

REPORT

SUBJECT	REVENUE & CAPITAL MONITORING 2017/18 OUTTURN STATEMENT – PERIOD 2
DIRECTORATE	Resources
MEETING	Children & Young People Select Committee
DATE	1st February 2018
DIVISIONS/ WARD AFFECTED	All Authority

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 7.
- 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 Members consider the forecast net revenue outturn overspend of £62,000.
- 2.2 That Cabinet requires Chief Officers to continue to work to reduce the £1.333m over spend on services, using measures such as a moratorium on non-essential spend and the freezing of vacant posts other than where recruitment is considered essential.
- 2.3 Members consider the forecast capital outturn spend, the levels of capital slippage proposed and the levels of capital receipts to assist with capital programme funding, primarily the Future Schools Tranche A considerations.
- 2.4 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.
- 2.5 Members note the significant and continued 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 a positive position at the earliest opportunity.
- 2.6 Members note the significant over spend on services and consider recurrent and new pressures that need to feature in the draft revenue budget proposals currently out on consultation.

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 7 based)

Table 1: Council Fund 2017/18 Outturn Forecast Summary Statement at Period 2

Service Area	Initial 2017-18 Annual Budget	Virements to budget	Period 2 Annual Budget	Revised Forecast Outturn	Forecast Over/ (Under) @ Outturn	2017/18 Period 1 Variance
	£'000			£'000	£'000	£'000
Adult Services	6,972	6	6,978	7,014	36	-100
Children Services	10,018	120	10,138	11,190	1,052	401
Community Care	22,162	-23	22,139	21,768	-371	-34
Commissioning	1,600		1,600	1,507	-93	-39
Partnerships	350	5	355	355	0	0
Public Protection	1,455	1	1,456	1,449	-7	-39
Resources & Performance	864	-151	713	701	-12	1
Total Social Care & Health	43,421	-42	43,379	43,984	605	190
Individual School Budget	43,166	104	43,270	43,398	128	0
Resources	1,425		1,425	1,362	-63	6
Standards	4,983		4,983	5,382	399	379
Total Children & Young People	49,574	104	49,678	50,142	464	385
Business Growth & Enterprise	824	644	1,468	1,779	230	23
Governance, Democracy and Support		4,061	4,061	4,122	61	
Planning & Housing	1,852	-374	1,478	1,533	55	56
Tourism Life & Culture	3,140	-282	2,858	2,965	188	101
Total Enterprise	5,816	4,049	9,865	10,399	534	180
Governance, Engagement & Improvement	4,333	-4,333	0	0	0	104
Legal & Land Charges	446		446	453	7	10
Operations	16,562	-2,045	14,517	14,988	471	381
Total Chief Executives Unit	21,341	-6,378	14,963	15,441	478	495
Finance	2,287	147	2,434	2,272	-162	-81
Information Communication Technology	2,421	118	2,539	2,409	-130	0
People	1,583		1,583	1,573	-10	30

Commercial and Corporate Landlord Services	-504	1,639	1,135	1,145	10	70
Total Resources	5,787	1,904	7,691	7,399	-292	19
Precepts and Levies	17,075	330	17,405	17,401	-4	-5
Coroners	100		100	119	19	19
Gwent Joint Records	182		182	182	0	0
Corporate Management (CM)	181	-13	168	130	-38	-5
Non Distributed Costs (NDC)	733		733	733	0	0
Strategic Initiatives	654	-204	450	0	-450	-450
Insurance	1,264	-30	1,234	1,251	17	-34
Total Corporate Costs & Levies	20,189	83	20,272	19,816	-456	-475
Net Cost of Services	146,128	-280	145,848	147,181	1,333	794
Fixed Asset disposal costs	123	19	142	142	0	0
Interest and Investment Income	-138	127	-11	-23	-12	0
Interest payable & Similar Charges	3,673	2	3,675	2,942	-733	-500
Charges required under regulation	3,815	261	4,076	3,978	-98	250
Contributions to Reserves	165	2	167	208	41	0
Contributions from Reserves	-1,653	198	-1,455	-1,455	0	0
Capital Expenditure funded by revenue contribution			0	0	0	0
Appropriations	5,985	609	6,594	5,792	-802	-250
General Government Grants	-61,380		-61,380	-61,380	0	0
Non Domestic rates	-30,418		-30,418	-30,418	0	0
Council Tax	-66,450	-330	-66,780	-67,080	-300	-250
Council Tax Benefits Support	6,135		6,135	5,966	-169	-130
Financing	-152,113	-330	-152,443	-152,912	-469	-380
Budgeted contribution from Council Fund				0		
Net Council Fund (Surplus) / Deficit	0	-1	-1	61	62	164

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	62 deficit	839 deficit	1,066 deficit	116 deficit
Period 3		79 surplus	162 deficit	144 deficit
Outturn		884 Surplus	579 surplus	327 surplus

3.1.4 There have been quite a lot of budget movements since month 2 to reflect changes to Chief Officer portfolios, such that:

Chief Executives Unit

- Property Services moved to Corporate Landlord in RESOURCES Directorate.
- Building Cleaning and Catering have stayed in OPERATIONS Division for now.
- The Governance, Engagement and Improvement Division has been deleted and replaced with Governance, Democracy and Support within ENTERPRISE Directorate.

Enterprise Directorate

- Governance, Democracy and Support created to include Community Hubs, Contact Centre and Community Education.
- Creation of new division called Business Growth and Enterprise – includes most of Economic Development with the addition of Events, Museums and Youth Enterprise from Tourism, Leisure and Culture Division.
- Creation of new division called Community Partnerships and Development which is effectively a merger of Whole Place and Partnerships.

Resources Directorate

- New Corporate Landlord Division created from the merger of Asset Management/Place Division and Property Division transferred across from Operations.

Given these movements, month 2 and month 7 variances are not directly comparable, as “new” service managers have inherited previous underspends or overspends.

However the overall position is still directly comparable, such that net cost of services outturn forecast has increased by £539k to £1.333 million, compensated in part as is traditional by savings in Treasury and Financing, to derive a net deficit of £62k.

As part of the month 7 monitoring exercise, it has become evident that an anticipated use of reserves has been presumed but not yet communicated and requested from Cabinet.

