£200,000 to be repaid in first instance from revenue IT licence savings), and additions to development schemes initiatives (£195,000), a mixture of photovoltaic schemes, skate park (predominantly grant funded) and town team funding. There have also been £21,000 virements within property maintenance schemes between Children and Young People and Stronger Communities schemes.

3.4.3 Expenditure on capital schemes in the first 3 months of the year was reported as not being significantly higher than the provisions for work carried forward from 2013/14. That trend continues at month 6; with only £4.3million of an estimated £19.4 million having been incurred by the end of month 6 i.e. circa 22% of intended spend. This profile wouldn't normally be one associated with a full spend by the end of financial year, as earmarking capital expenditure to the winter months generally increases the risk that inclement weather could adversely affect progress.

3.4.4 However managers remain confident that projects are on track and indicate an outturn forecast spend consistent with the revised budget. Reported slippage to 2015-16 has increased by £4,887,000, in addition to 21c schools feasibility and Abergavenny library reported at month 3, and predominantly reflects the slippage in the newly created 21c schools budget together with £146,000 on fixed asset disposal costs due to receipt reprofiling, £200,000 access for all, £92,000 CRM IT scheme, £30,000 slippage in respect of infrastructure projects and £469,000 in respect of various section106 schemes.

3.4.5 The capital programme for 2014-15 evidences a forecast underspend of £258,000, largely the consequence of,

Children and Young People – **underspend** in Property Maintenance costs (£55,000)

Adult – **overspend** in Property Maintenance cost at Mardy Park (£29,000)

Economy & Development – **underspend** in development schemes (£92,000)

Stronger Communities – **underspend** of a grant based highways scheme (£215,000), and minor net underspends (£2,000), compensating for an **overspend** in Property maintenance costs (£27,000) and “old” County Hall costs (£50,000). The latter being 50:50 funded with Torfaen County Borough Council.

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 largely balanced position.

3.5 Capital Financing and Receipts

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

Financing Stream	Annual Forecast Financing	Approved Slippage B/F	Original Budget	Budget Revisions & Virements	Total Approved Budget	Provisional Budget Slippage C/F to 2015-16	Revised Budget 2014-15	Increased / (Reduced) Financing
Supported Borrowing	2,420	0	2,420	0	2,420	0	2,420	0
General Capital Grant	1,473	0	1,473	0	1,473	0	1,473	0
Grants and Contributions	3,477	53	1,246	4,315	5,614	1,950	3,664	-187
S106 Contributions	510	556	0	396	952	442	510	0
Unsupported borrowing	6,134	6,710	3,492	116	10,319	4,185	6,134	0
Earmarked reserve & Revenue Funding	781	656	0	230	886	92	794	-13
Capital Receipts	4,299	2,956	1,707	2,096	6,759	2,402	4,357	-58
Low cost home ownership receipts	60	60	0	0	60	0	60	0
Grand Total	19,154	10,991	10,338	7,153	28,483	9,071	19,412	-258

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

3.5.3 The low cost home ownership/homefinder capital receipts reserve is ring-fenced to contain receipts from the redemption of capital loans on these properties and will continue to receive new receipts as properties are sold and loans returned to the Council. The reserve balance is currently circa £216,000. As part of the 2014-15 capital programme this reserve funds a budget of £60,000 to afford any new low cost home ownership loans and any potential differences in equity share of these LCHO properties.

It is proposed that Cabinet extends the current delegation to Council's Head of Finance such that the balance of LCHO receipts can be used more holistically to also fund the additional costs (arising from differences in equity from purchase to resale) in relation to Castlewood and Home Finder schemes as and when they come up.

Useable Capital Receipts Available

3.5.4 In table 2 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.

Table 2: Movement in Available Useable Capital Receipts Forecast

GENERAL RECEIPTS	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000
Balance b/f 1 st April	7,854	14,614	11,252	19,695
Receipts forecast to be received in year as 2014/18 MTFP	21,165	13,556	4,000	2,000
Increase / (decrease) in forecast receipts forecast at month 3	(10,109)	(3,431)	21,220	150
Deferred Capital Receipts	4	4	4	4
Less: Set aside Capital Receipts	0	0	(11,452)	0
Less: Receipts to be applied	(4,299)	(1,100)	(76)	(538)
Less :21C Schools programme		(12,391)	(5,252)	(11,207)
TOTAL Actual / Estimated balance c/f 31st March	14,614	11,252	19,695	10,104
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	552	(15,671)	(11,155)	(22,213)

3.5.5. Since the month 3 report, it appears more likely that a receipt will be generated in respect of old County Hall site sale during the current MTFP window. This has been factored into 2016-17 predictions, alongside an equivalent set aside for the repayment of debt.

3.5.6 Also 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 at the end of 2014/15 has reduced compared to the original 2014/18 MTFP predictions due to the anticipated resourcing of the 21st Century Schools programme.

3.5.7 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 £10 million, as a consequence of additional receipts predominantly LDP related.

4 REASONS

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

5 RESOURCE IMPLICATIONS

5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

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

7 CONSULTEES

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

8 BACKGROUND PAPERS

- 8.1 Month 6 monitoring reports, as per the hyperlinks provided in the Select Appendices

9 AUTHORS

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Appendices

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

Savings Summary

Appendix
1

2014/15 Budgeted Service Savings Mandates Progress at Month 6

DIRECTORATE	Saving included in 2014/15 Budget £'000	Savings achieved month 3 £'000	Savings achieved month 6 £'000	% progress in achieving savings	Delayed savings £'000	Savings not achievable £'000
Children & Young People	722	639	669	93%	0	53
Social Care & Health	1,030	877	877	85%	0	153
Enterprise	1,366	1,126	1,025	75%	177	164
Operations	1,412	990	1,007	71%	156	249
Chief Executive's	923	923	923	100%	0	0
Total Budgeted Service Savings 2014-15	5,453	4,555	4,501		333	619

2014/15 Budgeted Service Savings Mandates Progress at Month 6

CHILDREN & YOUNG PEOPLE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
Schools delegated budgets	Proposal is about finding opportunities to reduce costs in schools. Schools budgets will be protected at cash limit, this means no pay inflation and or non pay inflation is provided for in funding,	434	434	0	0	Fully Achieved	Low
Review ISB - ALN contingency	Currently a contingency budget is held centrally, proposals to reduce this budget by £75k and reduce staffing in the service by £65,000	140	140	0	0	On Target	Medium
Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	37	0	0	37	These savings cannot be found from the grant areas as our grants cover a statutory provision.	High
School library service - combine with general library service	£50k is MCCs contribution to full year running costs of school library service, changes to service needs to be considered with TCBC	30	30	0	0	MCC savings have been achieved. Torfaen alongside MCC schools have now decided to withdraw from service, which will introduce additional severance costs (unquantified at present). These together with assets and deficit reserve balance of £100k, will need to be apportioned between MCC and TCBC	High

2014/15 Budgeted Service Savings Mandates Progress at Month 6

CHILDREN & YOUNG PEOPLE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
School Music service - reduction in subsidy	Total MCC contribution to schools music service is £260k, exploration of alternative models to reduce the subsidy required	50	50		0	Saving achieved, working with the service to achieve future savings identified within the budget mandate.	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	31	15	0	16	Working with cost centre managers to identify savings	Medium
		722	669	0	53		

2014/15 Budgeted Service Savings Mandates Progress at Month 6

SOCIAL CARE & HEALTH							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
ADULT SELECT							
Community meals increase take-up	Mainly about increasing customer base	30	4	0	26	Weekly sales are 1,250, 200 below target	High
Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	100	100	0	0		Low
Redesign day provision in line with My Day/My Life	Reconfiguring day provision for people with Learning disability	160	160	0	0		Low
SCH restructuring: Direct care (£89k), Children's/Adults teams (£50k), Commissioning team (£31k)	Staffing efficiencies	163	163	0	0		Low
SCH Transition project staff transfer to Bright New Futures	Combining our initiative with Bright new futures to establish a shared service model	14	14	0	0		Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	95	0	0	95	Mechanisms not put in place to realise savings	High

2014/15 Budgeted Service Savings Mandates Progress at Month 6

SOCIAL CARE & HEALTH							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
ADULT SELECT							
Sustaining Independent Lives in the community	Cabinet report and business case presented on 2nd Oct 2013, aim is to divert people from needing statutory services through Local Area Co-ordination and small local enterprises	123	123	0	0		Low
Practice change - reduction in flexible budget/contingency	Working with individuals, families and communities to find sustainable solutions	277	277	0	0		Low
TOTAL ADULTS SELECT		962	841	0	121		
CHILDREN & YOUNG PEOPLE SELECT							
SCH children's staff restructuring	Rationalising service delivery within children's services	68	36	0	32	Due to external consultants work with the Directorate one of the two posts was reinstated.	High
		1,030	877	0	153		

2014/15 Budgeted Service Savings Mandates Progress at Month 6							
ENTERPRISE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
DEVELOPMENT OF LEISURE SERVICES	Income maximisation and staff review, developing the cycling offer, broaden leisure offer and explore new service provision options and models in the context of 'whole place'	125	125			Savings forecast to be achievable	Low
Collaboration on housing services and development of careline services	Commercialisation of careline service, one housing solutions service with TCBC focussed on enabling wider access to housing options and providing greater scope for increasing the resources with which to address housing need and homelessness	30	30			Savings forecast to be achievable	Low
Sustainable energy initiatives	Investing in biomass boilers, solar farms and reduction in Carbon Reduction Commitment budget	133	65		68	Saving partly made. Reduction from month 3 due to the inability to achieve savings from some projects as previously projected, income forecasts needs to be monitored closely. Still awaiting planning approval for solar farm not achievable during this financial year	Medium
Museums, Shirehall & Castles and Tourism	Consolidation of tourism and culture offer throughout the County through considering shared services models; making attractions self-sustainable and income generation. This relates to the museum business plan and explores roll-out of some community ownership models. Member consultation has indicated that the aspect of merging of museums and TIC (£150,000 in 2014/15) was not a preferable model, and will necessitate driving even further savings on other aspects of this mandate	245	214		31	Museums are on target to make the full 78k savings at M6. Shirehall are on target to achieve their 33,500 savings. TIC's 90k savings forecast. Countryside 36,500 - Castle savings of 24k will not be met. 12,500 within countryside looks as though it will be met, but current underspends are offsetting overspends within the Castle and Old Station. The forecast overspend at M6 for Countryside is 94k.	Museums - Medium Shirehall - Low TIC's medium

2014/15 Budgeted Service Savings Mandates Progress at Month 6

ENTERPRISE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
Grants to micro finance and rationalise numerous grants to single organisations	Reducing the amount of grants paid annually to third sector bodies. Options will include reduction, micro-finance and introducing business plans. SCH mandate for £100k in 2014/15, R & C/CEO target of £100k. Further £300k in 2015/16 is not now considered feasible	50	50			Third sector bodies have already been made aware that their grant will be less this year and this was reflected in the budget.	Low
Strategic Property Review (phase 2)	Target to be achieved by the Accommodation working group and reduction in office accommodation, consolidate in Usk	75	60		15	Savings achieved through closure of Coed Glas and other methods, inability to make full saving due to still needing to pay Rates on Coed Glas to sale of property along with loss of rental income due to change in accommodation strategy at Magor Innovation House	Low
R & C Staffing restructures	Senior management restructure to include new service groupings and alignments and green space concept	70	70			Achieved	Low
R&C - OSS and libraries - 10% reduction in staff budget	The aim is to have one access point for customer service in each of the 4 towns and create efficiencies through a management restructure	116	29	87		Delay in implementing staffing restructure, part year saving realistic.	Medium
Additional Libraries and communications saving	Libraries driver redundancy and media position deleted	80	80			Achieved	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	48	48			Achieved	Low
ICT	Staffing efficiencies, integrate enterprise agreement, reduce supplies and services budget	300	250	0	50	No plans to close Ty Cyd 3 means that savings will not be achieved. Additional CCTV income used in year 1 to purchase additional equipment. Its likely that staff vacancies will cover the additional shortfall in year.	Medium

2014/15 Budgeted Service Savings Mandates Progress at Month 6

ENTERPRISE							
Budget proposals 2014/15	Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
Adult Education	Cost reduction through reducing overheads and premises costs	90	0	90	0	High	High
Planning, place and enterprise	Increase in income from development plans (part of combined £32k savings)	4	4	0	0	Achieved	Low
		1,366	1,025	177	164		

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

2014/15 Budgeted Service Savings Mandates Progress at Month 6

CHIEF EXECUTIVE'S UNIT & OPERATIONS							
Budget proposals 2014/15	Savings Proposal Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Assessment of progress as at Month 6
OPERATIONS							
Street scene and pest control	Reduction in sweepers and number of cleaning rounds, opportunity for Town & Community Councils to contribute to service and full withdrawal of subsidy for pest control.	195	170		25	£25k is not being delivered from the Street Scene budget saving mandate due to lack of funding support from Town and Community Councils and therefore delays in implementing the reduction in manual sweeping capacity.	£25k is not being delivered from the Street Scene budget saving mandate due to lack of funding support from Town and Community Councils and therefore delays in implementing the reduction in manual sweeping capacity.
Home to School Transport - fundamental review of policy	Fundamental policy change - £420k - based around nearest school policy. Withdrawal of subsidy for post 16 transport.	47	47			These savings should be achievable as no travel grants will be issued to new applicants from sept 14	These savings should be achievable as no travel grants will be issued to new applicants from sept 14
Facilities - transfer functions to other providers	Engaging with town and community councils, friends clubs to take on service related costs - Linda Vista, Bailey Park, Public Conveniences	100	0	0	100	Although some engagement has taken place the take up from Tc's and CC's not forthcoming hence the saving is unlikely to be achieved.	Although some engagement has taken place the take up from Tc's and CC's not forthcoming hence the saving is unlikely to be achieved.
Transport review and fleet rationalisation	Increased income from private hire (Passenger Transport Unit), management and staff reduction	105	25	40	40	Budget problems within the PTU will require fundamental review of budget.	Budget problems within the PTU will require fundamental review of budget.
Property services and procurement	Staff efficiencies, systems review and procurement savings	115	115	0	0	Saving Realised.	Saving Realised.
Cost neutral waste service	Route optimisation, green waste charges up from £8 to £10 and reduce spend on	60	60	0	0	Saving Realised	Saving Realised

CHIEF EXECUTIVE'S UNIT & OPERATIONS								
Budget proposals 2014/15	Savings Proposal Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
OPERATIONS								
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	123	123	0	0	£24k will be made in accordance with the mandate. In general managers have seen this saving as just a straight cut in budget and have reorganised spend patterns accordingly. E.g. £41k Highways/Swtra – by reducing service or increasing income. £9k Grounds – by reducing service or increasing income. £32k Waste – reductions in other manpower budgets.	£24k will be made in accordance with the mandate. In general managers have seen this saving as just a straight cut in budget and have reorganised spend patterns accordingly. E.g. £41k Highways/Swtra – by reducing service or increasing income. £9k Grounds – by reducing service or increasing income. £32k Waste – reductions in other manpower budgets. All these savings are now forecast	Medium
TOTAL		1,412	1,007	156	249			

2014/15 Budgeted Service Savings Mandates Progress at Month 6

CHIEF EXECUTIVE'S UNIT								
Budget proposals 2014/15	Savings Proposal Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 3 £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
CEO Staffing restructures	Senior management restructure to include new service groupings and alignments and green space concept	70	70	70	0	0	Achieved	Low
CEO - efficiencies, including on line services, staffing structures	Staffing efficiencies and improving on line services, reduction in democratic services will mean that only decision making committees can be serviced, merging of roles supporting area work	595	595	595	0	0	Achieved	Low
CEO - Restructure (Customer Access) - 10% reduction in staff budget	The aim is to have one access point for customer service in each of the 4 towns and create efficiencies through a management restructure	64	64	64	0	0	Achieved	Low
Review of additional payments	Target a 10% reduction in additional payments made eg overtime, standby etc	40	40	40	0	0	Achieved. In general managers have seen this saving as just a straight cut in budget and have reorganised spend patterns accordingly.	Low
Public protection	Service Reductions in Public Protection Division	89	89	89	0	0	Achieved	Low
Legal	Reduction in Legal Services employee hours and Commons and Village Green Inquiries – Inspectors' fees	37	37	37	0	0	Split £30k Legal & Land Charges, £7k Emergency Planning	Low

2014/15 Budgeted Service Savings Mandates Progress at Month 6

CHIEF EXECUTIVE'S UNIT								
Budget proposals 2014/15	Savings Proposal Narrative	Saving included in 2014/15 Budget £'000	Value of Saving Forecast at Month 3 £'000	Value of Saving Forecast at Month 6 £'000	Delayed savings £000s	Savings not achievable £000s	Assessment of progress as at Month 6	Risk of current forecast saving NOT being achieved (High / Medium / Low)
Planning, place and enterprise	Increase in income from building control & development control (part of combined £32k savings)	28	28	28	0	0	Achieved	Low
TOTAL		923	923	923	0	0		

1. Revenue Outturn Forecast

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

Service Area	Budget Mth 3	Virements	Budget Mth 6	Forecast Outturn	Variance Mth 6	Variance Mth 3
	£'000	£'000	£'000	£'000		£'000
Chief Executive's office	7,425	(50)	7,375	7,168	(207)	(133)
Operations	17,849	8	17,857	18,089	232	385
Corporate	17,941		17,941	17,825	(116)	(94)
Appropriations	6,956	8	6,964	6,972	8	(307)
Financing	(149,032)		(149,032)	(149,680)	(648)	(502)
Total	(98,861)	(34)	(98,895)	(99,626)	(731)	(651)

1.2 The more significant over and underspends are,

	Overspend predicted £'000	Underspend predicted £'000	Cause
Chief Executives Office		208 (75 improvement)	Policy Division net overspend of £28,000 compensated in extra income and reduced cost in Democracy Division (£87,000) and £148,000 savings in Finance division's, through reduced salary costs and reduced housing benefit (£57,000) activity below budget levels
Operations – Highways		300	Extra agency income
Operations – Property	77 (31 improvement)		Pressures from schools meals (£99,000), cleaning mainly conveniences (£34,000), additional call charges (£20,000) compensated in part by procurement team savings (£42,000) and accom costs (£33,000)
Operations – Home to school transport	271 (83 improvement)		Overspends in employee costs £133,000, fuel and repair £36,000 and reduction in income £67,000. Whilst past budget saving reviews of home to school and SEN haven't taken place, the rolling tender of external transporter costs exhibit a compensatory saving.
Operations – Transport	129 (41 worsening)		Predominantly car parking income deficit
Operations – Waste	105 (130 improvement)		Predominantly redundancy costs. The improvement on month 3 is caused by a greater degree of certainty around the recycling contract renewal in Jan 15
Training Unit	50 (50 worsening)		Mixture of redundancy costs, increasing costs and reduced income predictions
Operations – Grounds		100	Additional income

Corporate		115 (22 improvement)	Predominantly saving in external audit fees
Appropriations	9 (317 worsening)		Reduced budgeted draw from reserves compensated by anticipated savings in interest payable, combined with improved interest receivable, and reduction in charges due to 2013-14 capital slippage
Financing		648 (146 improvement)	Predicted extra Council tax receipts and reduced CT benefits
Total		730	

2. 2014-15 Savings Progress

2.1 The savings required by 2014-15 budget process, identified in appendix 1, are not fully secured.

- Of Operations savings totalling £1,412,000, £1,007,000 (an increase of only £17,000 against that reported at month 3) are anticipated to be made, £156,000 deferred to 2015-16 (no change on month 3) and £249,000 not achievable.
- As at month 6, Operations Directorate are anticipating an adverse outturn £232,000, as deferred and not achievable savings total £405,000, the service is making adhoc savings of £173,000 to compensate in part for the level of savings that it has reported but has yet to make.
- Of Chief Executives savings totalling £923,000, £923,000 continues to be reported as delivered.

3. Capital Outturn Forecast

3.1 The capital budget for the year is £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 into 2015-16 consequently to further consultation and engagement). The budget has been increased between July and September by a further £127,000 on the previous revisions reported of £772,000. These latest revisions comprise

	£'000
Net virements approved by Cabinet – month 3 report	(47)
Town Team (to be funded from receipt)	10
Skatepark (net funding from grant)	69
Energy efficiency schemes	116
Reduction in property maintenance	(21)
Total	127

3.2 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 6 it had incurred only £3,054,000. 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 only exhibits an underspend of £140,000 and the main cause of this is Transport grant expenditure (£212,000) that cannot be progressed or recycled to other schemes.

3.3 Slippage is proposed to increase by £856,000, to £4,289,000 and comprises

	£'000
Abergavenny Library	3,433
Fixed asset disposal	146
Access for all scheme	120
Infrastructure repairs	30
Customer relationship management IT system	92
Section 106 schemes	468
Total	4,289

3.4 The outturn forecast exhibits an underspend of £140,000, due to the net effect of a transport grant scheme not progressing, which masks an overspend of £50,000 in relation to old County Hall costs (to be shared with TCBC) and £25,000 in relation to Property maintenance overspend. The Property maintenance costs are managed holistically and will be funded by an equivalent underspend with CYP property maintenance schemes.

4. **Benchmarking**

4.1 The purpose of this section is to explore whether activity data, and comparison with other authorities provides members with an improved perspective of whether resources are being utilised in an efficient and effective fashion.

4.2 A condition of using Wales's datasets in a public document has been a need to anonymise particular Council data. Comparison has been sought with Councils of a similar demographic and rural nature, together with neighbours.

4.3 The nature of the services provided as part of Stronger Communities Select portfolio is very diverse. Consequently the focus for analysis where possible has been those areas identifying a financial challenge as part of financial monitoring process.

4.4 **Waste services**

The first table seeks to ascertain whether there is anything particularly unusual about MCC activity that disproportionately influences costs incurred.

	Key Performance Indicator Information			The tonnage of local authority collected municipal waste prepared for reuse, recycled and/or collected as source segregated biowastes and composted or treated biologically in another way by the local authority	Proportion recycled of total collected	The total number of fly tipping incidents recorded by the authority during the year	The number of reported fly tipping incidents cleared within 5 working days	Proportion cleared within 5 days
	The tonnage of municipal waste collected by the local authority	The tonnage of local authority collected municipal waste sent to landfill by the local authority	Proportion sent to landfill of total collected					
A (Semi Rural)	33,828	10,706	32%	19,742	58%	317	310	98%
B (Semi Rural)	42,561	11,593	27%	26,901	63%	2,206	2,093	95%
C (City)	70,334	31,709	45%	36,361	52%	1,575	1,552	99%
D (Neighbour)	43,353	4,592	11%	22,665	52%	408	396	97%
E (Semi Rural)	61,527	26,569	43%	33,698	55%	1,331	1,068	80%
MCC	45,962	15,735	34%	28,927	63%	423	406	96%

It tends to exhibit a similar profile with comparator semi-rural authorities, and it is to be expected "City" profile exhibits a differing trend.

The second table considers the costs involved in provision for 2013-14.

Benchmarking Wales - Measuring Up data						
	Net cost of waste collection and disposal	Net Cost per tonnage collected	Cost of waste collection per household	Street Cleansing	Road Network	Street Cleansing Cost per Km
	£'000	£	£	£'000	Km	£
A (Semi Rural)	5998	177.31	63.96	800	2146	373
B (Semi Rural)	8072	189.66	63.78	1392	1415	984
C (City)	7546	107.29	41.69	1688	650	2,597
D (Neighbour)	8425	194.34	75.92	1332	430	3,098
E (Semi Rural)	8420	136.85	48.74	2813	1030	2,731
MCC	5770	125.54	49.99	2216	1481	1,496

The analysis indicates as expected that you get economies of in provision a “City” environment making that a more economic unit cost of than that of semi-rural Councils, but against those semi-rural comparators MCC compares favourably with most.

