

## REPORT

<b>SUBJECT</b>	<b>REVENUE &amp; CAPITAL MONITORING 2017/18 OUTTURN STATEMENT</b>
<b>DIRECTORATE</b>	<b>Resources</b>
<b>MEETING</b>	<b>Adults Select Committee</b>
<b>DATE</b>	<b>12th September 2017</b>
<b>DIVISIONS/ WARD AFFECTED</b>	<b>All Authority</b>

### 1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the revenue and capital outturn positions based on activity data at month 2.
- 1.2 This report will also be considered by Select Committees as part of their responsibility to,
  - assess whether effective budget monitoring is taking place,
  - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
  - challenge the reasonableness of projected over or underspends, and
  - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.

### 2. RECOMMENDATIONS PROPOSED TO CABINET

- 2.1 That Members consider a net revenue outturn overspend of £164,000.
- 2.2 Members consider a capital outturn spend, forecast by service managers to agree with budget.
- 2.3 Members note that the low level of earmarked reserves, which will severely reduce the flexibility the Council has in meeting the financial challenges of reducing settlements and consequent need to re-design services.
- 2.4 Members note the significant forecast reduction in the overall school balance at the end of 2017/18 and supports the continuing work with schools to ensure that the Council's Fairer Funding scheme requirements are met and that the overall schools balance reverts to positive position at the earliest opportunity. This will be explored in greater detail in a separate report of CYP Directorate.

### 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 (month 2 based)

**Table 1: Council Fund 2017/18 Outturn Forecast Summary Statement at Period 1**

Service Area	Initial 2017-18 Annual Budget	Forecast Outturn	Forecast Over/ (Under) @ Outturn	2016-17 Budget	2016-17 Outturn	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Services	6,972	6,872	-100	7,109	6,929	-180
Children Services	10,018	10,419	401	9,765	10,338	573
Community Care	22,162	22,128	-34	20,625	21,413	788
Commissioning	1,600	1,561	-39	1,543	1,427	-116
Partnerships	350	350	0	347	398	51
Public Protection	1,455	1,416	-39	1,460	1,378	-82
Resources & Performance	864	865	1	869	869	0
<b>Total Social Care &amp; Health</b>	<b>43,421</b>	<b>43,611</b>	<b>190</b>	<b>41,718</b>	<b>42,752</b>	<b>1,034</b>
Individual School Budget	43,166	43,166	0	43,161	43,191	30
Resources	1,425	1,431	6	1,508	1,523	15
Standards	4,983	5,362	379	5,083	5,084	1
<b>Total Children &amp; Young People</b>	<b>49,574</b>	<b>49,959</b>	<b>385</b>	<b>49,752</b>	<b>49,798</b>	<b>46</b>
Business Growth & Enterprise	824	847	23	814	801	-13
Planning & Housing	1,852	1,908	56	1,362	1,151	-211
Tourism Life & Culture	3,140	3,241	101	2,982	3,424	442
<b>Total Enterprise</b>	<b>5,816</b>	<b>5,996</b>	<b>180</b>	<b>5,158</b>	<b>5,376</b>	<b>218</b>
Governance, Engagement & Improvement	4,333	4,437	104	4,599	4,502	-97
Legal & Land Charges	446	456	10	448	401	-47
Operations	16,562	16,943	381	16,796	16,425	-371
<b>Total Chief Executives Unit</b>	<b>21,341</b>	<b>21,836</b>	<b>495</b>	<b>21,843</b>	<b>21,328</b>	<b>-515</b>
Finance	2,287	2,206	-81	2,242	2,011	-231
Information Communication Technology	2,421	2,421	0	2,282	2,328	46
People	1,583	1,613	30	1,463	1,505	42
Place	-504	-434	70	-680	-576	104
<b>Total Resources</b>	<b>5,787</b>	<b>5,806</b>	<b>19</b>	<b>5,307</b>	<b>5,268</b>	<b>-39</b>

Precepts and Levies	<b>17,075</b>	17,070	-5	16,484	16,488	4
Coroners	<b>100</b>	119	19	80	100	20
Gwent Joint Records	<b>182</b>	182	0	183	182	-1
Corporate Management (CM)	<b>181</b>	176	-5	186	553	367
Non Distributed Costs (NDC)	<b>733</b>	733	0	726	818	92
Strategic Initiatives	<b>654</b>	204	-450	488	0	-488
Insurance	<b>1,264</b>	1,230	-34	1,218	1,396	178
<b>Total Corporate Costs &amp; Levies</b>	<b>20,189</b>	<b>19,714</b>	<b>-475</b>	<b>19,365</b>	<b>19,537</b>	<b>172</b>
<b>Net Cost of Services</b>	<b>146,128</b>	<b>146,922</b>	<b>794</b>	<b>143,143</b>	<b>144,059</b>	<b>916</b>
Fixed Asset disposal costs	123	123	0	75	75	0
Interest and Investment Income	-138	-138	0	-55	-89	-34
Interest payable & Similar Charges	3,673	3,173	-500	3,498	2,923	-575
Charges required under regulation	3,815	4,065	250	3,489	3,373	-116
Contributions to Reserves	165	165	0	105	318	213
Contributions from Reserves	-1,653	-1,653	0	-1,665	-1,880	-215
Capital Expenditure funded by revenue contribution			0	109	109	0
<b>Appropriations</b>	<b>5,985</b>	<b>5,735</b>	<b>-250</b>	<b>5,556</b>	<b>4,829</b>	<b>-727</b>
General Government Grants	-61,380	-61,380	0	-63,567	-63,567	0
Non Domestic rates	-30,418	-30,418	0	-27,981	-27,981	0
Council Tax	-66,450	-66,700	-250	-63,411	-64,076	-665
Council Tax Benefits Support	6,135	6,005	-130	6,258	5,852	-406
<b>Financing</b>	<b>-152,113</b>	<b>-152,493</b>	<b>-380</b>	<b>-148,701</b>	<b>-149,772</b>	<b>-1,071</b>
Budgeted contribution from Council Fund		0		2	0	-2
<b>Net Council Fund (Surplus) / Deficit</b>	<b>0</b>	<b>164</b>	<b>164</b>	<b>0</b>	<b>-884</b>	<b>-884</b>

3.1.3 A comparison of the Net Council fund line against previous years activity indicates the following,

Net Council Fund Surplus	2017-18	2016-17	2015-16	2014-15
	£'000	£'000	£'000	£'000
Period 1	164 deficit	1,511 deficit	867 deficit	219 deficit
Period 2		839 deficit	1,066 deficit	116 deficit
Period 3		79 surplus	162 deficit	144 deficit
Outturn		884 surplus	579 surplus	327 surplus

This does suggest 1<sup>st</sup> period monitoring to be an improving situation on past comparison. However the bottom line situation of a £164k overspend is potentially overoptimistic in a number of areas. One of the more significant illustrations is that Treasury costs currently include £500k underspend in borrowing costs for the schemes identified in para 3.3.4 below which are yet to garner Members agreement for inclusion in the capital programme due to lack of cost certainty, but probability suggests some of these schemes will subsequently derive sufficient Member support to proceed before end of 2017-18.

