

REPORT

SUBJECT	REVENUE & CAPITAL MONITORING 2015/16 PERIOD 1 OUTTURN FORECAST STATEMENT
DIRECTORATE	Chief Executive's Unit
MEETING	Adults Select Committee
DATE	1st September 2015
DIVISIONS/WARD AFFECTED	All Authority

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of period 1 which represents month 2 financial information for the 2015/16 financial year. Revenue and Capital forecasting is being brought forward by a month against the usual timescale to provide members with relevant financial information before summer recess.
- 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 the position concerning the first period of revenue monitoring in 2015/16 (£252,000 deficit) and seek assurance of the action Chief Officers are taking to address the over spends in their service areas.
- 2.2 A caveated use of reserves is sought in relation to redundancy costs incurred by services this year totalling £13,000, whilst services will continue to find compensatory savings additional to the mandates to mitigate the net cost pressure by end of financial year.
- 2.3 Members consider the position concerning period 1 capital monitoring with a revised budget of £58.406 million for the 2015/16 financial year.

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 Period 1

Table 1: Council Fund 2015/16 Outturn Forecast Summary Statement at Period 1 (Month 2)	Annual Forecast @ Month 2	Revised Annual Budget @ Month 2	Forecast Over/(Under) Spend @ Month 2
	£'000	£'000	£'000
Social Care & Health	38,315	37,796	519
Children & Young People	51,527	51,253	274
Enterprise	10,195	9,857	338
Operations	16,732	16,098	634
Chief Executives Unit	6,716	6,837	(121)
Corporate Costs & Levies	18,364	18,351	13
Net Cost of Services	141,849	140,192	1,657
Attributable Costs – Fixed Asset Disposal	233	233	0
Interest & Investment Income	(81)	(51)	(30)
Interest Payable & Similar Charges	3,454	3,656	(202)
Charges Required Under Regulation	5,610	5,610	0
Contributions to Reserves	90	90	0
Contributions from Reserves	(1,404)	(1,314)	(90)
Amounts to be met from Government Grants and Local Taxation	149,751	148,416	1,335
General Government Grants	(67,642)	(67,642)	0
Non-Domestic Rates	(26,737)	(26,737)	0
Council Tax	(60,594)	(60,094)	(500)
Council Tax Benefits Support	6,004	6,097	(93)
Net Council Fund (Surplus) / Deficit	782	40	742
Budgeted contribution from Council Fund	0	(40)	0
	0	0	0

3.1.3 The bottom line situation, a £742,000 potential overspend, has continued to be mitigated significantly by anticipated net Council Tax receipts and favourable treasury considerations. The net cost of services pressure is £1,657,000.

3.1.4 Redundancy costs this financial year that require reserve funding have been identified as £13,000 within the Social Services directorate. This call on reserves is expected to increase as the year progresses and further restructures are approved. This is a little different for schools where instead a resource of £300,000 is provided for by CYP, with schools only bearing any costs above that level.

- 3.1.5 As part of the outturn report presentation to Cabinet and Selects it was explained that it would be prudent to review adhoc savings made during the year in more detail to assess those that could be of a permanent or long term nature that could be considered by members as replacing the mandated savings not made in 2014-15 totalling £571,000.
- 3.1.6 However more recently, Cabinet on 17th June 2015 approved additional funding to Childrens Social Care of £400,000 over and above the £900,000 additional resources provided to the service for 2015-16. The consequence of which being that Directors have volunteered one off savings to fund the investment and this has delayed the review identified above, which will now take place before the next report.
- 3.1.7 The £400k has not been reflected in the month 2 financial reports as the report was only considered by Cabinet very recently on 17th June 2015, and Directorates would not yet have formally amended their forecasts.
- 3.1.8 But in terms of manually adjusting the situation for the purpose of this monitoring report, the outturn deficit can be reduced by £400,000 and £90,000 in respect of approved use of reserves. So the revised deficit at month 2 can be calculated as £252,000.
- 3.1.9 In respect of the Social Services & Health overspend (£519,000). As mentioned this overspend will be managed by temporary budget contributions of £400,000 and an approved use of Reserves (£90,177) from a maximum authorised draw of £153,347. This would alter the Social Care deficit to £29,000.
- 3.1.10 Given the financial challenges that will continue to face the Authority for the foreseeable future, Chief Officers continue to be tasked with ensuring that services live within the budgets and savings targets set for the current financial year. Monitoring reports will seek to contain the information on what is being done to manage the over spends identified and the positive action that is required to ensure that the budget is not breached.
- 3.1.11 A summary of main pressures and under spends within the Net Cost of Services Directorates are presented here:

Directorate / Service area	Forecast Outturn Position exclusive of savings not yet achieved £'000	Targeted 2015-16 Savings not yet realised £'000	Forecast Outturn Position <u>net</u> of savings not achieved £'000	Movement since Period 0 Red= Adverse (Green) = Favourable	Headline Comment
Social Care & Health (SCH)					
ADULT SERVICES					
Aids for Daily Living	(99)	0	(99)	(99)	Underspend is a result of reduced partner contributions due to stock purchases from the Intermediate Care Fund
Severn View DC	(31)	0	(31)	(31)	Underspend due to low Superannuation take up and manager temporarily reduced to a 3 day week.
Mardy Park Rehabilitation Unit	(29)	0	(29)	(29)	Section 33 income is running ahead of budget
Mardy Park	95	0	95	95	Overspend as a result of Employee Savings not being met and income budget now grossly overstated as

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					resident numbers continue to dwindle. A report on the future provision of services at Mardy is currently being compiled.
Severn View Residential	73	0	73	73	Combination of mandate savings not being achieved plus lower income charges from less full paying clients.
Transition Co-operative	(32)	0	(32)	(32)	Relates to income from staff seconded to an external agency. This underspend has been earmarked to fund overspends within Children's Services
Adult Services Man/Support	(59)	0	(59)	(59)	One off Intermediate Care Funding of £59K to pay for the Direct Care team manager
Monnow Vale	39	0	39	39	Due to the PFI and contribution charges being more than budget.
CHILDREN SERVICES					
Fostering Allowances and Payments For Skills	168	0	168	168	We are paying out an additional £91K this year in allowances for an extra 7 SGO's being £59K and £32K due to age related rate increases. The age mix of children has altered meaning children moving into higher age categories thus attracting higher allowance rates.
Younger People's Accommodation	(99)	0	(99)	(99)	A vast amount of work has been undertaken in this budget over the past two years to deliver, at present, an underspend. This budget is prone to volatility and we will continue to monitor over the year before deciding on viring budget to a different cost centre.
Ty'r Enfys	(44)	0	(44)	(44)	This facility is currently closed and we anticipate reopening in January 2016.
Counsel Costs	73	0	73	73	Present activity levels are the same as last year and as such exhibiting a similar overspend.
Therapeutic Service	(26)	0	(26)	(26)	Vacant Play Therapist post until August 2015
External Placements - LAC	411	0	411	411	Current activity is 47 placements and we are seeing a full year effect of placements that only entered the system in the latter part of last year.
External Placement - Non-LAC	(76)	0	(76)	(76)	This cost centre is generally used to fund the over spend within S026.
SCYP - Placement & Support Team	85	0	85	85	There is an over spend of £15K against staff travel and employee