In terms of overall street cleansing costs, MCC cost of provision looks towards the top end of comparators but when the extent of road network is considered exhibits a far more economic unit cost of provision. It is perhaps “too simple” an analysis to draw any long term conclusions as it is anticipated that the rural network is likely to require less attention than those around sizeable residential and retail areas, but unfortunately that breakdown of network cost is not available.

4.5 Transport services

Unfortunately there is limited benchmarking information available on passenger transport considerations across Wales and particularly the split between concessionary fares and home to school transport provision as an example to draw any meaningful conclusions.

There is a perception that our Transport costs would be greater than that of others by virtue of MCC having to facilitate the likes of grass routes service and home to school provision that wouldn't be common features of urban Councils.

Given that context it was interesting to note for interest that the proportion of eligible customers to hold a concessionary pass appears about average against similar semi-rural comparators, but it should also be noted that the indicative net cost of transport provision per network km appears the lowest against those tested, including the “City” profile, which is particularly surprising, and bears closer subsequent analysis.

	The total number of adults aged 60+ who hold a concessionary bus pass	The total population aged 60+	Proportion of eligible population holding a concessionary pass	Road network (Km)	Gross Exp	Income	Net Cost	Cost per Network Km
					£'000	£'000	£'000	£'000
A (Semi Rural)	16269	21650	75%	2,146	3,408	- 1,153	2,255	1.05
B (Semi Rural)	22124	27396	81%	1,415	4,367	- 1,710	2,657	1.88
C (City)	28847	32595	89%	650	5,740	- 1,040	4,700	7.23
D (Neighbour)	22043	22779	97%	430	4,313	- 9	4,304	10.01
E (Semi Rural)	25950	32282	80%	1,030	4,289	- 955	3,334	3.24
MCC	20671	26682	77%	1,481	2,697	- 1,416	1,281	0.86

4.6 Highways & Road Planning & Maintenance

Financially this service has always assisted in meeting the wider challenges of the Directorate through its extra income generation.

		Transport planning, policy and strategy	Highways & roads	Total	Road Network (Kms)			Cost per Km
					Principal	Other	Total	
A (Semi Rural)	Ceredigion	128	9430	9558	158	1988	2146	4,454
B (Semi Rural)	Denbighshire	438	6416	6854	140	1275	1415	4,844
C (City)	Newport	82	5798	5880	51	599	650	9,046
D (Neighbour)	Torfaen	0	5509	5509	26	404	430	12,812
E (Semi Rural)	Vale	523	6350	6873	74	956	1030	6,673
MCC		581	4881	5462	59	1422	1481	3,688

The analysis indicates a very favourable economic unit cost of provision when compared to the road network. Although it is interesting to note that MCC planning, policy and strategy costs appears significantly different than others, and further analysis will be required to better understand what each authority chose to treat as such cost before any conclusion should be drawn concerning it.

4.7 Property management

The financial challenges facing property services stem mainly from managing services (e.g. school meals) which wouldn't traditionally be defined as "property services". So there is little comparable information on which to base an informed opinion.

In terms of analysis, given Council strategy towards office accommodation, it is little surprise that useable office accommodation per employee exhibits such economic provision of space. Equally the cost per square metre seems competitive against most comparators, what however is a little surprising is the reported cost of property management per useable metre squared. Whilst the inclusion of school meals provision to Property may adversely affect MCC's unit costs, I'm a little suspicious that such low unit costs reported by others suggests we are not comparing a like for like service, I intend to take further analysis in this area to confirm that the situations reported are comparable.

		Useable office accom per employee (m2)	Cost per m2	Cost of property mngt per useable m2
A (Semi Rural)	Ceredigion	8.5	208	0.41
B (Semi Rural)	Denbighshire	14.2	213	2.32
C (City)	Newport	No data	No data	No data
D (Neighbour)	Torfaen	8.8	134	No data
E (Semi Rural)	Vale	9.9	241	1.57
MCC		5.9	186	6.14

4.8 Corporate and Central Services

Corporate and central costs tend to be those that the electorate often have a perception are overinflated or provide limited value for money when considering the savings challenges facing local authorities.

Councils' corporate and democratic core (CDC) spending covers a number of activities and costs that contribute to good governance and public accountability, including:

- councillors' allowances and expenses;
- staff support to councillors, for example, to assist them in their committee roles;
- the functions of the head of paid service;
- statutory functions, such as financial reporting and maintaining a register of councillors' interests;
- costs related to external audit and inspection; and
- treasury management.

Councils' non distributable costs commonly has a restrictive definition to reflect the following,

- past service costs relating to retirement benefits
- the costs associated with unused shares of IT facilities
- the cost of shares of other long-term unused but unrealisable assets

In providing services to their local communities, councils do incur costs related to the management and governance of their organisations. Some of these, such as the costs of corporate and financial management, or of statutory reporting, arise in any large, multi-functional organisation with a multi-million pound budget. Others, such as the cost of support for democratically elected councillors, are unique to councils. These costs are unavoidable if councils are to operate effectively and within the law. It is essential, however, that councils carry out these activities as cost-effectively as possible. In the current period of public spending restraint, controlling spending on these management activities will maximise the resources councils have available to spend on frontline services.

	Corporate & democratic core costs	Non distributable costs	Other central services to public	Total	Operating Expenditure (Revenue outturn 2013-14)	Central costs as a proportion of Operating expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
A (Semi Rural)	2,919	1,238	225	4,382	172,321	2.54%
B (Semi Rural)	4,548	2,400	369	7,317	238,749	3.06%
C (City)	4,579	138	887	5,604	337,643	1.66%
D (Neighbour)	4,626	-	525	5,151	231,719	2.22%
E (Semi Rural)	3,432	432	649	4,513	279,627	1.61%
Welsh Average	5,463	1,463	819	7,745	326,499	2.37%
MCC	2,169	798	702	3,669	183,254	2.00%

MCC costs are consistent with the comparator authorities, despite being one of the smaller authorities and not deriving the same economies of scale in provision that larger Councils do. Reassuringly it is below the indicative Welsh average for such costs.

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

In broad terms the reduction in projected overspend from month 3 (£385k) to month 6 (£232k) is welcome and demonstrates a focus amongst the Operations services to work towards a balanced the budget overall. With reference to the major overspends further work needs to be done to improve custom for school meals. Production costs are cost effective given the size and geographical spread of primary schools so emphasis must be placed upon custom levels to improve the budget position overall.

The Home to School transport position has improved following the recent tender exercise although the benefits are only now becoming apparent as contractors 'hand back' contracts they are unable to service. Overspends in employee costs are improving as some one off costs associated with maternity leave and sickness absence come under control but the figure will always vary according to hire contracts and overtime that are service driven. Bus hire income is demand led but so far is disappointing.

The car park income deficit is being addressed since new charges were introduced at the start of November. This will not bring the budget back to balance but will see improvement by the end of the year. The wider review of car parking requires a revised car park order and statutory consultation but this will assist in refocusing the service to suit individual towns.

Waste and recycling has improved as confidence in our contractual position has allowed us to project to the end of the year with greater confidence. Costs associated with redundancies are estimated to be £105k by the end of the year and as such make up the month 6 overspend.

The Raglan Training Unit will incur some redundancy costs (estimated at £30k) and has a projected reduction in courses which is adding to the deficit. A refreshed course programme will be developed to recover market share for the new financial year.

Improved income is helping to address the budget position overall but the Winter period has the potential to affect the budget further depending upon weather and response. Officers will continue to seek to bring the budget to balance but will seek to balance with our Winter response service that has been well received in recent years.

6 Supporting Financial Monitoring Workbooks (ctrl click to access)

[Revenue Monitoring Chief Executives Office Qtr 2](#)

[Revenue Monitoring Operations Qtr 2](#)

[Revenue Monitoring Corporate Qtr 2](#)

[Revenue Monitoring Appropriations Qtr 2](#)

[Revenue Monitoring Financing Qtr 2](#)

[Capital monitoring Qtr 2](#)

1. Revenue Outturn Forecast

- 1.1 The revenue budget for 2014-15 equates to £10,285,000 (an increase of £33,000 on month 3 levels). Net forecast outturn expenditure is predicted as £10,340,000, of which £5,573,000 had been incurred at the end of 2nd quarter, resulting in an anticipated overspend of £55,000 (£232,000 overspend at month 3).

	Overspend predicted £'000	Underspend predicted £'000	Cause
Community led delivery	70 (37 improvement)		Net effect of restructure changes not fully implemented yet within libraries (£47,000), and net cost (£81,000) to Adult Education caused by Coleg Gwent franchise changes in September, both mitigated in part by savings within Housing Services (£61,000)
Commercial & people development		16 (94 improvement)	Savings in People Services (£18,000) and Business Growth & Enterprise (£9,000) compensating for shortfall in savings target presumed on SRS
Tourism, Life & culture	101 (54 worsening)		£32,000 overspend apparent in Leisure, net effect from summer cycling events, Saving mandate introducing redundancy costs at Caldicot Castle, employee cost pressures at Old Station, and reduced rental following Brecon Beacons National Park moving to tithe barn
Development Plans		100	Reduced draw upon reserve funded expenditure in 2014-15 to be undertaken in 2015-16
Total	55		

2. 2014-15 Savings Progress

- 2.1 The savings required by 2014-15 budget process, identified in Appendix 1, are not all fully secured. Of Enterprise savings totalling £1,366,000, (an increase since month 3 to reflect Adult Education savings which were part of CYP control total at Mth 3 £1,025,000 are anticipated to be made (a reduction of £9,000 since month 3 – which is the net reduction in sustainable energy initiatives £33,000 caused by solar farm not progressing as quickly anticipated compensating by an increase in savings delivered by Shire Hall/Museums of £14,000 and SRS £10,000. £177,000 is predicted to be deferred to 2015-16 (an increase of £30,000 since month 3) and £164,000 not achievable (an increase of £70,000 – sustainable energy and SRS initiatives compensated by reduction in Shire Hall, Museums, Castles and Tourism savings felt unachievable).

3. Capital Outturn Forecast

- 3.1 The capital budget for the year is £732,000. This was made up entirely of slippage from 2013-14. £82,000 worth of revisions have been made in the last quarter due to recommendations made in quarter 1 report concerning legal costs incurred in relation abergavenny regeneration. This prediction of costs does not include any compensation should the council lose the case.
- 3.2 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 6 it had incurred only £95,000,

and only £2,000 related to the cattle market. This wouldn't normally be a profile that would indicate full spending by end of the financial year. No slippage in budget to 2015-16 is proposed, and a net £92,000 underspend is evident in relation to development scheme spending.

4. **Benchmarking**

- 4.1 The purpose of this section is to explore whether activity data, and comparison with other authorities provides members with an improved perspective of whether resources are being utilised in an efficient and effective fashion.
- 4.2 A condition of using Wales's datasets in a public document has been a need to anonymise particular Council data. Comparison has been sought with Councils of a similar demographic and rural nature, together with neighbours.
- 4.3 The nature of the services provided as part of Economy & Development Select portfolio is very diverse and service models like whole place are pretty "new" considerations with very little comparator information available at the moment. Consequently the focus for analysis where possible has been those areas of a more discretionary nature to allow Members to consider how resources utilised compare to with other entities.

4.4 **Library Services**

	Libraries					
	Net Cost of library services 2013-14 revenue outturn stats	Total population	Indicative cost per head of population	The number of visits to Public Libraries during the year	Visits per Head of Population	Indicative Cost per visit
	£'000					£
A (Semi Rural)	1,272	76,046	16.73	309,001	4.06	4.12
B (Semi Rural)	1,843	94,066	19.59	736,289	7.83	2.50
C (City)	2,371	146,106	16.23	647,572	4.43	3.66
D (Neighbour)	1,907	91,372	20.87	371,337	4.06	5.14
E (Semi Rural)	2,535	126,831	19.99	864,874	6.82	2.93
Welsh Average	2,393	139,730	17.13	817,604	5.85	2.93
MCC	1,538	91,659	16.78	666,316	7.27	2.31

The analysis indicates an average economic unit cost of provision when compared to per head of population, and favourable unit cost of provision per head of population when compared to indicative Welsh average. Visits to libraries per head of population indicate a greater use than both the Welsh average and also comparator semi-rural Councils which will tend to exhibit activity above those of more municipal environments as it is commonly regarded as a community resource and tends to serve purposes other than just traditional book lending, and so MCC's cost per library visit exhibits a favourable comparison to other Councils assessed. However unlike other services, footfall usage historically will not realise a significant income source for Councils as library

provision tends to be regarded as free in nature although there has been a recent shift in terms of internet usage and technological changes that will introduce more of an income dimension than traditionally the case.

4.5 Leisure Services

	Leisure				
	Net Cost of leisure services 2013-14 revenue outturn stats	Indicative cost per head of population	Number of visits to sport and leisure centres during the year where the visitor will be participating in physical activity	Visits per Head of Population	Indicative Cost per visit
	£'000	£			£
A (Semi Rural)	2,226	29.27	529,758	6.97	4.20
B (Semi Rural)	1,976	21.01	631,462	6.71	3.13
C (City)	4,666	31.94	1,252,526	8.57	3.73
D (Neighbour)	3,410	37.32	694,148	7.60	4.91
E (Semi Rural)	2,113	16.66	830,021	6.54	2.55
Welsh Average	4,460	31.92	1,251,088	8.95	3.57
MCC	2,642	28.82	742,368	8.10	3.56

This indicates a very similar profile to that of Libraries above, in that the service exhibits a more economic unit cost of provision per head of population than the Welsh Council average and one circa average with the specific comparators. Also similar to Libraries the service exhibits an activity throughput per head of population that is greater than the majority of comparators, but different in that throughput activity is slightly less than the Welsh average but given the unit cost of provision is less the unit cost per visit appears to correlate very closely with the Welsh average.

4.6 Heritage & Tourism Services

	Culture & heritage services							
	Net Cost of culture & heritage services 2013-14 revenue outturn stats			Number of visits pa (2013 data)	Indicative net cost per visit	Indicative net cost per visit	Indicative net cost per visit	Tourism costs as a proportion of total culture and heritage costs
	Culture & heritage services	Tourism	Total		Culture & heritage services	Tourism	Total	
	£'000	£'000	£'000			£	£	
A (Semi Rural)	987	484	1,471	2,635,000	0.37	0.18	0.56	33%
B (Semi Rural)	2,563	531	3,094	Not avail				17%
C (City)	3,467	68	3,535	Not avail				2%
D (Neighbour)	715	894	1,609	942,000	0.76	0.95	1.71	56%
E (Semi Rural)	500	774	1,274	3,193,500	0.16	0.24	0.40	61%
Welsh Average	1,943	628	2,572	Not avail				
MCC	1,518	422	1,940	2,052,500	0.74	0.21	0.95	22%

It has been a particular challenge to obtain any comparative information in this area. I was hoping for some Museum specific activity data but costs of such tend to be included in culture and heritage service more generally when reported across Wales. Heritage and culture is also an area where costs tend to be rather unique to individual Councils based on their specific portfolio of heritage assets, the history of the area and attractions, and can be highly variable, making any direct meaningful comparison more tricky.

There will be more of a correlation in costs and activities between similar semi-rural Councils than City or neighbour comparison, and in this regard our culture and heritage costs per visit appear higher than others. However our tourism unit costs per visit appear proportionate and comparable with visitor numbers elsewhere and tourism facilitation costs as a proportion of culture and heritage services costs appear proportionately less than other semi-rural authorities examined that chose to publish such data, but it is a very small sample size from which to draw any forthright judgement.

4.7 People Development

Appreciating the Human Resources function also appears with Enterprise Directorate, one final table pertinent to assessing the general economy of provision of services or otherwise involves an analysis of staffing.

	Number of FTE staff, including teachers, as at March 14	Population	No of FTE staff per head of population	Cost of agency staff 2012-13
A (Semi Rural)	2,818	76,046	0.04	29
B (Semi Rural)	3,940	94,066	0.04	1820
C (City)	4,988	146,106	0.03	4168
D (Neighbour)	3,593	91,372	0.04	989
E (Semi Rural)	3,982	126,831	0.03	5169
Welsh Average	5,682	139,730	0.04	1915
MCC	2,693	91,659	0.03	1121

The volume of staff employed in providing MCC local authority services is significantly below the Welsh average, and whilst favourably comparable with comparator Councils, this situation is further enhanced when considering the cost of agency staff incurred by Councils as an alternative to directly employing staff (unfortunately only 2012-13 comparable information is available at present).

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

'I am pleased to see progress continues with the level of overall underspend at Month 6 now brought down to £55k. Within this however, there are some fluctuations that will require some concerted focus, especially in order to maintain as far as possible, the commitments made in the budget mandates for 14/15. Community-led delivery has shown improvements on the month 3 position; issues remain as a result of the structure changes made in-year, however these will now start to shift with the next layers of the wider establishment for Enterprise, developed. Community Education and issues around the service franchise agreement present difficulties that to our best ability, we will seek to mitigate both within the service area by making compensatory adjustment and within the wider CLD budget. Great progress continues to be made in Commercial and People with a higher than anticipated under-spend generated due to keeping vacancies open and a reversal of the SRS position. Tourism Leisure and Culture as anticipated is carrying some of the cost of the summer cycling events, as well as staff costs relating to structure changes not moving at the pace expected. As above, this is now starting to move and with expected income levels in leisure and the recent round of events, also set to make a contribution, I remain confident that the end position will be a neutral one.'

In capital terms, whilst delays have continued on major programmes such as Abergavenny regeneration and library, with the commencement of consultation on 'Community Hubs', it seems clear that if the business case underpinning this is robust, a decision can be sought which will enable the programme to proceed in a clear direction.

The benchmarking analysis clearly demonstrates that the frontline service provided through Enterprise are operating at high levels of efficiency. Whilst this is good news, in the light of further budget reductions, it is clear that new ways of providing these services must be found if we are to derive new levels of effectiveness.'

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

[Revenue Monitoring Enterprise Qtr 2](#)
[Capital monitoring Qtr 2](#)

1. Revenue Outturn Forecast

1.1 The revenue budget for 2014-15 equates to £29,648,000. The net forecast outturn expenditure is predicted as £29,699,000, of which £12,639,000 had been incurred at the end of 2nd quarter, resulting in an anticipated overspend of £50,000 (up from £30,000 overspend month 3).

	Overspend predicted £'000	Underspend predicted £'000	Cause
Social Care – Adults			
Disability Equipment (Gwices)		18 (20 worsening)	Reduced activity
Day Centres	9 (20 worsening)		
Residential care	112 (28 worsening)		Mainly Mardy Park partnership pressure
Community Meals	29 (3 worsening)		Shortfall in income
Domiciliary care	25 (8 improvement)		Increase in staff hours caused by training and reconfiguration
Transition cooperative partnership		47	Secondment cost borne by partner
Management team		14 (7 worsening)	
Monnow Vale partnership	65 (10 improvement)		Historic agreement precludes passing equitable cost to partner
Community Care		38	
Commissioning	10		
Resource and performance		83	Reduced premises and fleet cost, and net salary saving
Total	50		

2. 2014-15 Savings Progress

2.1 The savings required by 2014-15 budget process, identified in Appendix 1, are not fully secured. Of Social Care savings affecting Adults totalling £962,000, £841,000 are anticipated to be made, none deferred to 2015-16 but £121,000 not achievable. This exhibits no change in activity since month 3.

3. Capital Outturn Forecast

3.1 The capital budget for the year is £59,000. There was no slippage from 2013-14. An additional £200,000 revisions has occurred since month 3 to reflect Cabinet approval to replace SCH software ultimately funded from IT licence revenue savings within SCH.

3.2 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 6 it has incurred £88,000 costs, and forecasts an overspend of £29,000 due to the deficient standard of existing boiler plant. This is due to be funded by an underspend in Property Maintenance within the CYP Select portfolio.

4. **Benchmarking**

- 4.1 The purpose of this section is to explore whether activity data, and comparison with other authorities provides members with an improved perspective of whether resources are being utilised in an efficient and effective fashion.
- 4.2 The first table in respect of SCH Adult services seeks to ascertain whether there is anything particularly unusual about MCC presentations that influence costs incurred. It is often remarked that Monmouthshire exhibits a disproportionate elderly demographics that introduces disproportionate social care costs, particularly given a rural dimension, in comparison with other Councils. A condition of using Wales's datasets in a public document has been a need to anonymise particular Council data.

Authority	Key Performance Indicator Information										
	Total population	Total population > 75	Proportion of population > 75	Total population aged 65 or over	Proportion of population 65 and over	Number of people aged 65 or over supported in the community	Percentage of people supported in the community as a proportion of population 65 and over	Number of people aged 65 or over supported in care homes	Percentage of people supported in care homes as a proportion of population 65 and over	Number of people aged 65 or over supported	Percentage of people supported as a proportion of population 65 and over
A (Semi Rural)	76,046	7,473	10%	16,370	21.5%	862	5.3%	360	2.2%	1,222	7.5%
B (Semi Rural)	94,066	9,332	10%	20,579	21.9%	1,036	5.0%	429	2.1%	1,465	7.1%
C (City)	146,106	11,467	8%	24,575	16.8%	1,556	6.3%	398	1.6%	1,954	8.0%
D (Neighbour)	91,372	7,810	9%	16,980	18.6%	2,221	13.1%	366	2.2%	2,587	15.2%
E (Semi Rural)	126,831	11,020	9%	24,217	19.1%	1,150	4.7%	357	1.5%	1,507	6.2%
MCC	91,659	9,284	10%	20,038	21.9%	1,134	5.7%	227	1.1%	1,361	6.8%

- 4.3 MCC over 65 and over 75 demographic data doesn't appear to evidence a significantly different population mix than other Authorities. The proportion of elderly residents does seem to evidence a correlation with the semi-rural nature of MCC and comparator Councils in that there is some basis to conclude these areas can be pleasant environments to retire to.
- 4.4. MCC's strategic approach to support people where possible in communities proportionately more than through care home provision is evident, although MCC do appear to be dealing with an activity base slightly below the norm indicated above.
- 4.5 The second table indicates the costs associated with service provision of the above Councils, and has been drawn from the 2013-14 revenue outturn returns, which is the latest all wales comparator data available.

Authority	Revenue Outturn Information											
	Total Social Care spend 2013/14 £'000	Total social care cost 13-14 per head of population	Adult Spend on >65 provision	Social care Cost 13-14 per >65 population	Adult Spend on <65 provision	Adult Strategy	Proportionate spend between >65 provision against <65 provision	Sub Total Adult Services Costs	Proportion of Spend on Adult Services	Spend on Childrens & Family Services	Social care Cost 13-14 per looked after child	Proportion of Spend on Childrens & Family Services
	£'000	£'000	£'000	£'000	£'000	£'000		£'000		£'000	£'000	
A (Semi Rural)	39,568	5,295	14,901	910	14,787	39	1.01	29,728	75%	9,840	127,792	25%
B (Semi Rural)	52,131	5,586	18,528	900	21,475	196	0.86	40,199	77%	11,932	72,756	23%
C (City)	85,208	7,431	21,814	888	24,040	9,840	0.91	55,694	65%	29,514	103,558	35%
D (Neighbour)	46,268	5,924	15,835	933	13,121	829	1.21	29,785	64%	16,483	55,686	36%
E (Semi Rural)	57,679	5,234	19,575	808	19,250	611	1.02	39,436	68%	18,243	99,689	32%
MCC	42,275	4,554	14,148	706	17,584	-	0.80	31,732	75%	10,543	102,359	25%

- 4.6 MCC spends less per head of population on Social Care than comparator authorities, and the mix between how the Social Care budget is attributed between and Adult and Children's Services doesn't indicate a particular skew, and the unit cost per Adult case will always be significantly less than that for Children's services.