3.1.4 Given the financial challenges that will continue to face the Authority for the foreseeable future, Chief Officers continue to be tasked with ensuring that services live within the budgets and savings targets set for the current financial year.

3.1.5 A summary of main pressures and under spends within the Net Cost of Services Directorates include,

### **3.1.6 Stronger Communities Select Portfolio (£590k net underspend)**

- Chief Executives Unit (£496k overspend)

**Legal division** exhibited a **£10k deficit**, due to reduced land charge income activity. **Governance, engagement and improvement** exhibited a **£105k deficit** due to delayed restructure in Community Education (£20k), Community Hubs & Contact Centre unbudgeted software and delayed restructure costs (£36k), and senior officer mandate saving not fully delivered (£48k). **Operations exhibited a collective £381k deficit**. The position for each of main Operations areas is as follows, Highways £193k deficit (winter maintenance £35k, utility street lighting costs £85k and £73k redundancies), Property and Procurement £108k deficit, small overspend in grocery supplies for catering 38k, and procurement saving of £100k which as yet is not manifest, and in Waste an £80k shortfall in trade waste income.

- Resources Directorate (£19k overspend)

**An underspend in Finance Division costs of £81k**, predominantly due to net HB grant inflow, and increased recharge to schools for Finance system support. **People services anticipate a £30k deficit** caused by maternity costs, and consultancy work. **Place division predict £70k deficit**, predominantly the anticipation of cattle market income levels being lower than budgeted.

- Corporate (£475k underspend)

The Council has an annual redundancy provision (£450k) within Corporate budget, to be used if Directorates request use of such of Members. At the moment there is no activity on this cost centre, despite redundancy costs being shown as overspends within Directorates. There also miscellaneous savings totalling £25k across this Directorate.

- Appropriations (£250k underspend)

A temporary underspend of £500k results from the headroom to absorb the schemes mentioned in para 3.3.4, whilst costs remain uncertainty and officers are yet to request schemes be added formally to capital programme. This underspend compensates for £250k additional minimum revenue provision costs, as capital receipt levels predicted during 2017-18 are anticipated insufficient to have supported set aside and the budgeted reduction of the capital financing requirement at the end of 2016-17, from which minimum revenue provision costs are calculated.

- Financing (£380k underspend)

The net effect from an excess of Council tax receipts and less than anticipated Council tax benefit payments

## RESOURCES DIRECTOR CONTEXT & COMMENTARY

Overall, the directorate is forecasting a slight overspend position of £19k at the end of month 2. The Directorate is managing some pressures in the areas of Payroll and Asset management, however at this stage in the year these are being offset in part by additional one off grant income on benefits, additional income for financial services. It is expected that the Directorate will achieve its savings targets as approved and included in the budget. The Directorate will continue to work to reduce the areas of overspending wherever possible, or identify further savings if necessary over the coming months.

## HEAD OF OPERATIONS CONTEXT & COMMENTARY

At Month 2 Operations is forecasting a £381k overspend. 3 areas are overspending due to increased external costs which are very hard then to reduce. These are street lighting (£85k over due to energy rising), highway operations (£35k weather forecasting service increasing), school catering (£8k increase in food costs). The flooding budget is forecasting an overspend of £73K due to redundancy costs. As per policy if by year end the Service cannot manage the redundancy pressures internally it will request coverage from reserves to manage this pressure. Waste is forecasting an £80k overspend as despite not increasing trade waste fees customers have reduced or purchased smaller bins reducing overall profitability. The Commercial Manager starts shortly so it is hoped this pressure will be reduced. Procurement had a £100k budget saving target proposed through the MTFP and V4 were commissioned to identify key areas for this saving to be met. This work needs escalating but it is not anticipated that if proposals are brought forward the full years saving can be realised. These pressures are currently offset with a £100k underspend in property but it is understood this is being earmarked for J&E block redevelopment which then places further pressures on the department to close the gap.

### **3.1.7 Economy & development Select Portfolio (£141k net overspend)**

- Enterprise Directorate (£180k net overspend)

**Business growth and enterprise** anticipate a £23k overspend, caused by efficiencies within Enterprise management function not yet being manifest.

**Planning & Housing (£55k overspend)** – Development control continues to exhibit a deficit of £22k through reduced development and income activity, conversely development policy exhibits £21k surplus, through a temporary salary saving whilst a vacancy remains vacant. The Housing Lodgings scheme continues to be unsustainable, as Welsh Government support no longer makes an allowance for sufficient management costs in administering the scheme.

**Tourism, leisure & culture (£101k overspend)** – the service forecast £20k savings in Youth service due to temporary vacancy savings and Events are reporting a net surplus of £13k above the £20k net income captured in the budget. Conversely the Directorate report £47k pressure in respect of Cultural services costs (museums, Shire Hall, Old Station), anticipate a shortfall of £20k on Outdoor Education activities and £67k costs above budget at Caldicot Castle. After last year's outturn, and given limited significant intervention to date to improve the financial performance, it wouldn't be intuitive to expect such a positive improvement in forecast, but it remains very difficult to gainsay service forecasts which will be influenced by Member decision in September concerning the future of tourism, leisure and cultural services.

- Social Care & Health (£39k underspend)

**Public Protection (£39k underspend)** – predominantly an underspend in occupational health costs (£17k), staffing savings and income levels in Registrars beneficially exceeding budget (£34), minor savings in trading standards (£4k) compensating for financial pressures in licencing (£16k).

## ENTERPRISE DIRECTOR'S CONTEXT & COMMENTARY

The very dynamic nature of the Tourism, Leisure and Culture service reflects its current outturn position. This is a crucial time for the Events team in their attempts to generate significant income and impact for the county. The team are about to deliver some major income generating events in Month 4, so at this stage in the events calendar the variation illustrated could change significantly. Should income fall short of predictions however, a recovery plan will be implemented with immediate effect. Leisure services stoically continue to generate their targeted income however unexpected capital expenditure in the museums services required to implement lone working has resulted in an overspend, due to additional works required to ensure staff safety. In Planning, Housing and Place Shaping, the loss of income from management fees for leased properties is currently being forecast as causing a pressure in the budget and was recognised as potentially needing reserve funding.

### **3.1.8 Adult Select Portfolio (net £172k underspend)**

- Social Care & Health (£172k underspend)

**Adult Services (£100k underspent)** – staffing savings of circa £150k and income from partnership working with Bridges (£47k) compensates for a net overspend in Direct Care (£26k) and Mardy Park (£72k).

**Community Care (£34k underspend)** – underspends in disability aids and net savings on intermediate care budget with costs incurred elsewhere within the Directorate together with an anticipated saving on the Frailty partnership contribution compensate for the deficit forecast in general disability services for adults.

**Commissioning (£39k underspend)** – predominantly a net saving in commissioning strategy costs.

**Resources (£1k overspend)**

## SCH DIRECTOR'S CONTEXT & COMMENTARY

The overall directorate position as at month 2 is an overspend of £190,000.

Adult services pressures were fully recognised in the 2017/18 budget agreed by Council. The division is currently reporting an underspend of £172,000 due to vacancies in the divisional management team, commissioning and My Day My Life which are being filled.