- Priority investment reserve – for continuation of current levels of leased property management (£120k), paragraph 3.1.7
- IT Reserve – Finance Document Management software replacement (£20k), paragraph 3.1.6

Should Cabinet subsequently receive reports from colleagues and accept such use, the revised bottom line would be £78k surplus.

3.1.5 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, using measures such as a moratorium on non-essential spend and the freezing of vacant posts other than where recruitment is considered essential.

3.1.6 In arriving at the month 7 forecast position Chief Officers have had to identify further savings plans to arrest the over spend on services. However, it should be noted that such savings plans are principally one-off in nature and therefore significant pressures remain in transport, ALN and Children's Services and that will need to be assessed as part of the draft budget proposals that are currently out on consultation.

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

Stronger Communities Select Portfolio (£1,541k net underspend)

- Chief Executives Unit (£478k overspend)

Legal division exhibited a £7k deficit, due to reduced land charge income activity. Operations exhibited a collective £381k deficit. The position for each of main Operations areas is as follows, highways £39k surplus, passenger transport £322k deficit (market intervention, increased ALN costs and a loss on private hire activities), waste £159k (predominantly trade waste and downturn in grounds maintenance turnover), schools catering £29k (downturn in meals perceived to relate to introduction of parent pay).

- Resources Directorate (£292k underspend)

An underspend in Finance Division costs of £162k, predominantly due to net HB grant inflow, an increased recharge to schools for Finance system support and staff vacancies. An underspend in IT Division (£130k) caused by underspends in equipment costs £70k and SRS £55k underspend. People services anticipate a small £5k surplus. Corporate landlord services division predict £15k deficit, caused by shortfall in solar farm income, a reduction in cemetery income, and the net effect of procurement savings not being owned across the Council, compensated in part by savings in central accommodation costs. There is also a target of £20k efficiency saving and general reduced spend to be achieved across the Directorate before year end. There is an additional presumption in the monitoring spreadsheet to request £20k use of IT reserve to afford Finance's document management system replacement. That decision has not been presumed in this report such that the bottom line has not been adjusted nor reserve levels adjusted in advance of colleagues explaining the need to Cabinet.

- Corporate (£456k underspend)

Mainly this is the effect of the annual redundancy provision (£450k) within Corporate budget, to be used following member consideration and approval. 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 £6k across this Directorate.

- Appropriations (£802k underspend)

Monitoring report of £843k underspend has been adjusted for anticipated deficit transfer to Outdoor Education trading reserve of £41k. Much of the saving is introduced by active Treasury management to legitimately defer minimum revenue provision payment for solar farm, delaying borrowing decision until absolutely necessary, recognising forecast capital slippage and utilising preferential short term borrowing rates and constantly refreshing as an alternative to more expensive longer term rates.

- Financing (£469k 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 an under spend of £292k at the end of month 7. Under spends driven by additional grant income on benefits, ICT underspends on equipment and with the SRS and central accommodation costs are mitigating pressures resulting from a shortfall in income against budget from the solar farm, a reduction in cemetery income and authority wide procurement savings not being captured. Beyond the procurement savings, 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, in order to assist in reducing the Authority's overall over spend.

HEAD OF OPERATIONS CONTEXT & COMMENTARY

Month 7 shows a deterioration from month 2 in the projected out turn for 17/18 for the Operations Department.

The forecast now suggests an over spend across all sections of £471,000 compared to a projection at month 2 of £281,000.

The significant variations from budget are discussed below:

Primary schools catering is forecasting an over spend of £28,000. This budget covers free school meal costs so the increase in numbers of meals served (not necessarily the number of pupils entitled) obviously contributes to the over spend. The downturn in paid meals is also of concern but there is anecdotal evidence that this is partly due to the introduction of the parent pay web based system which removes the opportunity for parents to pay with cash or cheque and consequently unable to take advantage of paying for school meals on an ad hoc basis (often fluctuating with home prepared meals on a daily basis), That being said in December there is some indication that numbers are starting to recover. Although the parent pay scheme offers the opportunity to view menus and to pay over the web it is possible that parents are not yet familiar with the system so an advertising campaign to promote the benefits of the scheme will be developed to seek to restore custom levels. The inclusion of waste disposal charges was inevitable as clarification was provided by WG that schools are liable for collection and disposal charges. The winter months do often see an increase in custom levels so this plus advertising should assist recovery.

The Street lighting energy budget suffers from the budget model which allows no inflation on contracted services whereas actual energy costs to Welsh local authorities increased by 15% in this year (the consequence of a new round of tendering). The introduction of more LED lamps reduces energy consumption and on a budget stripped of inflationary factors would notionally provide a saving. However the saving is used to finance the borrowing to purchase the lights so is removed from the energy budget. A further benefit from investment in new lighting is that officers feel it is feasible to reduce the maintenance budget so the projected overspend has dropped since month 2.

Highways Operations including SWTRA are forecasting a break even budget but it must be stressed that this is forecast upon a stable budget projection through the winter period, based upon recent years expenditure. In this year the highways budget for winter maintenance and snow clearing was reduced so there is a significant risk that poor weather will place pressure upon this budget unless we adopt a reduced level of response. At this stage costs are not yet available to reflect the effect of the recent bad weather.

The PTU budget overall is forecast to overspend by £322,000 compared to a month 2 forecast of break even. There is an underspend in passenger transport arising from arrangements for administration income and staff collaboration but this positive position is dwarfed by the volatility currently being experienced amongst private operators and extra SEN transport costs recently

incurred. Earlier this year a major private transport provider ceased trading over a weekend. There were 29 contracts (H2S and SEN) provided by this operator and all services were re-established very quickly through direct provision and other operators but the financial impact has been an significant (estimated as an extra £1250 per day over and above previous costs. The other significant increase has been in SEN transport costs with extra services being arranged for students in recent months.

The Waste budget indicates a breakeven out turn but the grounds service within Waste and Street Scene is projecting a loss of £82,000. This area has typically shown significant variations in year but has always returned a surplus or been on budget at year end. However when the budget was set for the current year it assumed an increase in income of £100,000. The wider plan was to cut back on grounds maintenance and this income was to offset the need for any redundancies but whilst officers have sought options to reduce maintenance with the minimal of service impact in reality the service cuts and extra trade have not been achieved sufficiently to offset the budget assumption. It is possible that extra works will be acquired and carried out during the remainder of the year to cover this loss but at present that level of works is not on the order book.