- 4.7 When comparing Adult unit costs between Councils, it does appear that the Your Life Your Way strategy adopted evidences the additional benefit of reducing the unit cost of provision. It may also explain why MCC evidences a greater proportionate spend for under 65s rather than the more normal spend profile, but it would be my intention to test this further to establish whether MCC is potentially incurring care costs earlier than it needs to.

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

Adults Services continue to perform well in budgetary terms and are predicting a small overspend at Month 6. The service has achieved all of the SCH Mandate savings for 2014/15 and the overspend reflects the impact of whole authority pressures in the budget that will need to be managed in year.

The big achievement for the service is to be in a break-even position despite the demographic and other demand pressures exerted on it. The new approaches are bearing fruit and the service is well placed to deliver the significant savings required in 2015/16 onwards.

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

[Revenue monitoring Social Care and Health Qtr 2](#)

[Capital monitoring Qtr 2](#)

1. Revenue Outturn Forecast

1.1 The combined revenue budget for 2014-15 is made up of SCH Children's services £6,956,000 and CYP Directorate £52,302,000, totalling £59,258,000. The net forecast outturn expenditure is predicted as £60,049,000, of which £55,072,000 had been incurred by end of 2nd quarter (skewed by the effect of delegating annual budget to schools in 1st quarter), resulting in an anticipated overspend of £746,000 (£583,000 at month 3) in Social Care and £45,000 (£26,000 at month 3) in CYP, combined £791,000.

	Overspend predicted £'000	Underspend predicted £'000	Cause
Social Care – Children			
Looked after children	502 (122 worsening)		Additional case volume
Joint adoption	4 (35 improvement)		Reflective of anticipated activity
Fostering & allowances	45 (10 worsening)		Foster carers travel allowances – no budget
Disability equipment (Gwices)		23 (10 worsening)	
Therapeutic services		11 (9 worsening)	
Counsel costs	56 (10 improvement)		Anticipated in line with 2013-14 activity
Young person's accommodation		55 (17 improvement)	Reduced activity
Respite home		55 (9 improvement)	Premise closed whilst new carers identified and assessed
Team Costs	304 (80 worsening)		Staffing costs and conveyance of client pressure
Unaccompanied asylum seeking children, local safeguarding board and misc. underspends		22 (1 improvement)	
Total	745		

	Overspend predicted £'000	Underspend predicted £'000	Cause
Children and Young People			
Resources delegated to schools		225 (225 improvement)	
Standards	250 (212 worsening)		Shortfall on income targets
Resources	45 (57 worsening)		Net salary saving
Youth services		25 (25 improvement)	
Total	49		

2. 2014-15 Savings Progress

- 2.1 The savings required by 2014-15 budget process, identified in Appendix 1, are not fully secured.
- Of Social Care - Children savings totalling £68,000 £36,000 are anticipated to be made, none deferred to 2015-16 but £32,000 are regarded as not achievable. This exhibits no change since month 3.
 - This exhibits no change since month 3.
 - Of Children & Young people Directorate savings totalling £812,000, £729,000 are reported to be made none deferred but £83,000 regarded as not achievable.
 - This exhibits no change since month 3.

3. Schools reserves

- 3.1 Schools balances, as indicated in the main report from para 3.3 onwards exhibit a declining trend, such that the forecast outturn balance would not accommodate the same level of expenditure as the 2014/15 financial year.

4. Capital Outturn Forecast

- 4.1 The capital budget for the year is £12,252,000 after slipping the £751,000 21st Century feasibility underspend and part of the Access for all (£80,000) budget to 2015-16. This was made up of £4,044,000 2014/15 allocation and £3,067,000 slippage from 2013/14. Since month 3 the Council have indicatively approved the creation of 21c school main project budget, pending approval from WG concerning their share. This amounts to £5,972,000 in 2014-15.
- 4.2 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 6 it had incurred only net £2,781,000. 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 exhibits a net £55,000 underspend caused by anticipated property maintenance costs. As is usual the Property Maintenance aspect is balanced across all Directorates and so the net underspend in school spending compensates for additional Property Maintenance pressures in the Strong Communities and Adult Select areas.

5. Benchmarking

- 5.1 The purpose of this section is to explore whether activity data, and comparison with other authorities provides members with an improved perspective of whether resources are being utilised in an efficient and effective fashion.
- 5.2 The first table in respect of Children's services seeks to ascertain whether there is anything particularly unusual about MCC presentations that influence costs incurred. A condition of using Wales's datasets in a public document has been a need to anonymise particular Council data.

Authority	Key Performance Indicator Information								
	Total population	The total number of children who were looked after at 31 March	The number of children of compulsory school age looked after at 31 March	Proportion of caseload that involves children of school age	Looked after children activity per head of population	The number of children of compulsory school age looked after at 31 March who have experienced one or more changes of school, which were not due to transitional arrangements, in the 12 months to 31 March	Proportion of looked after children experiencing more than 1 change of school per total LAC of school age	Total number of looked after children who had been looked after for more than 12 months at 31 August of the current financial year and were aged 15 at 31 August of the previous financial year	Looked after children for more than 1 year as proportion of looked after children activity
A (Semi Rural)	76046	77	48	62%	0.06%	4	8%	6	13%
B (Semi Rural)	94066	164	99	60%	0.11%	8	8%	11	11%
C (City)	146106	285	163	57%	0.11%	17	10%	26	16%
D (Neighbour)	91372	296	202	68%	0.22%	24	12%	15	7%
E (Semi Rural)	126831	183	110	60%	0.09%	18	16%	11	10%
MCC	91659	103	73	71%	0.08%	8	11%	8	11%

The volume of presentations per population in MCC doesn't appear to exhibit a material difference from similar Councils, appreciating that Authority C and D will have a differing demographic and level of social deprivation than appears common in a semi-rural authority.

Interestingly the proportion of caseload involving children of school age appears skewed in MCC even against the indicated City authority, which would indicate that 15+ caseload is proportionately lower.

There's no obvious extra volatility in terms of multiple changes to schools, and no long term looked after liabilities outside of a similar pattern to comparator Councils.

The second table indicates the costs associated with service provision of the above Councils, and has been drawn from the 2013-14 revenue outturn returns, which is the latest all wales comparator data available.

	Revenue Outturn Information						
Authority	Total Social Care spend 2013/14 £'000	Social care Cost 13-14 per head of population	Sub Total Adult Services	Proportion of Total Social Care Spend on Adult Services	Spend on Childrens & Family Services	Childrens Social care Cost 13-14 per capita looked after child	Proportion of Total Social Care Spend on Childrens & Family Services
	£'000	£'000	£'000		£'000	£'000	
A (Semi Rural)	39568	520	29728	75%	9840	127,792	25%
B (Semi Rural)	52131	554	40199	77%	11932	72,756	23%
C (City)	85208	583	55694	65%	29514	103,558	35%
D (Neighbour)	46268	506	29785	64%	16483	55,686	36%
E (Semi Rural)	57679	455	39436	68%	18243	99,689	32%
MCC	42275	461	31732	75%	10543	102,359	25%

MCC spends less per head of population on Social Care than comparators, and the mix between how the Social Care budget is attributed between and Adult and Children's Services doesn't indicate a particular skew. However, when you compare the spend against the looked after activity for each Council, acknowledging that looked after children may not be the entire customer base, but as an indication, our Children's Service costs per looked after activity would appear to evidence a unit cost indication that is greater than the norm. It would appear MCC activity is most closely aligned to Authority B, and it is proposed to understand their data in more detail to establish commonality and differences.

5.3 In respect of schools based performance this unit costing approach above has been extended to indicate a cost per pupil based on 2014 school rolls and 2014-15 gross expenditure per school. This unit cost is compared against the internal average (external unit costing being unavailable), and the resources utilised compared against attainment data which is also benchmarked against other schools in the form of a family average, which seeks to indicate the level of attainment that should be expected in a comparable school of similar size, demographics and social mix. Much of this information has been gathered using “My Schools” website which is WG data unit’s summary analysis of individual school performance across Wales.

<http://mylocalschool.wales.gov.uk/index.html?iaith=eng>

The results of that exercise are provided in the following table overleaf,

It proved an interesting study, but I’d stress it is still a very simple tool on which to be a sole basis of judgement but it did indicate a couple of trends that weren’t anticipated which are worth highlighting namely,

There was little direct correlation evident between small class size and attainment results, which would seem counter intuitive to expectation.

Neither do the resources allocated i.e. the unit cost per pupil appear to have a direct correlation with attainment, in that there are schools with above the average unit cost that struggle to meet attainment standards and ones significant below the average that are the better/best performing ones within clusters.

Similar sized schools appear to exhibit quite different pupil:teacher ratios.

MCC schools tend to exhibit better performance at interim results e.g. Foundation and key stage 3, than they do with “final” results e.g. key stage 2 and 4.

Reassuringly there do appear to be good examples across each cluster where above average economy of provision equates with above average attainment, which endorses the approach to share practice and work more cohesively within clusters.

There isn’t as direct a link as I would have perceived between resources and results. I’ve tested this conclusion with CYP colleagues who confirm that detailed studies indicate there is only a limited link, which is an interesting factor when approaching forthcoming budget considerations. So whilst resourcing has to be sufficient for the purpose, the main difference in school attainment wouldn’t appear to be a financially driven one, and would instead suggest that the cultural aspects within each school to promote learning and success to be more important in influencing improvement.

School	No of Pupils on Roll	Pupil : teacher ratio	Average MCC cost per pupil (excluding reserve usage)	Gross Expenditure Budget 14/15	Gross Expenditure Budget 14/15 (including use of reserves)	School budget per pupil (excluding reserves usage)	School budget per pupil (including reserves usage)	Average Family Benchmark (external comparator)	KS3 - pupils attaining expected level in core subjects	Data Year	Difference to benchmark	Average Family Benchmark (external comparator)	KS4 - pupils achieving A-C grade GCSE including English/Welsh & Maths	Data Year	Movement in Performance KS4 between 2013 and 2014
Secondary Schools															
E001 Caldicot Comprehensive	1285	17.4	4,873	6,178,322	6,231,323	4,808	4,849	86.7	87.8	14	1.1	65.1	64.7	13	
E004 Monmouth Comprehensive	1635	14.7	4,873	6,878,291	6,878,291	4,207	4,207	90.7	89.7	14	-1	71.9	57.1	13	
E002 Chepstow Comprehensive	909	14.8	4,873	4,495,243	4,653,327	4,945	5,119	86.7	79.4	14	-7.3	65.1	60.2	13	
E003 King Henry VIII Comprehensive	1002	14	4,873	4,817,922	5,057,537	4,808	5,047	82.9	81.4	14	-1.5	60.7	49.8	13	
	1911			9,313,165	9,710,864										
Primary Schools															
	No of Pupils on Roll	Pupil : teacher ratio	Average LA cost per pupil	Gross Expenditure Budget 14/15	Gross Expenditure Budget 14/15 (including use of reserves)	School budget per pupil (excluding reserves usage)	School budget per pupil (including reserves usage)	Average Family Benchmark	Foundation - pupils attaining expected level in core subjects			Average Family Benchmark	KS 2 - pupils achieving A-C grade GCSE including English/Welsh & Maths		Movement in Performance KS2 between 2013 and 2014
Abergavenny cluster															
E073 Cantref Primary	235	25.7	3,979	860,612	881,290	3,662	3,750	90.1	96.7	14	6.6	93.6	100	14	↗
E044 Llantillio Pertholey Jnr & Inf	199	24.9	3,979	726,000	742,980	3,648	3,734	86.7	96.6	14	9.9	88.3	88.9	14	↘
E045 Llanvihangel Crocorney Jnr & Inf	54	17.4	3,979	299,983	282,000	5,555	5,222	93.1	100	14	6.9	89.6	100	14	↔
E035 Gilwern Jnr & Inf	181	15.7	3,979	730,303	746,364	4,035	4,124	90.7	96	14	5.3	91.9	100	14	↔
E093 Llanfoist Fawr	204	21.5	3,979	843,919	836,998	4,137	4,103	89.1	93.3	14	4.2	87.7	92.9	14	↗
E067 Ysgol Gymraeg Y Fenni	187	18	3,979	752,864	757,488	4,026	4,051	90.1	92.9	14	2.8	90.8	95.8	14	↗
E037 Goytre Fawr Jnr & Inf	171	22.2	3,979	682,162	669,273	3,989	3,914	91.6	91.3	14	-0.3	92.9	96.7	14	↗
E072 Deri View Primary	337	19.9	3,979	1,554,039	1,511,336	4,611	4,485	82.8	93.3	14	10.5	82.1	78.6	14	↘
E090 Our Lady and St Michael's RC Primary School	185	23.2	3,979	768,881	755,635	4,156	4,085	90.7	81.8	14	-8.9	91.9	89.7	14	↘
E041 Llanfair Kilgeddin CV Jnr & Inf	29	12.1	3,979	198,683	243,699	6,851	8,403	89.7	80	12	-9.7	92.6	83.3	11	↘
	1782														

Primary Schools (continued)	No of Pupils on Roll	Pupil : teacher ratio	Average LA cost per pupil	Gross Expenditure Budget 14/15	Gross Expenditure Budget 14/15 (including use of reserves)	School budget per pupil (excluding reserves usage)	School budget per pupil (including reserves usage)	Average Family Benchmark (external comparator)	Foundation - pupils attaining expected level in core subjects			Average Family Benchmark (external comparator)	KS 2 - pupils achieving A-C grade GCSE including English/Welsh & Maths		
Caldicot cluster															
E048 Magor Vol Aided Jnr & Inf	359	21.5	3,979	1,296,320	1,291,080	3,611	3,596	95.7	100	14	4.3	94.7	96.2	14	///
E068 Archbishop Rowan Williams Primary	193	22.4	3,979	756,448	751,500	3,919	3,894	90.7	82.1	14	-8.6	91.2	93.1	14	///
E094 Castle Park	193	24.1	3,979	759,895	723,282	3,937	3,748	91.6	81	14	-10.6	92.9	94.1	14	///
E069 Ysgol Gymraeg Y Ffin	155	18.5	3,979	649,794	614,489	4,192	3,964	89.7	91.3	14	1.6	86.7	64.7	14	///
E063 Undy Jnr & Inf	330	23.7	3,979	1,220,274	1,215,923	3,698	3,685	95.7	92.5	14	-3.2	94.7	88.6	14	///
E034 Durand Jnr & Inf	233	23.6	3,979	813,898	828,948	3,493	3,558	91.6	86.2	14	-5.4	92.9	83.3	14	///
E056 Rogiet Jnr & Inf	191	19.9	3,979	801,925	845,897	4,199	4,429	84.5	69.2	14	-15.3	89.9	85.7	14	///
E075 Dewstow Primary School	237	23.4	3,979	933,934	1,010,977	3,941	4,266	83.8	66.7	14	-17.1	87.4	82.1	14	///
	1891														
Chepstow cluster															
E057 Shirenewton Jnr & Inf	203	25.4	3,979	749,620	763,616	3,693	3,762	94.2	96.7	14	2.5	96.4	96.6	14	///
E058 St Mary's Chepstow RC Jnr & Inf	204	25.5	3,979	751,798	750,812	3,685	3,680	92	100	14	8	95.1	92.3	14	///
E060 The Dell Jnr & Inf	410	26.5	3,979	1,355,889	1,357,969	3,307	3,312	95.7	98.3	14	2.6	94.7	91.4	14	///
E061 Thornwell Jnr & Inf	256	22	3,979	1,007,860	1,036,319	3,937	4,048	90.4	84.6	14	-5.8	88.6	91.9	14	///
E091 Pembroke Primary School	275	17.6	3,979	1,302,849	1,366,839	4,738	4,970	89	87.9	14	-1.1	91	72.4	14	///
	1348														
Monmouth cluster															
E062 Trellech Jnr & Inf	160	20.4	3,979	682,946	667,100	4,268	4,169	92	95.8	14	3.8	95.1	95.5	14	///
E055 Raglan Jnr & Inf	198	24.8	3,979	783,140	786,337	3,955	3,971	94.2	86.7	14	-7.5	96.4	96.7	14	///
E074 Osbaston Church In Wales Primary	202	25.4	3,979	740,256	730,600	3,665	3,617	93.7	96.7	14	3	96.1	92.3	14	///
E039 Llandogo Jnr & Inf	86	17.2	3,979	415,729	434,457	4,834	5,052	88.1	100	14	11.9	91	87.5	14	///
E064 Usk CV Jnr & Inf	218	19.8	3,979	898,590	922,538	4,122	4,232	90.7	100	14	9.3	91.2	87	14	///
E092 Kymin View Primary School	183	20.1	3,979	785,739	794,773	4,294	4,343	91.6	95.5	14	3.9	92.9	83.3	14	///
E032 Cross Ash Jnr & Inf	186	22.6	3,979	709,487	728,613	3,814	3,917	94.2	89.7	14	-4.5	96.4	93.1	14	///
E051 Overmonnow Jnr & Inf	416	19.5	3,979	1,704,171	1,727,385	4,097	4,152	90.9	87.3	14	-3.6	88.5	80	14	///
	1649														
Primary School Sub Total	6670		3,979	26,538,008	26,776,517										

It would have been helpful if the comparable unit cost of provision was available in respect average family benchmarks to be able to assess whether the resources allocated to schools in MCC is more, less or comparable to the resources available to family benchmark schools.

As an alternative and applying a similar convention of comparing unit costs with the other Welsh authorities above, the latest position I've been able to ascertain relates to 2012-13 and includes LEA costs which are excluded from the delegated analysis above so are not directly comparable but do indicate amongst these comparable Councils that the resources available per pupil in MCC was more than average in similar Councils. The median position for all Welsh authorities was £5,682 per pupil for that year.

	Unit Cost per pupil	
A (Semi Rural)	6578	
B (Semi Rural)	5580	
C (City)	5256	
D (Neighbour)	5488	
E (Semi Rural)	5065	
MCC	5849	

6. Directors' Commentaries

6.1 Social Care & Health (Simon Burch)

The significant strain on the children's services budget continues and indeed has increased from the Month 3 position. The main issue is increased volume and complexity of cases, particularly those relating to Looked After Children in external placements. This increased work pressure also impacts on two other key areas namely Counsel costs as a result of legal proceedings and staffing costs as we strive to maintain appropriate staffing levels.

In response we now undertake detailed monthly monitoring to identify pressures and trends early on and are reviewing our complex cases on a regular (in some cases weekly) basis. We are also developing invest-to-save business cases in order to manage those pressures differently.

The recognition by Cabinet of the need for an increase to the base budget for 2015/16 is a significant help but will not fully resolve the issue or assist the position in year. Consequently we continue to improve our practice and systems to ensure we are as efficient and effective as possible whilst also analysing data to identify what is an appropriate base budget for this service.

The new benchmarking data in this report builds usefully on our existing analysis and proposes further analysis regarding our expenditure.

6.2 Children & Young People (Sarah McGuinness)

The month 6 results, while pleasing, highlight some of our more vulnerable areas of our budgets. The major variance since month 3 focuses around the Additional Learning Needs budgets where we have seen a reduction in recoupment income at Mounton House as a result of less pupils being placed from out of county and more day placement as opposed to residential. However I am pleased to note that we have started to see an increase in enquiries for out of county placements which may result in additional income. The closure of the School

Library Service has been approved by both LA partners with funding coming from reserves to support the process.

The reserve approved by cabinet to be used for raising standards is primarily being used to support training in our schools for Read, Write Inc, while this funding will be used in total to support this, the timing of the spend will result in some of the expenditure falling into 15-16.

The costs for the recovery board fall under resources and some of these costs are being offset with staffing savings.

The level of school balances are forecast to fall by £700,000 from the beginning of the financial year. The number of schools in a deficit position has also grown by 2. The majority of the schools are making good progress against their plans, and it is pleasing to see that some schools have made significant progress to address their deficits.

It remains a concern that schools are still funding some core staff from their surpluses and given the pressures going forward this will need to be reviewed.

The benchmarking data provides a useful insight to attainment and funding, and will allow better school to school comparisons.

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

[Revenue monitoring Social Care and Health Qtr 2](#)

[Revenue monitoring Children & Young People Qtr 2](#)

[Capital monitoring Qtr 2](#)

SUBJECT: CAPITAL BUDGET PROPOSALS 2015/16 TO 2018/19

MEETING: Children and Young People Select Committee

DATE: 10th December 2014

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE:

- 1.1 To outline the proposed capital budget for 2015/16 and the indicative capital budgets for the three years 2016/17 to 2018/19.

2. RECOMMENDATIONS:

- 2.1 That Select Committee scrutinises the draft capital budget proposals for 2015/16 to 2018/19 for consultation purposes as set out and referred to in Appendix 2.

3. RECOMMENDATIONS AGREED BY CABINET ON 5TH NOVEMBER 2014

- 3.1 That Cabinet affirms the capital strategy, linked to the Asset Management Plan, which seeks to work towards a financially sustainable core capital programme without recourse to further prudential borrowing or use of capital receipts so that these resources can be directed towards the Council's priority of 21st Century Schools Programme, whilst recognizing the risks associated with this approach.
- 3.2 That Cabinet reviews the priorities in the Capital programme in the light of the Asset Management Plan and other demands for capital resources
- 3.3 That Cabinet approves the principle that new schemes can only be added to the programme if the business case demonstrates that they are self financing or the scheme is deemed a higher priority than current schemes in the programme and therefore displaces it.
- 3.4 That Cabinet agrees to the sale of the assets in accordance with the Asset Management Plan and identified in the exempt background paper in order to support the capital programme, and that once agreed, no further options are considered for these assets.

- 3.5 That Cabinet agrees to the associated costs of disposal outlined in appendix 7 required to process the sale of assets identified in the exempt background paper.

4. KEY ISSUES:

Capital budget strategy

- 4.1 Last year a capital MTFP strategy was put in place in the face of an ever reducing resource base from Welsh Government. This strategy had the following key components:

- The core MTFP capital programme needed to be financially sustainable without further draw on either prudential borrowing or capital receipts.
- Capital receipts and any further prudential borrowing will be needed to match fund the Council's priority of 21st century schools (currently estimated at £40 million).
- Budgets for Disabled Facilities Grants and Access for all schemes will be maintained in line with the Council's priority of protecting services to vulnerable adults and children.
- No inflation increases will be applied to any of the capital programme
- The property maintenance budget and Infrastructure maintenance budget were reset at a financially sustainable level

It should be noted that the Highways infrastructure funding from Welsh Government (£1.81 million) will cease in 2015/16, further reducing the capital budget available for highways works in the latter years of the medium term programme.