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					efficiency savings not being achieved. The remainder is connected to conveyance of children and assessment costs in excess of the budget.
SCYP - Supporting Children & Young People Team	68	0	68	68	£31K relates to staff travel and employee efficiency savings not being achieved. The remainder is attributable to conveyance of children over and above the budget.
Disabled Children	66	0	66	66	Large part of overspend relates to the continued use of agency staff to cover sickness absenteeism.
FRS – Family Support Team	(92)	0	(92)	(92)	A large element of the under spend is within section 20 and conveyance of children costs. We will consider moving some budget to other cost centres prior to the month 6 forecast.
Bus Cases / Temp Funding - Cabinet 06/05/15	212	0	212	212	4 Social Workers for 6 months (Oct-Mar) over and above establishment. It has been agreed these costs will be met with reserve funding.
COMMUNITY CARE					
Community Learning Disability Team (CLDT)	(118)	0	(118)	(118)	Due to continued success of achieving Continuing Care Funding for clients
Other see Appendix 6	(66)	n/a	(66)	(66)	
Total SCH at Month 2	519	0	519	519	Total SCH Outturn at Month 2

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Children & Young People (CYP)					
Management	44	n/a	44	44	Efficiency savings for the directorate still to be identified
Support Services	11	n/a	11	11	ICT server and database upgrades necessary
Additional Learning needs	32	n/a	32	32	Reduced SLA Income and staffing changes have resulted in a projected overspend
Primary Breakfast Initiative Grant	61	n/a	61	61	Take up continues to increase and therefore resulting in additional

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					staffing requirements.
Community Education Youth General	0	114	114	114	Progression made towards mandate saving. Additional funding avenues being explored in order to reduce current forecasted overspend.
Other see Appendix 7	12	n/a	12	12	
Total CYP at Month 2	160	114	274	274	Total CYP Outturn at Month 2

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Enterprise (ENT)					
Sustainability	29	33	62	62	Sections' inability to achieve the expected income targets.
Cemeteries	(40)	n/a	(40)	(40)	Increase in budgeted income along with lower than anticipated expenditure,
County Farms Unit	(30)	n/a	(30)	(30)	Lower than anticipated maintenance costs
Markets	40	70	110	110	Overspend on employee costs due to delayed implementation of restructure along with unbudgeted overtime. The section is also forecasting an inability to meet the increase income target (Mandate £50k Markets Income)
Community Hubs	(73)	125	52	52	Increase staffing costs are due to the delayed implementation of the Community Hubs restructure and the mandated savings of £250k relating to a full year of savings. The community Hubs are likely to achieve savings of six months from September 2015.
Whole Place	(26)	n/a	(26)	(26)	Staff vacancies - Delayed appointment
ICT General Overheads	(20)	120	100	100	The 100k savings that were to be achieved through in-house software development and the sale of products will not occur. Other options to look for alternative savings are being actively sought.
Museums ,Shirehall, Caldicot Castle & Country Parks	60	20	80	80	Budget does not reflect the cost to run the service. Historic budget assumptions along with 24k savings from 13-14 carried forward will not be made. Income on target for 15-16 but spend to achieve this income will be over budget.

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Other see Appendix 8	30	0	30	30	
Total ENT at Month 2	(30)	368	338	338	Total ENT Outturn at Month 2

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Operations (OPS)					
Home To School Transport	185	115	300	300	The over spend against budget is due to similar issues to that in 2014-15, in particular the assumed ALN transport savings have proven unachievable, budgeted increased income levels were not made whilst at the same time corporate budget decisions regarding reductions in overtime costs were imposed. A mandate has been put forward to highlight the fact that the service cannot operate within its existing budget and has requested further funding via the MTFP in 2016-17.
Building Cleaning	(40)	90	50	50	Overspend due to delayed implementation of the mandate saving - transferring public conveniences to town councils.
Schools Catering	55	n/a	55	55	increased costs due to the councils need to comply with Healthy Eating In Schools agenda, along with additional training courses and a reduction in budgeted meals
Procurement	(72)	n/a	(72)	(72)	Underspend due to reduced third party expenditure.
Resources	300	n/a	300	300	Review of the eligibility of property services professional fees being charged to Capital projects
Accommodation	(125)	n/a	(125)	(125)	Underspend due to a reduction in premises and supplies and services costs on all accommodation
Highways	(25)	25	0	0	Advertising income will not be fully achieved as Cabinet approval was only granted in May. Early estimates are that 50% of original £50k income will be generated. It is anticipated that this will be found by other mitigating underspends.
Refuse & Cleansing	42	86	128	128	There are two mandates that will not be fully achieved in 15-16.

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Operations					£86k on mandate 36 "Route Optimisation", where there was £50k of transport leasing costs built into the saving but we own the vehicle that we reduced from the fleet and therefore no leasing savings can be achieved. Also, the mandate originally cut 6 FTE posts, but only 5 FTE posts could be cut leaving a pressure of £26k. Also £40k shortfall on additional external income budget, (£50k in 14-15 and a further £50k in 15-16 was introduced). We have secured an additional £60k of this increase. There is also one other mandate in 15-16, mandate 37b "Modernising Trade Waste Services", where there is £40k of additional income to be received from the introduction of Trade waste recycling, to start in September 15.
Other see Appendix 9	(2)	0	(2)	(2)	
Total OPS at Month 2	318	316	634	634	Total OPS Outturn at Month 2

Chief Executive's Office (CEO)					
Directorate / Service area	Forecast Outturn Position exclusive of savings not yet achieved £'000	Targeted 2015-16 Savings not yet realised £'000	Forecast Outturn Position <u>net</u> of savings not achieved £'000	Movement since Period 0 Red= Adverse (Green) = Favourable	Headline Comment
Reduced benefits activity and bad debt provision	(120)	n/a	(120)	(120)	Total CEO Outturn at Month 2

Directorate / Service area	Forecast Outturn Position exclusive of savings not yet achieved £'000	Targeted 2015-16 Savings not yet realised £'000	Forecast Outturn Position <u>net</u> of savings not achieved £'000	Movement since Period 0 Red= Adverse (Green) = Favourable	Headline Comment
Corporate (COL)					
Audit Commission Fees (Certification Grant)	(35)	n/a	(35)	(35)	Forecasted saving in relation to the auditing of grant claims

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Claims)					
Early Retirement Pension Costs	130	n/a	130	130	Additional cost of redundancies notified in latter part of 2014/15
Crematoria Dividend	(50)		(50)	(50)	Additional dividend over and above that presumed in para 3.1.7 above. The forecast is based on 2014-15 activity.
Insurance Premium Payment(Direct)	(34)	n/a	(34)	(34)	Based on potential 5% increase in premium. Dependent on Insurance tender for new period starting 1st October
Other see Appendix 11	2	0	2	2	
Total COL at Month 2	13	0	13	13	Total COL Outturn at Month 2

Directorate / Service area	Forecast Outturn Position exclusive of savings not yet achieved £'000	Targeted 2015-16 Savings not yet realised £'000	Forecast Outturn Position <u>net</u> of savings not achieved £'000	Movement since Period 0 Red= Adverse (Green) = Favourable	Headline Comment
Appropriations (APP)					
Attributable Costs - Fixed Asset Disposal	(30)	n/a	(30)	(30)	Investment income forecast to be higher than budget as advantageous short term loan deals were entered into earlier in the year, but the main spend on the 21C schools program is now expected to be at least mid-year
Interest Payable and Similar Charges	(202)	n/a	(202)	(202)	Reduction in rate on temporary borrowing offset by higher level of debt at 01/04/15 due to loans being taken out early when at attractive rates
Priority Investment Reserve	(90)	n/a	(90)	(90)	9/5/15 Cab report Children's Services development - funded from reserves - part apportioned to 2015-16.
Other see Appendix 12	0	0	0	0	
Total APP at Month 2	(322)	0	(322)	(322)	Total App Outturn at Month 2