Overall the financial situation is of major concern. A report will be prepared to move one off costs for redundancies to corporate funding (approx. £77,000) as Operations revenue budgets are unable to carry these costs in this year. Otherwise officers will be instructed to only commit to essential spend through the remaining months, and all income opportunities will be sought across all Operations service areas. Recruitment is frozen to all posts other than essential front line operatives and all service heads are investigating where spend may be curtailed and income optimised through to year end.

3.1.8 Economy & development Select Portfolio (£527k net overspend)

- Enterprise Directorate (£534k net overspend)

Business growth and enterprise anticipate a £230k overspend, a movement of £198k adverse since month 2. This is caused predominantly by a perceived net shortfall in whole place saving of £35k and adverse Events activities totalling £172k incurred since month 2 forecast. This Events budget was previously overseen by Tourism, Leisure and Culture subdivision and has only recently been inherited by Business growth and enterprise subdivision.

Planning & Housing (£55k overspend) – Development control exhibits an increased deficit of £106k through reduced development and income activity, conversely development policy exhibits £172k surplus, through a temporary salary vacancy and delays in anticipated LDP work. The Housing Lodgings scheme continues to be unsustainable (£120k adverse), as Welsh Government support no longer makes an allowance for sufficient management costs in administering the scheme. The potential for this was highlighted in the 2017-18 budget setting report, but not requested, so this report unusually requests a £120k use of priority investment reserve.

Tourism, leisure & culture (£189k overspend) – predominantly the effect of Caldicot castle and Old Station being traditionally above budgeted levels (£162k adverse), and a net £39k reduction in Leisure centre income caused by Monmouth site redevelopment. Outdoor education also incurs a £41k loss, reported as being due from Torfaen CBC and Blaenau Gwent withdrawing from the partnership. This has been known for 2 years and advice has been to address rather than convert into extra income of an unsubstantiated nature. As a partnership, the bottom line trading activity is transferred to an earmarked reserve rather than affecting MCC bottom line.

Governance, democracy and support (£61k overspend)- predominantly £95k redundancy costs compensated in part by net savings in subscriptions and electoral registration.

- Social Care & Health (£7k underspend)

Public Protection (£7k underspend) – predominantly a net underspend in Registrars caused by increased income and reduced superannuation costs.

ENTERPRISE DIRECTOR'S CONTEXT & COMMENTARY

The DCEO Month 7 position reports a £534,000 overspend which, when adjusted for reserve movements, comes down to £279,000.

The main pressures remain in the Tourism, Leisure, Culture and Youth Services - underlining the continued issues with viability of services in their current form. This underlines again, the importance of considering alternative delivery models, in order to ensure sustainable futures for these important community and frontline services.

In response to this, the DCEO unit has developed a comprehensive recovery plan to help mitigate pressures, examine all spend items at a detailed level, freeze vacancies and redouble income generation efforts.

3.1.9 Adult Select Portfolio (net £440k underspend)

- Social Care & Health (£440k underspend)

Adult Services (£36k overspent) – a continued net overspend in Direct Care and Mardy Park costs is compensated in part by savings in My Day My life initiative, secondment income, disability services and management costs..

Community Care (£371k underspend) – underspends in disability aids and net savings on intermediate care budget with costs afforded by adhoc grant, together with a prediction of 3 significant cases being funded through third party totalling £240k.

Commissioning (£93k underspend) – predominantly a net saving in commissioning strategy costs and a senior vacancy.

Resources (£12k underspend) – net saving apparent in transport management

3.1.10 Children & Young People Select Portfolio (net £1,516k overspend)

- Social Care & Health (£1,052k overspend)

Children's Services (net £1,052k overspend) – placement and care costs are forecast as being £483k, which is £353k more than volunteered in the month 2 prediction, and this is despite £140k presumption in relation to 5 cases coming from external sources. Children's services team costs exhibit a forecast overspend of £569k, over and above establishment budgets, and an increase of £298k on month 2 forecast..

Youth offending team partnership (breakeven) – this service is a partnership administered by the Council on behalf of itself and others and any balance (£42k deficit) 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 £464k overspend)

School Budget Funding, since month 2 the budget passported to schools incurs a forecast £128k deficit. There is an **underspend of £38k** within the **Resources subdivision** due to vacancy savings and premature retirement costs being less than budget. However the main cost pressure

manifests itself in **Standards subdivision** (£373k) 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

Overall the position as at month 7 is an overspend of £605,000. This position reflects a number of robust recovery actions to contain the overspend as far as possible moving into year end, in a volatile and high cost budget area. In common with Authorities across Wales, Children's Social Service budgets are under extreme pressures, with ours exhibiting a £1.052M overspend. This is a worsening position for Children's Services from the reported month 2 overspend projection of £401,000 (£651,000 at month 5), and the 2016/17 outturn being £534,000 overspent. Much of the 2016/17 overspend comprised recurrent commitments which carried through into this financial year. The reason for the higher overspend are increased costs relating to complex placements for 4 children, additional workforce pressures (£94,000) to safely meet the added workload from the number of children on the Child Protection Register (Cabinet approval of establishment changes in December 2017 will allow a move away from agency to meet capacity requirements) and corporate safeguarding posts that are reserve funded, but shown as an overspend against the Children's Services budget. The overall directorate position is being reduced by underspends in Adult Services of £440,000 and £7,000 in Public Protection.

CHILDREN & YOUNG PEOPLE DIRECTOR'S CONTEXT & COMMENTARY

The Directorate's Month 7 position is a forecasted overspend of £464,000. Efficiencies have been delivered across many parts of the directorate, however, these have been offset by additional expenditure in other areas caused by increased pressures on the service provision. All parts of the directorate are continuing to work to reduce those areas of pressure and bring the budget closer to a balanced position.

The current overspend includes the cost of redundancies from our support services restructure. The necessary approval has been granted to meet these costs from reserves if we are unable to meet them from within the directorate's budget. In addition, an exceptional item of expenditure within the ISB has increased the overspend position that was reported at Month 2. These combined one-off items amount to £131,000 and once these have been accounted for the underlying position remains static from month 2.