- The County farms maintenance and reinvestment programme is based on the revised asset management plan for County farms, supported by the latest condition survey data
- School kitchens budget to be ceased from 2015/16 on the basis that the project to upgrade school kitchens can be completed by then.
- Budget for Area Management was reduced from £60k to £20k in the programme
- Use of the capital investment reserve to ease the transition to a balanced budget
- Budget to enhance or prepare assets for sale will be maintained and funded through the capital receipt regeneration reserve in order to maximize this funding stream for the 21st century schools programme priority

Capital MTFP update

4.2 The four year capital programme is reviewed annually and updated to take account of any new information that is relevant. The following updates are available:

- The draft Asset Management Plan (AMP) (elsewhere on this agenda) provides the overall context for the capital MTFP
- The list of capital pressures falling upon the Authority's fixed assets has been updated and these form the backdrop to the programme presented here. Capital pressures of over £158 million are outlined in Appendix 1A.
- The provisional capital settlement was received on 8th October 2014. The capital MTFP had projected no increase in funding for 2015/16, however the provisional settlement has identified a very small decrease of £11,000 on 2014/15 levels.
- £1m unsupported prudential borrowing per annum has been contained in the programme for a number of years and this will continue in the current 4 year programme
- The rolled forward capital programme identified a deficit in year 4, the small surpluses caused by the settlement have enable Authority funding to be rolled forward to fund the deficit in the final year.

4.3 The major development schemes of the 21st century schools will dominate the programme over the next couple of years. The remaining capital programme from 2014/15 is essentially made up of the underlying core programme of works:

- To maintain existing assets such as highways, infrastructure (including the final year of WG supported highways infrastructure investment), property and county farms.
- Inclusion schemes – Access for all, Disabled facilities grants
- Other – school kitchens, area management, enhancements or preparation of assets for sale
- IT schemes – these are funded from the IT reserve and work is progressing on establishing the future IT demands, so there are no schemes currently identified for the medium term programme.

4.4 **Issues for the underlying programme**

Whilst a strategy has been set that links with the AMP and enables the programme to be balanced (including 21st century schools), this does not mean that there is no risk associated with it. The huge pressures outlined in Appendix 1A are not being addressed in the current strategy and the current maintenance programmes are barely sufficient to maintain existing assets or deal with the backlog. Given the pressures outlined, Cabinet have confirmed acceptance of this risk.

In addition, there are a number of revenue savings proposals that will require capital investment to achieve. Whilst these schemes may have been classed as invest to save schemes in the past, with revenue savings paying for the additional prudential borrowing required, revenue savings are now needed to balance the revenue budget. Therefore any additional investment will either need to be self-

financing (without using the savings or income streams already captured in the revenue MTFP) or **displace** existing schemes/funding in the capital MTFP.

Details of such issues are provided in Appendix 1B together with any indicative costs. Given the early stage or evolving nature of some of these developments quantifying the financial consequence has not been possible at this stage, but they are provided with a view to highlighting a potential impact upon the current capital programme within this next MTFP window.

21st Century Schools

- 4.5 The 21st century schools programme is the most significant investment programme in the authority's schools for a generation. In order to achieve this ambition, the capital strategy outlined above is necessary to create an underlying core programme that is financially sustainable and therefore enable the Authority to concentrate its own resources on the priority of 21st century schools. The budget proposals include the 21st Century schools programme subject to Welsh Government confirming that match funding of circa £40 million is available. Final business cases are being worked on for further consideration by WG and final approval of funding that will come on stream in 2014/15. To this end a core funding commitment to the education programme has been maintained in the last 2 years to enable preparation work to continue. (See Appendix 3).

Available capital resources

- 4.6 The capital strategy identified above establishes that the core programme will be financially sustainable through supported funding from Welsh Government and use of the Capital Investment Reserve. This is required in order to enable the Council's own resources of prudential borrowing and capital receipts to be prioritised for the 21st Century Schools Programme.
- 4.7 In light of the current pressures on the Authority's medium-term revenue budget, and the principles on which any prudential borrowing must be taken of affordability, prudence and sustainability, the use of prudential borrowing for the 21st Century Schools Programme has been carefully assessed.
- 4.8 In the light of the above, the Council needs to make a concerted effort to maximize its capital receipts generation over the next few years. The table below illustrates the balance on the useable capital receipts reserve over the period 2015/16 to 2018/19 taking into account capital receipts forecasts provided by Estates and balances drawn to finance the existing programme. Further detail is provided in Appendix 4.

<u>GENERAL RECEIPTS</u>	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
Balance as at 31st March	7,443	14,737	5,675	4,521

- 4.9 The above table illustrates that the capital receipts balance is set to reduce over the MTFP. This is dependent on the capital receipts forecasts provided materializing which in itself is a significant risk, then being used to fund the 21st century schools capital programme. Experience suggests that there is often significant slippage in gaining receipts which may be due to factors outside the control of the Authority. The risk assessment on the receipts projected is contained in Appendix 5. It is crucial that once assets are identified and approved for sale that this decision is acted upon. Exploration of any alternative use of surplus assets needs to be undertaken before Council approves them for sale in order to assist in the capital planning process.
- 4.10 Opportunities to generate further receipts and funding streams in line with the AMP are continuously being sought, these are outlined below:
- Review of accommodation/building in use by the council, with a view to further rationalization – will potentially release buildings for sale and this is also key in identifying revenue savings
 - Identification of services that can be combined as part of the whole Place agenda and establishment of community Hubs, and therefore release buildings for sale
 - Authority's role in low cost home ownership scheme – a business case is being prepared to identify the options available to maximize the receipt to be gained from this scheme.
 - Community Infrastructure Levy – this will be relevant to sites after July 2015 and can include funding for more general 'place-making' schemes that support the growth proposed in the LDP e.g. sustainable transport improvements, upgrade/provision of Broadband connectivity, town centre improvements, education, strategic sports/adult recreation facilities and green infrastructure.

5. REASONS:

- 5.1 To provide an opportunity for consultation on the capital budget proposals.

6. RESOURCE IMPLICATIONS:

- 6.1 Resource implications are noted throughout the report both in terms of how the core programme is financially sustainable, but also the risks associated with not addressing the pressures outlined in Appendix 1.

7. EQUALITY AND SUSTAINABILITY IMPLICATIONS:

- 7.1 Capital budgets which impact on individuals with protected characteristics, most notably renovation grants and access for all budgets are being maintained at their current levels.
- 7.2 The equality impact of the mechanism to allocate maintenance budgets to individual schemes should be in place and being used to aid allocation of funding

7.3 The actual impacts from this report's recommendations will be reviewed on an ongoing basis by the Capital Working Group.

8. CONSULTEES:

Senior Leadership Team
All Cabinet Members
Head of Legal Services
Head of Finance

9. APPENDICES:

Appendix 1 – Capital MTFP pressures and list of issues
Appendix 2 – Capital budget summary programme 2015 to 2019
Appendix 3 – Schools programme (including 21st Century Schools)
Appendix 4 – Forecast capital receipts 2015/16 to 2018/19
Appendix 5 – Capital receipts risk factors
Exempt Appendix 6 – Forecast receipts
Exempt Appendix 7 - Cost of Disposal
Appendix 8 - Equality Impact Assessment

10. BACKGROUND PAPERS:

List of planned capital receipts and County Farms costs of disposal: Exempt by virtue of s100 (D) of the Local Government Act 1972

11. AUTHOR:

Joy Robson – Head of Finance

12. CONTACT DETAILS:

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Email: joyrobson@monmouthshire.gov.uk

Appendix 1A - Anticipated Capital Pressures

Current Pressures

Description of Pressure	Forecast Cost
ACM and Abergavenny regeneration - legal costs/compensation costs/completion of Aber regeneration project Overspend forecast 14/15 - £82,000 Potential extent of Compensation costs High house farm - £6,000,000	6,082,000
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
Penyrhiw, Llanwenarth Citra sewerage treatment plant – is being reactively managed and remedially repaired, but is well past economic repair.	75,000
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
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 its the likely site for the Eisteddfod this is becoming a much higher corporate risk.	50,000
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
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
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

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
Radon Gas Surveys	30,000
Tree Risk Assessments	30,000
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
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
Caldicot 3G pitch - Unanticipated ground conditions, electrical connection capacity and retention of original pitch by school are anticipated to increase costs.	55,000

Sub Total Current Pressures

6,733,000

Major Pressures	
Description of Pressure	Forecast Cost
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.	2,100,000
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.	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.</p> <p>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.</p> <p>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.</p> <p>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
<p>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.</p>	4,000,000
<p>School Traffic Management Improvements at Castle Park and Durand Primary Schools - based on works carried out on similar buildings.</p>	450,000
<p>Refurbishment of all Public Toilets</p>	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 in 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 part 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 m.p.h 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 1B - Predicted Issues List

Area	Background	Forecast Cost if known
Usk community Hub	Cabinet report going in December 14 – Awaiting figures from Prop Services & SRS – Refurbishment costs	0
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
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
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
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 (sep 17) which will require capital investment.	0
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
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
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
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
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
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
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 in November 14. There are potential capital expenditure requirements in the following areas.	1,050,000
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
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

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
Children's Services Contact centres	Capital required for adaptation of buildings for occupation.	0
	Funding Sources	
Low cost home ownership / Castlewood	Castlewood, Usk portfolio owned by MCC and Low cost Home ownership (or Homefinder) originally funded by WAG are not considered to be part of our core service provision. Options being considered around sale or passporting to housing provider to see which best fits service needs and capital receipt generation. It will be a few months - end 2014 start 2015 before this is addressed and options evaluated more fully	0
Section 106	S106 - The restriction on this funding source is that it has to be spent in the locality of the development by the relevant service. The key service managers - Leisure, Traffic & transport, Infrastructure and Education have been consulted to look for opportunities to use the S106 monies strategically. Much has specific uses such as children's play & highways infrastructure money. Some traffic & transport monies have historically been combined into larger projects. The Education contributions could be considered for use in Future schools programme.	0
CIL	Council resolved to move forward with implementation of a CIL (Community Infrastructure levy) in July 13; A preliminary draft charging schedule will be taken to council Nov 14; Expected adoption following consultation and approval by external inspector. Some CIL will replace S106 contributions although some e.g. Local play or infrastructure critical for a development will remain S106. The items on which the Council intends to spend CIL funding would need to be specified in a 'Regulation 123 list' (revised according to need). This should be items necessary to implement the LDP and can include more general 'place-making' schemes that support the growth proposed in the LDP. At present, it is being suggested that the Reg.123 list includes sustainable transport improvements, upgrade/provision of broadband connectivity, town centre improvements, education, strategic sports/adult recreation facilities and green infrastructure, but this is for the Council to establish according to its priorities. Only sites subject to planning permission after the commencement of CIL (July 15) will be liable for CIL. CIL has had to be limited on non residential as could threaten developments going ahead. Predicting sums is extremely difficult due to predicting development sites/no of & size of houses/ timing of developments and payments/delay in implementation of CIL etc. Of sums collected 15% has to be spent in conjunction with local community councils; of the remainder, it often replaces S106 sums received - so not additional.	0

Total

6,330,000

Appendix 2 - Capital Budget Summary 2014 to 2019				
	Indicative Budget 2015/16	Indicative Budget 2016/17	Indicative Budget 2017/18	Indicative Budget 2018/19
Asset Management Schemes	1,929,278	1,929,278	1,929,278	1,929,278
School Development Schemes	42,998,450	22,446,500	3,644,000	2,350,000
Infrastructure & Transport Schemes	2,240,740	2,240,740	2,240,740	2,240,740
Regeneration Schemes	3,433,302	0	0	0
Sustainability Schemes	0	0	0	0
County Farms Schemes	300,773	300,773	300,773	300,773
Inclusion Schemes	850,000	850,000	850,000	850,000
ICT Schemes	0	0	0	0
Vehicles Leasing	1,500,000	1,500,000	1,500,000	1,500,000
Other Schemes	20,000	20,000	20,000	20,000
TOTAL EXPENDITURE	53,272,543	29,287,291	10,484,791	9,190,791
Supported Borrowing	(2,420,000)	(2,420,000)	(2,420,000)	(2,420,000)
Unsupported (Prudential) Borrowing	(15,242,302)	(6,804,000)	7,613,000	(1,000,000)
Grants & Contributions	(21,780,250)	(12,746,250)	(2,462,000)	(3,112,000)
Reserve & Revenue Contributions	(489,541)	(489,541)	0	0
Capital Receipts	(11,840,450)	(5,327,500)	(11,715,791)	(1,158,791)
Vehicle Lease Financing	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
TOTAL FUNDING	(53,272,543)	(29,287,291)	(10,484,791)	(9,190,791)
(SURPLUS) / DEFICIT	0	0	0	0

Appendix 3 - Schools capital programme	Financial Year 2015/16	Financial Year 2016/17	Financial Year 2017/18	Financial Year 2018/19
(includes Raglan)	Indicative Budget £	Indicative Budget £	Indicative Budget £	Indicative Budget £
Expenditure:				
Access For All	50,000	50,000	50,000	50,000
Thornwell Primary				
Raglan Primary	1,326,450	112,500		
Monmouth Comprehensive School - 1600 Place	19,171,000	11,167,500	1,797,000	1,150,000
Caldicot Comprehensive School - 1500 Place	18,700,000	9,116,500	1,797,000	1,150,000
Welsh Medium Secondary Schools	3,000,000	2,000,000		
Total Expenditure	42,247,450	22,446,500	3,644,000	2,350,000
Financing:				
Future schools funding - Raglan Primary	(647,250)	(56,250)		
21c schools project (grant and annuity)	(19,671,000)	(11,228,000)	(1,000,000)	(1,650,000)
External Grant Funding	(647,250)	(56,250)	0	0
MCC Capital Receipts	(679,200)	(56,250)		
21c schools project	(10,391,000)	(5,252,000)	(11,207,000)	(650,000)
Capital Receipts	(11,070,200)	(5,308,250)	(11,207,000)	(650,000)
Supported Borrowing	(50,000)	(50,000)	(50,000)	(50,000)
Unsupported Borrowing	(10,809,000)	(5,804,000)	8,613,000	0
Total Financing	(42,247,450)	(22,446,500)	(3,644,000)	(2,350,000)
(Surplus) / Deficit	0	0	0	0

Appendix 4 - Forecast Useable Capital Receipts

Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Useable Capital Receipts Reserve, and

The forecast movement on the reserve based on forecast capital receipts and the budgeted application of capital receipts to support the financing of the Authority's capital

GENERAL RECEIPTS	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£001
Balance as at 1st April	12,555	7,443	14,737	5,675
Less: capital receipts used for financing	(1,449)	(76)	(509)	(509)
Less: capital receipts used for financing Monmouth, Caldicot and Welsh medium 21c school provision	(10,391)	(5,252)	(11,207)	(650)
	715	2,116	3,021	4,517
Capital receipts forecast	6,725	23,070	2,650	0
Deferred capital receipts	4	4	4	4
Less: capital receipts set aside:		(10,452)		
Balance as at 31st March	7,443	14,737	5,675	4,521
LOW COST HOME OWNERSHIP RECEIPT	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£001
Balance as at 1st April	109	109	109	109
Less: capital receipts used for financing	0	0	0	
	109	109	109	109
Capital receipts forecast	-	-	-	
Balance as at 31st March	109	109	109	109

Appendix 5 - Capital Receipts Summary and Risk Factors						
The analysis below provides a summary of the receipts and the respective risk factors:						
Risk Factor	2015/16	2016/17	2017/18	2018/19	Total	
	£	£	£	£	£	
Education Receipts						
Low	0	0	0	0	0	85%
Medium	850,000	250,000	0	0	1,100,000	10%
High	225,000	120,000	0	0	345,000	6%
	1,075,000	370,000	0	0	1,445,000	
County Farm Receipts						
Low	0	0	0	0	0	51%
Medium	0	0	0	0	0	0%
High	100,000	0	0	0	100,000	49%
	100,000	0	0	0	100,000	
General Receipts						
Low	0	0	0	0	0	0%
Medium	250,000	16,000,000	0	0	16,250,000	97.0%
High	300,000	200,000	0	0	500,000	3.0%
	550,000	16,200,000	0	0	16,750,000	
Strategic Accommodation Review						
Low	0	0	0	0	0	0%
Medium	0	0	0	0	0	0%
High	2,500,000	0	150,000	0	2,650,000	100%
	2,500,000	0	150,000	0	2,650,000	
Dependent on Outcome of LDP						
Low	0	0	0	0	0	0%
Medium	0	0	0	0	0	0%
High	2,500,000	6,500,000	2,500,000	0	11,500,000	100%
	2,500,000	6,500,000	2,500,000	0	11,500,000	
TOTALS						
Low	0	0	0	0	0	23%
Medium	1,100,000	16,250,000	0	0	17,350,000	40%
High	5,625,000	6,820,000	2,650,000	0	15,095,000	37%
					0	
Total	6,725,000	23,070,000	2,650,000	0	32,445,000	
Risk Factor key:						
High	- External factors affecting the potential sale that are out of Authority control					
Medium	- Possible risk elements attached but within Authority ability to control					
Low	- No major complications in forseen for the transaction					

Appendix 8

The “Equality Initial Challenge”

Name: Joy Robson Service area: Finance Date completed: 28 th Oct 2014		Please give a brief description of what you are aiming to do. Present capital budget proposals for consultation	
Protected characteristic	Potential Negative impact Please give details	Potential Neutral impact Please give details	Potential Positive Impact Please give details
Age		X	
Disability		X	
Marriage + Civil Partnership		X	
Pregnancy and maternity		X	
Race		X	
Religion or Belief		X	
Sex (was Gender)		X	
Sexual Orientation		X	
Transgender		X	
Welsh Language		X	

Please give details about any potential negative Impacts .	How do you propose to MITIGATE these negative impacts
➤	➤
➤	➤
➤	➤
➤	➤

Signed Joy Robson Designation Head of Finance

Dated 28th Oct 2014

EQUALITY IMPACT ASSESSMENT FORM

What are you impact assessing	Service area
Capital budget proposals	Finance
Policy author / service lead	Name of assessor and date
Joy Robson	Joy Robson 28/10/14

1. What are you proposing to do?

Present capital budget proposals for consultation

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

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

3. Please give details of the negative impact

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

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

There has been no significant change to the programme

Signed...Joy Robson.....**Designation**...Head of Finance.....**Dated**...28/10/14.....

The “Sustainability Challenge”

Name of the Officer completing “the Sustainability challenge” Joy Robson		Please give a brief description of the aims proposed policy or service reconfiguration Capital budget proposals	
Name of the Division or service area Finance		Date “Challenge” form completed 28/10/14	
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food		X	
Improve housing quality and provision		X	
Reduce ill health and improve healthcare provision		X	
Promote independence		X	
Encourage community participation/action and		x	

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

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

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

➤	➤
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The next steps

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

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

Signed Joy Robson

Dated 28/10/14

**SCHEDULE 12A LOCAL GOVERNMENT ACT 1972
EXEMPTION FROM DISCLOSURE OF DOCUMENTS**

REPORT:	Capital Budget Proposals 2015/16 to 2018/19
AUTHOR:	Joy Robson
MEETING AND DATE OF MEETING:	Children and Young People Select Committee – 10 th December 2 014

I have considered grounds for exemption of information contained in the report referred to above and make the following recommendation to the Proper Officer:-

Exemptions applying to the report:

Information relating to specific assets values of tenanted properties.

Factors in favour of disclosure:

Provides information on assets the Authority is proposing to sell.

Prejudice which would result if the information were disclosed:

Prejudice negotiations with tenants of County Farms.

My view on the public interest test is as follows:

Outweighed by need to exempt.

Recommended decision on exemption from disclosure:

To apply exemption.

Date: 14/11/14

Signed: *Joy Robson*

Post: Head of Finance

I accept/do not accept the recommendation made above.

[Signature]

Proper Officer

Date: 14/11/14



SUBJECT:	BUDGET PROPOSALS 2015/16 to 2018/19
MEETING:	CHILDREN & YOUNG PEOPLE SELECT COMMITTEE
DATE:	10TH DECEMBER 2014
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 To provide detailed proposals on the budget savings required to meet the gap between available resources and need to spend in 2015/16, for consultation purposes.
- 1.2 To consider the 2015/16 budget within the context of the 4 year Medium Term Financial Plan

2. RECOMMENDATIONS:

- 2.1 That Select scrutinises the budget savings proposals for 2015/16 released for consultation purposes
- 2.2 That Select Committee considers what alternative proposals, that have been Equality Impact assessed, can be submitted by 14th January 2015
- 2.3 That Select Committee notes Cabinet's intention to continue to work on the areas required to balance the Medium Term Financial Plan (MTFP)

3. KEY ISSUES:

Background

- 3.1 In February 2014, Cabinet approved an indicative MTFP position which used agreed assumptions to forecast the gap in resources over the four year period and identified significant savings targets of over £13 million to meet the gap. A balanced position was established with contingent use of reserve funding to smooth out the surpluses and deficits over the period.
- 3.2 Cabinet received a further report on the MTFP and budget position for next year in September. The report considered the significant financial challenge facing the Authority over the medium term following the receipt a letter from the LG Minister indicating that a planning assumption of a reduction of 4.5% should be considered for 2015/16, given the pressures in the Health budget, and that restrictions on public spending look set to continue for the foreseeable future. At that stage a number of possible scenarios were

presented ranging from reductions in Aggregate External Finance (AEF) of -3% to -4.5% over the 4 year period causing gaps of between £8.1 million and £13.5 million.

- 3.3 The MTFP model used to develop the budget contains the base budgets for the Authority and is updated each year in the light of a revised set of assumptions that are identified to enable a gap between resources and expenditure to be highlighted. The model has been rolled forward a year and updated for the assumptions agreed in the September Cabinet report and the updated assumptions for the Treasury budget. The contingent use of reserve funding has been stripped out at this stage in order to work on the real gap in the model. The updated MTFP includes an assumed pay award of 1% for 2015/16. Cabinet will be aware that the pay settlement for the current financial year is still subject to agreement and this has the potential to impact on the level of savings required.
- 3.4 On the 8th October the results of the Provisional Settlement were announced, including the transfer of specific grants into and out of the Revenue Support Grant. The MTFP model had included a reduction of 2.3% in settlement funding for the Authority. The provisional settlement for Monmouthshire indicates a reduction of 4.3% and this has increased the gap to be closed by £2 million for 2015/16. Monmouthshire remains firmly at the bottom of the funding league table, with funding of £1018 per capita compared to the Welsh average of £1323.
- 3.5 Information on Specific Grants always lags behind the settlement figures and this year is no exception. However, the indications are that the 11 specific grants for education will be amalgamated into one Education Improvement Grant and be reduced by 9%. The Pupil Deprivation Grant, however, has seen an increase of 15.2%. In overall terms this could mean a reduction of grant funding for schools of £370k. There are other notable reductions to the Supporting People grant (7.5%) and the Sustainable Waste Management grant (3.0%). Whilst the Outcome Agreement Grant is in the list there is no individual authority breakdown provided as is normally the case in the provisional settlement. A draft response to the consultation on the provisional settlement is attached in Appendix 1. The MTFP model has been updated for this year's settlement and the transfers in and out of funding are passed directly to those services that they relate to. The model is now projecting forward reduced settlements of 4.3% across the remaining 3 years of the planning period.

Pressures

- 3.6 In addition to this, the pressures going forward have been reviewed and the changes to the pressures going into the model are:
1. Teachers pensions impact – **part year impact in 15/16 of £330k, full year impact in 16/17 of £566k**
 2. Children's social services - **£500k due to increasing numbers of looked after children** (subject of separate report Cabinet 3rd September 2014)
 3. Monmouth Leisure centre - **£150k due to a period of pool closure**, due to the need to reprovise the pool in conjunction with the 21st century school project

4. The pressure for pensions auto enrolment has been reprofiled to start a year later than previously profiled.
 5. Demographic pressure in social care – £250k in 2015/16 will be managed within social services and the savings from this area have been reduced in future years to reflect that this has been absorbed.
 6. No further pressures have been added for the last year of the model
- 3.7 The effect of the roll forward of the model, settlement projections and pressures revisions above is to create a revised gap of £13.5 million over the period of the plan. The previously agreed MTFP contained savings targets of £7.2 million in order to meet the gap identified on the assumptions used last year. Therefore in total the savings now required from 2015/16 onwards are £20.7 million. This is on top of the £7 million savings being delivered in 2014/15, and effectively means a 20% reduction on our controllable budget over a 5 year period.