Children's service had an overspend of £572,000 at the end of 2016/17. Pressures of £86,000 have been recognised in the 2017/18 budget so whilst disappointing, an overspend of £400,000 represents a slightly improved position. There are 3 key pressure areas – the placement budget which funds the care and support for Looked After Children, the transport budget- these are the costs of transport associated with a high number of looked after children (e.g. transport to and from school) and workforce costs. Whilst really good progress has been made to reduce the number of agency workers (agency workforce reduced from 17 to 8 in the last year), there are still considerable risks in the service, particularly as a consequence of the high numbers of children on the Child Protection Register which means agency workers will only be stepped down once the risks have been mitigated and it is safe to do so. One positive movement since last year is the Court Improvement plan which has, at month 2, realigned the budget.

Public Protection is reporting a £39,000 underspend mainly due to income generation mainly from Registrars and public/environmental services which is a pleasant addition to the month 2 directorate position.

Recognising the pressures in social care, Welsh Government grants have been indicated which will support the costs of commissioning a quality domiciliary care service. The terms and conditions of these grants are very detailed. The implications are being considered and will be reported in future months.

### **3.1.9 Children & Young People Select Portfolio (net £786k overspend)**

- Social Care & Health (£401k overspend)

**Children's Services (net £401k overspend)** – the predicted overspend exhibits a significant improvement against the 2016-17 outturn, partly the predicted effect of 60 cases rather than 73 looked after cases last year. Looked after children costs are anticipated to be £129k overspent despite this. Children's services team costs exhibit a forecast overspend of £272k, much of this still to do with the continued use of agency staff, however the Directorate has also sought to identify more transparently the transport costs associated with child care management. Within this £272k, £128k is anticipated to relate to an excess of such travel costs against budget.

**Youth offending team partnership (breakeven)** – this service is a partnership administered by the Council on behalf of itself and others and any balance is effectively transferred through Appropriations to a ring-fenced reserve so should have no bottom line effect on MCC's management accounts.

- Children and Young People (net £385k overspend)

**School Budget Funding** exhibited a breakeven position although the school use of their reserves remains a cause of concern to be explored in Reserves section below. There is an **overspend of £6k** within the **Resources subdivision** caused by unbudgeted IT system upgrade costs. However the main cost pressure manifests itself in **Standards subdivision** (£379k) caused by out of county placement costs exceeding budget, a decision to fund a further formal ALN unit, together with an overspend in the general ALN provision for all 4 secondary schools.

### **SOCIAL CARE & HEALTH DIRECTOR'S CONTEXT & COMMENTARY**

The overall directorate position as at month 2 is an overspend of £189,000.

Adult services pressures were fully recognised in the 2017/18 budget agreed by Council. The division is currently reporting an underspend of £172,000 due to vacancies in the divisional management team, commissioning and My Day My Life which are being filled.

Children's service had an overspend of £572,000 at the end of 2016/17. Pressures of £86,000 have been recognised in the 2017/18 budget so whilst disappointing, an overspend of £400,000 represents a slightly improved position. There are 3 key pressure areas – the placement budget which funds the care and support for Looked After Children, the transport budget- these are the costs of transport associated with a high number of looked after children (e.g. transport to and from school) and workforce costs. Whilst really good progress has been made to reduce the number of agency workers (agency workforce reduced from 17 to 8 in the last year), there are still considerable risks in the service, particularly as a consequence of the high numbers of children on the Child Protection Register which means agency workers will only be stepped down once the risks have been mitigated and it is safe to do so. One positive movement since last year is the Court Improvement plan which has, at month 2, realigned the budget.

Public Protection is reporting a £39,000 underspend mainly due to income generation mainly from Registrars and public/environmental services which is a pleasant addition to the month 2 directorate position.

Recognising the pressures in social care, Welsh Government grants have been indicated which will support the costs of commissioning a quality domiciliary care service. The terms and conditions of these grants are very detailed. The implications are being considered and will be reported in future months.

## CHILDREN & YOUNG PEOPLE DIRECTOR'S CONTEXT & COMMENTARY

At this early stage in the year, the Directorate's Month 2 position is a forecasted overspend of £385,000. Clearly, this is not a position that we wish to be in and we are anticipating that it will fall as we progress through the year. All parts of the directorate are working to reduce those areas of pressure and bring the budget back to a balanced position.

However, the Additional Learning Needs budget continues to remain under significant pressure due to the requirement to support more of our pupils with complex needs. This is a particularly challenging budget given the volatility of children arriving into the area and younger children requiring more complex packages of support.

Along with the rest of the organisation, schools are facing a challenging financial settlement and have, for the first time, budgeted to be in a collective deficit by the end of the year. This forecasted position has improved since budgets were set and we continue to work closely with our school colleagues to ensure their plans are as robust as possible to minimise any impact whilst continuing to improve standards for our young people.

### 3.2 2017/18 Budget Savings Progress

3.2.1 This section monitors the specific savings initiatives and the progress made in delivering them during 2017-18 as part of the MTFP budgeting process.

In summary they are as follows,

<b>Disinvestment by Directorate 2017-18</b>	<b>2017/18 Budgeted Savings</b>	<b>Value of Saving forecast at Month 2</b>	<b>Value of Saving forecast at Month 7</b>	<b>Value of Saving achieved at Outturn</b>	<b>Delayed Savings</b>	<b>Savings deemed Unachievable YTD</b>
REVENUE MONITORING 2017-18	£000	£000	£000	£000	£000	£000
<b>Children &amp; Young People</b>	(395)	(395)	0	0	0	0
<b>Social Care &amp; Health</b>	(627)	(627)	0	0	0	0
<b>Enterprise</b>	(84)	(84)	0	0	0	0
<b>Resources</b>	(266)	(257)	0	0	(9)	0
<b>Chief Executives Units</b>	(1,324)	(1,055)	0	0	(129)	(140)
<b>Corporate Costs &amp; Levies</b>	(118)	(118)	0	0	0	0
<b>Appropriations</b>	(1,608)	(1,608)	0	0	0	0
<b>Financing</b>	(885)	(885)	0	0	0	0
<b>DIRECTORATE Totals</b>	<b>(5,308)</b>	<b>(5,030)</b>	<b>0</b>	<b>0</b>	<b>(138)</b>	<b>(140)</b>

3.2.2 Forecasted mandated savings are currently running at 95%, with currently £140,000 being deemed potentially unachievable, and a further £138,000 unlikely to crystallise in 2017-18.

3.2.3 The emphasis of reporting savings has changed from previously where savings were reported when they were manifest, however the judgement is now whether saving is forecast to be achieved.



3.2.4 Consequently the savings appendix (appendix 1) also has a traffic light system to indicate whether savings are likely to be achieved or have justifiable reasons explaining delayed implementation. The following summary of savings mandates are highlighted as requiring further work to crystallise or exhibit an anticipated degree of volatility.

### 3.2.5 **Stronger Communities Select Portfolio**

Resources Directorate

- Estates restructure proposals (£9k) affecting markets and community development officer are yet to be enacted.