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. The two main elements of this budget have moved in different directions. The Out of County budget has improved its position and is now forecasted to be £29,000 overspent. The in-County budget which provides additional support to children in the classroom is experiencing significant pressure and the forecast overspend has increased by a further £100,000 to £300,000.

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 declined since Month 2 and is more in line with the budgets that have been set, but we will 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.

3.2.1 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,

Disinvestment by Directorate 2017-	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD
REVENUE MONITORING 2017-18	£000	£000	£000	£000	£000	£000
Children & Young People	(395)	(395)	(395)	0	0	0
Social Care & Health	(627)	(627)	(628)	0	0	0
Enterprise	(84)	(84)	(83)	0	0	0
Resources	(266)	(257)	(236)	0	(30)	0
Chief Executives Units	(1,224)	(955)	(992)	0	(29)	(205)
Corporate Costs & Levies	(118)	(118)	(98)	0	(20)	0
Appropriations	(1,708)	(1,708)	(1,648)	0	0	(60)
Financing	(885)	(885)	(885)	0	0	0
DIRECTORATE Totals	(5,308)	(5,029)	(4,965)	0	(79)	(265)

3.2.2 Forecasted mandated savings are currently running at 94% (a slight reduction on levels reported in month 2), with currently £265,000 being deemed potentially unachievable, and a further £79,000 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 (£30k) affecting markets and community development officer are yet to be enacted.

Chief Executive's Office

- Contact Centre (£14k) reorganisation has been delayed and whole place saving of £100k exhibits a shortfall of £65k.
- 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 £399k adverse situation.

3.3. Capital Position

MCC CAPITAL BUDGET MONITORING 2017-18 at Month 7 by SELECT COMMITTEE						
SELECT PORTFOLIO	Forecast Spend at Outturn	Slippage Brought Forward	Total Approved Budget 2017/18	Forecast Capital Slippage to 2018/19	Revised Capital Budget 2017/18	Capital Expenditure Variance
	£000	£000	£000	£000	£000	£000
Children & Young People	39,236	15,302	44,581	(5,345)	39,236	0
Adult	2	0	2	0	2	0
Economic & Development	458	966	966	(458)	509	(51)
Strong Communities	8,049	1,100	9,096	(1,027)	8,069	(20)
Capital Schemes Total 2017-18	47,745	17,368	54,645	(6,829)	47,816	(71)

Capital Outturn

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

So capital expenditure at month 7 is predominantly being forecast to budget once slippage is accounted for. There is £51k construction saving on the Solar Farm scheme and £25k within County Farm Maintenance due to the postponement of a roof refurbishment.

3.3.2 There were further priorities acknowledged by Members during the capital budget consultation, where there is a commitment to invest but they weren't in a position to get member approval on as part of 2017-18 budget setting and required separate approval.

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 (DFGs) – the demand for grants is currently outstripping the budget
- 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 2018 and so would impact on the capital MTFP from 2018-19.
- 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.

Subsequently Members have added £300k to DFGs, absorbed E block work through property maintenance budget and received and approved a report into the reprovion of Monmouth pool. Consequently J block work, Abergavenny Hub and City deal contribution consideration sit outside 2017-18 capital programme.

3.4 Slippage to 2018-19

3.4.1 Total Provisional Slippage at Month 7 is £6,829k, of which £5,345k within CYP relates to Monmouth Comprehensive 21st Century Schools rebuild. Future Retention payments for the new Solar Farm account for the slippage in E&D of £458k. Car Park refurbishment for Granville Street of £251k (possible contaminated land) and £100k for new ticketing machines have been delayed. £115k is being slipped as a result of ongoing ecological surveys for a bridge reconstruction on the A465 at Livox. A major S106 scheme (£355k) that is projected to be slipped is for the Lion Street Highways Works.

3.5 Capital Financing and Receipts

3.5.1 Given the anticipated capital spending profile reported in para 3.3.1, the following financing mechanisms are expected to be utilised.

MCC CAPITAL FINANCING BUDGET MONITORING 2017-18 at Month 7 by FINANCING CATEGORY						
CAPITAL FINANCING SCHEME	Annual Financing	Slippage Brought Forward	Total Approved Financing Budget 2017/18	Provisional Budget Slippage to 2018/19	Revised Financing Budget 2017/18	Forecast Capital Financing Variance 2017/18
	£000	£000	£000	£000	£000	£000
Supported Borrowing	2,241	0	2,402	(161)	2,241	0
General Capital Grant	1,462	0	1,462	0	1,462	0
Grants and Contributions	16,132	5,629	16,149	(17)	16,132	0
S106 Contributions	873	522	1,300	(427)	873	(0)
Unsupported borrowing	9,620	5,662	10,338	(667)	9,671	(51)
Earmarked reserve & Revenue Funding	197	302	359	(162)	197	(0)
Capital Receipts	17,220	5,253	22,635	(5,395)	17,240	(20)
Capital Financing Total 2017-18	47,745	17,368	54,645	(6,829)	47,816	(71)

3.6 Useable Capital Receipts Available

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

Movement in Available Useable Capital Receipts Forecast

TOTAL RECEIPTS	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Balance b/f 1 st April	18,935	3,549	204	1,048
Add:				
Receipts received in YTD	922			
Receipts forecast received	932	8,222	5,610	3,084
Deferred capital receipts	164	164	164	164
Less:				
Receipts to be applied	(17,240)	(11,567)	(509)	(509)
Set aside	0	0	(4,257)	(3,623)
Predicted Year end receipts balance	3,549	204	1,048	0
Financial Planning Assumption 2017/21 MTFP Capital Budget	608	0	5,156	4,861
Increase / (Decrease) compared to MTFP Capital Receipts Forecast	4,157	204	(4,108)	(4,861)

3.6.2 The balances forecast to be held at the 31st March each year are generally lower than forecast in the MTFP. The expected slippage of LDP receipts has been offset by a delay in the set aside of capital receipts in the earlier years. The decrease of £4.0m remaining at 31st 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.

3.6.3 The month 7 receipts activity for current year reflects a reduction of net £1million since month 2 report relating to likely deferment of Croesyceiliog County Hall receipt unlikely to be achieved before 2018-19, compensated in part by Govilon receipt being brought forward from 2018-19.