Table: Summary position of MTFP

	Revised 2015/16 £000	Revised 2016/17 £000	Revised 2017/18 £000	2018/19 £000	Revised Total £000
MTFP: Summary position statement					
Roll forward MTFP Model (surplus)/deficit	(410)	410	(246)	(33)	(279)
Cumulative gap including:					
1. Impact of provisional settlement -4.3% all years	1,540	5,896	8,607	12,022	12,022
2. Revisions to pressures	2,670	6,212	9,999	13,530	13,530
Revised annual gap	2,670	3,542	3,787	3,531	13,530
Savings already indicated in MTFP	(3,102)	(2,805)	(1,310)	0	(7,217)
Total savings required	(5,772)	(6,347)	(5,097)	(3,531)	(20,747)

MTFP Strategy

- 3.8 Layering in these additional challenges in terms of the new gap on top of what the Authority was expecting to have to deliver is putting considerable strain on the capacity of the organisation. After several years of reducing budgets the means of achieving further savings becomes increasingly more challenging. The work streams and lead in times require sustained leadership and management capacity to ensure that the proposals can be worked up and the changes made to ensure required outcomes and savings are delivered. In the light of these circumstances, the approach adopted has been to work up next years proposals, whilst taking into account the medium term position. Therefore allowing some breathing space for further proposals to come forward for future years. Some work has been undertaken on the way the savings targets further out in the MTFP will be delivered and these are also included in this report. However much more work will be undertaken over the coming months to consider the remaining 3 years of the MTFP

and what the future shape of the Authority needs to look like in the light of the emerging financial position.

3.9 This approach has been key to enabling a focus on the Council's Single Integrated Plan with its vision of sustainable and resilient communities and 3 themes of the County's Single Integrated Plan of; Nobody is left behind, People are capable, confident and involved, Our County thrives and their associated outcomes. This has also allowed the core priorities, as identified within the Administration's Partnership Agreement, to be maintained, namely:

- direct spending in schools,
- services to vulnerable children and adults and
- activities that support the creation of jobs and wealth in the local economy,

3.10 The budget proposals contained within this report have sought to ensure these key outcomes and priorities can be continued to be pursued as far as possible within a restricting resource base. This does not, however, mean that these areas will not contribute to meeting the financial challenges. The aim is to make sure everything is efficient so that as broad a range of service offer as possible can be maintained. Chief Officers in considering the proposals and strategy above have been mindful of the whole authority risk assessment.

3.11 The following table demonstrates the links at a summary level that have been made with the 3 priorities, Single Integrated Plan and the strategic risks:

Proposal	Link to Priority Areas / Single Integrated Plan	Link to Whole Authority Risk assessment
Schools budgets have been protected at 2014/15 levels, with a small reduction representing falling pupil numbers	Direct Spending in schools is maintained People are Capable, confident and Involved Our County Thrives	Budget proposals are mindful of the risk around children not achieving their full potential
The revenue impact of capital investment in the future schools programme has been factored into the plan. When this is taken into account the schools budget will meet the protection target required by Welsh Government	Direct Spending in schools is maintained People are Capable, confident and Involved Our County Thrives	An assessment of the risks around the timing and value of capital receipts has been undertaken in the capital budget proposals
Social care budgets will see additional resources	Services to protect vulnerable people	These proposals seeks to address the risks around

going into the budget for Children's social services	Nobody is left behind	more people becoming vulnerable and in need and the needs of children with additional learning needs not being met
The plan allows for the lead in time on the service transformation projects in Adults social care and Children's services for special needs, to ensure that the focus can be on developing services that are sustainable and improve the lives of individuals such as the ALN strategy	Services to protect vulnerable people Nobody is left behind	
Changes to the housing team seeks to support the vulnerable	Services to protect vulnerable people Nobody is left behind Our County Thrives	Seeking to mitigate the risks around homelessness and the impact of welfare reform
Work has started on reshaping the leisure and tourism offer to ensure it supports the creation of jobs and wealth in the local economy.	Activities that support the creation of jobs and wealth in the local economy Our County Thrives	
The drive for service efficiencies savings has continued across all service areas in order to avoid more stringent cuts to frontline services for example looking at how we rationalise and use our properties in the light of the Asset Management Plan, ICT in the light of iCounty strategy and vehicles more efficiently	This transition to new service models such as Community Hubs, contributes to the aims of creating a sustainable and resilient communities.	Addresses risks around the ability to sustain our priorities within the current financial climate
The need to think differently about what services should be delivered, how they should be delivered and what income can be generated has been a clear imperative in working up the proposals. Clear	This transition to new service models contributes to the aims of creating a sustainable and resilient communities.	

examples are the savings in Waste and Highways.		
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3.12 The process adopted of capturing ideas through detailed mandates and business cases has sought to improve and formalise the links between individual budget proposals, the key priorities of the authority, key performance indicators and the strategic risks from the whole authority risk assessment.

Public Engagement

3.13 Since the September report, further work has been completed on the savings areas originally identified in the MTP and many of the savings have been extended where possible. Cabinet have considered the views coming from the Public engagement sessions.

3.14 Last year a series of community events identified a further 26 ideas that were immediately included in the budget proposals for 2014/15. In preparation for the budget development for the year 2015/16 and beyond, a significant amount of community engagement has recently taken place. The purpose of this engagement was threefold: to inform the public of the severity of funding reductions facing the organisation; to understand what services are valued by the communities in Monmouthshire and what their experiences of using those services are; and, are there any new ideas as to how we can reduce costs to maintain existing levels of service. As part of this work a simple survey was undertaken during the engagement 'roadshows' and on the internet which sought to identify the importance that communities placed on services and their experiences in using council services.

The three areas of council service ranked as the most important by our communities were:

- Keeping Children Safe (65%)
- Education and Skills (63%)
- Support for older people and people with disabilities (61%)

The three areas that were seen as the least important were:

- Highways and Street Lighting (28%)
- Trading Standards and Environmental Health (25%)
- Planning and Building Control (25%)

With regards to the experience that users have of our services the three most highly regarded were:

- Support for older people and people with disabilities (19%)
- Leisure, Culture and Libraries (17%)
- Waste, Recycling and Street Cleaning (16%)

The three areas where users had not experienced a positive experience were:

- Planning and Building Control (5%)

- Community Safety and Crime Prevention (5%)
- Attracting and Retaining Jobs (3%)

Some of the ideas that have emerged during the engagement process were already being considered in the proposals attached to this report or have helped to reshape the proposals. For instance there was a regularly stated view that community facilities i.e. libraries and one stop shops, should be collocated and that the continued provision of free recycling and waste bags was not necessary. Other ideas will require further investigation to establish if they are feasible for future years. There were in excess of 20 ideas generated by the community that did not feature in the current budget mandates. These included changes to the use of community assets, developing new technology solutions and reviewing terms and conditions to make services more efficient.

In order to promote community engagement and community animation this budget process saw the launch of an online digital platform 'Monmouthshire Made Open' that will allow for the continuation of the dialogue with communities beyond traditional engagement events. This platform will allow members of community to work together (with council staff if appropriate) to overcome local challenges and issues or promote community events and solutions.

- 3.15 The extent of the engagement so far has certainly been valuable in providing a base from which further engagement can be undertaken, a bank of individuals have expressed their interest in working further with us on the challenges being faced.

Savings Targets

- 3.16 It is recognised that more emphasis has been put on the 2015/16 proposals and figures in order to set the budget and close the gap for next year. The individual proposals are outlined in Appendix 4 and have been through an initial equality challenge, the results of which are linked to each proposal. The shaded columns in the appendix include the revised savings targets following the most recent review. The main headlines are:

- Holding funding for schools constant, whilst adjusting funding in relation to falling pupil numbers
- Challenging targets for Leisure and cultural services
- Blending council services such as libraries and OSSs into one venue in each town
- Managing the increasing demand for social care by increasing the capacity for people to sustain independent lives within their own communities
- Enabling children with additional learning needs to have those needs met as far as possible within Monmouthshire schools
- Reducing spend on highways maintenance and waste collection services

- 3.17 Welsh Government is continuing to seek protection for education budgets in 2015/16 at 0.6%. The authority has more than met its target in this respect in previous years, see Appendix 2, and for 2015/16 is protecting funding at cash flatline (taking account of reducing pupil numbers).

- 3.18 Work is continuing on the need to address the longer term issue of a reducing resource base. It is expected that further mandates and business cases outlining the detail to address the savings targets in the latter years of the MTFP will continue to be worked up and submitted for scrutiny through select committees. This will ensure that the work

needed to balance the MTFP is undertaken now in order to deliver savings in the later years of the plan. This longer term plan will need to link closely with the work on the corporate Improvement Plan, so that the new shape of the Authority and its performance expectations are matched with the expected resource base for delivering services.

Impact of Capital MTFP

- 3.19 The Capital MTFP is also being considered by Cabinet elsewhere on the agenda. For the purposes of establishing the revenue impact of any changes to the capital MTFP it has been assumed that any additional schemes which are established as priorities will displace schemes or budget allocations already in the capital programme rather than add any additional pressure which would require financing and therefore potentially impact on the revenue budget.

Council Tax

- 3.20 The Council Tax increase in the budget has been retained at 3.95% per annum across the MTFP as a planning assumption.. The Council tax base will be formally set by Cabinet in December but early indications are that an additional £300,000 to £360,000 could be collected through new properties coming on stream in 2015/16. A figure of £110,000 has been projected already in the MTFP so an additional £250,000 has been included at this stage. This figure may need to be adjusted once the formal Council Tax calculation has been completed. In addition, the demand for Council Tax Reduction Scheme payments has been assessed as reducing by £200,000 next year based on the forecasts being projected forward from the current year activity.

Summary position

- 3.21 In summary, the 2015/16 budget gap is now £440k, if all the savings proposals contained in the Appendix 4 are approved.
- 3.22 However, this still leaves a gap of £10 million to be found over the following 3 year period. Part of the proposals for 2015/16 include setting aside a budget to provide some capacity to both consider the further options for meeting the gap that will be reported back through Cabinet and select committees and to ensure delivery can be sustained

Reserves strategy

- 3.23 Earmarked reserve usage over the MTFP is projected to decrease the balance on earmarked reserves from £13.2 million at the start of 2014/15 to £7.4 million at the end of 2018/19. Taking into account that some of these reserves are specific, for example relating to joint arrangements or to fund capital projects, this brings the usable balance down to £5.9 million.
- 3.24 Whilst every effort will be made to avoid redundancy costs and the Protection of Employment policy is used to ensure redundancy is minimised, it is expected there may be some that are inevitable and reserve cover may be required for this, possibly in the region of £500,000 per year. Over the MTFP this could require £2 million reserve funding cover, if services are unable to fund the payments from their budgets.

- 3.25 The volatility of the Children's social services budget is going to be supplemented for 2015/16 with further funding, however if it is proposed to earmark the Priority Investment Reserve for next year to cover further pressures if they are not able to be contained.
- 3.26 The resulting impact on earmarked reserves would be to take the usable balance down to below £4 million at the end of the MTFP period.

Next Steps

- 3.27 The information contained in this report constitutes the budget proposals that are now made available for formal consultation. Cabinet are interested in consultation views on the proposals and how the remaining gap over the MTFP may be closed. There is therefore a further opportunity for Members, the public and community groups to consider the budget proposals and make comments on them. Cabinet will not however, be prepared to recommend anything to Council that has not been subject to an EQIA and therefore a deadline to receive alternative proposals has been set as 14th January 2015.
- 3.28 Public engagement sessions (to include the formal requirement to consult businesses) and Select Committee Scrutiny of Budget proposals, will take place in first 2 weeks of December 2014. The scrutiny of and consultation on the budget proposals are key areas of this part of the budget process. The following dates have been set of the Select committees and work is continuing on providing dates for public consultation in the same timescales:
- 4th Dec 2014 10am Economy and Development
10th Dec 2014 2pm CYP
11th Dec 2014 10am Strong Communities
17th Dec 2014 10am Adults
- 3.29 The aim this year has been to establish the 2015/16 budget proposals and make progress earlier than in previous years so that slippage can be reduced and the next 3 years of the MTFP can also be worked on. Hence this budget report is a month earlier than last year. To that end it is proposed that the consultation timetable is also brought forward. The consultation will end on the 14th January 2015 to enable Council to consider the responses and approve final budget proposals on 22nd January 2015. Formal Council Tax setting will still take place at full Council on 26th February 2015 once the Police precept and all the Community Council precepts have been notified.

4. REASONS:

- 4.1 To agree budget proposals for 2015/16 through to 2018/19 for consultation purposes

5. RESOURCE IMPLICATIONS:

As identified in the report and appendices

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

The equality impacts of each individual saving proposal have been initially identified in the assessment and are linked to the saving proposal document. No significant negative impact has been identified. Further consultation requirements have been identified and are on going. Further assessment of the total impact of the all the proposals will be undertaken for the final budget report.

The actual equality impacts from the final budget report's recommendations will be reviewed and monitored during and after implementation.

7. CONSULTEES:

SLT
Cabinet
Head of Legal Services
Head of Strategic Personnel

8. BACKGROUND PAPERS:

Appendix 1: Draft response to Provisional Settlement
Appendix 2: Education protection
Appendix 3: Note of Pressures
Appendix 4: Summary list of budget savings
Appendix 5: Individual proposals – detailed mandates or business cases with attached equality impact assessments, numbered between 1 and 42

9. AUTHOR:

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Head of Finance

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Appendix 1 – Response to Welsh Government on the Provisional Settlement

Clare Smith
Local Government Funding and
Performance Branch,
Welsh Government,
Cathays Park,
Cardiff.
CF10 3NQ

Your Ref/Eich Cyf:
Our Ref/Ein Cyf:
Date/Dyddiad:
File Ref:
The Person dealing with
this matter is/ Y
Person sy'n delio gyda'r
mater yma yw:
Tel/Ffôn: 01633 644270
Fax/Ffacs: 01633 644260
e-mail address/ cyfeiriad
e-bost Monmouthshire.gov.uk

Dear Ms. Smith,

Re: Provisional Local Government Settlement 2015/16

Thank you for the opportunity to comment on the Provisional Settlement announced recently. This response has been endorsed by Monmouthshire County Council's Cabinet and provides the views of members.

Obviously, the All-Wales provisional settlement announcement is a matter of concern, coming as it does, after a difficult settlement last year and the prospect of still difficult times to come, particularly for Monmouthshire. The Council is very conscious of the pressures on household budgets and so the Council is doing its utmost to deliver a balanced budget but this will inevitably put pressure on Council Tax rises.

When comparing like for like, Monmouthshire's reduction is 4.3%. Even though protected by the floor the provisional settlement this has done nothing to alleviate our position as the worst funded Council in Wales per head of population. In addition, looking forward to 2016/17 and beyond, the prospect of continuing to receive one of the worst settlements in Wales each year for Monmouthshire, means that key services are facing extreme pressure.

Monmouthshire notes the protection afforded to education budgets and the reductions to specific education grants. There is a need to balance requirements for protection against the increasing pressures this puts on other local services at a time of already decreasing resource envelop, ever increasing service pressures, growing demands to protect existing assets and still rising inflation levels.

Monmouthshire supports and encourages the transfer of specific grants into the settlement and is disappointed that more progress has not been made in this regard. The provisional settlement announcement is again unaccompanied by many specific grants and this uncertainty is unhelpful to financial and service planning. Incorporation into RSG would avoid such problems but, as a minimum the WG should seek to make such announcements in a timely manner, so that all specific grant funding allocations are confirmed in the final settlement.

On capital account, the settlement does not address the previous reductions in capital funding and is still therefore a serious concern, especially as it comes at a time when councils are struggling to raise capital receipts from asset sales. It is not useful for service and financial planning purposes that no indicative capital settlements have been made in the provisional settlement. The need to invest in priority areas such as 21st Century Schools, waste management, carbon reduction and infrastructure remains high, with WG support remaining a critical success factor.

Despite the fact that the reasons for the low settlement are both known and understood, it is difficult to reconcile the revenue and capital settlements with the increasing expectations and demands on local council services are continuing to grow. Councils will face difficult decisions in reconciling budgets next year and in the medium term and it is important that the WG recognises the need for difficult decisions, is supportive of local authorities facing difficult times and does not promote undeliverable policy expectations. This is a time for us all to work together to minimise the consequences of the downturn in public finances on the most vulnerable in society and to send clear and consistent expectations to the public we exist to serve.

Yours sincerely,

Councillor Philip Murphy – Cabinet Member

Appendix 2

Education protection

Year	Percentage Protection	MCC target £m	MCC Actual £m	Difference £m	Percentage difference
15/16	0.6	45.32	45.04	-0.28	-0.62
14/15	0.9	45.20	45.35	0.15	0.33
13/14	2.08	45.03	45.24	0.21	0.47
12/13	1.58	43.76	44.33	0.57	1.30
11/12	-0.33	41.35	41.92	0.57	1.38
Total		220.66	221.88	1.22	0.55

Draft

Appendix 3	Revised 2015/16 £000	Revised 2016/17 £000	Revised 2017/18 £000	2018/19 £000	Revised Total £000
NOTE : Pressures					
- demographics	-	250	500	-	750
- Teachers pensions	330	566			566
- Childrens Social services	500				500
- Monmouth Leisure Centre	150				150
- capacity to change budget	400				400
- corrected pension auto enrolment			913	92	1,005
Increase in employers national insurance		1,805			1,805
Cost of Local development plan		125			125
Total Pressures	1,380	2,746	1,413	92	5,301

Appendix 4 Summary list of budget savings

			Revised	Revised	Revised	Revised	Revised	Revised	Revised		
			Saving	Saving	Saving	saving	Saving	Saving	Saving	Revised	
			2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	TOTAL	
No.	Dir	Description	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	Description of saving
1	ENT	Development of Leisure Services	(315)	(420)	(100)	(100)	0	0	0	(520)	Income maximisation and staff review, developing the cycling offer, broaden leisure offer and explore new service provision options and models in the context of 'whole place
2	ENT	Collaboration on housing services and development of careline services	(35)	(55)	(40)	0	0	0	0	(55)	Commercialisation of careline service, one housing solutions service with TCBC focussed on enabling wider access to housing options and providing greater scope for increasing the resources with which to address housing need and homelessness
4	SCH	Community meals - service transformation	0	0	(100)	0	(100)	0	0	0	Developing sustainable long term model for meals, target is to aim for a cost neutral service - this is not achievable and so the saving has been subsumed into proposal 34 below
5	ENT	Sustainable energy initiatives	(33)	(33)	(34)	(34)	0	0		(67)	Investing in biomass boilers, solar farms and reduction in Carbon Reduction Commitment budget covered by last years mandate

			Revised	Revised	Revised	Revised	Revised	Revised	Revised		
			Saving	Saving	Saving	saving	Saving	Saving	Saving	Revised	
			2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	TOTAL	
No.	Dir	Description	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	Description of saving
6	ENT	Museums, Shirehall & Castles and Tourism	(190)	(190)	(145)	(10)	(200)	0	0	(200)	Integration of cultural services, tourism services and attractions within the Tourism, Leisure and Culture section to maximise synergies between services and achieve a sustainable long term footing to reduce the draw on MCC budgets, maximise the potential for external investment and to achieve the resulting cultural, community and economic benefits.
14	OPS	Home to School Transport - fundamental review of policy	(115)	(115)	(210)	(70)	(210)	(20)	0	(205)	2015/16 savings are full year effect of proposals agreed last year, a review of the existing policy will be undertaken to identify any further savings
15	OPS	Facilities - transfer functions to other providers	(100)	(100)	0	0	0	0	0	(100)	Engaging with town and community councils, friends clubs to take on service related costs - Linda Vista, Bailey Park, Public Conveniences covered by last years mandate
16	CYP	Schools delegated budgets	0	(1,124)		(779)		(549)	(556)	(2,452)	Schools budgets will be protected at cash limit, this means no pay inflation and or non pay inflation or teachers pension is provided for in funding, Reduction in pupil numbers is also factored in. Schools will be supported to seek opportunities to reduced their cost base over the period

			Revised	Revised	Revised	Revised	Revised	Revised	Revised		
			Saving	Saving	Saving	saving	Saving	Saving	Saving	Revised	
			2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	TOTAL	
No.	Dir	Description	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	Description of saving
18	CYP	School library service - combine with general library service	(20)	(20)	0	0	0	0	0	(20)	This has been subject to a recent Cabinet report which sought approval to close the service, following indications from TCBC that they wished to withdraw from the service
20	CYP	School Music service - reduction in subsidy	(50)	(50)	(50)	(50)	0	0	0	(100)	Gwent Music are aware of future savings required and discussions have taken place resulting in the proposal to increase charges for music sessions.
21	CYP	Review of other Education collaborative arrangements - visually impaired/hearing	0	0	(70)	(70)	(100)	(100)	0	(170)	TCBC are doing a complete review of their collaborative services in an effort to make savings and this will be shared once complete. The support children receive currently is in proportion to the expenditure under the SLA. These are specialist services and we are not able to deliver this provision in house. Currently the SLA is providing us with very good value for money. Once the new service is in place we will be able to assess the savings required.
24	SCH	SCH Transition project staff transfer to Bright New Futures	(14)	(14)	(12)	(12)	0	0	0	(26)	Combining our initiative with Bright new futures to establish a shared service model has been completed and savings will be delivered
25	OPS	Transport review and fleet rationalisation	(40)	(62)	0	0	0	0	0	(62)	Reduction in operational fleet

			Revised	Revised	Revised	Revised	Revised	Revised	Revised		
			Saving	Saving	Saving	saving	Saving	Saving	Saving	Revised	
			2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	TOTAL	
No.	Dir	Description	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	Description of saving
26	ENT	Strategic Property Review (phase 2)	(100)	(100)	(350)	(350)	0	0	0	(450)	In line with the Asset Management Plan the council's property estate will be rationalised to save money on running costs
26a	OPS	Property services/FM	0	0	0	(100)	0	0	0	(100)	In line with the Asset Management Plan the council's property estate will be rationalised, savings will be sought from Property services and facilities.
28	OPS /EN T	Community Hubs and Contact Centre	(240)	(250)	(200)	(50)	0	0	0	(300)	Rationalisation of libraries, OSS, telephony staff into community hubs and contact centre
31	ENT	ICT	(100)	(250)	0	0	0	0	0	(250)	Staffing efficiencies, cost efficiencies and income generation in the SRS, savings and income generated from custom built software solutions developed
33	SCH	Sustaining Independent Lives in the community	(260)	(260)	0	0	0	0	0	(260)	Local Area co-ordination business case, this now forms part of the same proposal as number 34 below
34	SCH	Adult Social Care Service Transformation	0	0	(728)	(628)	(700)	(600)	0	(1,228)	Building on the current integrated model as part of the wider redesign of social care

			Revised	Revised	Revised	Revised	Revised	Revised	Revised		
			Saving	Saving	Saving	saving	Saving	Saving	Saving	Revised	
			2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	TOTAL	
No.	Dir	Description	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	Description of saving
35	CYP	Transformation of children's services for Special needs/additional needs/ Mounton House	(470)	(120)	(496)	(672)	0	0	0	(792)	Proposal will look at more effectively integrating and streamlining the current service offer, with what matters for the child and family being the core focus of the review.
36	OPS	Cost neutral waste service	(270)	(270)	(20)	(20)	0	0	0	(290)	Route optimisation as per last years mandate
37	OPS	Waste Management - Project Gwyrdd	(750)	(250)	(250)	(250)	0	0	0	(500)	Mandate not needed, work already done, needs watching brief on implementation
37a	OPS	Waste Management	0	(270)	0	(100)	0	0	0	(370)	Further efficiencies, Green waste charges, grey bags etc
40	CXE	Democracy and regulation	0	(109)	0	0	0	0	0	(109)	Staff, income generation and other efficiencies across the section
41	OPS	Highways rationalisation and income generation	0	(520)	0	0	0	0	0	(520)	Trading services to generate increased income - highways, markets , and highways rationalisation
42	CYP	Youth service	0	(200)	0	(200)	0	0	0	(400)	Income generation proposals to effectively half our contribution to the youth service
		OTHER									

			Revised	Revised	Revised	Revised	Revised	Revised	Revised		
		Saving	Saving	Saving	saving	Saving	Saving	Saving	Saving	Revised	
		2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	TOTAL		
No.	Dir	Description	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	Description of saving
		Council tax reduction scheme		(200)	0	0	0	0	0	(200)	Reducing demand for council tax benefit
		Council tax base		(250)	0	0	0	0	0	(250)	Additional income from additional properties on top of the £110k already in MTFP. Figure to be reviewed when Council Tax base formally completed
		Precepts and fees		(100)	0	0	0	0	0	(100)	Working with precepting & fee charging bodies to get early indications of budgets for 15/16
		Total savings	(3,102)	(5,332)	(2,805)	(3,495)	(1,310)	(1,269)	0	(10,096)	
		Required		(5,772)		(6,347)		(5,097)	(3,531)	(20,747)	

14 – REVISED HOME TO SCHOOL TRANSPORT

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
01	15.0.14	Draft	Richard Cope	Removal of Post 16 travel grant, Increase in cost of concessionary & post 16 concessionary seats.
02	27.10.14	Final	Roger Hoggins	
				Increase statutory mileage limits from 2 to 3 miles for secondary and 1.5 to 2 miles for primary
				Introduce pick up/Drop off Points on contracted routes

Approval

Cabinet sign off to proceed with proposal		Date	
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Distribution List

Name	Organisation	Job title / Dept

Executive Summary

Vision:

1). To Re-vise the Current Home to School Transport Policy from 1st September 2016 as detailed in the following proposals:-

a) Increase statutory distances from 2 miles to 3 miles for secondary schools and from 1.5 miles to 2 miles for primary schools as set out in the revised Learner Travel Wales Measure June 2014.

b) To Introduce dedicated pick up/drop off points on contracted bus routes.