Chief Executive's Office

- Contact Centre (£14k) and whole place (£100k) review proposals are still ongoing such that savings are reported as delayed.
- The procurement saving (£100k) is not yet manifest across Directorates to apportion from the reduced Procurement budget.
- Reduced grass cutting and maintenance schedules (£15k) at Monmouth sports grounds haven't reverted to level of original lease agreement as yet.
- Trade waste income levels are reported to be down by circa £80k, with neither (£10k plus £30k) of the extra income savings yet being manifest deliverable.

### 3.2.6 **Economy & Development Select Portfolio**

Enterprise (ENT) Directorate

- Directorate colleagues report current year savings are anticipated to be delivered in full.

### 3.2.7 **Adult Select Portfolio**

Social Care & Health (SCH) Directorate

- Directorate colleagues report current year savings are anticipated to be delivered in full, however without any progress narrative supplied, the more significant have still been flagged as medium risk based on past pressures and experience, and members may wish to check progress with service officers around adult social care transformation, adult detailed contract review, transport policy changes proposed, live in carer proposals, and charges increases.

### 3.2.8 **Children and Young People Select Portfolio**

Children and Young People (CYP) Directorate

- Directorate colleagues report current year savings are anticipated to be delivered in full, although Members may wish to substantiate how £150k savings in ALN and childcare voluntary organisations can be achieved, whilst Standards subdivision and ALN costs exhibit £379k adverse situation.

### 3.3. Capital Position

3.3.1 The summary Capital position at Month 2 is as follows

<b>MCC CAPITAL BUDGET MONITORING 2017-18 at Month 2 by SELECT COMMITTEE</b>						
<b>SELECT PORTFOLIO</b>	<b>Forecast Spend at Outturn</b>	<b>Slippage Brought Forward</b>	<b>Total Approved Budget 2017/18</b>	<b>Forecast Capital Slippage to 2018/19</b>	<b>Revised Capital Budget 2017/18</b>	<b>Capital Expenditure Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Children &amp; Young People</b>	43,600	15,302	43,600	0	43,600	0
<b>Adult</b>	0	0	0	0	0	0
<b>Economic &amp; Development</b>	966	966	966	0	966	0
<b>Strong Communities</b>	7,278	1,100	7,484	(206)	7,278	0
<b>Capital Schemes Total 2017-18</b>	<b>51,844</b>	<b>17,368</b>	<b>52,050</b>	<b>(206)</b>	<b>51,844</b>	<b>0</b>

#### **Slippage to 2018-19**

3.3.2 Total Provisional Slippage at Month 2 is (£206,293), which relates to Cae Meldon S106 funded schemes. A three month delay in receiving the funding from the developer via the Brecon Beacons National Park has meant a delay in offering Grant offer letters to the various scheme recipients.

#### **Capital Outturn**

3.3.3 Service Managers consistently maintain that their spending will accord exactly with the budgets available to them.

3.3.4 There were further priorities acknowledged by Members during the capital budget consultation, where there is a commitment to invest, however for clarity most of these (other than DFG aspect) currently sit outside the 2017-18 programme as work progresses to identify the funding requirements and will necessitate a further Council report before added to capital programme. These were:

- Monmouth Pool – commitment to reprovide the pool in Monmouth as a consequence of the Future schools programme
- Abergavenny Hub – commitment to reprovide the library with the One Stop Shop in Abergavenny to conclude the creation of a Hub in each of the towns
- Disabled Facilities Grants – the demand for grants is currently outstripping the budget, work is being undertaken to assess the level of investment required to maximize the impact and benefit for recipients. Subsequently Members agreed to supplement the existing DFG budget by £300k, from 2017-18
- City Deal - 10 Authorities in the Cardiff City region are looking at a potential £1.2 billion City Deal. Agreement to commit to this programme is being sought across the region in January and so would impact on the capital MTFP. The potential impact on individual authority budgets

is currently being modelled in advance of decisions on specific projects and profiles in order for authorities to start reflecting the commitment in their MTFPs.

- J and E Block – the office rationalization programme is being considered to see if there is a solution that would enable the Magor and Usk sites to be consolidated, releasing funding to pay for the necessary investment to bring the blocks into use.

### Capital Financing and Receipts

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

<b>MCC CAPITAL FINANCING BUDGET MONITORING 2017-18 at Month 2 by FINANCING CATEGORY</b>						
<b>CAPITAL FINANCING SCHEME</b>	<b>Annual Financing</b>	<b>Slippage Brought Forward</b>	<b>Total Approved Financing Budget 2017/18</b>	<b>Provisional Budget Slippage to 2018/19</b>	<b>Revised Financing Budget 2017/18</b>	<b>Forecast Capital Financing Variance 2017/18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Supported Borrowing	2,402	0	2,402	(0)	2,402	0
General Capital Grant	1,462	0	1,462	0	1,462	0
Grants and Contributions	15,185	5,629	15,185	(0)	15,185	0
S106 Contributions	316	522	522	(206)	316	(0)
Unsupported borrowing	9,524	5,662	9,524	(0)	9,524	(0)
Earmarked reserve & Revenue Funding	320	302	320	(0)	320	(0)
Capital Receipts	22,635	5,253	22,635	(0)	22,635	(0)
Low cost home ownership receipts	0	0	0	0	0	(0)
Unfinanced	0	0	0	0	0	0
<b>Capital Financing Total 2017-18</b>	<b>51,844</b>	<b>17,368</b>	<b>52,050</b>	<b>(206)</b>	<b>51,844</b>	<b>(0)</b>

## Useable Capital Receipts Available

3.3.6 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments is shown. This is also compared to the balances forecast within the 2017/21 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

<b>TOTAL RECEIPTS</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance b/f 1 <sup>st</sup> April	19,043	(577)	(289)	509
<b>Add:</b>				
Receipts received in YTD	0			
Receipts forecast received	3,015	6,460	5,560	5,660
Deferred capital receipts	4	4	4	4
<b>Less:</b>				
Receipts to be applied	(22,635)	(6,172)	(509)	(509)
Set aside	0	0	(4,257)	(4,749)
<b>Predicted Year end receipts balance</b>	<b>(577)</b>	<b>(289)</b>	<b>509</b>	<b>915</b>
<b>Financial Planning Assumption 2017/21 MTFP Capital Budget</b>	<b>608</b>	<b>0</b>	<b>5,156</b>	<b>4,861</b>
<b>Increase / (Decrease) compared to MTFP Capital Receipts Forecast</b>	<b>(1,185)</b>	<b>(289)</b>	<b>(4,657)</b>	<b>(3,946)</b>

3.3.7 The balances forecast to be held at the 31<sup>st</sup> March each year are generally lower than forecast in the MTFP. The decrease of £4.0m remaining at 31<sup>st</sup> March 21 is due to the reduced capital receipt for the Abergavenny Cattle Market, which was replaced by £4.0m of deferred income to be received over 25 years.

3.3.8 The expected slippage of LDP receipts has been offset by a delay in the set aside of capital receipts in 2016-17 and likely 2017-18.