Financing (FIN)					
Council Tax	(500)	n/a	(500)	(500)	Surplus due to projected better CT Collection rates
Benefit Support	(93)	n/a	(93)	(93)	Forecast extrapolated from CT Benefits system based upon benefits awarded to date
Total Financing	(593)	0	(593)	(593)	See also Appendix 13

Directorate / Service area	Forecast Outturn Position exclusive of savings not yet achieved £'000	Targeted 2015-16 Savings not yet realised £'000	Forecast Outturn Position <u>net</u> of savings not achieved £'000	Movement since Period 0 Red= Adverse (Green) = Favourable	Headline Comment
Grand Total @ Month 2	165	798	863	863	

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

3.2 SCHOOLS

3.2.1 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 2 projections.

Draft Council Fund Outturn 2015/16– Schools Summary outturn position at Month 2 (Period1)	(A) Opening Reserves (Surplus) / Deficit Position 2015/16 £'000	(B) Budgeted Draw on School Balances 2015-16 £'000	(C) Variance on Budgeted Reserve Draw £'000	(D) Draw Forecasted on School Balances @ Month2 £'000	Forecasted Reserve Balances at 2015-16 Outturn (A+D) £'000
Clusters					
Abergavenny	(412)	124	(24)	100	(312)
Caldicot	(426)	275	(23)	252	(174)
Chepstow	98	36	9	45	143
Monmouth	(424)	166	27	193	(231)
Special	24	(18)	(10)	(28)	(4)
	(1,140)	583	(21)	562	(578)

3.2.2 School balances at the beginning of the financial year amount to £1,140,000. The Schools budgeted draw upon balances is forecasted to be £562,000 for 2015/16, therefore leaving £578,000 as forecasted closing reserve balances.

3.2.3 Within these summary figures, of particular note, is the deficit reserve position forecasted for the Chepstow Cluster, although Chepstow Comprehensive School are budgeted to reduce their own school balance through the school recovery plan, the other primary schools within the cluster all plan to draw upon their balances. The draw on school balances to balance school budgets is forecasted for 24 out of the total 37 Monmouthshire Schools.

3.2.4 5 schools exhibited a deficit position at the start of 2015/16; Chepstow Comprehensive (£388,688) and Llandogo (£12,346) were the only schools that showed an increased deficit reserve balance during 2014/15 and these two schools are forecasted to remain in deficit, albeit with an improving position, at the end of 2015/16 by (£314,793) and (£3,581) respectively. Llanvihangel Crocorney (£15,040) is forecasted to increase its deficit in 2015/16 to (£20,382) and Castle Park (£39,730) to (£37,418) a slight improvement on 2014/15. Mounton House Special School (£25,593) moved into a deficit position at the end of 2014/15, but is now forecasted to move to a positive £3,988 balance by the end of 2015/16. The only school currently forecasted to move into deficit balance from a credit balance position is Rogiet Junior and Infants (£4,584).

3.2.5. Schools balances are exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances which is of concern and others a more balanced trend.

Financial Year-end	Net level of School Balances
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16 (Forecast)	(578)

3.2.6 There has been a significant reliance on reserve balances to supplement school spending plans in the last 4 years across individual schools with a certain amount of replenishment. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to 5% of budget share. Using 2015/16 delegated budget levels, this would equate to £2.18 million. Members may wish to seek a comfort that balances aren't being used to subsidise and sustain core costs such as staffing.

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

3.3 **2015/16 Savings Progress**

3.3.1 This section monitors the specific savings initiatives and the progress made in delivering them in full by the end of 2015/16 financial year as part of the MTFP budgeting process.

In summary they are as follows,

2015/16 Mandated Budgeted Savings Progress at Month 2

DIRECTORATE	Specific Savings Initiatives 2015/16 £'s	Savings Identified @ Month 2 £'s	% Progress In Savings Achieved	Delayed Savings to 2016/17 £'s	Savings Unachievable in 2015/16 £'s
Children & Young People	1,514,000	1,400,000	93%	0	114,000
Social Care & Health	274,000	274,000	100%	0	0
Enterprise	1,392,983	1,024,983	73.5%	145,000	223,000
Operations	1,517,000	1,191,000	83%	115,000	211,000
Chief Executives Office	85,000	85,000	100%	0	0
Total Budgeted Savings	4,782,983	3,974,983	83%	260,000	548,000

3.3.2 Forecasted mandated savings are currently running at 83%, with £548,000 being deemed unachievable at the end of month 2, and a further £260,000 unlikely to crystallise in 2015-16.

3.3.3 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.

3.3.4 The savings appendix also has a traffic light system to indicate whether savings are likely to be achieved or have reasons explaining the mandates delayed implementation. The following savings mandates are still reported to be high or medium risk.

Operations (OPS)

- The Home to School Policy Changes of £115,000 have been delayed due to other budget pressures within the Transport Section
- The £50,000 saving for the Transfer of Public Conveniences to Town Councils has not been achieved and £40,000 of additional external income has not been achieved within the Waste section.
- Delay in income generation of £10,000 in regard to Trade Waste re-cycling, This will hopefully be recovered in the second half of the financial year
- Highways advertising income forecasting a £25,000 shortfall due to later than expected implementation during the financial year following Cabinet Approval
- Route Optimisation has £86,000 of unachievable costs due to unattainable savings in regard to leasing costs and delay in restructuring

Enterprise (ENT)

- Museums, Shirehall & Castles and Tourism – the Tourism aspects exhibit a £20,000 shortfall due to unattainable green screen savings and staffing contracts
- The delayed implementation of the Community Hubs project has led to a £125,000 savings shortfall.
- Sustainable Energy Initiatives is reporting £33,000 of unachievable income targets
- In House development of ICT systems and associated income generation estimated at £100,000 will not occur which additional savings of £20,000 still be found from software contracts.
- MCC Markets are indicating that the extra income of £70,000 from the Markets and associated activities is unachievable

Children and Young People (CYP)

- The Youth Service are forecasting to achieve £86,000 of the mandated savings (£200,000) and are trying to identify the shortfall which has been reported as an over spend at month2.

Social Care & Health (SCH)

- The Mandates for Adult Social Care Service re-design and the transfer of SCH Transition project staff to Bright New Futures are forecast to be fully achieved.

Chief Executive's Office

- All current financial year savings have been identified within the Chief Executive's section of responsibility.