2) To complete the non statutory element of removing the provision of travel grants to post 16 students by July 2015 and increase the charge of Concessionary & post 16 concessionary seats as an agreed Policy change in September 2014.

3) To review existing school transport policies of MCC and other local authorities within the context of cost and statutory obligations. Prepare proposals for consideration by members outside of the 15/16 budget process that may impact upon future years provision and the medium term financial plan.

Outcomes

To reduce costs to the authority on providing Home to School Transport Services, increase income from providing discretionary and concessionary transport services.

The savings will be made on the removal of travel grants by the end of July 2015. Full year savings will be made in 2016/17 on this element. Some savings on contract costs may be made by increasing statutory limits and introducing pick up/drop off points (members wish to examine the impact of such a policy based upon some illustrative case studies).

The increase in income will be generated if the take up of concessionary and Post 16 concessionary seats remains the same or increases during the forthcoming financial years. Away from the 15/16 budget process investigation and consultation will be undertaken to ensure members are fully briefed on options surrounding the future Home to School Transport policies within MCC and their impact upon pupils, schools, costs etc. and any implications for the medium term financial plan.

Blue Print

The Future State

To support any statutory duties within the Home to School transport policy and remove the non statutory elements of post 16 travel grants

Support an increase in concessionary seat charges.

Current state and gap analysis

Section	Description of current state and changes		
	Current State	Changes needed to Current state or actions needed to resolve outstanding issues	Assumptions/constraints
Process	PTU Currently administer and support Post 16 travel through the award of a travel grant or the purchase of a concessionary seat on a contract vehicle for qualifying pupils. Feeder routes are provided to pick up points throughout the county for some contracts. Statutory distances are currently more generous than the statutory distances set out in the Learner Travel Wales Measure.	Remove the award of a travel grant for new entrants to the scheme, increase the concessionary charge for the purchase of spare places on contract vehicles. Change the Home to School Transport Policy to increase statutory distances, introduce designated pick up and drop off points, subject to better understanding of impact upon pupils and families of such a change	Policy needs to be altered to accommodate these changes , Consideration will have to be made on whether the policy changes will apply to existing pupils or be limited to new applicants which will be a factor in achieving the savings. Investigation of longer term policy changes need to be aware of timescales associated with admissions and publishing changes to travel policies (October '15 for implementation in September '16).
Organisation structures	Two members of admin staff deal with aspects of these functions at present,	No Change to staffing levels	After 2016 roles will be re aligned to take into account policy changes
Technology/infrastructure	Currently administered through CTX system & Sundry Debtors	No Changes Required	ICT connections remain constant

Information and data	Database held on CTX system through Citrix & Sundry Debtors system for income.	No Changes Required	Server connections remain constant.
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Cost-Benefit Analysis

A breakdown of cost benefit analysis for each element is listed below:-

Cost/Benefit Description	Current Budget	Target Saving	Timing 2015/16	2016/17	2017/18	2018/19
Cashable benefit						
Removal of post 16 travel grant from July 2015	£102,000	£102,000	£72,000	£30,000	£0000	£0000
Increase charges for post 16 & concessionary seats from £1.34 per day to £2.00 per day then by inflation on a year by year basis.	£60,000	£29,000per annum in income	£29,000	Inflation increase on charge	Inflation increase	Inflation increase

Increasing statutory distances from 2 to 3 miles and 1.5 to 2 miles	<i>Assumed £30,000</i>	<i>£30,000</i>	£0,000	£20,000	£10,000	£0000
Introducing pick up points to contracted routes Removing some feeder services	<i>£100,000</i>	<i>£30,000</i>	£0000	£20,000	£10,000	£0000
Non financial benefits	Current performance	Target performance				

Impact

The removal of post 16 travel grants may have an effect on what choices are made by post 16 students when choosing Further Education courses (although this policy is already adopted and this is the completion of implementation). The increase in charge for concessionary seats may be a worry for parents/students. Increasing the statutory distances will mean that pupils will have further distances to walk to school, introducing

pick up points will make parents responsible for getting their children to the pick up/drop off point or may mean pupils will need to walk to bus stops in the future.

Key Risks and Issues

Risks - anticipated threats to the benefits

Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Decrease in concessionary applications	Low	High	Any	R Cope	The increase to £2 per day still offers value for money for parents/students as this is only a fraction of the cost of running a car or purchasing a bus/train ticket.	R Cope

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
Consultation not taking place on time and within timescales set out in Learner travel Wales measure	High	R Cope /D Mountfield	Ensure consultation takes place within timescales so publication of policy can be achieved before 1 st October 2015 for implementing in Sept 2016 (should policy changes be adopted by the Council)	R Cope /DF Mountfield

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Constraints

Wider consultation needs to take place with Schools parents and other stakeholders. Legal advice needs to be sought on the interpretation of the Learner Travel Wales Measure Guidance.

Assumptions

On these proposals it is assumed that consultation will take place on any future policy changes within the statutory timescales for implementation and that existing numbers of pupils travelling will be maintained.

Evaluation and comparison of options

The timescale of these changes and financial impact will depend on the option taken if existing pupils are included then savings will be made much sooner if the option on policy changes is to phase in these as new pupils start then the savings will be made over a period of five years in full although if a reduction in numbers occurs then this may be sooner.

Recommendation

That members consider options for future changes to Home to School transport policies (over and above statutory distances and pick up/drop off points). Any proposed changes will require consultation with stakeholders within the timescales indicated for the Home to school transport policy changes to be revised in line with the timescales set out in the Learner Travel Wales Measure June 2014. For example the deadline for publication will be 1st October 2015 to come into effect on 1st September 2016.

High level Plan for delivery

To be agreed after Consultation period ends.

Sign-Off

14 – EQIA – Home to School Transport Policy Changes

Appendix B

The “Equality Challenge” (Screening document)

Name of the Officer completing “the Equality challenge” Roger Hoggins		Please give a brief description of the aims proposed policy or service reconfiguration Continuation with implementation of existing post 16 grant and concessionary travel polices. Increase to statutory distances from 1.5 miles to 2 and 2 miles to 3 for primary and secondary sectors respectively	
Name of the Division or service area Passenger Transport Unit		Date “Challenge” form completed 27.10.14	
0Protected characteristic affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
Age	Children are affected by moving to statutory distances before travel offered and to pick up/drop off points which is less convenient		
Disability		Outside of policy	
Marriage + Civil Partnership		Not affected	
Pregnancy and maternity		Not affected	
Race		Not affected	
Religion or Belief		Not affected	
Sex (was Gender)		Not affected	
Sexual Orientation		Not affected	

Transgender		Not affected	
Welsh Language		Not affected	

What are the potential negative Impacts.	Ideas as to how we can look to MITIGATE the negative impacts (include any reasonable adjustments or engagement with affected parties).
➤ <i>Pupils that live over 1.5 miles (primary) and 2 miles (secondary) currently enjoy transport to school provided by the Council free of charge. This is over and above the statutory requirement of 2 miles and 3 miles so pupils that presently enjoy free travel (i.e. between 1.5 and 2 and 2 and 3) may lose that benefit.</i>	➤ Although more pupils will now have to walk or arrange their own transport the council will continue to assess cases where a safe route is not available and in these cases transport will be arranged free of charge.
➤ Pick up and drop off points will be introduced for secondary pupils. This is less convenient to those that presently enjoy a pick up at the door.	An assessment system will be developed to manage exceptions to the policy where danger or hardship can be demonstrated.
➤	➤
➤	➤

The next steps

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

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

The existing safe routes policy remains even if the statutory distances of 2 and 3 miles are adopted.

Members wish to examine options to introduce some form of assessment and appeals strategy to assist in cases where danger or hardship can be demonstrated.

16 REVISED SCHOOLS DELEGATED BUDGETS

The Proposal Mandate enables the Cabinet to decide whether to commission the detailed planning and design work to fully define the proposal. It presents the high-level Business Case for the programme and addresses the key question: How much potential is there for a saving in this area?

This template is accompanied by guidance on how to complete the Proposal Mandate.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	15/10/2014	Draft	Deb Mounfield/Nikki Wellington	Proposals to hold school budgets at current funding levels for the Individual School Budget thereby contributing £1,124m to the overall saving required for the financial year 2015/16.

Approval

Cabinet sign off to proceed with proposal detailed work, given by		Date	
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Distribution List

Name	Organisation	Job title / Dept
Sarah Mcguiness	MCC	Chief Officer Education

Sharon Randall Smith	MCC	Head of Standards
Nikki Wellington	MCC	CYP Finance

Business need

The Authority is facing a reduction in core funding for the financial year 2015/16 amounting to 4.3%. The Schools budgets within Monmouthshire are the largest single budget heading and in the previous four financial years have been protected above the 1% Welsh Government limit.

Given the pressure the Authority is facing Schools have been asked to explore new ways of working that will contribute to the budget savings of the Authority.

Welsh Government requires Authorities to protect Education budget by 1% cover and above other service areas. Monmouthshire has exceeded this protection element for schools amounting to £1.5m, this is cumulative from 11/12 to 14/15.

Outcomes

The Schools budget will be not increase for the financial year 2015/16, in addition new pressures related to Teachers Pension increases and any inflationary pay/increments will need to be met by schools.

For an average Monmouthshire Secondary School with current funding of £4,496,427 this anticipated budget reduction would amount to circa £116,457, a 210 pupil size primary with an average funding of £706,459 would have an anticipated budget reduction amounting to circa £18,297.

The current known pressure for the financial year 2015/16 for increased pension contributions amounts to £330k, this however only represent 7 months were of costs and the following year a full year pressure would equate to £573k.

Proposal Vision

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will costs and how long it will take to complete the work.

Headteachers and Governing Bodies have been informed of the wider corporate pressures that the authority is facing and the longer term financial impact being modelled. Clusters are now exploring ideas to generate future savings. The Directorate have supported the clusters and proposed a focus forum to explore these ideas further.

Benefits

Describe the measurable improvements that the proposal will achieve.

Benefit Description	Current Budget	Target Saving	Timing	Non-Cashable benefit	Benefit owner
<i>Holding a standstill budget for the Individual Schools Budget.</i>	<i>Service budget £43,328,019</i>	<i>£1,124,000</i>	<i>2015/16 financial year</i>		CYP
<i>Cross cluster working models to allow efficiencies and good practice</i>	<i>Part of above</i>	<i>Part of above</i>			CYP

Non - Financial Benefit

Further cluster working could promote the sharing of good practice, streamlining back office functions for staff could release staff time to invest in teaching and learning.

Impact

May result in more schools moving into a deficit position requiring a budget recovery plan.

Due to the continued financial pressures with increases in pay and pensions, School recovery plans may not achieve a balanced budget.

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Clusters to inform CYP on areas to explore	Ideas generated will be prioritised based on financial gain and timescales to implement	December 2014	Staff resources	Cluster Lead
LEA Cluster Meeting re-established.	Ensure open communication with all service areas of the Authority to enable schools and governing bodies to engage with each other to look at collaborative working around a cluster model.	Commences Nov 2014	Staff resources	Deb Mountfield
Early draft indication on budget allocation to schools.	Draft budget provided based on September pupils numbers.	November/December 2014	Staff resources	Nikki Wellington

Quick Wins

State what business activities should start, be done differently or cease, in order to achieve quick wins.

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits
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Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
School reserve balances may continue to reduce.	High	Medium	April 2015	Sarah Mcguinness	Work with schools to produce early budgets. Further explore budget savings ideas generated by the cluster	Deb Mountfield
Staff reductions may result in redundancy costs for the Authority/Schools	High	High	31 st May 2015	Sarah Mcguinness	Involvement of Challenge advisors and Employee Services to ensure policy is adhered to.	Nikki Wellington/Sally Thomas/Sharon Randall Smith

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
Cluster unable to work collaboratively to identify savings	High	Head Teachers and Governing Bodies	Through Cluster meeting LEA encourage cross cluster working	
Uncertainty of grants	High	Welsh Government	Monitor grant proposals, to ensure sustainability in schools on new interventions.	

Financial Information

Redundancy costs may need to be borne by MCC and amounts unknown at this stage.

Increased financial pressure on school budgets if redundancy costs to be shared between MCC and Schools.

Where restructure takes place, payment protection is currently borne by the Authority and continues for up to 3 years.

Constraints

Governing Bodies engaging in the process to reduce education costs.

Assumptions

At this draft stage the assumption has been made that should the Welsh Government 1% protection not be met by the Authority there are no financial penalties.

Proposal Capability

Staff time within the Directorate and Head Teacher and Governing Body involvement.

Sign-Off

This section should be signed off by the Cabinet portfolio holder to confirm acceptance of the mandate. Use the version and authority sign-foo on the front page.

16. EQIA – CYP SCHOOL BUDGETS

M.C.C. Financial Savings “Equality Challenge” 2015/16

Savings Proposal: Schools delegated budgets		Responsible Officer: Deb Mountfield	
Proposal number: ____16			
Division CYP		Date 17th October 2014	
Service area			
Protected characteristic	Negative impact	Neutral impact	Positive Impact
		X	
Age		X	
Disability	X		
Marriage + Civil Partnership		X	
Pregnancy and maternity		X	
Race		X	
Religion or Belief		X	
Sex (was Gender)		X	

Sexual Orientation		X	
Transgender		X	
Welsh Language		x	

Please give details of the negative Impact/s

➤
➤
➤
➤

The next steps

If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact: E.g. mitigate/amend or carry out engagement / consultation

Taking 1,124k off the top of a pot of money that is set by council that is delegated to schools so governing bodies have the cash to do what they want. Formula of delegation is not scientific. Some schools have reserves whereas others are in deficit position so it will impact but don't know who. Will go out in March when full budget is known

Signed Deborah Mountfield

Dated 4th November 2013

20 Schools music service Mandate

The Proposal Mandate enables the Cabinet to decide whether to commission the detailed planning and design work to fully define the proposal. It presents the high-level Business Case for the programme and addresses the key question: How much potential is there for a saving in this area?

This template is accompanied by guidance on how to complete the Proposal Mandate.

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
	14/10/2014	Draft	Deb Mountfield	Update on Service delivery for 2015/16 to enable budget savings.

Approval

Cabinet sign off to proceed with proposal detailed work, given by		Date	
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Distribution List

Name	Organisation	Job title / Dept
Emma Archer	Gwent Music	
Nikki Welligton	MCC	Finance Manager

Business need

Children and Young People – the need to refocus services to make them more efficient and increase the value added in the current financial climate is essential.

Gwent Music service prior to the reduction provided support to 3,578 pupils within Monmouthshire, representing about 1/3 of our pupils, and supports four music centres in the four towns. There were 14,201 a week hours of individual support. This is a non-statutory service.

Outcomes

Gwent Music is a joint service hosted by Newport, the service has seen many changes over the last 24 months with two other authorities having changed their support to the Music Service, which has resulted in a reduction in financial support.

The contribution to the **Gwent Music** from Monmouthshire County Council for the financial year 2014/15 decreased by £50,000, with original mandate proposal outlying further reductions for the financial years 2015/16 and 2016/17

Proposal Vision

Gwent Music to monitor the number of pupils accessing services going forward and continue open dialogue with Monmouthshire to ensure maximum opportunities exist for our young people whilst recognising the financial climate that we are operating in.

Increase charging to parents from £15.50 per pupil, per term to access Music Centres to £31.00

In 2014/15 charging of £15.50 per pupil, per term commenced in Monmouthshire to access the Music Centres in the North and South of the County. Prior to charging 200 pupil accessed the North Monmouthshire Music Centre and 260 pupils in the South, following the charging introduction these numbers decreased to 160 pupils in the North of the County and 210 pupils in the South.

The proposal would be to further increase the charging the to £31.00 per pupil, per term, this charge would be in line with both Newport and Blaenau Gwent charges to access similar provision. The increase in charges would increase income to the service by £16,470.

Introduce an instrument charge

Proposal being considered to introduce an annual charge to all pupils for using Music Service instruments, with anticipated income to the service to increase by £10,000.

Current staff vacancies to remain for thee financial year 2015/16.

The service currently has a vacant post within the team, whilst this has resulted in additional pressures for the other team members the service is hopeful that with the introduction of more efficient administration processes and online payment systems we enable this vacant post to continue in the medium term resulting in service savings.

Benefits

A music service will still be available to the young people of Monmouthshire but with budget savings being achievable.

Benefit Description	Current Budget	Target Saving	Timing	Non-Cashable benefit	Benefit owner
Increase charging to Gwent Music service users.	Net Budget £210,000, following contribution reduction of £50,000 in 2014/15	<i>Further £100,000</i>	<i>£50,000 in 2015/16</i> <i>£50,000 in 2016/17</i>		Deb Mountfield

Non - Financial Benefits

Reduced need to impact on priority frontline services to make budget savings.

Impact

- Potential effect on **Gwent Music**, we are one of three authorities to withdraw/reduce our contribution, this could put the viability of the whole service at risk.
- Could reduce the opportunities open to our pupils.
- Could further increase the charges for pupil lessons and participation in orchestra etc.

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Increase Music Centre charges	Charging per pupil, per term from £15.50 to £31.00 (<i>we may need to add a 1% on this in line with inflation as well</i>)	Sept 2015	Staff time	Gwent Music
Introduce Charging for Instrument Loan	Introduce a charge for instrument loan of £30 per year per pupil	April 2015	Administration time	Gwent Music

Quick Wins

State what business activities should start, be done differently or cease, in order to achieve quick wins.

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits
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Description	Likelihood	Impact	Proximity	Risk Owner	Mitigating Action	Action
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			(when it is likely to occur)			Owner
Potential concerns from parents and schools regarding the withdrawal of support to the Gwent Music .	High	Medium	By December 2015	Sarah McGuinness	Gwent Music continue to promote services available to parents, concerns from parents and any reduction in pupil number accessing the service reported to the Local Authority.	Deb Mountfield/ Gwent Music
Potential loss of opportunities for our young people	High	Medium	By December 2015	Sarah McGuinness	Gwent Music to monitor the number of pupils accessing services and to report back quarterly to the Authority.	Deb Mountfield/ Gwent Music

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner

Financial Information

If known at this stage provide the following information for delivering the proposed saving:

Constraints

Describes any known constraints that apply to the proposal.

Assumptions

Describes any assumptions made that underpin the justification for the proposal.

Proposal Capability

Describe how the organisation will provide the necessary resources and capability required to carry out the proposed activity successfully.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the Mandate. Use the version and authority sign-off on the front page.

20. EQIA – CYP GWENT MUSIC SERVICE

M.C.C. Financial Savings “Equality Challenge” 2015/15

Savings Proposal: Gwent Music support service		Responsible Officer: Deb Mountfield	
Proposal number: ___20			
Division CYP		Date 24th October 2014	
Service area			
Protected characteristic	Negative impact	Neutral impact	Positive Impact
Age	X		
Disability	X		
Marriage + Civil Partnership		X	
Pregnancy and maternity		X	
Race		X	
Religion or Belief		X	
Sex (was Gender)		X	
Sexual Orientation		X	

Transgender		X	
Welsh Language		X	

Please give details of the negative Impact/s

➤ .
➤
➤

The next steps

If you have assessed the proposal/s as having a **Negative Impact** could you please provide us with details of what you propose to do to mitigate the negative impact: E.g. mitigate/amend or carry out engagement / consultation

Currently MCC subsidises the Gwent Music Service, each school charging differently. The Mandate identifies an increase in charging to use Music Groups and this could disadvantage pupils with parents on low income, MCC to continue to monitor number of pupil engaging with programmes.

Individual Governing Bodies decide any local subsidy for school based music lessons, School to carry out their own Equality Impact Assessment part of budget setting process.

Signed Deborah Mountfield

Dated 25th October 2014

Appendix 2: Proposal Mandate

The Proposal Mandate enables the Cabinet to decide whether to commission the detailed planning and design work to fully define the proposal. It presents the high-level Business Case for the programme and addresses the key question: How much potential is there for a saving in this area?

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	26/09/2013	DRAFT	MARK FOWLER	Proposal Mandate Children's Services, SEN and ALN Service Transformation
1.A	22/11/2013	DRAFT	MARK FOWLER	Proposal Mandate Children's Services, SEN and ALN Service Transformation v1.
1	15/10/2014	DRAFT	SARAH MCGUINNESS	Proposal Mandate ALN and Inclusion Service Transformation
2	28/11/14	DRAFT	SARAH MCGUINNESS	Mandate amended following comments from MCC's Scrutiny Committee (6 th November 2014) and adoption of the ALN Policy and Strategy (Cabinet 19 th November 2014).