3.3.9 At Month 2, Capital receipts budgeted to be applied are greater than those brought forward into 2017-18 plus those that are likely to be generated within the 2017-18 financial year. This may result in the need to substitute unsupported borrowing (£577,000) for capital receipts at year-end. This situation is fluid and does not require immediate action as during the year capital receipt funded schemes maybe slipped into 2018/19 financial year therefore easing the necessity to switch financing streams mid-year.

3.3.10 There is still an increasingly significant risk to the Council resulting from the need to utilise capital receipts in the same year that they come into the Council. This provides no tolerance or flexibility should the receipts be delayed, which isn't uncommon, and would necessitate compensatory temporary borrowing which is more costly than utilising capital receipts and would necessitate additional revenue savings annually to afford.

### 3.4 Reserves

#### Reserve Usage

3.4.1 Revenue and Capital monitoring reflects an approved use of reserves. At month 2, service managers' presumptions are to fully utilise the reserve funding conveyed to them in 2017-18 budget. Additionally there is proportion of 2016-17 reserve funded expenditure that was approved by Members on 6<sup>th</sup> June to transfer into 2017-18. This wasn't formally vired into the ledger during the monitoring period involved, so is shown as a separate column in the forecast year end position below.

Summary Earmarked Reserves Month 2 2017-18								
Earmarked Reserves		Revenue			Slippage		Capital	
Name of Reserve	Apr-17	Budgeted Usage	Budgeted Replenishment	Total Budget	Slippage From 1617	Slippage To 1819	Predicted Usage	Mar-18
Invest to Redesign	-960,943	166,345	-134,779	-929,377	109,026		152,214	-668,137
IT Transformation	-727,784			-727,784	146,500		22,888	-558,396
Insurance & Risk Management	-1,083,295			-1,083,295				-1,083,295
Capital Receipt Generation	-347,511	121,918		-225,593	20,526			-205,067
Treasury Equalisation	-990,024			-990,024				-990,024
Redundancy & Pensions	-795,297	298,484		-496,813				-496,813
Capital Investments	-775,522			-775,522			145,185	-630,337
Priority Investments	-1,000,171	966,053		-34,118	106,454	-411,087		-338,751
Museum Acquisitions	-56,760			-56,760				-56,760
Elections	-133,183	100,000	-25,000	-58,183				-58,183
Grass Routes Buses	-184,391		-5,000	-189,391			38,307	-151,084
<b>Sub Total</b>	<b>-7,054,881</b>	<b>1,652,800</b>	<b>-164,779</b>	<b>-5,566,860</b>	<b>382,506</b>	<b>-411,087</b>	<b>358,594</b>	<b>-5,236,847</b>
<b>Restriicted Use Reserves</b>								
Youth Offending Team	-273,567			-273,567				-273,567
Building Control Trading	-25,987			-25,987				-25,987
Outdoor Education Centres	-190,280			-190,280				-190,280
Plant & Equipment (Highways)	-75,000			-75,000				-75,000
Homeless Prevention Fund	-4,619			-4,619				-4,619
Rural Development Plan	-86,471			-86,471	62,717	-62,717		-86,471
CYP Maternity	-93,590			-93,590				-93,590
<b>Total Earmarked Reserves</b>	<b>-7,804,395</b>	<b>1,652,800</b>	<b>-164,779</b>	<b>-6,316,374</b>	<b>445,223</b>	<b>-473,804</b>	<b>358,594</b>	<b>-5,986,361</b>

3.4.2 Earmarked reserves remain at limited levels unlikely to provide any material capacity/headroom to meet unanticipated volatility or significantly facilitate future service re-engineering and design. Current predicted use of the Priority investment reserve means it will expired at the end of 2017-18. Replenishment of earmarked reserves is considered at year end, subject to a favourable outturn position and if necessary redistribution of reserves will ensure positive balances are available to meet the following year's requirement.

3.4.3 Given the forecast use of earmarked reserves, Cabinet has previously approved a policy on earmarked reserves to ensure that earmarked reserves are focused on investment in areas where they can achieve most impact.

## Schools Reserves

3.4.4 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. The net effect of an individual school's annual surplus or deficit is shown in a ring-fence reserve for the particular school. Details of the 2017-18 indicative outturn position based on their recent sc52 formal budget returns is shown in the table below.

### Outturn movement on reserves

	Opening reserves 2017-18 (Surplus)/ Deficit	In Year position at Month 2 (Surplus)/ Deficit	Projected carry forward at year end 2017-18 (Surplus)/ Deficit	Notes
<b><u>Abergavenny cluster</u></b>				
E003 King Henry VIII Comprehensive	139,355	162,345	301,700	
E073 Cantref Primary	(52,766)	24,658	(28,108)	
E072 Deri View Primary	(27,297)	(30,871)	(58,168)	Restructure due to Special Needs Resource Base closure.
E035 Gilwern Jnr & Inf	(39,636)	22,203	(17,433)	Additional teacher employed to cover senior management release time.
E037 Goytre Fawr Jnr & Inf	(25,371)	33,110	7,739	Incremental teaching and midday supervisory costs.
E093 Llanfoist Fawr	(68,056)	33,402	(34,654)	Restructure of support staff has resulted in a saving.
E044 Llantillio Pertholey Jnr & Inf	(20,967)	20,765	(202)	
E045 Llanvihangel Crocorney Jnr & Inf	3,117	22,369	25,486	
E090 Our Lady and St Michael's RC Primary School	(45,505)	38,862	(6,643)	Additional Key Stage 1 teacher from 1/9/17 due to increase in pupil numbers above 60
E067 Ysgol Gymraeg Y Fenni	(48,966)	16,298	(32,668)	Reduction in supply teacher allocation.
<b><u>Caldicot cluster</u></b>				
E001 Caldicot Comprehensive	(33,736)	31,425	(2,311)	
E068 Archbishop Rowan Williams Primary	(49,657)	23,223	(26,434)	
E094 Castle Park	46,115	(6,750)	39,365	
E075 Dewstow Primary School	(90,125)	51,302	(38,823)	2 Teaching Assistants have left plus additional income from grants
E034 Durand Jnr & Inf	(53,931)	16,529	(37,402)	
E048 Magor Vol Aided Jnr & Inf	(35,179)	11,339	(23,840)	Saving on energy and additional income from grants
E056 Rogiet Jnr & Inf	(34,184)	24,415	(9,769)	Maternity Leave and Sabbatical
E063 Undy Jnr & Inf	50,037	(26,343)	23,694	Administrative Team Restructure
E069 Ysgol Gymraeg Y Ffin	67,410	15,481	82,891	
<b><u>Chepstow cluster</u></b>				
E002 Chepstow Comprehensive	81,068	(83,460)	(2,392)	