3.4 Capital Position

3.4.1 The summary Capital position as at month 2 is as follows

MCC CAPITAL BUDGET MONITORING 2015-16 AT MONTH 2 by SELECT COMMITTEE						
CAPITAL BUDGET SELECT PORTFOLIO	Annual Forecast £'000	Slippage Brought / Forward £'000	Total Approved Budget 15/16 £'000	Provisional Capital Slippage to 2016/17 £'000	Revised Capital Budget 2015/16 £'000	Forecasted Capital Expenditure Variance £'000
Children & Young People	33,058	7,267	43,101	(17,310)	33,058	0
Adult	81	35	46	0	81	0
Economic & Development	531	531	0	0	531	0
Strong Communities	7,426	2,940	4,486	0	7,426	0
Capital Schemes Total	41,096	10,773	47,633	(17,310)	41,096	0

MCC CAPITAL BUDGET MONITORING 2015-16 AT MONTH 2 By SCHEME CATEGORY

CAPITAL BUDGET SCHEME	Annual Forecast £'000	Slippage Brought / Forward £'000	Total Approved Budget 15/16 £'000	Provisional Capital Slippage to 2016/17 £'000	Revised Capital Budget 2015/16 £'000	Forecasted Capital Expenditure Variance £'000
Asset Management Schemes	3,047	889	2,158	0	3,047	0
Future Schools	31,586	6,699	42,197	(17,310)	31,586	0
Other School development Schemes	269	219	50	0	269	0
Infrastructure & Transport	2,782	670	2,112	0	2,782	0
Regeneration Schemes	947	947	0	0	947	0
Sustainability Schemes	81	81	0	0	81	0
County Farm Schemes	352	151	201	0	352	0
Inclusion Schemes	1,198	248	850	0	1,198	0
ICT Schemes	188	188	0	0	188	0
Other Schemes	646	581	65	0	646	0
Capital Schemes Total	41,096	10,773	47,633	(17,310)	41,096	0

3.4.2 There have been no revisions to the Capital programme in the first two months of the financial year.

3.5 Proposed Slippage to 2016-17

3.5.1 The only proposed slippage apparent at month 2 relates to 21c schools initiative, and reflects the latest cashflow profile provided by CYP colleagues.

3.6 Capital Outturn

3.6.1 After allowing for the slippage volunteered by services, the capital programme for 2015-16 is forecasting to spend to budget at Month 2.

3.6.2 This prediction is unlikely to be the reality because the levels of actual expenditure incurred by the end of month 2 doesn't provide a sufficiently robust measure on which to base a greater accuracy of forecast.

3.6.3 A significant factor in this is that the overall spending at month 2 hasn't even been sufficient to clear the provisions for work completed during 2014-15 but not invoiced by the end of the year, which you may expect to be cleared rather promptly in 2015-16.

Net provision made in respect of 2014-15 works (£1,754,734)
Expenditure to end of month 2 £1,147,502

3.7 Capital Financing and Receipts

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

MCC CAPITAL FINANCING BUDGET MONITORING 2015-16 AT MONTH 2 By FINANCING CATEGORY						
CAPITAL FINANCING SCHEME	Annual Forecast Financing	Slippage Brought / Forward	Total Approved Financing Budget 15/16	Provisional Budget Slippage to 2016/17	Revised Financing Budget 2015/16	Forecasted 2015/16 Capital Financing
	£'000	£'000	£'000	£'000	£'000	£'000
Supported Borrowing	2,420	0	2,420	0	2,420	0
General Capital Grant	1,462	0	1,462	0	1,462	0
Grants and Contributions	20,769	3,953	16,816	(8,655)	12,114	0
S106 Contributions	690	690	0	0	690	0
Unsupported borrowing	16,585	1,274	15,311	(8,655)	7,930	0
Earmarked reserve & Revenue Funding	898	409	489	0	898	0
Capital Receipts	15,549	4,414	11,135	0	15,549	0
Low cost home ownership receipts	33	33	0	0	33	0
Unfinanced	0	0	0	0	0	0
Capital Financing Total	58,406	10,773	47,633	(17,310)	41,096	0

3.8 Useable Capital Receipts Available

3.8.1 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 2015/19 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

TOTAL RECEIPTS	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
Balance b/f 1 st April	17,440	7,084	21,408	11,697
Receipts forecast to be received in year as 2015/19 MTFP	10,235	25,220	2,150	0
Increase / (decrease) in forecast receipts forecast at month 2	(4,576)	4,880	(150)	2,000
Deferred Capital Receipts	4	4	4	4
Less: Set aside Capital Receipts	0	(10,452)	0	0
Less: Receipts to be applied	(2,937)	(76)	(509)	(509)
Less :21C Schools programme	(12,612)	(5,252)	(11,207)	(650)
TOTAL Actual / Estimated balance c/f 31st March	7,084	21,408	11,697	12,542
TOTAL Estimated balance reported in 2015/19 MTFP Capital Budget proposals	11,660	21,104	11,542	10,388
Increase / (Decrease) compared to MTFP Capital Receipts Forecast	(4,576)	304	(154)	(2,154)

Points to note: The decrease in the Capital receipts balance of £4.5m compared to the MTFP at 31/3/2016 is mainly due to the delay in the receipt of one LDP receipt.

3.8.2 The Council has agreed to the inclusion of 21c schools initiative within the Capital Program and this relies on utilising £29.721 million of capital receipts during this next 4 year MTFP period. Consequently the balance of capital receipts available for other schemes during this MTFP window has considerably reduced.

3.8.3 Despite changes in the timing of individual receipts, which remains a risk to the Council to ensure it has sufficient receipts to fund its expenditure aspirations in the years necessary and avoid temporary borrowing costs, the balance of capital receipts available to fund capital expenditure, at the end of this next MTFP window has been revised to circa £10.3 million, as a consequence of additional receipts predominantly LDP related.

3.9 Reserve Usage

3.9.1 Revenue and capital monitoring reflects an approved use of reserves. Building upon the inclusion of a reserve summary provided as part of 2014-15 the following table indicates the anticipated position both at the end of 2015-16 but also the predicted position for 2016-17 based on decisions already made.

SUMMARY EARMARKED RESERVES POSITION 2015-16									
Earmarked Reserves:	2014-15	Revenue Approved Usage		Capital usage	2015-16	Revenue Budget Usage		Capital usage	2016-17
	b/fwd	Replenishment of Reserves	Draw on Reserves		c/fwd	Replenishment of Reserves	Draw on Reserves		c/fwd
Invest to Redesign	(1,483,521)	(60,228)	583,362	402,095	(558,292)	(96,827)	60,737		(594,382)
IT Transformation	(639,840)	0	0	103,091	(536,749)				(536,749)
Insurance and Risk Management	(2,250,388)	0	0		(2,250,388)				(2,250,388)
Capital Receipt Generation Reserve	(460,342)	0	233,357	79,512	(147,473)			135,191	(12,282)
Treasury Equalisation Reserve	(990,024)	0	0		(990,024)				(990,024)
Redundancy and Pensions Reserve	(599,936)	0	325,434		(274,502)		192,196		(82,306)
Capital Investment Reserve	(1,620,945)			528,611	(1,092,334)			518,541	(573,793)
Priority Investment Reserve	(1,973,294)	0	446,223	648,877	(878,194)				(878,194)
Museums Acquisitions Reserve	(59,798)				(59,798)				(59,798)
Elections Reserve	(83,183)	(25,000)	0		(108,183)	(25,000)	100,000		(33,183)
Grass Routes Buses Reserve	(160,615)	(5,000)	25,913		(139,702)	(5,000)			(144,702)
Sub Total	(10,321,887)	(90,228)	1,614,289	1,762,186	(7,035,640)	(126,827)	352,933	653,732	(6,155,802)
Restricted Use Reserves									
Chairman's Reserve	(36,754)				(36,754)				(36,754)
Youth Offending Team	(382,226)				(382,226)				(382,226)
Building Control trading reserve	(490)				(490)				(490)
Outdoor Education Centres Trading Reserve	(190,280)				(190,280)				(190,280)
I Learn Wales	(48,674)				(48,674)				(48,674)
Total Earmarked Reserves	(10,980,311)	(90,228)	1,614,289	1,762,186	(7,694,064)	(126,827)	352,933	653,732	(6,814,226)

3.9.2 This indicates that by the end of 2016-17 the Council is likely to utilise over 40% of the useable earmarked reserves brought forward from 2014-15.