3.6.4 At Month 7, £5,395k of budgeted capital receipts are forecasted to slip therefore allowing the capital receipts already generated to finance the capital receipt budgeted expenditure on 21st Century Schools within the 2017-18 financial year.

3.6.5 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.

3.7 Reserves

Reserve Usage

3.7.1 Revenue and Capital monitoring reflects an approved use of reserves. At month 7, 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 6th 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 7 2017-18					
Earmarked Reserves	Apr-17	Revenue Approved Usage		Capital Usage	Mar-18
Name of Reserve		Replenishm't of Reserves	Draw on Reserves		
Invest to Redesign	-960,943	-136,569	204,163	0	-893,349
IT Transformation	-727,784		153,500	11,823	-562,461
Insurance & Risk Management	-1,083,295				1,083,295
Capital Receipt Generation	-347,511		142,444		-205,067
Treasury Equalisation	-990,024				-990,024
Redundancy & Pensions	-795,297		298,484		-496,813
Capital Investments	-775,522			145,185	-630,337
Priority Investments	-1,000,171		556,420		-443,751
Museum Acquisitions	-56,760				-56,760
Elections	-133,183	-25,000	100,000		-58,183
Grass Routes Buses	-184,391	-5,000		38,307	-151,084
Sub Total	-7,054,881	-166,569	1,455,011	195,315	5,571,124
Restricted Use Reserves					
Youth Offending Team	-273,567				-273,567
Building Control Trading	-25,987				-25,987
Outdoor Education Centres	-190,280		41,000		-149,280
Plant & Equipment (Highways)	-75,000				-75,000
Homeless Prevention Fund	-4,619				-4,619
Rural Development Plan	-86,471				-86,471
CYP Maternity	-93,590				-93,590
Total Earmarked Reserves	-7,804,395	-166,569	1,496,011	195,315	6,279,638

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. 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.

3.4.5 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."

3.4.6 As a consequence of month 2 monitoring report, CYP colleagues prepared a Cabinet report requesting that this consideration be temporarily withdrawn i.e.

- *Members allow an exception to the breach of the Fair Funding (Scheme for Financing Schools) Regulations for the financial year 2017-18.*

On the basis that

- *The deficit projected at the beginning of the year was £608,000, at the end of month 2 this had reduced to £428,000. The collective deficit will not exceed the budget position of £608,000.*

That report went on to reassure Cabinet that,

The actions that the Local Authority have put in place are detailed below:

- *Immediate work with all schools has ensured that the month 2 report details an improvement in the school balances of £180,000.*
- *All schools with a significant deficit have met with the Chief Officer for Children and Young People and relevant Finance officers. At these meetings the schools have outlined how they are intent to recover from the deficit with timescales.*
- *All recovery plans will be monitored on a monthly basis and Headteachers and Governing Bodies are held to account to ensure all the savings will be made.*
- *Where applicable the Cabinet Members for Finance and CYP will meet with schools in the autumn term to gain reassurance and an understanding of each recovery plan.*

3.4.5 The summary indicative outturn position based on month 7 activity is,

Opening reserves 2017-18 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2017-18 (Surplus)/Deficit	Change in reported Outturn position since month 2 (Surplus)/Deficit
(268,786)	823,090	554,304	126,321

3.4.5 Whilst the month 7 forecast indicates a worsening situation than that reported at month 2, it is still below the worse case deficit parameter of £608,000 reported to Cabinet by £54,000.

Appendix 2 indicates the forecast position for each school, together with an indication of the recovery plan targets agreed between Governing bodies and local education authority colleagues, as per a request of CYP Select.

As a result of which:

- It is evident that 3 schools that started the year in significant deficit still do not have agreed recovery plans, which remains a significant concern given the reassurance provided to Cabinet;
- Similarly 4 schools indicate an adverse situation worse than the recovery plan target for current year;
- Conversely 2 show an improved position over and above the recovery plan agreed; and
- Pleasingly 3 schools exhibit a forecast movement back into a surplus position before the end of the financial year. Should that be the case, potential credit is due to Chepstow Comprehensive, St Mary's and Thornwell Primary schools.

3.4.8 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 by schools to address the need to remain within budget going forward rather than passporting the consequences to their reserves, given that collective flexibility is now pretty much exhausted.

4 OPTIONS APPRAISAL

4.1 Not applicable.

5 EVALUATION CRITERIA

5.1 Not applicable. Budget monitoring and forecasting information is provided periodically throughout the financial year, culminating in an outturn position following year-end. Evaluation is therefore continuing and ongoing and is consequently reflecting in future budget setting considerations.

6 REASONS

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

7 RESOURCE IMPLICATIONS

7.1 As contained in the report.

8 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

8.1 The decisions highlighted in this report have no equality and sustainability implications.

9 CONSULTEES

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

10 BACKGROUND PAPERS

Outturn Monitoring Reports (Period 2), as per the hyperlink provided

<http://corphub/initiatives/Budgetmon/20172018/Forms/Q2.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

Appendices (attached below)

Appendix 1 Mandated Savings Progress Report









Appendix 2 School Reserves

APPENDIX 1






Disinvestment by Directorate 2017-18	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable YTD	Traffic Light based Risk Assessment	ASSESSMENT of Progress
REVENUE MONITORING 2017-18	£000	£000	£000	£000	£000	£000	£000	
Children & Young People	(395)	(395)	(395)	0	0	0		
Social Care & Health	(627)	(627)	(628)	0	0	0		
Enterprise	(84)	(84)	(83)	0	0	0		
Resources	(266)	(257)	(236)	0	(30)	0		
Chief Executives Units	(1,224)	(955)	(992)	0	(29)	(205)		
Corporate Costs & Levies	(118)	(118)	(98)	0	(20)	0		
Appropriations	(1,708)	(1,708)	(1,648)	0	0	(60)		
Financing	(885)	(885)	(885)	0	0	0		
DIRECTORATE Totals	(5.308)	(5.029)	(4.965)	0	(79)	(265)		