E091 Pembroke Primary School	(8,826)	4,578	(4,248)	
E057 Shirenewton Jnr & Inf	(87,369)	13,550	(73,819)	Additional management time for staff. While this will be funded via grants, the additional time was not factored into the budget, but the income was.
E058 St Mary's Chepstow RC Jnr & Inf	13,192	(5,036)	8,156	Additional Teaching Assistant hours/Midday Supervisory absence and back dated incremental pay progression.
E060 The Dell Jnr & Inf	(46,094)	21,637	(24,457)	Staff changes to hours from September and a TA post not being backfilled has resulted in savings being forecasted in comparison to the budget set.
E061 Thornwell Jnr & Inf	20,534	(32,512)	(11,978)	
<b>Monmouth cluster</b>				
E004 Monmouth Comprehensive	100,573	214,945	315,518	An increase in the income forecast, mainly relating to prior financial year which was not accrued, has resulted in an improved position in relation to the budgeted figure. A recovery plan has been formulated and will be presented to the the Chief Officer at the end of June.
E032 Cross Ash Jnr & Inf	(45,620)	9,106	(36,514)	
E092 Kymin View Primary School	(10,294)	4,949	(5,345)	
E039 Llandogo Jnr & Inf	9,736	1,754	11,490	
E074 Osbaston Church In Wales Primary	(18,570)	2,573	(15,997)	
E051 Overmonnow Jnr & Inf	(3,959)	3,399	(560)	Staff savings
E055 Raglan Jnr & Inf	111,977	40,340	152,317	Staff savings
E062 Trellech Jnr & Inf	(85,762)	17,003	(68,759)	
E064 Usk CV Jnr & Inf	(56,108)	50,228	(5,880)	
	(344,862)	746,816	401,954	
<b>Special Schools</b>				
E020 Mounton House	142,417	(61,166)	81,251	Additional agency staff currently being used to cover a staff sickness absence and to offer additional support to pupils. The school is working, however, to reduce costs further in order to bring forecast back in line with budget.
E095 PRU	(66,340)	11,119	(55,221)	
	76,077	(50,047)	26,030	
	(268,786)	696,769	427,983	

3.4.5 12 schools exhibited a deficit position at the start of 2017/18. By the end of this financial year this is anticipated to be 11, with Chepstow and Thornwell coming out of deficit, and Goytre Fawr going into deficit. The main concern here though is that collectively schools enter a combined deficit reserve position contrary to current Fairer Funding guidance that Governing bodies have ascribed to. In cashflow terms any collective schools deficit places a minor unforecast strain on the Treasury budget which will reduce its ability to mitigate cost pressures as traditionally has been the case.

3.4.6 Collectively school balances have exhibited the following trend being supplemented late in the year by additional improvement grant funding through Welsh government and EAS.

<b>Financial Year-end</b>	<b>Net level of School Balances</b>
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18 forecast	428

3.4.7 Our Fairer Funding Regulations adopted by Council and Governing Bodies have traditionally precluded governing bodies from planning for a deficit position. This was changed last year to allow licensed deficits where a recovery plan is agreed and followed. However this flexibility only extended as far as there being a collective schools reserve surplus i.e.

*“There is an arrangement in place whereby schools are allowed to plan for a deficit budget funded by a collective surplus of school balances held by the authority on behalf of schools.”*

3.4.8 In addition to the need to establish recovery plan for those schools in deficit, it remains unlikely that the collective level of reserves will sustain the traditional annual draw by schools on reserves in recent years, which will add additional focus to addressing the need to remain within budget going forward rather than passporting the consequences to their reserves, given that flexibility is now pretty much exhausted.

#### **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 equality and sustainability implications.

#### **7 CONSULTEES**

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



## **8 BACKGROUND PAPERS**

Outturn Monitoring Reports (Period 1), as per the hyperlink provided

<http://corphub/initiatives/Budgetmon/20172018/Forms/Q1.aspx>

## **9 AUTHOR**

Mark Howcroft – Assistant Head of Finance

Dave Jarrett – Senior Accountant Business Support

## **10 CONTACT DETAILS**









Tel. 01633 644740

e-mail. [markhowcroft@monmouthshire.gov.uk](mailto:markhowcroft@monmouthshire.gov.uk)




### **Appendices (attached below)**

Appendix 1 Mandated Savings Progress Report

APPENDIX 1








<b>Disinvestment by Directorate 2017-18</b>		2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment	ASSESSMENT of Progress	Risk of current forecast saving NOT being achieved ( High / Medium / Low )
REVENUE MONITORING 2017-18		£000	£000	£000	£000	£000		
	<b>Children &amp; Young People</b>	(395)	(395)	0	0			
	<b>Social Care &amp; Health</b>	(627)	(627)	0	0			
	<b>Enterprise</b>	(84)	(84)	0	0			
	<b>Resources</b>	(266)	(257)	(9)	0			
	<b>Chief Executives Units</b>	(1,324)	(1,055)	(129)	(140)			
	<b>Corporate Costs &amp; Levies</b>	(118)	(118)	0	0			
	<b>Appropriations</b>	(1,608)	(1,608)	0	0			
	<b>Financing</b>	(885)	(885)	0	0			
	<b>DIRECTORATE Totals</b>	<b>(5,308)</b>	<b>(5,030)</b>	<b>(138)</b>	<b>(140)</b>			
Ref	<b>Children &amp; Young People</b>	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
B20	ALN	(150)	(150)					High
	<b>Resources</b> - Removal of training budget	(8)	(8)					Low
	<b>Resources</b> - Loss of 3 posts within support services	(70)	(70)					Low
	<b>Resources</b> - Removal of professional fees for the directorate	(8)	(8)					Low
	<b>Early Years</b> - To remove the funding provided to childcare voluntary organisations - Wales PPA, Mudiad Meithrin & Clybiau Plant Cymru Kids' Club.	(15)	(15)					Medium
	ALN - Reduce the Independent Special School Budget	(50)	(50)				on target, but a fairly volatile service	Medium
	<b>Other</b> - Reduction in pupil numbers	(81)	(81)					Low
	<b>Other</b> - Reduction in contribution required by EAS	(14)	(14)					Low
	<b>CHILDREN &amp; YOUNG PEOPLE Budgeted Savings Total</b>	<b>(395)</b>	<b>(395)</b>	<b>0</b>	<b>0</b>			

Ref	Social Care & Health	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
34	Adult Social Care Service Transformation	(200)	(200)					High
	Adults - Parity on pricing structure between day service and community meals	(25)	(25)					High
	Adults - Development of café at Mardy park and establish private and business partnerships to develop catering services	(2)	(2)					Low
	Adults - Hire of Mardy Park outside or core hours	(1)	(1)					Medium
	Adults - Restructure finance and benefits advice team to replace 2 posts on lower grades	(16)	(16)					Medium
	Adults - Reduce IT Development budget	(10)	(10)					Low
	Adults - alignment of welfare benefits information, advice and assistance services	(13)	(13)					Low
	Adults - Detailed Contract Review	(56)	(56)					Medium
	Adults - Terminate room rental in Abergavenny	(4)	(4)					Low
	Adults - Changing transport practice. two types of transport savings:- mileage incurred by staff to transport service users, and cost of providing transport	(27)	(27)					Medium
	Adults - Review of transport policy to support people who can transport themselves	(32)	(32)					Medium
	Adults - explore live in carer rather than hourly cost via care agency	(47)	(47)					Medium
	Adults - income generation from MDMY	(3)	(3)					Low
	Public Protection - training provided during core time rather than over time	(7)	(7)					Low
	Public Protection - FSA Grant for food safety management work	(7)	(7)					Low
	Public Protection - Start charging for health export certificates	(3)	(3)					Low
	Public Protection - food standards sampling grant	(1)	(1)					Low
	Public Protection - Implement "buy with confidence" trader approval scheme	(3)	(3)					Low
	Public Protection - Regional Animal Health Coordination	(3)	(3)					Low
	Public Protection - WHoTS Coordination -recharge	(3)	(3)					Low
	Public Protection - Set up Primary Authority Partnership scheme for TS proactive work	(2)	(2)					Low
	Public Protection - Restructure of licensing team	(6)	(6)					Medium