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

8.1 Month 2 monitoring reports, as per the hyperlinks provided in the Select Appendices

9 AUTHOR

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Dave Jarrett – Senior Accountant Business Support

10 CONTACT DETAILS

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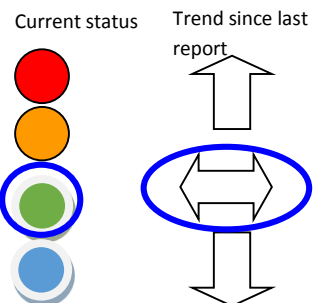
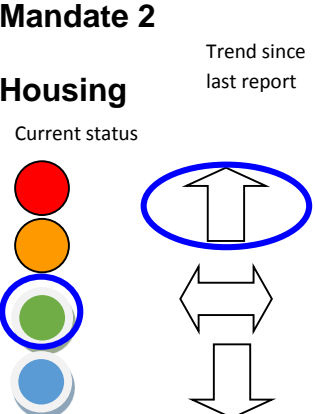
Appendices


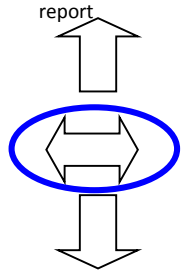

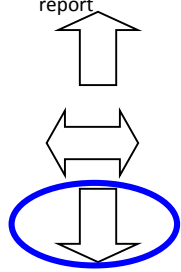
- Appendix 1 Mandated Savings Progress Report
- Appendix 2 Strong Communities Select Committee portfolio position statement
- Appendix 3 Economy and Development Select Committee portfolio position statement
- Appendix 4 Adult Select Committee portfolio position statement
- Appendix 5 Children and Young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













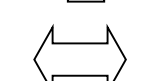

Mandate Summary	RAG Month 10	RAG Month 2
1 Leisure	Green	Green
2 Housing	Green	Green
5 Sustainable Energy Initiatives	Green	Red
6 Museums & Castles	Green	Yellow
14 Home to School Transport	Red	Red
15 Facilities	Yellow	Red
16 Schools Delegated budgets	Green	Green
18 School Library Service	Green	Green
20 Gwent Music	Green	Green
24 Transition – Bright New Futures	Green	Green
25 Fleet Rationalisation	Yellow	Yellow
26 Property Rationalisation	Green	Green
28 Community Hubs	Green	Red
31 ICT savings	Green	Red
33 Adult Social Care (&34)	Green	Green
35 Transformation of ALN	Yellow	Green
36 Route Optimisation	Green	Red
37a Waste Services	Yellow	Green
37b Trade Waste	Green	Yellow
37c Grey Bag & Nappy Collection	Green	Green
40a Democracy	Green	Green
41 Highways	Green	Green
41a Abergavenny Markets	Yellow	Red
42 Youth Service	Red	Red

Budget Mandates

Progress and Next Steps at Month 2

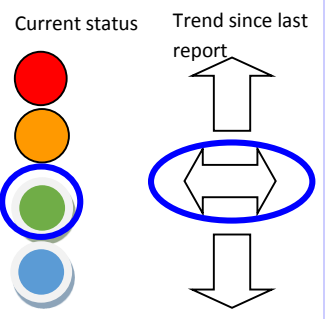
Mandate RAG	Progress for month one and two	Next Steps	Type	Year-end target	Forecasted to be achieved	Variance	Owner
<p>Mandate 1 Leisure.</p> <p>Current status Trend since last report</p> 	<p>Restructure process complete. All departments have individual service plans. All plans tracked and monitored by the individual service area. Full ownership of delivery by individual teams. All Leisure income targets are on track to meet budgets and will continue to be monitored.</p>	<p>Continue to review the 3 G pitch project and review its income generation targets. Continue to review all business plans. Work with finance on e-payments.</p> <p>3G income - red (being supported by other income areas)</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>155,000</p> <p>265,983</p> <p>420,983</p>	<p>155,000</p> <p>265,983</p> <p>420,983</p>	<p>0</p> <p>0</p> <p>0</p>	Ian Sanders
<p>Mandate 2 Housing</p> <p>Current status Trend since last report</p> 	<p>Commercialisation of the care line service. One housing solutions service with TCBC, expansion of shared housing scheme, B&B reduction and a restructure.</p> <p>Detailed plans in place for all projects to ensure they remain on track. The long term average trend has been reversed in the first two months of 15/16 with an average of 24 installs per month and a removal rate of 16 so the trend is definitely positive and if maintained would result in us hitting our target of 800 clients. Projections indicate the service will generate the income necessary to meet the budget. All non-financial benefits - Green</p>	<p>Continue to drive marketing plan and further develop the website and on line payment options. Continue to work with Social Care teams to raise awareness of care line's benefits and functionality. Continue to develop the cultures of both teams to develop a one team ethos.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>25,000</p> <p>30,000</p> <p>55,000</p>	<p>25,000</p> <p>30,000</p> <p>55,000</p>	<p>0</p> <p>0</p> <p>0</p>	Ian Bakewell

<p>Mandate 5 *</p> <p>Sustainable Energy Initiatives</p> <p>Current status  Trend since last report </p>	<p>2014/15 & 2015/16 – savings*</p> <p>Investing in biomass boilers, solar farms and reduction in Carbon Commitment.</p> <p>Expected income targets not achieved.</p>	<p>Review target for 15/16.</p> <p>Review delivery plan and mandate.</p> <p>Cabinet report out for consultation currently to create a solar farm.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>33,000</p> <p>33,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>0</p> <p>33,000</p> <p>33,000</p>	<p>Ben Winstanley</p>
<p>Mandate 6</p> <p>Museums & Castles</p> <p>Current status  Trend since last report </p>	<p>Fully integrate cultural services, tourism services and attractions within tourism, leisure and culture section. Maximise synergies & achieve a sustainable long term business footing.</p> <p>Income generation target for 15/16 10K shortfall.</p> <p>Weddings – Amber</p> <p>Countryside savings – Green</p> <p>Savings from Volunteers – Red</p> <p>Income made by fundraiser – Green.</p> <p>Fundraiser in place.</p> <p>Income from learning – Green.</p> <p>Savings from shared service model at Chepstow TIC – Green.</p> <p>Income from green screen – Red</p> <p>Income from rental of Abergavenny Red Square window - Green</p>	<p>Castle reporting an 80K overspend</p> <p>Review the budgets to reflect the cost to run the service.</p> <p>Review budget savings from 13/14 that have been carried forward as these will not be made.</p> <p>Review the spend in order to achieve the income and re-model the targets.</p> <p>15/16 salary budget only supports the service until October 2015/16, potential overspend but will not know the full effect until a decisions is made regarding the future of the TIC.</p> <p>Review marketing plan for Green screen.</p> <p>Continue to review the use of volunteers.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>81,000</p> <p>109,000</p> <p>190,000</p>	<p>71,000</p> <p>99,000</p> <p>170,000</p>	<p>10,00</p> <p>10,000</p> <p>20,000</p>	<p>Ian Saunders</p>