Approval

Cabinet sign off to proceed with proposal detailed work, given by		Date	
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Distribution List

Name	Organisation	Job title / Dept
Deb Mountfield	Monmouthshire County Council	Head of Service, Resources.
Sharon Randall-Smith	Monmouthshire County Council	Head of Service, Standards

Simon Birch	Monmouthshire County Council	Chief Officer, Social Care and Health
Tracey Jelfs	Monmouthshire County Council	Head of Children's Services

Business need

The Authority is facing a reduction in the core funding from Welsh Government for the financial year 2015/16 amounting to 4.3%. In order to ensure that Monmouthshire can meet a wider range of need, the authority will need to review the provision for Additional Educational Needs and Inclusion Services across the county to make the most effective and efficient use of the available resources.

The proposal to achieve this will involve:

1. Reviewing our ALN and Inclusion provision across Monmouthshire to meet the changing needs of our children and young people whilst, continuing to ensure that we improve standards and outcomes for all learners.

Outcomes

Over a period of 3 years, the ALN and Inclusion Budget to schools will be reviewed to maximise the effectiveness of provision to improve outcomes for all learners with Additional Educational Needs. In order to do this we will take the following steps:

- Review of the core provision and subsequent funding of all Special Needs Resource Bases across Monmouthshire to provide a more efficient service to meet a wider range of additional needs across the county.
- Review of service functions with a view to improve effectiveness across services, rationalise expenditure and address the lack of specialist facilities as identified by Estyn in 2012
- Review the ALN and Inclusion Service to transform provision for children and young people across the county to ensure that Monmouthshire has the capacity to meet the changes required following the introduction of new legislation in 2017.
- Review of Service Level Agreements with HI, VI, COMiT and GEMSS.

Proposal Vision

The expected change in legislation for ALN and the current financial climate requires us all to undertake a wider service review to look at an inclusive offer as well as a more cost effective management model and delivery in our Schools. In order to address the issues currently being faced by children with Additional Learning Needs the ALN team have undertaken an in-depth review of strategy, policy and procedures by consulting with children and young people, parents, carers, schools and the parent partnership service SNAP. There were 3 themes that were identified from the consultation process:

1. The behaviour of children and young people to include those with Autism and Attachment Disorder; to create a centre of excellence within the Authority to support these pupils and to create a co-ordinated approach from the Pupil Referral Service and ALN (Outreach).
2. The processes around Additional Learning Needs; this has been dealt with in the ALN Strategy, Policy and Procedures (2014).

3. Meeting the needs of as many of our children and young people as possible within Monmouthshire, offering inclusive support for children and young people and specialist ASD provision.

Benefits

Describe the measurable improvements that the proposal will achieve.

Benefit Description	Current Budget	Target Saving	Timing	Non-cashable Benefit	Benefit Owner
<ul style="list-style-type: none"> Review the core offer and funding for all Special Needs Resource Bases across Monmouthshire 	£175,000	£100,000 (This is in addition to £140,000 savings from ALN contingency budget 2014/15) £72,000	September 2015 September 2016	Resources will be focused to meet the needs of pupils across the county.	CYP
<ul style="list-style-type: none"> Review of service functions to create efficiencies across services and rationalise with a view to reduce expenditure. 	£115,000	£20,000 £15,000	September 2015 September 2016	Services will be focused on functions that impact on outcomes for children and young people in Monmouthshire.	CYP
<ul style="list-style-type: none"> Review the provision for ALN and Inclusion Services to achieve a better balance of provision focused on children and young people in Monmouthshire. 	£1,760,000 (net costs)	£580,000 (net costs)	September 2016	<p>Our facilities will meet the needs of as many of our children and young people as possible within Monmouthshire.</p> <p>There is a better of range of provision across the county focused on meeting needs of our children and young people within Monmouthshire</p> <p>Schools will have the capacity to meet a wider range of needs of all vulnerable learners.</p> <p>Learners and their parents and</p>	CYP

				<p>schools will have access to appropriate advice and support provided by a well-trained specialist workforce.</p> <p>Provision will be flexible and able to respond to the changing needs of our children, young people and legislation.</p>	
<ul style="list-style-type: none"> Review Outreach Service Level Agreements 	TBD	TBD		<p>Approach to address health based will be flexibility and cohesive across the county.</p>	CYP

Non - Financial Benefit

More integrated, flexible and responsive services will promote:

- improved outcomes for learners;
- higher satisfaction levels for children, young people and parents/carers;
- greater distribution of expertise across the authority;
- increased efficiency as a result of better and more effective use of resources reaching all children and young people with ALN;
- centralise administrative support;

Dis-benefits (Impact)

- A review of all aspects of ALN/Inclusion will result in very different provision to reflect the changing needs with the county. This may incur additional pressures as far as funding is concerned to meet possible training and facilities.

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Consultation regarding Special Needs Resource Bases	Follow WG guidance to comply with statutory processes	As soon as possible	Staff resources	Steph Hawkins/Sharon

				Randall-Smith
Carry out a complete review and consultation with all involved parties	Follow the same rigorous process as that for ALN Strategy and Policy review.	As soon as possible.	Staff Resources	Richard Austin/Steph Hawkins/Sharon Randall Smith
Take appropriate actions based on outcomes from consultation	Draft proposal will be provided for consultation with schools and SENCOs and other partners	Following the above	Staff Resources	Sharon Randall-Smith/Richard Austin/Steph Hawkins

Quick Wins

State what business activities should start, be done differently or cease, in order to achieve quick wins.

This proposal will not enable us to achieve a 'quick win' as clear statutory and agreed processes have to be followed to achieve potential alternative provisions.

Key Risks and Issues

List the potential threats (risks) and current issues to the benefits of the proposal as they are currently understood. Use the corporate approach to risk and issues management.

Risks - anticipated threats to the benefits

Until a review is completed it is not possible to determine the risks to the service.

Description	Likelihood	Impact	Proximity(when it is likely to occur	Risk Owner	Mitigating Action	Action Owner
TBD						

Issues- current threats to the benefits

As risks above.

Description	Priority	Issue Owner	Action	Action Owner

Financial Information

Unable to determine until a review is carried out.

Constraints

Describes any known constraints that apply to the proposal.

Assumptions

At this draft stage, the assumption is that consultation processes will progress in the shortest period.

Proposal Capability

Staff time within the Directorate and Headteacher/ Member consultation time

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the Mandate. Use the version and authority sign-off on the front page.

The “Equality Initial Challenge”

<p>Name:</p> <p>Service area: Mandate 35 ALN</p> <p>Date completed: 1st December 2014</p>	<p>Please give a brief description of what you are aiming to do.</p> <ol style="list-style-type: none">1. Establish provision for Monmouthshire pupils within the county of Monmouthshire to cater for ASD, attachment disorders and associated pervasive behaviours for key stages 2, 3, 4 and 5 for both girls and boys.2. Transform the provision for children at our special needs resource bases and PRS and for those pupils who are at risk of permanent exclusion from their current educational establishment.3. Provide appropriate resources to ensure flexible staffing provision to meet a wider range of needs.4. Build and enhance the capacity of mainstream schools to improve the breadth and quality of their provision for children who have additional learning needs including ASD and Attachment Disorders.5. Centralise services we commission from external sources through SLAs to ensure more effective use of the LAs resources to support children with HI, VI and Social Communication and English as an Additional Language. <p>We will begin an extensive programme of consultation with all key clients in January 2015. Following the completion of this process, we will present a detailed proposal to will address the above that reflects the outcomes of the consultation. This proposal will be available for further scrutiny in September 2015.</p> <p>We acknowledge that we will need to complete a full Equality Impact Assessment for this mandate.</p> <p>The EQIA will form part of the review and consultation process. This will ensure that the impact of any changes will be accurate, based on evidence and reflected in the final proposal.</p>
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Protected characteristic	Potential Negative impact Please give details	Potential Neutral impact Please give details	Potential Positive Impact Please give details
Age			Extending the age range of provision for children with Additional Learning Needs within Monmouthshire.
Disability			Children who are identified with a disability of ASD can have their needs met within their local community.
Marriage + Civil Partnership		NA	
Pregnancy and maternity		NA	
Race		NA	
Religion or Belief		NA	
Sex (was Gender)			Provision will be available to both boys and girls
Sexual Orientation		NA	
Transgender		NA	
Welsh Language		NA	

Please give details about any potential negative Impacts .	How do you propose to MITIGATE these negative impacts
➤	➤

Signed

Designation

Dated

EQUALITY IMPACT ASSESSMENT FORM

What are you impact assessing	Service area
Policy author / service lead	Name of assessor and date

1. What are you proposing to do?

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

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

3. Please give details of the negative impact

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

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

Signed.....**Designation**.....**Dated**.....

The “Sustainability Challenge”

Name of the Officer completing “the Sustainability challenge”	Please give a brief description of the aims proposed policy or service reconfiguration		
Name of the Division or service area	Date “Challenge” form completed		
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food			
Improve housing quality and provision			
Reduce ill health and improve healthcare provision			
Promote independence			
Encourage community participation/action and			

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

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

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

➤	➤
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The next steps

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

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

Signed

Dated

42 YOUTH SERVICE

Document Control

Version	Date	Status (draft, approved, signed off)	Author	Change Description
1	21 st October 2014	Draft	Tracey Thomas	Proposals to reduce the Youth Service Budget by £200,000 for the financial year 2015/16, with further reductions anticipated

Approval

Cabinet sign off to proceed with proposal		Date	
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Distribution List

Name	Organisation	Job title / Dept
CYP Select Committee	MCC	

Executive Summary

The Authority is facing a reduction in core funding for the financial year 2015/16 amounting to 4.3%.

Given the reduction the Authority is facing the Youth Service has been asked to explore new ways of working that will contribute to the budget savings of the Authority, whilst realising consistent and retained service delivery to young people in Monmouthshire. We embrace this opportunity to look at our service delivery in an innovative way.

The Youth Service historically has been creative in its approach and accesses 40% of its overall income from external sources through diversifying into new areas of working with young people.

Detailed Business Case

Vision

The current financial climate requires us all to undertake a wider service review to look at a more cost effective model and delivery within our Youth Service.

The Youth Service has been informed of the wider corporate pressures that the Authority is facing and the longer term financial reductions being modelled.

Small working groups are now exploring ideas to generate future income streams and savings, whilst ensuring a quality service is maintained and delivered to young people.

To date the ideas that have been generated to explore further include:

- Wellbeing Centre to provide bespoke services offering a mixture of preventative, reactive, responsive interventions with wellbeing at the centre. The Wellbeing centre is a provision that is needed in Monmouthshire to help people young and old living in our community to love more satisfying lives. It will be able to fill and support the gaps between Health; Social Services and Education.
- Propel Academy to deliver bespoke training packages in Youth Work; Teaching qualifications; Assessors qualifications; Technology for beginners, intermediates and advanced levels; Therapeutic courses including bereavement, self-harm and art/play therapy. All of these courses can be delivered daily or have a residential option.

- Immersive Welsh Language Centre will be designed to be multi - faceted and provide the opportunity for different ways of learning the Welsh language to people of all levels of ability including complete beginners. With the Eisteddfod in Monmouthshire in 2016, we aim to provide a Centre of Excellence that is available to everybody and can offer a variety of methods for people to learn the Welsh Language. This will be achieved through language courses; outdoor education; sport; culture and local walks; provision for school learners and community members.
- Integrated Service Framework model will see services working closely together to enhance provision, avoid duplication and ensure young people are receiving the right support from the right individual. This will save the authority money in the long term through services being available in house rather than sending young people out of county.
- Volunteering Framework model will aim to provide cost savings for MCC and ensure sustainability of services. This framework will provide a uniformed volunteering experience, training and support for volunteers, whilst promoting a successful model that can be used internally and promoted externally to other services.

Outcomes

To build on our current delivery model across the county where collaborative integrated working has proved successful to ensure young people are receiving the best service by the appropriate agency.

Further collaboration and development of the business projects and working with our partner Trusts, will significantly reduce costs through sharing of buildings.

It is anticipated that the income generated from the key areas identified will offset this reduction. To do this we will raise our business profile and therefore our capacity to generate income.

In line with the MTFP of the Authority identify further budget reductions for the financial year 16/17 (£200k), 17/18 (£0.00), 18/19 (£0.00)

Options Appraisal

Cost-Benefit Analysis

Cost/Benefit Description	Current Budget	Target Saving	Timing 2015/16	2016/17	2017/18	2018/19
<i>Reduction in budget from RSG within LA</i>	£789,000.00	£200k	2015/16 financial year	2016/17 financial year	Nil reduction	Nil reduction
<i>Propel Training Academy – to offer niche bespoke training opportunities within the areas of technology; teaching qualifications; assessing qualifications.</i>	Zero	£80,000k gross income generated annually	80,000k			
<i>Wellbeing Centre - to increase opportunities for young people with learning and physical needs; to offer courses to adults and other professions on dealing with young people in times of crisis; learning needs; wellbeing; therapy and creative alternative therapies.</i>	Zero	120,000k gross income generated annually	120,000k			
Cost/Benefit	Current Budget	Target Saving	Timing	2016/17	2017/18	2018/19

Description			2015/16			
Non financial benefits	Current performance	Target performance				
Further development of the Volunteering and Integrated Service Frameworks could promote the sharing of good practice, streamlining delivery functions for staff.						

Impacts

Could result in reduction of service delivery in short term to enable staff to embrace and establish new projects to income generate.

Proposal Activity

Describe the proposal activities that have been identified so far that will be required to work up the detailed proposal, with estimates of what they will cost and how long it will take to complete the work.

Proposal Activity	Description/Output	Duration	Costs	Lead Person
Staff to inform Youth Service manager on areas to explore to generate sustainable income streams	Ideas generated will be prioritised based on financial gain and timescales to implement	October 2014	Staff resources	Tracey Thomas
Establishing the Wellbeing Centre; Propel Academy; Volunteering Framework and Integrated Services Framework.	Task groups set up to identify key areas required for projects to be established in readiness to be operational by March 2015.	Commence Oct 2014	Staff resources Setting up costs as yet unknown	Tracey Thomas

Key Risks and Issues

Risks - anticipated threats to the benefits

Description	Likelihood	Impact	Proximity (when it is likely to occur)	Risk Owner	Mitigating Action	Action Owner
Due to the continued financial pressures of external grants making up 40% of Youth Service budget, if these decrease then service delivery will be reduced in line with received core budget thus reducing services to young people in Monmouthshire.	Medium	High	From 2015	Sarah McGuinness	Increase income through other alternative options	Tracey Thomas

Issues- current threats to the benefits

Description	Priority	Issue Owner	Action	Action Owner
Uncertainty of external grants	Medium	WG	Monitor grant proposals, to ensure sustainability in youth service on new interventions	Tracey Thomas

Constraints and Assumptions

Constraints

Staff engaging in the process to reduce youth service costs and implement new income generating projects.

Assumptions

At this draft stage the assumption has been made that should the current core budget not be met by the Authority there are no financial penalties identified.

Sign-Off

This section should be signed by the Cabinet portfolio holder to confirm acceptance of the preferred option for onward approval by Cabinet. Use the version and authority sign-off on the front page.

42 EQIA – YOUTH SERVICE

The “Equality Initial Challenge”

Name: Tracey Thomas Service area: CYP, Youth Service Date completed: 27 th October 2014		Please give a brief description of what you are aiming to do. To establish projects with income generating options to ensure continued quality delivery of services to young people in Monmouthshire, whilst offsetting the reduction in core funding of the youth service budget from LA.	
Protected characteristic	Potential Negative impact Please give details	Potential Neutral impact Please give details	Potential Positive Impact Please give details
Age		X	
Disability		X	
Marriage + Civil Partnership		X	
Pregnancy and maternity		X	
Race		X	
Religion or Belief		X	
Sex (was Gender)		X	
Sexual Orientation		X	
Transgender		X	
Welsh Language		X	

Please give details about any potential negative Impacts .	How do you propose to MITIGATE these negative impacts
➤	➤
➤	➤
➤	➤
➤	➤

Signed

Designation

Dated

EQUALITY IMPACT ASSESSMENT FORM

What are you impact assessing	Service area
The youth service delivery currently available to young people in Monmouthshire	CYP Youth Service
Policy author / service lead	Name of assessor and date
Tracey Thomas	

1. What are you proposing to do?

Given the reduction the Authority is facing the Youth Service has been asked to explore new ways of working that will contribute to the budget savings of the Authority, whilst realising consistent and retained service delivery to young people in Monmouthshire. We embrace this opportunity to look at our service delivery in an innovative way. We have identified two key projects for new income generation that will offset any reduction in the core funding.

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

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

3. Please give details of the negative impact

There should be no negative impact on the protected characteristics above as all services will remain operational.

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

There is no proposed change to service delivery currently so no consultation or engagement carried out to date, however as part of our ethos when working with young people we consult with them regularly to ensure that current delivery is what young people require.

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

Staff consultation and inset days to generate ideas on how our current services could be marketed to generate income and explore new areas through allowing staff to look outside our service area.

Staff skills audit undertaken to establish who would be best placed to be able to take forward the new proposals through business models whilst ensuring key projects are delivered to avoid disruption to

Signed... *G. Alhouse*Designation...Youth Service Manager.....Dated...27-10-14.....

The “Sustainability Challenge”

Name of the Officer completing “the Sustainability challenge”	Please give a brief description of the aims proposed policy or service reconfiguration		
Name of the Division or service area	Date “Challenge” form completed		
Aspect of sustainability affected	Negative impact Please give details	Neutral impact Please give details	Positive Impact Please give details
PEOPLE			
Ensure that more people have access to healthy food			
Improve housing quality and provision			
Reduce ill health and improve healthcare provision			
Promote independence			
Encourage community participation/action and			

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

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

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

➤	➤
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The next steps

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

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

Signed

Dated

SUBJECT: Strategic Risk Assessment

MEETING: Children and Young People Select Committee

DATE: 10th December 2014

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 To provide select committee members with an overview of the current and future strategic risks facing the authority. This is provided as appendix 1.

2. RECOMMENDATIONS:

- 2.1 That members scrutinise the risks logged in appendix 1 to evaluate whether:

- the most significant issues facing the authority over the next three years are captured
- the risks have been assessed proportionately
- the actions are appropriate and likely to mitigate the risks
- there is evidence to suggest that risks may have been omitted

In doing so, members are asked to consider the budget report presented in addition to this report.

- 2.2 That members use the risk log to inform the future work programme of the committee. On the advice of the Scrutiny Manager the risk assessment will be revisited in the New Year for this purpose.

3. KEY ISSUES:

- 3.1 The risk assessment ensures that:

- Strategic risks are identified and monitored by the authority
- Risk controls are appropriate and proportionate
- Senior managers and elected members act accountably for the strategic risks and systematically review the risks facing the authority

- 3.2 The risk assessment only covers High and Medium level risks. Lower level operational risks are not registered unless they are projected to escalate within the three years covered. These risks need to be managed and monitored through teams' service plans.

- 3.3 Where the strategic risks affect any reports to Cabinet and Council for decision, the risks need to be factored into these reports to ensure they are taken into account. In the same context, select committees also need to take the strategic risks into account in receiving pre Cabinet and Council reports.

- 3.4 A risk management policy was signed off by Cabinet in July 2011. This still provides the basis of risk identification and assessment in the authority. Key points of the policy are picked up in the overview of how the authority manages strategic risks as shown in appendix 2.
- 3.5 Progress on previous years risks has been captured separately in appendix 3. Risks that have been dealt with or which no longer constitute the most pressing risk facing the authority have been closed off, but those that remain live have been carried forward into appendix 1. This ensures that the risk assessment is more concise than in previous years. A 'live' risk log will be maintained on the Hub and will be updated throughout the year as new evidence becomes available.
- 3.6 In 2015 the authority will take on board responsibilities associated with new legislation; these are the Wellbeing of Future Generations Bill and the Social Services and Wellbeing Act. Whereas these offer opportunity, the authority will need to consider any risks associated with delivering them.

4. REASONS:

- 4.1 To provide the strategic risks facing the authority at the same time as presenting the budget information, to ensure that both are considered together.
- 4.2 To ensure risk assessment forms part of the authority's performance management framework in assuring that the authority is well-run.

5. RESOURCE IMPLICATIONS:

None

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

Not yet completed.

7. CONSULTEES:

SLT

8. AUTHORS:

Policy and Performance Team

9. CONTACT DETAILS:

Teresa Norris
01633 644063
07771387935
E-mail: teresanorris@monmouthshire.gov.uk

Whole Authority Strategic Risk Assessment 2014

Ref	Risk (Effect and Event)	Reason why the risk has been identified (evidence) (Cause)	Risk Level		Actions proposed to mitigate risk	Service & Risk Owner	Cabinet Member	Select Committee
	The authority becomes financially unsustainable as a result of reducing budgets and demographic pressures.	<ul style="list-style-type: none"> - Year on-year budget reductions up 4.3% could potentially make the authority unviable with less staff - An ageing population and complexity of demand in children's services will place increased pressure on services - Political pressure to merge local authorities after the Williams Commission could have negative impact on long term thinking - Switching from service provider to demand management approach will require some twin-tracking of programmes and resource 	2014/15	Medium	<ul style="list-style-type: none"> - Assess carefully the impact of the further savings that need to be made post 15/16 - Consider how best to use capacity fund and any external funding sources to supplement the change programme required - Ensure that the detailed business cases that will deliver the MTFP are fully costed, stress-tested and managed - Undertake quarterly budget monitoring of savings proposals 	Joy Robson	Phil Murphy	Audit
		2015/16	Medium					
		2016/17	High					
	Uncertainty whether income targets within the 2014-17 Medium Term Financial Plan can be achieved leading to unplanned changes in other services to balance the budget	<ul style="list-style-type: none"> - Ambitious plans and new, more commercial, ways of working carry an inherent risk - Loss of income from swimming pool in Monmouth as a result of school rebuild 	2014/15	Medium	- Deliver the Asset Management Strategy	Joy Robson	Phil Murphy	Audit
		2015/16	High					
		2016/17	High					
	Potential that negative findings from pending	- Cases considered by CSSIW in Spring 2014 identified some	2014/15	Medium	- Evaluate and reflect on our practice to ensure	Simon Burch	Geoff Burrows	Adults CYP

Ref	Risk (Effect and Event)	Reason why the risk has been identified (evidence) (Cause)	Risk Level		Actions proposed to mitigate risk	Service & Risk Owner	Cabinet Member	Select Committee
	CSSIW and Estyn inspections would divert energy from an ambitious transformation programme.	concerns about outcomes - Unable to evidence good performance against some key performance indicators in children's social services - Education services currently remain in special measures	2015/16 2016/17	Medium Medium	that any problems are identified and acted upon	& Sarah Mc-Guinness	Liz Hacket-Pain	
	The authority does not achieve a positive outcome from the corporate assessment because of capacity constraints.	- Self assessment highlighted a number of issues that need to be addressed	2014/15 2015/16 2016/17	Low Medium Medium	- Deliver the action plan emerging from the gap analysis and the Self-Evaluation	Tracey Harry	Peter Fox	Audit Committee
	Potential for significant harm to vulnerable children or adults due to factors outside our control.	- The likelihood of this occurring in a given year is low. However the significant harm that can occur due to factors that are outside our control mean that this will always be a high risk	2014/15 2015/16 2016/17	High High High	- Continually monitor and evaluate process and practice - Ensure that robust systems are in place within the authority to respond to any concerns arising from allegations or organised abuse	Tracy Jelfs	Geoff Burrows	CYP
	Potential that some groups of children are unable to achieve their full potential at school.	- Gap in attainment between 'all pupil' and Free School Meals cohort - Variation in standards across schools	2014/15 2015/16 2016/17	High High High	- Ensure delivery of the actions identified in the Chief Officers annual report	Sarah Mc-Guinness	Liz Hacket Pain	CYP
	Potential that the authority is unable to deliver its new schools	- Capital receipts from disposal of assets are not generating the required income	2014/15 2015/16	High High	-Asset Management Plan implementation -Ensuring resource	Deb Hill-Howell	Phil Murphy	Economy and Development