Ref	Social Care & Health	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
	<b>Public Protection</b> - Increase charge for marriages at Old Parlour Usk	(1)	(1)					Low
	<b>Public Protection</b> - Increase cost of certificates of "priority certificates"	(6)	(6)					Low
	Social Services income charge rise	(150)	(150)					Medium
	<b>SOCIAL CARE &amp; HEALTH Budgeted Savings Total</b>	<b>(627)</b>	<b>(627)</b>	0	0			

Ref	Enterprise	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
	<b>Development Plans</b> - Reduce 'Premises' budget line B050 by £1,527 to £0	(2)	(2)					Low
	<b>Development Plans</b> - End membership of Severn Estuary Partnership, reducing	(3)	(3)					Low
	<b>Development Plans</b> - Reduce 'Photocopying' budget line D061 by £2,000 to £3,000	(2)	(2)					Low
	<b>Development Plans</b> - Reduce 'Postage' budget line D161 by £1,000 to £1,290	(1)	(1)					Low
	<b>Development Plans</b> - Reduce 'Advertising' budget line by £1,000 to £2,008	(1)	(1)					Low
	<b>Development Plans</b> - Reduce 'Professional Fees' budget line D080 by £8,183 to	(8)	(8)					Low
	<b>Development Management</b> - Additional fee income from pre-application advice fee charges	(5)	(5)					Low
	<b>Development Management</b> - Move towards paperless planning files and consultations; reduction in copying and printing and postage	(5)	(5)					Low
	<b>Development Management</b> - Additional fee income from i) a new Fast Track pre-application advice service and ii) a new Fast Track applications service for householder developments and lawful development certificates (for a proposed use or development)	(2)	(2)					Low
	<b>Development Management</b> - Fee income from a new Completion certificates service for developers or solicitors/ householders buying and selling their home	(2)	(2)					Low
	<b>Development Management</b> - Reduce Professional & Specialist Fees budget (D080)	(9)	(9)					Low
	<b>Development Control</b> - Reduce supplies and services budget (£33k) by £2,638	(3)	(3)					Low
	<b>Housing</b> - Decision already made to end the joint/shared Housing Solutions Service with TCBC and re-align the service to an MCC only focus.	(20)	(20)					Low
	<b>Housing</b> - Replace Flare grants software with Ferret software	(6)	(6)					Low
	<b>Housing</b> - Continue to tackle the use of B & B through increased prevention and private sector housing development	(8)	(8)					Low
	<b>Housing</b> - Re-structure of Housing Renewal team	(6)	(6)					Low
	<b>ENTERPRISE Budgeted Savings Total</b>	<b>(84)</b>	<b>(84)</b>	<b>0</b>	<b>0</b>			



Ref	Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
	<b>Garden waste income</b>	(50)	(50)				£35k in to date. Customers still registering so hopeful of target being achieved	Medium
	<b>Communities, Hubs, Libraries</b> - Re-structure of management level of Community hubs and SLS	(52)	(52)					Medium
	<b>Communities, Hubs, Libraries</b> - Cease the purchase and rental of DVD's	(4)	(4)					Low
	<b>Communities, Hubs, Libraries</b> - Amalgamation of SLS supporting posts from 2 into 1	(34)	(34)					Medium
	<b>Contact Centres</b> - Reduction of staff (Information Officer) by half a post	(14)	0	(14)			Delayed restructure - still under review	Medium
	<b>Legal</b> - Colleague reducing days	(31)	(31)					Medium
	<b>Policy</b> - Reduce capacity of team by deleting some posts and replacing them with posts with reduced responsibilities and working hours	(13)	(13)					Low
	<b>Policy</b> - Reduce non-pay budget by promoting more efficient use of mobile phones, printing and copying	(0)	(0)					Low
	<b>Community Safety</b> - Reduce the purchase and maintenance capability for CCTV equipment and repairs to existing system.	(2)	(2)					Low
	<b>Partnerships</b> - £5,900 non staff costs can be made through removal of professional fees and licenses	(6)	(6)					Low
	<b>Communications</b> - Reducing the budget for a post to a budget of £8,841 (this post is currently being filled by contractors on a day rate of £250 per day).	(18)	(18)					Low
	<b>PTU</b> - Collaboration of passenger transport units with Newport CC( saving taken in 15/16 for management support this is in addition through restructuring )	(15)	(15)					Low
	<b>Fleet</b> - To withdraw from renting Severn Bridge Social Club car park, Bulwark.	(9)	(9)					Low
	<b>Fleet</b> - To decrease general contracts maintenance budget	(5)	(5)					Medium
	<b>Fleet</b> - Proactively market the scheme with a view to increase numbers.	(7)	(7)					Low
	<b>Fleet</b> - Restructure/redesign within the Transport Section (posts)	(9)	(9)					Low
	<b>Fleet</b> - Savings on spare parts	(12)	(12)					Low
	<b>Fleet</b> - Savings on consumables & outside contract work	(21)	(21)					Low

Ref	Chief Executive's Unit	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
	<b>Waste</b> - Reduce grass cutting frequency to release core staff to focus on income generation and more external work	(100)	(100)				Not implemented - but saving achieved through other means, mainly through underspends in Pension Contribution	Low
	<b>Waste</b> - Charge schools for the full cost of their waste collections and disposal	(30)	0		(30)		All schools in the South of the County have found alternative contractors. The service has reported a £80k pressure with trade waste to which this contributes.	High
	<b>Waste</b> - Reduce scheduled cuts and maintenance of Monmouth sports grounds to level of original lease agreement	(15)	0	(15)			This has not yet happened as it has been difficult to engage with the sports associations. Service is attempting to manage the pressure in budget	Medium
	<b>Waste</b> - Project Gwyrdd annuity payment from WG for 17-18	(70)	(70)				Achieved	Low
	<b>Waste</b> - Increase bulky waste collection charges by 50% (£12 to £18) and reduce our contribution to Homemakers accordingly	(10)	(10)				Achieved through negotiation with Homemakers	Low
	<b>Waste</b> - Additional income from trade waste	(10)	0		(10)		Not achieved - see comment above	High
	<b>Waste</b> - Managing impact of reduced activity/ income on tree works	(24)	(24)				Vacancy not yet released from budget so carrying pressure but trying to manage within resources at this stage	Medium