<p>Mandate 14</p> <p>Home to School Transport</p> <p>Current status  Trend since last report </p> <p>  </p> <p> </p>	<p>Post 16 travel grant removed. - Green Removal of the non-statutory element of travel grants to post 16 students by July – Green</p> <p>Increase in post 16 charging – achieved increase in costs in 14/15 and will sustain however the 29k target for 15/16 will not be delivered as already realised.</p> <p>Transport Policy on hold.</p> <p>There is currently no progress on change of policy on statutory distances and pick up points due to members exploring other options.</p>	<p>Waiting for further steer on policy direction for home to school transport.</p> <p>Pressure mandate being submitted to address current underfunded budget for 16/17</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>115,000</p> <p>115,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>0</p> <p>115,000</p> <p>115,000</p>	<p>Roger Hoggins/ Richard Cope</p>
<p>Mandate 15 *</p> <p>Facilities - transfer functions to other providers</p> <p>Current status  Trend since last report </p> <p>  </p> <p> </p>	<p>2014/15 mandate*</p> <p>Building Cleaning / Community Services Engaging with town and community councils, 'friends of' and clubs to take on service related costs. Considerable work has already been undertaken e.g. Linda Vista, Bailey Park, public conveniences.</p> <p>Activities during 2015/16 will be more challenging and this will need to be approached in a more flexible way. It is highly unlikely that we will achieve full year savings on this for 2015/16.</p>	<p>Review the delivery plan and consider opportunities for 2016/17. Contain in mandate proposal to re-align.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>100,000</p> <p>0</p> <p>100,000</p>	<p>10,000</p> <p>0</p> <p>10,000</p>	<p>90,000</p> <p>0</p> <p>90,000</p>	<p>Roger Hoggins</p>

Mandate 16

schools delegated budgets



Schools being supported to seek opportunities for savings. Cluster led meetings. All schools being supported with performance management. Training needs have been identified for Head Teachers to address any skill gaps when managing their budgets. All schools continue to engage.

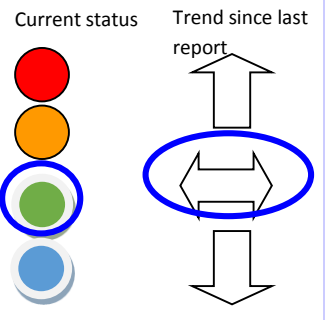
Ensure the identified 'quick wins' are developed and continue to be published, shared and evaluated throughout all schools. Highlight schools who need more significant support and agree action to mitigate any financial challenges. Continue to review resource impact for foundation phase. Monitor schools closely to ensure they follow their budget plans and more schools do not fall into a deficit.

Income			
Savings	1,124,000	1,124,000	0
Total	1,124,000	1,124,000	0

Nikki Wellington

Mandate 18 *

School library service - combine with general library service


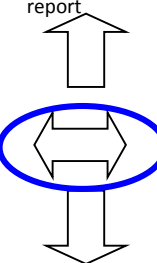

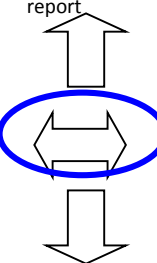


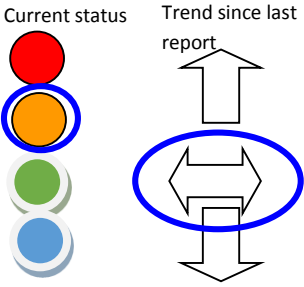
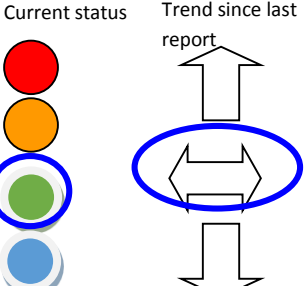
2014/15 mandate with 2015/16 savings*
Savings achieved – mandate delivered

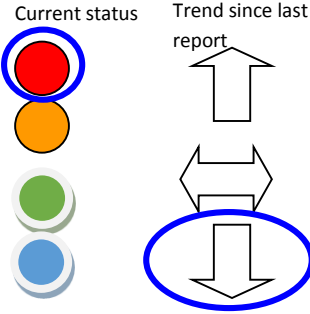
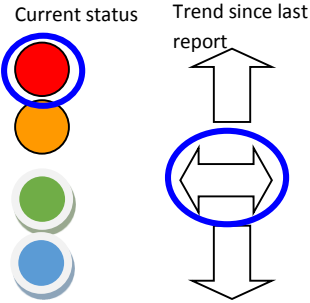
No next steps necessary

Income	0	0	0
Savings	20,000	20,000	0
Total	20,000	20,000	0

Sharon Randall – Smith

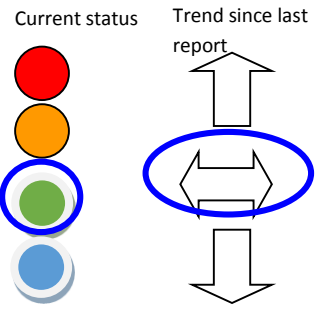
<p>Mandate 20 Gwent Music</p> <p>Current status Trend since last report</p>  	<p>Gwent Music is a joint service hosted by Newport. The plan is to refocus the service to make them more efficient and increase the value by :-</p> <p>Increase charging to parents per term to bring it in line with other LA's delivering the same service i.e. Newport. Introduce an instrument charge. Not fill the vacant post. Music access fund agreed as of 19th June by cabinet.</p>	<p>To continue to work with Gwent music to develop the music provision for Monmouthshire schools in light of the reductions. To launch the access fund to all schools from September</p> <p>Gwent music have worked very successfully on income generation and very closely with Monmouthshire to achieve this.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>50,000</p> <p>50,000</p>	<p>0</p> <p>50,000</p> <p>50,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Nicky Wellington</p>
<p>Mandate 24 * Transition - Bright New Futures (SC&H)</p> <p>Current status Trend since last report</p>  	<p>2014/15 mandate*</p> <p>In 2014 we combined our Transitions Project Team within Bright New Futures Project. (based in Bridges)</p> <p>This has established a shared service model.</p> <p>No action necessary in relation to the mandate savings.</p> <p>We continue to deliver savings with this partnership working.</p>	<p>Plan to review near the end of the five year project. Review to include :- Budgets Service Resource / secondments. Etc...</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>14,000</p> <p>14,000</p>	<p>0</p> <p>14,000</p> <p>14,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Julie Boothroyd</p>