Children & Young People	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
ALN	(150)	(150)	(150)					
Resources - Removal of training budget	(8)	(8)	(8)					
Resources - Loss of 3 posts within support services	(70)	(70)	(70)					
Resources - Removal of professional fees for the directorate	(8)	(8)	(8)					
Early Years - To remove the funding provided to childcare voluntary organisations - Wales PPA, Mudiad Meithrin & Clybiau Plant Cymru Kids' Club.	(15)	(15)	(15)					
ALN - Reduce the Independent Special School Budget	(50)	(50)	(50)					on target, but a fairly volatile service
Other - Reduction in pupil numbers	(81)	(81)	(81)					
Other - Reduction in contribution required by EAS	(14)	(14)	(14)					
CHILDREN & YOUNG PEOPLE Budgeted Savings Total	(395)	(395)	(395)	0	0	0		

Social Care & Health	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Adult Social Care Service Transformation	(200)	(200)	(200)					
Adults - Parity on pricing structure between day service and community meals	(25)	(25)	(25)					
Adults - Development of café at Mardy park and establish private and business partnerships to develop catering services	(2)	(2)	(2)					
Adults - Hire of Mardy Park outside of core hours	(1)	(1)	(1)					
Adults - Restructure finance and benefits advice team to replace 2 posts on lower grades	(16)	(16)	(16)					
Adults - Reduce IT Development budget	(10)	(10)	(10)					
Adults - alignment of welfare benefits information, advice and assistance services	(13)	(13)	(13)					
Adults - Detailed Contract Review	(56)	(56)	(56)					
Adults - Terminate room rental in Abergavenny	(4)	(4)	(4)					
Adults - Changing transport practice. two types of transport savings:- mileage incurred by staff to transport service users, and cost of providing transport	(27)	(27)	(27)					
Adults - Review of transport policy to support people who can transport themselves	(32)	(32)	(32)					
Adults - explore live in carer rather than hourly cost via care agency	(47)	(47)	(47)					
Adults - income generation from MDMY	(3)	(3)	(3)					
Public Protection - training provided during core time rather than over time	(7)	(7)	(7)					
Public Protection - FSA Grant for food safety management work	(7)	(7)	(7)					
Public Protection - Start charging for health export certificates	(3)	(3)	(3)					
Public Protection - food standards sampling grant	(1)	(1)	(1)					

Social Care & Health	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Public Protection - Implement "buy with confidence" trader approval scheme	(3)	(3)	(3)					
Public Protection - Regional Animal Health Coordination	(3)	(3)	(3)					
Public Protection - WHoTS Coordination - recharge	(3)	(3)	(3)					
Public Protection - Set up Primary Authority Partnership scheme for TS proactive work	(2)	(2)	(2)					
Public Protection - Restructure of licensing team	(6)	(6)	(6)					
Public Protection - Increase charge for marriages at Old Parlour Usk	(1)	(1)	(1)					
Public Protection - Increase cost of certificates of "priority certificates"	(6)	(6)	(6)					
Social Services income charge rise	(150)	(150)	(150)					
SOCIAL CARE & HEALTH Budgeted Savings Total	(627)	(627)	(628)	0	0	0		













Enterprise	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Development Plans - Reduce 'Premises' budget line	(2)	(2)	(2)					
Development Plans - End membership of Severn	(3)	(3)	(3)					
Development Plans - Reduce 'Photocopying' budget	(2)	(2)	(2)					
Development Plans - Reduce 'Postage' budget line	(1)	(1)	(1)					
Development Plans - Reduce 'Advertising' budget	(1)	(1)	(1)					
Development Plans - Reduce 'Professional Fees' budget	(8)	(8)	(8)					
Development Management - Additional fee income from pre-application advice fee charges	(5)	(5)	(5)					Although Devel Mngt are overspending as a whole this saving will be achieved. The over spend is due to a decline in general planning app income.
Development Management - Move towards paperless planning files and consultations; reduction in copying and printing and postage	(5)	(5)	(5)					Although Devel Mngt are overspending as a whole this saving will be achieved. The over spend is due to a decline in general planning app income.
Development Management - Additional fee income from i) a new Fast Track pre-application advice service and ii) a new Fast Track applications service for householder	(2)	(2)	(2)					Although Devel Mngt are overspending as a whole this saving will be achieved. The over spend is due to a decline in general planning app income.
Development Management - Fee income from a new Completion certificates service for developers or solicitors/ householders buying and selling their home	(2)	(2)	(2)					Although Devel Mngt are overspending as a whole this saving will be achieved. The over spend is due to a decline in general planning app income.
Development Management - Reduce Professional & Specialist Fees budget (D080)	(9)	(9)	(9)					Although Devel Mngt are overspending as a whole this saving will be achieved. The over spend is due to a decline in general planning app income.

Enterprise	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Building Control - Reduce supplies and services budget (£33k) by £2,638	(3)	(3)	(3)					
Housing - 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)	(20)					Although Housing are overspending as a whole this saving will be achieved
Housing - Replace Flare grants software with Ferret software	(6)	(6)	(6)					Although Housing are overspending as a whole this saving will be achieved
Housing - Continue to tackle the use of B & B through increased prevention and private sector housing development	(8)	(8)	(8)					Although Housing are overspending as a whole this saving will be achieved
Housing - Re-structure of Housing Renewal team	(6)	(6)	(6)					Although Housing are overspending as a whole this saving will be achieved
ENTERPRISE Budgeted Savings Total	(84)	(84)	(83)	0	0	0		

Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Garden waste income	(50)	(50)	(50)					Been achieved
Communities, Hubs, Libraries - Re-structure of management level of Community hubs and SLS	(52)	(52)	(52)					
Communities, Hubs, Libraries - Cease the purchase and rental of DVD's	(4)	(4)	(4)					
Communities, Hubs, Libraries - Amalgamation of SLS supporting posts from 2 into 1	(34)	(34)	(34)					
Contact Centres - Reduction of staff (Information Officer) by half a post	(14)	0	0		(14)			Delayed restructure - still under review
Legal - Colleague reducing days	(31)	(31)	(31)					
Policy - Reduce capacity of team by deleting some posts and replacing them with posts with reduced responsibilities and working hours	(13)	(13)	(13)					
Community Safety - Reduce the purchase and maintenance capability for CCTV equipment and repairs to existing system.	(2)	(2)	(2)					
Partnerships - £5,900 non staff costs can be made through removal of professional fees and licenses	(6)	(6)	(6)					
Communications - 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)	(18)					
PTU - Collaboration of passenger transport units with Newport CC(saving taken in 15/16 for management support this is in addition through restructuring)	(15)	(15)	(15)					Although PTU is overspending as a whole this saving will be achieved





Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Fleet - To withdraw from renting Severn Bridge Social Club car park, Bulwark.	(9)	(9)	(9)					
Fleet - To decrease general contracts maintenance budget	(5)	(5)	(5)					
Fleet - Proactively market the scheme with a view to increase numbers.	(7)	(7)	(7)					
Fleet - Restructure/redesign within the Transport Section (posts)	(9)	(9)	(9)					
Fleet - Savings on spare parts	(12)	(12)	(12)					
Fleet - Savings on consumables & outside contract work	(21)	(21)	(21)					
Waste - Charge schools for the full cost of their waste collections and disposal	(30)	0	0			(30)		All schools in the South of the County have found alternative contractors. The service has reported a £115k pressure with trade waste to which this contributes.
Waste - Reduce scheduled cuts and maintenance of Monmouth sports grounds to level of original lease agreement	(15)	0	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
Waste - Project Gwyrdd annuity payment from WG for 17-18	(70)	(70)	(70)					Achieved
Waste - Increase bulky waste collection charges by 50% (£12 to £18) and reduce our contribution to Homemakers accordingly	(10)	(10)	(10)					Achieved through negotiation with Homemakers
Waste - Additional income from trade waste	(10)	0	0			(10)		Not achieved - see comment above
Waste - Managing impact of reduced activity/income on tree works	(24)	(24)	(24)					Vacancy not yet released from budget so carrying pressure but trying to manage within resources at this stage








Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Highways - reduction in maintenance budget to reflect impact of investment in new (led) lanterns	(8)	(8)	(8)					
Highways - reduce pumping station maintenance budget	(2)	(2)	(2)					
Highways - rsl veb1000 recycling plant : in place and operational saving	(14)	(14)	(14)					
Highways - welfare units : in place and operational saving	(10)	(10)	(10)					
Highways - overtime back office : adjust start and finish times	(2)	(2)	(2)					
Highways - sim cards : review and reduce where not required	(2)	(2)	(2)					
Highways - review all wales tenders : subject to 2nd layer of reducing cost	(2)	(2)	(2)					
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)	(20)					
Highways - bartering / hiring kit : partnerships with ncc / tbc	(4)	(4)	(4)					
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)	(10)					

Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Highways - review all wales tenders : subject to 2nd layer of reducing cost	(2)	(2)	(2)					
Highways - cross hire within ops : use in house kit before hire	(1)	(1)	(1)					
Highways - external hire	(2)	(2)	(2)					
Highways - fill structure : release additional hours being worked	(3)	(3)	(3)					
Highways - reduce the amount of scrim investigations undertaken each year.	(3)	(3)	(3)					
Highways - reduce the amount of revenue structures maintenance undertaken each year.	(41)	(41)	(41)					
Highways - to increase road closure charges by 50% and recover costs against appropriate capital scheme	(20)	(20)	(20)					
Highways - to increase skips, scaffolding licences and street name & numbering fee by 50% in 2016/ 2017	(10)	(10)	(10)					
Highways - to extend charges to other services (to be identified by working group)	(7)	(7)	(7)					
Property Services - Train existing staff to carry out risk assessments	(25)	(25)	(25)					
Property Services - To withdraw the 60% of the Corporate Procurement Training budget.	(6)	(6)	(6)					
Property Services - Non replacement of Shared Facilities Manager, following resignation. (£11,500 saving)	(7)	(7)	(7)					

Chief Executive's Unit	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Property Services - Mouton House Restructure	(19)	(19)	(19)					
Property Services - Increase School meal price from £2.00 to £2.10 (5p already in MTFP)	(21)	(21)	(21)					
Property Services - flexible retirement, reduced 5 days to 3	(11)	(11)	(11)					
Property Services - Vehicles – reduction in leasing costs for courier vehicles	(2)	(2)	(2)					
Property Services - Press Notices – cease advertising Bank Holiday office closures in the Press	(3)	(3)	(3)					Found through alternative method, delayed until April 2018
Property Services - Refreshment provision – cease providing refreshment supplies	(1)	(1)	(1)					Found through alternative method, delayed until April 2018
Property Services - Increase the time between risk assessments for Legionella, Asbestos, Fire & Glazing from the current 2/3 years to minimum of 5 years	(10)	(10)	(10)					
Property Services - 10% reduction in corporate building maintenance reactive budget	(54)	(54)	(54)					
Property Services - Realignment of budget for previous efficiencies achieved	(15)	(15)	(15)					
Recycling Plant	(70)	(70)	(70)					
Whole Place	(100)	0	(35)		0	(65)		Restructure has only found part of the savings required.
Pension Contribution Savings	(160)	(160)	(160)					
Procurement Savings	(100)	0	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.
CHIEF EXECUTIVES' UNIT Budgeted Savings Total	(1,224)	(955)	(992)	0	(29)	(205)		

Resources	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Finance - Delete two part time vacant posts from structure (Cashiers & Systems)	(31)	(31)	(31)					
Finance - Revise and reduce the structure of the Benefits Shared service thereby reducing MCC's annual contribution	(20)	(20)	(20)					
Finance - Reduce the Sections budget for postage costs to reflect the planned shift to automation, email and self service through the web	(6)	(6)	(6)					Savings achieved through other means
Finance - Release savings from Security Carrier tender evaluation	(10)	(10)	(10)					
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)	(4)					Savings achieved through other means
Finance - Savings in insurance fees and studies	(30)	(30)	(30)					
Finance - Cut the budget for consultancy across the Division	(22)	(22)	(22)					
Finance - Reduce the number of cases referred to external Enforcement Agents	(5)	(5)	(5)					
Finance - Training budget internal audit	(7)	(7)	(7)					
Digital - Reduction in Enterprise Agreement	(13)	(13)	(13)					
Digital - General reduction in laptop replacement budget	(30)	(30)	(30)					
Digital - Specific Server virtual management software no longer required, using existing software to remove cost	(23)	(23)	(23)					
Estates - Removal of Assistant Markets Officer Post	(23)	(18)			(23)			Delayed restructure
Estates - Community Development Officer - 3 to 2 days	(7)	(3.5)			(7.0)			Delayed restructure