Ref	Risk (Effect and Event)	Reason why the risk has been identified (evidence) (Cause)	Risk Level		Actions proposed to mitigate risk	Service & Risk Owner	Cabinet Member	Select Committee
	capital programme due to capital receipts not generating the required income or resources having to be diverted to emergency pressures as they arise because of the limited investment in existing assets	<ul style="list-style-type: none"> - Reduction in capital budget - Ambitious 21st Century Schools programme and need to provide Welsh medium education - the core programme has been constrained in order to enable the new schools programme to be funded - a number of significant pressures are documented that are not currently funded 	2016/17	High	<ul style="list-style-type: none"> available to maintain sale of assets -Development of the strategic use of Community Infrastructure Levy when available - Further refinement of priority assessments in the property and infrastructure budgets to ensure all pressures have been considered and ranked 		Bob Greenland	
	The Council and County does not have sufficient ICT infrastructure, network coverage and digital skills to support technological advances leading to social and economic disadvantages	<ul style="list-style-type: none"> - The ongoing SRS review has identified scope for improvement and greater realisation of opportunities for its partner bodies. - Broadband notspots remain in the county and despite Monmouthshire being in the next tranche for roll-out of Superfast Cymru; around 4-6% of our most rural areas will not be impacted. - Welfare reform increases requirements for internet access and suitable digital skills for some of the most vulnerable in our society. 	2014/15	High	- Deliver the I County digital road map	Peter Davies	Phil Murphy	Economy and Development
		2015/16	High					
		2016/17	Medium					
	Our Workforce does not have sufficient development opportunities and are not connected to their services objectives to	<ul style="list-style-type: none"> - Our people are central to the success of our council and county. - Continued economic constraint and local government reform can impact on staff morale and service objectives. 	2014/15	High	- Engage with staff and communities to finalise the People and Organisational Development Strategy.			Strong Communities
		2015/16	High					
		2016/17	Medium					

Ref	Risk (Effect and Event)	Reason why the risk has been identified (evidence) (Cause)	Risk Level		Actions proposed to mitigate risk	Service & Risk Owner	Cabinet Member	Select Committee
	drive change, spur innovation and improve performance.	<ul style="list-style-type: none"> - Organisational culture impacts on our ability to address these future challenges and make sustained improvements in areas that require it. - To respond to these challenges we will need to utilise the talent that exists on and outside of our payroll, which will require new ways of working. We will need to provide support and develop these people whether they are inside or outside of our organisation. 			- Once Finalised, take forward the activities in the programme plan of the strategy.			
	Potential that Monmouthshire will not have a prosperous economy that supports enterprise and sustainable growth	<p>Average gross weekly wage levels have declined in the County for three years running to £438 in 2012, the fifth lowest in Wales.</p> <p>A large element of the Monmouthshire workforce are out commuting, enjoying the Monmouthshire lifestyle but working elsewhere resulting in a detrimental effect on the local economy.</p>	2014/15	Medium	<ul style="list-style-type: none"> - Implement the Monmouthshire Business Growth and Enterprise Strategy action plan. - Complete the Vale of Usk Local Development Strategy 			

Risk Management – A summary of key points

Purpose

The County Council is a large and complex organisation that needs to be looking continuously at how it can be more efficient and effective in everything that it does. Risk management is an indispensable element of corporate governance and good management. The aim of this approach is to anticipate, calculate and manage risks pro-actively in advance rather than having to deal with consequences once risks have happened.

Information about Risk

Our approach to risk management is informed by a range of information that flows into and within the organisation throughout the year (see diagram below). The risk log will be updated throughout the year using the latest intelligence, including reports from all regulators including CSSIW and Estyn. It will be made available on the Hub.



Risk Tolerance

Good governance and accountability does not need to lead to an option of carrying the lowest short-term risk. Sticking with the status quo may carry an opportunity cost, which is the foregone opportunity to use our resources differently to radically improve services. Transforming public services needs innovation and this may carry an uncertainty of outcome and therefore an element of risk. The council's risk tolerance needs to reflect this.

Describing Risk

Risk need to be recorded in a structured format covering the cause, event and effect. Some examples are below:

Event	Cause	Effect
Risk of...Failure to...Lack of...Loss of...Uncertainty of...Inability to...Delay in...	Because of...Due to...As a result of...	Leads to...and/or...result in...

Cause	Event	Effect
Because of...As a result of...Due to...	An uncertain event may occur	Which would lead to [effect on objective]

Assessing Risk

Risks are assessed by the level of:

- likelihood of occurrence
- impact/severity of the consequences

Both factors need to be assessed to pin point the seriousness of risks.

The Council uses a 'traffic light' system of Red/Amber/Green associated with High/Medium/Low to record risk.

Impact / Severity	catastrophic	Low	Medium	High	High
	major	Low	Medium	Medium	High
	moderate	Low	Low	Medium	Medium
	minor	Low	Low	Low	Low
		Unlikely	Possible	Likely	Almost Certain
		Likelihood			

Monitoring Risk

The Risk Register is a living document and must be regularly reviewed and updated. It will be signed off by Cabinet on an annual basis – alongside the medium term financial plan. It will be timetabled for scrutiny 6 months into every business year but can be examined by select committee at any point in time at the determination of the chair and committee members.

Update on Last Years Strategic Risk Assessment (2013 Version)

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
1.	A risk that in the continuing climate of economic constraint, more people will become vulnerable and in need, placing ever-increasing demand pressures on services. This will impact the ability to enable people to live safely and independently	<p>This intrinsic risk is present at all times, however, it is exacerbated at this time by continuing macro and micro-level financial and economic pressures.</p> <p>The ageing population is a significant factor with the number of over 85s predicted to increase by 46% by 2020.</p> <p>As a result of external pressures and the unpredictable nature of demand, this risk will remain High.</p>	2013/14	High	<p>The authorities budget reduction from 2015/16 is greater than forecast at 4.3%.</p> <p>Progress has been made with community coordination with early evidence suggesting this, along with integrated health and social care, is helping to manage demand. However pressures remain from an ageing population and more complex needs in Children's Services</p>	Yes
2.	A small group of vulnerable children may be exposed to significant harm	<p>Service delivery in protecting and safeguarding vulnerable children and young people is fundamental and is core work of the authority. In this context there will always be an ever-present risk.</p> <p>The number of looked after children is increasing whereas the number of children on the Child protection register is more stable. However, the combined numbers impact on our overall capacity.</p> <p>Also, the issues are complex due to multi agency input.</p> <p>The impact of society influences this also such as issues of poverty, substance misuse and domestic violence.</p>	2013/14	High	<p>The restructure of children's services carried out in 2013 is now bedding in. There have been reductions in the numbers of children looked after from 110 to 96 and on the child protection register from 52 to 38 over the year to Sept 2014. Due to factors outside our control this will always be a risk for us.</p>	Yes

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		<p>In responding to this complexity, the difficulty in recruiting foster carers is diminishing, but the 'Looked After Children' population has continued to increase from 92 in September 2011, to 106 in March 2012 and 113 in September 2012. This group is 113 in 2013, but there is a significant difference in the issues involved. There is evidence of improved outcomes for looked after children as a result of achieving permanency for them which means there is an increase in their "flow" through the system.</p> <p>In relation to fostering care, there is also an impact from the new legislation on children and young people leaving care.</p> <p>Despite significant progress in this area to minimise and mitigate risk, the risk will always remain a high one since the environments in which harm to children could occur are not controlled or managed by the Council.</p>				
3	<p>Risk that changes to welfare benefits is increasing the incidence of poverty and social exclusion across the county.</p> <p>As an associated risk, this could manifest into an increased level of homelessness.</p>	<p>An increase in homelessness.</p> <p>Continued variances in numbers of Job Seekers Allowance claimants.</p> <p>An increase in rent arrears resulting from welfare reforms implementation.</p> <p>An increase in child poverty.</p> <p>About 50% of those registered for housing</p>	2013/14	High	<p>An anti-poverty strategy is being developed, a working group has been convened with key strategic partners to develop a County wide approach to tackling poverty.</p> <p>"Nobody is left behind" continues to be a key focus of the Single Integrated Plan</p> <p>The Local development plan, which guides social, economic and environmental land use</p>	Integrate with risk 4.

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		related support require critical assistance.			<p>has been approved. This targets to increase the level of affordable housing built in the County</p> <p>There has been an increased focus on homeless prevention. Homeless applications determined have reduced from 417 (12/13) to 388 (13/14). The 14/15 projection is to reduce further to around 240. Homeless acceptances are falling. Homeless acceptances have reduced from 220 (12/13) to 170 (13/14), with successful homeless prevention increasing.</p> <p>Overall Job Seekers Allowance claimants have reduced in Monmouthshire and are below Wales and Great Britain averages. 18-24 year olds claiming Job seekers allowance is also reducing and below the Wales average but is still above the average for Great Britain.</p> <p>As welfare reform continues there will be an increasing need for benefits to be accessed online, current digital skills and broadband coverage pose a risk to this.</p>	
4	<p>Risk that Monmouthshire will be unable to develop its digital capabilities to meet the significant social and economic challenges in the future.</p> <p>An associated risk is that the Shared Resource Service is not providing the authority with the level of service it</p>	<p>Over 50% of our communities live in population groups of under 2,500.</p> <p>Broadband notspots remain and despite Monmouthshire being in the next tranche for roll-out of Superfast Cymru; around 4-6% of our most rural areas will not be impacted.</p> <p>With the prospect of service cuts and reductions, being digital is vital to bring</p>	2013/14	High	<p>An icounty strategy has been approved which sets out aims for technology development in the long-term both for the council and the county. A Digital Programme Board – aligned to icounty has been setup to oversee delivery and a programme plan for actions is currently being developed to focus on identified need in the County.</p> <p>A Monmouthshire Broadband Mapping Study identifying future opportunities has been</p>	Integrate with risk 3 as this could lead to social exclusion.

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
	needs to keep up with technological development.	<p>services into the 21st century and provide greater access for all.</p> <p>The SRS review has identified scope for improvement and greater realisation of opportunities for its partner bodies.</p> <p>At recent community engagement events, young people vocalised need for greater focus on new digital skills – computer science and coding. In a survey of business leaders polled for Make Things / Do Stuff, digital skills came top as the skills that are most essential to the future success of the UK economy (69 per cent) and over 81 per cent saying digital skills are either important (48 per cent) or very important (33 per cent) to their sector.</p> <p>Business survey conducted by CMC² told us that broadband and infrastructure is essential to enterprise start- ups, growth and overall economic resilience.</p> <p>We need more ‘real time’ data in order that decisions can be informed by the most accurate and up-to the minute data and information. We also need to ensure a strong digital leadership.</p> <p>The current Public Sector Broadband Aggregation network (PSBA) does not deliver added value opportunities to our communities.</p>			<p>completed and will be considered by cabinet in Autumn 2014</p> <p>Superfast Cymru have announced work will commence by September 2015 to bring superfast internet speeds to further areas of Monmouthshire.</p> <p>In December 2013, MCC took the lead role in reviewing the SRS looking at governance and accountability; HR, cultural and structural issues, finance ROI and the ‘core service.</p> <p>The review of findings presented in March 2014 were endorsed. Three main parts of the review are being implemented with the first piece of work around finances/ commissioning the core service to be presented in September 2014.</p>	

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
	Risk around the potential impact on communities, local businesses and council services from global climate changes	<p>Over recent years the UK has had to deal with severe weather conditions. This has impacted on Monmouthshire. We need to increase our resilience against the impact of climate change to enable us to help safeguard communities, businesses and also services provided by the authority.</p> <p>The 2012 Climate Change Risk Assessment for Wales forecasts hotter, drier summers, warmer, wetter winters and more extreme weather events. WG have written to all local authorities asking for evidence of what we are doing around climate change adaptation.</p> <p>This risk assessment looks at the risk if we do not plan against the impact, where we cannot control the risk of severe weather events occurring.</p> <p>The risk should reduce over the next three years as we complete and implement adaptation action plans to enable us to become more prepared.</p>	2013/14	Medium	<p>Council services have completed service based climate change impact assessment in line with Welsh Government guidance. These risk assessments will allow suitable adaptations to be planned in response to the risks identified and have made council services more aware of the range of climate impacts that could affect the service. Confirmation of the action plan requirements from Welsh Government is still required before proceeding.</p> <p>The Council have volunteered to be an early adopter of the Wellbeing of Future Generations bill. This focusses on long term planning of which climate change is an intrinsic part.</p> <p>The risk of severe weather will remain, our response is to ensure we plan against the impact of this which is considered a medium risk.</p>	Remove from strategic risk register and continue to monitor through service improvement plans
6.	The needs and capabilities of individual learners are not sufficiently addressed. Consequently, individual learners do not achieve to their highest potential	<p>1. Comparative standards – especially KS3 & 4 are a concern</p> <p>a. Overall standards</p> <p>Whilst standards overall compare well with those of other Welsh counties, they do not compare well with comparable counties in England.</p>	2013/14	High	<p>The risks around education standards, as picked up across the whole entry 6, still feature as high for the authority, particularly in relation to responding to the Estyn inspection, despite significantly improved performance in the summer 2014 results. Actions are being taken to ensure more robust assessment of services' and schools'</p>	Yes – this risk has been captured as a much shortened / encompassing education risk

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		<p>b. Standards of groups of learners When we compare the performance of specific groups of learners, it does not compare favourably with those in other counties.</p> <p>(i) Free School Meals E.g. KS 4 Level 2 including English and Maths: 19th (2012); 22nd (2013)</p> <p>(ii) SEN/ALN Important shortcomings were identified: absence of strategy; ineffective resources used for assessment; insufficient data; provision for ASD. Also operational issues: training; the situation around Mounton House; the PRS</p> <p>c. Varying standards between schools Standards vary across primary schools from being top in the comparable school family to a position in the bottom quarter. Three secondary schools are in the bottom quartile for KS4 free school meals – one is in the third quartile. In addition, individual school performance varies from year to year.</p>			<p>performance via: service plans self-assessment EAS intelligence Close working with and challenge of schools (LA and EAS) ALN review 21st century schools programme The impact being made is evident in many places but we need to ensure this is sustained and improved further as a crucial measure in ensuring the authority is removed from Estyn monitoring.</p>	
		<p>2. The LA's key lever for improving standards and schools has to prove its effectiveness</p> <p>a. A young organisation. Monmouthshire's key lever for school improvement, especially for standards and the quality of teaching and learning, is EAS. The EAS has existed for only 18</p>	2013/14	Medium		
			2014/15	Medium		
			2015/16	Low		

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		<p>months and is still embedding processes.</p> <p>b. Effectiveness. The effectiveness of EAS cannot be separated from that of the schools. Feedback on EAS from some schools and evidence of improvement is positive overall. However, there is variability in the overall picture, reflected in the variability in performance within and between schools. The Authority is reliant on the EAS in driving improvements to close the gaps. (E.g. recent ESTYN inspections do not demonstrate a rapid improvement in standards or the quality of leadership in schools; EAS intervention plans for schools are a key instrument in improvement but the process for agreeing, signing off and implementing these has been slow in some cases.)</p> <p>c. Strategic Direction. Welsh Government requirements for regional school improvement services may impact on the quality of EAS provision.</p>				
		<p>3. A major investment to improve teaching and learning (21Century Schools) is at an early stage</p> <p>The 21st Century Schools programme aims to renew teaching approaches and create new school buildings.</p> <p>The risk is that the building of the school is completed without thorough renovation</p>	2013/14	Medium		
			2014/15	Low		
			2015/16	Low		

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		of teaching approaches to match the needs and capabilities of individual learners.				
7.	The need to ensure continuity of Welsh Medium Secondary Provision	<p>Monmouthshire has two Welsh Medium Primary Schools with both feeding into Ysgol Gyfun Gwynlliw in Torfaen's area to continue their education through the medium of Welsh.</p> <p>The pressure in Ysgol Gyfun Gwynlliw to accommodate Monmouthshire students from September 2016 has been identified through Monmouthshire's 21st Century Schools programme.</p> <p>Home to school transport and post 16 transport provision are likely to be impacted by decisions within this risk area.</p>	2013/14	Medium	The level of risk associated with managing our position on Welsh medium education depends on how successfully the 21 st century schools programme is driving the necessary plans. The last position known is that the work around Welsh medium education has been incorporated into the 21 st century schools programme.	Yes – this risk has been picked up through the 21 st century school programme risk
		2014/15	High			
		2015/16	High			
8	The need to ensure effective responsibility and accountability in safeguarding children and young people	<p>Substantial shortcomings were identified in the ESTYN inspections of the Council in November 2012. These covered:</p> <p>Lack of a Safeguarding policy; monitoring of update checks was not rigorous enough; there was no formal mechanism to ensure that partners who work with young people have appropriate safeguarding policies and procedures; the need for safeguarding training. The Council has addressed these issues but is aware that safeguarding arrangements need constant attention.</p>	2013/14	Medium	<p>In responding to the outstanding challenge from the Estyn Inspection we have developed a comprehensive reporting schedule and strengthened the whole authority approach by establishing a monthly briefing for Chief Officers, a cross- authority leadership group chaired by the Chief Executive and a forum for the Chairs of Select Committees to discuss Safeguarding and Corporate Parenting issues.</p> <p>Together these elements should:</p> <ul style="list-style-type: none"> ensure an evaluative approach which enables Cabinet, Scrutiny committees and senior officers to answer the 	Yes – this risk has been picked up as part of the Inspection risk
		2014/15	Low			
		2015/16	Low			

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
					<p>question “how well are children and young people in Monmouthshire being protected from harm and abuse?” and:</p> <ul style="list-style-type: none"> Engage all aspects of the Council and our partners, emphasising that safeguarding is everyone’s business. <p>The strength of this approach is that leaders now have a high level analysis and overview in the strategic report, whilst also being able to drill down to detailed evidence via the safeguarding report card and operational detail via the service improvement plan.</p>	
9	Risk of not working meaningfully with our communities means we will fail to develop the solutions to the big challenges the county faces over coming years – social, economic and environmental	<p>£23m+ shortfall in finances over the medium-term is a significant challenge. However Monmouthshire has a fantastic natural environment, high levels of strong social capital and is asset-rich. We know from our move into ‘whole place’ planning that community expectations of public service are changing and one size doesn’t fit all. We also know from this process and the recent Monmouthshire Engages events, that there are high numbers of innovatory thinkers who wish to work with us to create value. If we cannot unlock these ideas and encourage the willingness to work meaningfully with us, we run the real risk of being unable to create the kind of vibrancy, viability and resilience needed to withstand future challenges.</p> <p>Ideas have been formulated into thematic groupings for continued work to test</p>	2013/14	Medium	<p>Whole place, a local based framework for area regeneration, continues to be established in Severnside. A project plan and programme board are in place and meet bi-monthly. A town team, made up of local people and businesses, has been established and continues to coordinate local events and activities.</p> <p>A “Better Bryn-y-Cwm” Whole Place plan has been approved, a Town Team has been established and governance arrangements for a programme board are in place. A bid has been submitted for establishing a Business Improvement District.</p> <p>Monmouthshire Engages Roadshows in towns and evening engagements were held in September and October 2014. The purpose of this engagement was threefold: to inform the public of the severity of funding reductions; to understand what services are valued by the</p>	The response to address this risk is now well embedded in the Council’s budget setting process and other community activity such as whole place. This is now more relevant to be incorporated as part of risk 10 which will continue in the 2014/17 risk register.

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		suitability and lead officers will soon be making contact with the hundreds of citizens who have expressed a wish to work with us on specific programmes of activity (co-design).			<p>communities and their experiences of using those services are; and, to gather any new ideas on how we can reduce costs to maintain existing levels of service.</p> <p>Communities have told us the three areas of council service ranked as the most important were:</p> <ul style="list-style-type: none"> • Keeping Children Safe (65%) • Education and Skills (63%) • Support for older people and people with disabilities (61%) <p>The three areas seen as the least important were:</p> <ul style="list-style-type: none"> • Highways and Street Lighting (28%) • Trading Standards and Environmental Health (25%) • Planning and Building Control (25%) <p>Monmouthshire Made open, a social network site that allows ideas to be generated and developed to problems and challenges was launched. Ideas from engagement events have been captured on the site and continued to be developed with residents</p>	
10	Risk of not being able to sustain our priorities and wider service delivery within the current financial situation and the increasing financial challenge ahead	<p>Reframed 2012/13 risk 20.</p> <p>The council has set three main priorities around education, supporting vulnerable people and stimulating enterprise.</p> <p>Tied into this, in reality as we go forward no services can have guaranteed</p>	2013/14	High	<p>The Council set a balanced budget for 2014/15 to deliver services. The Medium Term Financial Plan (MTFP) included 37 budget mandates that were informed by a variety of factors including service redesign and ideas from Monmouthshire engages events held in autumn 2013 and winter 2014.</p> <p>The Medium Term Financial Plan model has</p>	<p>With a further 4.3% budget reduction for 2015/16 and expected continuing financial pressures in future years</p>

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
		<p>protection.</p> <p>Cabinet agreed to look into 37 areas for potential budget savings in October 2013 to alleviate the financial situation. The authority needs to realise the most impacting ideas from this mandate to deal with the financial challenge now and ahead of us.</p>			<p>been updated for this year's settlement from Welsh Government, a further 4.3% reduction, much more work will be undertaken over the coming months to consider the remaining 3 years of the MTFP and what the future shape of the Authority needs to look like in the light of the emerging financial position. This will be completed in consideration of the Council's key priorities, outcomes and whole authority risk register.</p> <p>The 2015/16 budget gap is now £440k, if all the savings proposals contained in Appendix 4 of the report linked are approved. However, this still leaves a gap of £10 million to be found over the following 3 year period. Part of the proposals for 2015/16 include setting aside a budget to provide some capacity to both consider the further options for meeting the gap that will be reported back through Cabinet and select committees and to ensure delivery can be sustained.</p> <p>A restructure of the leadership team has been completed to ensure a focus on the council priorities.</p>	this risk is carried forward to the 2014/17 risk register.
11	Risk posed to revenue and to delivering the capital programme if we do not make optimal use of our surplus assets (which can involve sale / renting /	<p>Anticipated receipts from land, building and asset sales are jeopardised due to declining economic conditions and a crowded marketplace with other public organisations competing to sell assets.</p> <p>Local Development Plan (LDP) and other</p>	2013/14	High	The balance of capital receipts available, allowing for the funding of anticipated overspend at Q1 2014/15, at the end of 2014/15 is forecast to be in line with the 2014/18 MTFP, despite changes in the timing of some significant receipts within this period. It is estimated that net receipts at the end of	Yes
		2014/15	High			
		2015/16	Tbc			

Ref	Risk 2013/14	Reason why identified (evidence)	Risk Levels from 2013/16		Progress & Impact Made	Continued to 2014/17?
	community transfer)	<p>legal processes place limitations on timing of asset sales. This is kept entirely separate to asset disposal policy and process.</p> <p>19% reduction in capital budget allocation.</p> <p>We need to ensure we match fund monies allocated to the 21st Century Schools project.</p>			<p>2017-18 will be circa £2million more than MTFP estimates.</p> <p>There remains a risk that market conditions will impact on forecast sales. Given 21st century schools' aspirations any changes to the forecast capital receipts or further delays in timing pose a risk to meet future capital commitments.</p>	