<p>Mandate 25</p> <p>Fleet Rationalisation</p>  <p>Current status</p> <p>Trend since last report</p>	<p>The savings for this mandate were being achieved from the reduction of fleet vehicles across the authority.</p> <p>This fleet reduction has been achieved therefore the budget mandate is on target to be achieved by year end. The restructure element due to protection of employment policy did not achieve 100% however shortfalls will be made from other savings within the service.</p> <p>There are other operational opportunities currently being considered :- ICT 22 – the connected worker has made progress, this is at the trailing stage, ICT 13– the pool car booking system – this has not progressed.</p>	<p>No next steps for fleet reduction as complete.</p> <p>Continue to review the 2 ICT projects and report progress.</p> <p>Ensure shortfall in restructure savings are met within service area.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>62,000</p> <p>62,000</p>	<p>0</p> <p>62,000</p> <p>62,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Debbie Jackson</p>
<p>Mandate 26</p> <p>Property rationalisation</p>  <p>Current status</p> <p>Trend since last report</p>	<p>These savings are predicted on the need to reduce our operational portfolio and maximise revenue streams from our investment holdings. Revenue savings are largely accrued through the reduction in utilities costs, rates, repairs and maintenance.</p> <p>Rental of buildings – Green Release of Boverton house – 9 K short due to exam commitment. Rates Savings on vacant buildings - Green Rental Grant reductions – Dedicated member of staff now responsible for this.</p>	<p>Review the property rationalisation delivery plan and amend to account for Boverton House shortfall. Permissions for any disposal will continue through the usual council process. Work alongside agile working policy owner to explore further opportunities for greater agile working.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>20,000</p> <p>80,000</p> <p>100,000</p>	<p>20,000</p> <p>80,000</p> <p>100,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Ben Winstanley</p>

<p>Mandate 28</p> <p>Community Hubs</p>  <p>Current status</p> <p>Trend since last report</p>	<p>It's about delivering services in a different way and aligning them with the Whole Place philosophy. This will introduce major changes to how the library and one stop shop services are delivered. We will create a hub in each town where face to face services will be delivered. The contact centre will sustain a reliable and informed first point of contact for people contacting us other than face to face.</p> <p>Employee consultation / selection and resource management is underway.</p> <p>Budget saving shortfall mainly due to the delay of the implementation of the restructure. The mandate describes the full year's savings and now only 50% will be achieved due to the Sept implementation date.</p>	<p>Project plan requires continuous monitoring, updating and adjusting to reflect the project developments.</p> <p>Review training plan for both operations (ensure training fits the needs of the new services)</p> <p>Continue to review the reporting lines of both new services to ensure consistency and synergy between the two.</p> <p>Continue to support the staff to ensure open 2 way communication. Ensure HR are available to offer consistent advice and guidance and support to staff where and when appropriate in order to support the project timelines.</p> <p>There is a 73K mitigating underspend included that offsets the mandate saving.</p>	<table border="1"> <tr> <td>Income</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Savings</td> <td>250,000</td> <td>125,000</td> <td>125,000</td> </tr> <tr> <td>Total</td> <td>250,000</td> <td>125,000</td> <td>125,000</td> </tr> </table>	Income	0	0	0	Savings	250,000	125,000	125,000	Total	250,000	125,000	125,000				<p>Deborah Hill-Howells</p>
Income	0	0	0																
Savings	250,000	125,000	125,000																
Total	250,000	125,000	125,000																
<p>Mandate 31</p> <p>ICT Savings (SRS & custom built software solutions)</p>  <p>Current status</p> <p>Trend since last report</p>	<p>The mandate's aim was to :- Drive cost efficiencies and income generation opportunities within the Shared Resource Service (SRS). This will subsequently result in MCC benefiting from reduced budget without any significant impact to service. And generate ongoing savings and user benefit from custom built software solutions being generated, then productised and sold commercially.</p> <p>SRS have found 130K of their proposed 150K. They hope to make 20k by year end on employee savings. The software solutions savings will not occur and other options are being considered for alternative savings.</p>	<p>Continue to work with SRS to identify and deliver savings where possible.</p> <p>Continue to develop options for alternative savings.</p>	<table border="1"> <tr> <td>Income</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Savings</td> <td>250,000</td> <td>130,000</td> <td>120,000</td> </tr> <tr> <td>Total</td> <td>250,000</td> <td>130,000</td> <td>120,000</td> </tr> </table>	Income	0	0	0	Savings	250,000	130,000	120,000	Total	250,000	130,000	120,000				<p>Peter Davies</p>
Income	0	0	0																
Savings	250,000	130,000	120,000																
Total	250,000	130,000	120,000																

Mandate 33&34

Adult Social Care



The service is continuing its journey on practice change and restructuring itself to meet future mandate savings with community links and innovative approaches to domiciliary care, coupled with less reliance on admissions to residential care.

The size of the saving is challenging however the service is working together as a whole team in order to continue to review its performance in order to meet the targets. Change in practice will need to continue at pace and be significant, this will continue to take time. It is still uncertain if following re-assessment savings will be realised due to dependency and acceptance of different solutions available. All targets currently on track to deliver. Dementia care matters training has commenced with vigour and early signs are that it will support the changes in practice required.

Continue to review the structures and workforce to establish the resource, knowledge and skills moving forward.

Service transformation will continue to evolve and approval sought as the programme develops.

Continue to deliver and ongoing evaluation of the training.

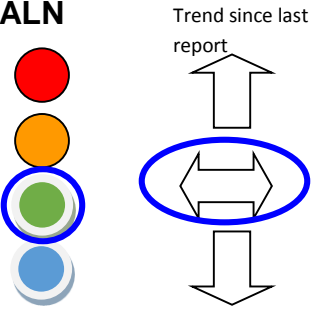
Continue to capture and work with savings ideas from the teams.

Continue to review IT build.

Income	0	0	0
Savings	260,000	260,000	0
Total	260,000	260,000	0

Julie Boothroyd

**Mandate 35
Transformation of ALN**



We are undertaking a review of Additional Learning Needs. Its forms a 3 stage process.

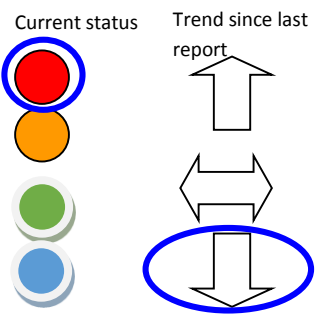
Savings fully met for this year. Stages 1 and 2 are complete and the team have commenced consultation with families as part of the stage 3. Community consultation is considered robust and well evidenced. Difficulty in predicting the outcome of consultation until full consultation is complete. All options present opportunities for delivering the target savings.

All timescales of delivery of the mandate to stay in line with the 'complete review' timetable. Continue to review and adapt the consultation both internally and in the community and families. Finance milestone to be built into the delivery plan. Ensure stage 3 is monitored and kept on track.

Income	0	0	0
Savings	120,000	120,000	120,000
Total	120,000	120,000	120,000

Sharon Randall-Smith

Mandate 36 *
Route Optimisation



Mandate from 2014/15

Due to the changing to routes the mandate related to the reduction in fleet.

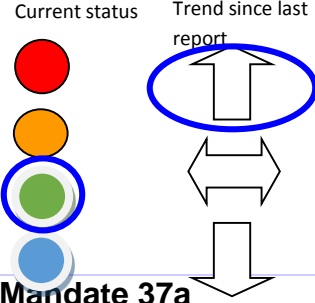
There were 50K of transport costs built into the saving but as MCC owned the vehicle that we reduced from the fleet therefore there were no leasing savings achieved. The mandate reduced 6 FTE posts but operationally only 5 FTE could be lost leaving a further pressure.

Review the on-going operation and budgets and re-align in line with service needs.