Resources	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Estates - Facilities Officer reduced hours	(16)	(16)	(16)					
Estates - Savings from Solar Farm	(9)	(9)	(9)					
People, HR - Generate income from selling training	(5)	(5)	(5)					
People, HR - Stop producing paper payslips for schools and move to electronic payslips	(5)	(5)	(5)					
RESOURCES Budgeted Savings Total	(266)	(257)	(236)	0	(30)	0		

Corporate Costs & Levies	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Crematoria Income	(98)	(98)	(98)					on target
Grant Audit Fees	(20)	(20)	0		(20)			Kerbcraft audit work cancels effect of saving
CORPORATE COSTS Budgeted Savings Total	(118)	(118)	(98)	0	(20)	0		
Appropriations	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
MRP Supported borrowing	(1,536)	(1,536)	(1,536)					on target
Headroom in appropriations	(12)	(12)	(12)					on target
Solar Farm income	(160)	(160)	(100)			(60)		Tariffs for energy produced less than business case
APPROPRIATIONS Budgeted Savings Total	(1,708)	(1,708)	(1,648)	0	0	(60)		
Financing	2017/18 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 7	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress
	£000	£000	£000	£000	£000	£000	£000	
Reduced demand for CTRS payments	(370)	(370)	(370)					on target
CT Base, rate & number of properties	(515)	(515)	(515)					on target
FINANCING Budgeted Savings Total	(885)	(885)	(885)	0	0	0		

SCHOOL RESERVES POSITION

APPENDIX 2

	Opening reserves 2017-18 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2017-18 (Surplus)/Deficit	Change in reported Outturn position since month 2 (Surplus)/Deficit			Recovery Plan Y/E target balance 2017-18	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22
Abergavenny cluster											
E003 King Henry VIII Comprehensive	139,355	107,272	246,627	(55,073)							
E073 Cantref Primary School	(52,766)	12,043	(40,723)	(12,615)							
E072 Deri View Primary School	(27,297)	25,586	(1,711)	56,457							
E035 Gilwern Primary School	(39,636)	5,729	(33,907)	(16,474)							
E037 Goytre Fawr Primary School	(25,371)	25,370	(1)	(7,740)							
E093 Llanfoist Fawr Primary School	(68,056)	42,110	(25,946)	8,708							
E044 Llantillio Pertholey CiW Primary School (VC)	(20,967)	20,765	(202)	0							
E045 Llanvihangel Crucorney Primary School	3,117	13,370	16,487	(8,999)		6,350	(4,857)				
E090 Our Lady and St Michael's RC Primary School (VA)	(45,505)	45,417	(88)	6,555							
E067 Ysgol Gymraeg Y Fenni	(48,966)	19,883	(29,083)	3,585							
Caldicot cluster											
E001 Caldicot School	(33,736)	169,544	135,808	138,119							
E068 Archbishop Rowan Williams CiW Primary School (VA)	(49,657)	20,226	(29,431)	(2,997)							
E094 Castle Park Primary School	46,115	10,093	56,208	16,843		36,188	18,544	11,002	5,435	(568)	
E075 Dewstow Primary School	(90,125)	(3,019)	(93,144)	(54,321)							
E034 Durand Primary School	(53,931)	8,962	(44,969)	(7,567)							
E048 Magor CiW Primary School (VA)	(35,179)	44,475	9,296	33,136							
E056 Rogiet Primary School	(34,184)	12,365	(21,819)	(12,050)							
E063 Undy Primary School	50,037	(19,041)	30,996	7,302		39,871	8,023	(4,367)			
E069 Ysgol Gymraeg Y Ffin	67,410	27,835	95,245	12,354		87,891	75,056	74,344			

Service colleagues met with the school, governors and Cabinet members earlier this month. It was agreed that additional work was required by the school which will be presented to us in Jan.

This is the first time a deficit has been forecasted. Therefore a recovery plan will now be immediately requested.

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Chepstow cluster										
E002 Chepstow School	81,068	(97,588)	(16,520)	(14,128)	(2,392)					
E091 Pembroke Primary School	(8,826)	1,063	(7,763)	(3,515)						
E057 Shirenewton Primary School	(87,369)	(21,568)	(108,937)	(35,118)						
E058 St Mary's Chepstow RC Primary School (VA)	13,192	(16,225)	(3,033)	(11,189)	(525)					
E060 The Dell Primary School	(46,094)	21,637	(24,457)	0						
E061 Thornwell Primary School	20,534	(27,341)	(6,807)	5,171	(11,978)					
Monmouth cluster										
E004 Monmouth Comprehensive	100,573	265,000	365,573	50,055		Service colleagues met with the school, governors and Cabinet members earlier this month. It was agreed that additional work was required by the school which will be presented to us in Jan.				
E032 Cross Ash Primary School	(45,620)	9,096	(36,524)	(10)						
E092 Kymin View Primary School	(10,294)	(5,580)	(15,874)	(10,529)						
E039 Llandogo Primary School	9,736	7,161	16,897	5,407	13,176	(1,141)	(12,393)			
E074 Osbaston CiW Primary School (VC)	(18,570)	18,079	(491)	15,506						
E051 Overmonnow Primary School	(3,959)	16,849	12,890	13,450		This is the first time a deficit has been forecasted. Therefore a recovery plan will now be immediately requested.				
E055 Raglan CiW Primary School (VC)	111,977	54,207	166,184	13,867		Plan is currently being reviewed with the newly appointed Head Teacher. A formal recovery plan is to be presented by the school before end of this term.				
E062 Trellech Primary School	(85,762)	10,271	(75,491)	(6,732)						
E064 Usk CiW Primary School (VC)	(56,108)	41,235	(14,873)	(8,993)						
	(344,862)	865,281	520,419	118,465						
Special Schools										
E020 Mounton House Special School	142,417	(75,670)	66,747	(14,504)	87,835	28,968	(19,747)			
E095 PRU	(66,340)	33,479	(32,861)	22,360						
	76,077	(42,191)	33,886	7,856						
	(268,786)	823,090	554,304	126,321						