Ref	Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
	Highways - reduction in maintenance budget to reflect impact of investment in new (led) lanterns	(8)	(8)					Low
	Highways - reduce pumping station maintenance budget	(2)	(2)					Low
	Highways - rsl veb1000 recycling plant : in place and operational saving	(14)	(14)					Low
	Highways - welfare units : in place and operational saving	(10)	(10)					Low
	Highways - overtime back office : adjust start and finish times	(2)	(2)					Low
	Highways - sim cards : review and reduce where not required	(2)	(2)					Low
	Highways - review all wales tenders : subject to 2nd layer of reducing cost	(2)	(2)					Low
	Highways - reduction in salt budget to reflect reduced usage over recent years. stock levels remain constant (budget pays for what is used rather than what is stocked). actual usage in year may result in overspend depending upon weather conditions	(20)	(20)					Low
	Highways - bartering / hiring kit : partnerships with ncc / tcbc	(4)	(4)					Low
	Highways - reduction in response budget to reflect reduced winter maintenance (response to snowfall) in recent years. actual conditions during the winter will remain at current standards but a risk of resulting overspend exists	(10)	(10)					Low
	Highways - review all wales tenders : subject to 2nd layer of reducing cost	(2)	(2)					Low
	Highways - cross hire within ops : use in house kit before hire	(1)	(1)					Low
	Highways - external hire	(2)	(2)					Low
	Highways - fill structure : release additional hours being worked	(3)	(3)					Low
	Highways - reduce the amount of scrim investigations undertaken each year.	(3)	(3)					Low
	Highways - reduce the amount of revenue structures maintenance undertaken each year.	(41)	(41)					Low
	Highways - to increase road closure charges by 50% and recover costs against appropriate capital scheme	(20)	(20)					Low
	Highways - to increase skips, scaffolding licences and street name & numbering fee by 50% in 2016/ 2017	(10)	(10)					Low
	Highways - to extend charges to other services (to be identified by working group)	(7)	(7)					Low



Ref	Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
	<b>Property Services</b> - Train existing staff to carry out risk assessments	(25)	(25)					Medium
	<b>Property Services</b> - To withdraw the 60% of the Corporate Procurement Training budget.	(6)	(6)					Low
	<b>Property Services</b> - Non replacement of Shared Facilities Manager, following resignation. (£11,500 saving)	(7)	(7)					Low
	<b>Property Services</b> - Mounton House Restructure	(19)	(19)					Medium
	<b>Property Services</b> - Increase School meal price from £2.00 to £2.10 (5p already in MTFP)	(21)	(21)					Low
	<b>Property Services</b> - flexible retirement, reduced 5 days to 3	(11)	(11)					Low
	<b>Property Services</b> - Vehicles – reduction in leasing costs for courier vehicles	(2)	(2)					Low
	<b>Property Services</b> - Press Notices – cease advertising Bank Holiday office closures in the Press	(3)	(3)				Still under review, savings have been delivered through a reduction in supplies and services expenditure.	Low
	<b>Property Services</b> - Refreshment provision – cease providing refreshment supplies	(1)	(1)					Low
	<b>Property Services</b> - Increase the time between risk assessments for Legionella, Asbestos, Fire & Glazing from the current 2/3 years to minimum of 5 years	(10)	(10)					Medium
	<b>Property Services</b> - 10% reduction in corporate building maintenance reactive budget	(54)	(54)					Low
	<b>Property Services</b> - Realignment of budget for previous efficiencies achieved	(15)	(15)					Low
	Recycling Plant	(70)	(70)					Low
	Whole Place	(100)	0	(100)			Service still under review.	High

Ref	Chief Executive's Unit	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
	Pension Contribution Savings	(160)	(160)					Low
	Procurement Savings	(100)	0		(100)		Procurement savings have yet to be identified. A report from V4 has been commissioned to identify procurement initiatives that could be actioned to improve compliance, quality and vfm but no action has taken place as yet.	High
	<b>CHIEF EXECUTIVES' UNIT Budgeted Savings Total</b>	<b>(1,324)</b>	<b>(1,055)</b>	<b>(129)</b>	<b>(140)</b>			

Ref	Resources	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
		£000	£000	£000	£000	£000		
	Finance - Delete two part time vacant posts from structure (Cashiers & Systems)	(31)	(31)					Low
	Finance - Revise and reduce the structure of the Benefits Shared service thereby reducing MCC's annual contribution	(20)	(20)					Low
	Finance - Reduce the Sections budget for postage costs to reflect the planned shift to automation, email and self service through the web	(6)	(6)					Low
	Finance - Release savings from Security Carrier tender evaluation	(10)	(10)					Low
	Finance - Cancel contract for folding machine maintenance to reflect reduced mail in 5.3 and planned moved to outsourcing of mail to Canon	(4)	(4)					Low
	Finance - Savings in insurance fees and studies	(30)	(30)					Low
	Finance - Cut the budget for consultancy across the Division	(22)	(22)					Low
	Finance - Reduce the number of cases referred to external Enforcement Agents	(5)	(5)					Low
	Finance - Training budget internal audit	(7)	(7)					Low
	Digital - Reduction in Enterprise Agreement	(13)	(13)					Low
	Digital - General reduction in laptop replacement budget	(30)	(30)					Low
	Digital - Specific Server virtual management software no longer required, using existing software to remove cost	(23)	(23)					Low
	Estates - Removal of Assistant Markets Officer Post	(23)	(18)	(5)			Delayed restructure	Medium
	Estates - Community Development Officer - 3 to 2 days	(7)	(3.5)	(3.5)			Delayed restructure	Medium
	Estates - Facilities Officer reduced hours	(16)	(16)					Low
	Estates - Savings from Solar Farm	(9)	(9)					Medium
	People, HR - Generate income from selling training	(5)	(5)					Low
	People, HR - Stop producing paper payslips for schools and move to electronic payslips	(5)	(5)					Low
	<b>RESOURCES Budgeted Savings Total</b>	<b>(266)</b>	<b>(257)</b>	<b>(9)</b>	<b>0</b>			

Ref	Corporate Costs & Levies	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
	Crematoria Income	(98)	(98)				on target	Low
	Grant Audit Fees	(20)	(20)				on target	Low
	<b>CORPORATE COSTS Budgeted Savings Total</b>	<b>(118)</b>	<b>(118)</b>	<b>0</b>	<b>0</b>			
Ref	Appropriations	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
	MRP Supported borrowing	(1,536)	(1,536)				on target	Low
	Headroom in appropriations	(12)	(12)				on target	Low
	Solar Farm income	(160)	(160)				on target	Low
	Business rates headroom	100	100				on target	Low
	<b>APPROPRIATIONS Budgeted Savings Total</b>	<b>(1,608)</b>	<b>(1,608)</b>	<b>0</b>	<b>0</b>			
Ref	Financing	2017/18 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Delayed Savings £000	Savings deemed Unachievable £000	Traffic Light based Risk Assessment £000	ASSESSMENT of Progress	'Risk of current forecast saving NOT being achieved ( High / Medium / Low )
	Reduced demand for CTRS payments	(370)	(370)				on target	Low
	CT Base, rate & number of properties	(515)	(515)				on target	Low
	<b>FINANCING Budgeted Savings Total</b>	<b>(885)</b>	<b>(885)</b>	<b>0</b>	<b>0</b>			