Income	0	0	0
Savings	270,000	184,000	86,000
Total	270,000	184,000	86,000

Rachel Jowitt

Mandate 37
Waste – Project Gwyrdd



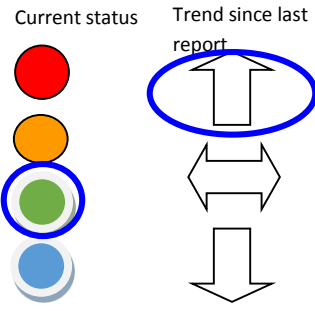
5 authority partnership whose purpose is to provide the best environmental, cost effective and practical solution for waste after recycling and composting has been maximised in each area

Regular review

Income	0	0	0
Savings	250,000	250,000	0
Total	250,000	250,000	0

Rachel Jowitt

Mandate 37a
Waste Services




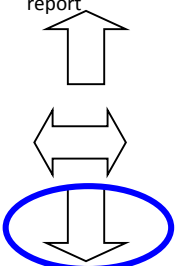
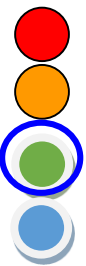
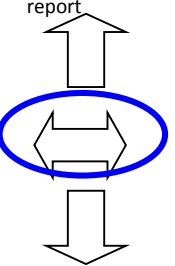
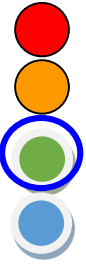
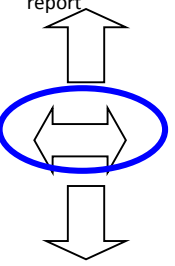
The mandate is about re-aligning the service in order to be as customer focused and efficient as possible. To reduce duplication of services which provide clarity on responsibility and service delivery. To remove duplication and harmonise working practices.

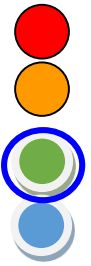
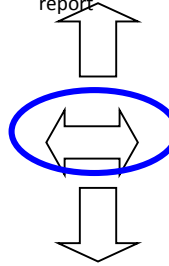

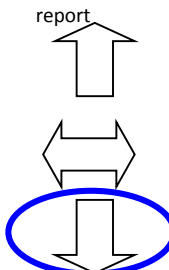
Vacancies have been deleted therefore savings have been achieved.

No relevant Next Steps

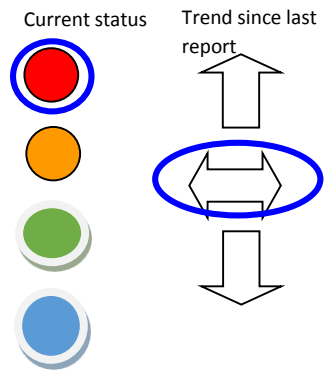
Income	0	0	0
Savings	50,000	50,000	0
Total	50,000	50,000	0

Rachel Jowitt

<p>Mandate 37b Trade Waste</p> <p>Current status  Trend since last report </p>	<p>This mandate has 2 elements. The introduction of trade waste recycling. And Realignment of 2 schedule changes.</p> <p>It has been identified that this may possibly be a pressure and this will continue to be reviewed. More detail will be available in month 6.</p>	<p>Continue to review operational impact. Establish any potential mitigating actions.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>30,000</p> <p>10,000</p> <p>40,000</p>	<p>20,000</p> <p>10,000</p> <p>30,000</p>	<p>10,000</p> <p>0</p> <p>10,000</p>	<p>Rachel Jowitt</p>
<p>Mandate 37c Grey bag & nappy collection.</p> <p>Current status  Trend since last report </p>	<p>This mandate relates to the removal of the free supply of grey refuse bags and the removal of the hygiene/ nappy collection.</p> <p>The mandate has been delivered the savings have been achieved.</p>	<p>Continue to review as still early stages. No other next steps relevant.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>180,000</p> <p>180,000</p>	<p>0</p> <p>180,000</p> <p>180,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Rachel Jowitt</p>
<p>Mandate 40a Democracy</p> <p>Current status  Trend since last report </p>	<p>This mandate purpose was to reduce the budget requirement in a number of areas through a range of actions including :- Management restructure – Green. Increased income generation – Green Removal of a vacant post – Green Reduction in mileage budget – Green All action plans delivered in order to achieve the savings.</p>	<p>In relation to budget delivery no next steps</p> <p>Non budget Service improvements.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>24,000</p> <p>85,000</p> <p>109,000</p>	<p>24,000</p> <p>85,000</p> <p>109,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Tracy Harry</p>

<p>Mandate 41 Highways</p> <p>Current status</p>  <p>Trend since last report</p> 	<p>This mandate was made up of :-</p> <p>Employee restructure – Green Material savings – Green Plant saving – Green. Re-negotiating with sub-contractors – Green Additional income from skips & scaffolding – green. Operational fuel, stores & procurement savings - Green. Commercial advertising – Red.</p>	<p>Advertising income will not be fully achieved as cabinet only recently approved it. Early estimates are that 50% of the income will be generated. This shortfall will be found by other mitigating underspends.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>55,000</p> <p>395,000</p> <p>450,000</p>	<p>55,000</p> <p>370,00</p> <p>425,000</p>	<p>0</p> <p>25,000</p> <p>25,000</p>	<p>Tony Wallen</p>
<p>Mandate 41a Abergavenny Markets</p> <p>Current status</p>  <p>Trend since last report</p> 	<p>The objective was to run additional market stalls on existing market days in Neville street and St Johns Square, Abergavenny. Expansion of flea markets and boot sales and to hold special markets/events in Cross Street Abergavenny.</p> <p>The service has been unable to generate the additional income. This mainly due to operational, resource and PR challenges.</p> <p>Welsh Classes (10K) Finders fees (10K)</p>	<p>Critically review current structures and operation and business model.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>70,000</p> <p>0</p> <p>70,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>70,000</p> <p>0</p> <p>70,000</p>	<p>Ben Winstanley</p>

**Mandate 42
Youth Service**



The Youth Service is exploring new ways of working. They are embracing this opportunity in an innovative way. Small groups are exploring ideas to generate income streams and savings whilst ensuring quality service is maintained.

Sourced and secured ESF funding for pre and post 16 for a period of 3 years. 130k per year secured and runs an academic year so circa 70k will be in this financial year.

Secured 10k from Supporting People's Programme to assist with Post 16 support for 1 year

Community Kitchen in Abergavenny has been awarded 5 star rating by Environmental Health and is now operational. Taking bookings for buffets; children's parties and lunches for community members

Skate Park Shop in Abergavenny is near opening
Finalising details with Legal on contract with local business
Audit and accounts have been set up
Marketing ready to go out

Propel is steadily progressing
Courses ready to advertise
Staffing being trained currently to deliver

Wellbeing is steadily progressing
Courses being written
Staff who have expertise in this area are finding it difficult to fit in this as well as working with young people on their case load as these are the priority

Meetings with all schools to look at new roles for staff and outcomes required to meet funding criteria.
Planning and writing of resources and courses to be completed over summer period
Programme to start delivery on 2nd September 2015

Meet with SPP to finalise grant.
Case load young people to be supported. Commence project in July 2015.

Market and promote menus and packages available
Official opening in September 2015 in Kitchen.

Set income targets once steady business flow is established.
Shop to be operational by September 2015
Set income targets once steady business flow is established

Still awaiting for HUB section to promote courses.
On-line payment will be crucial and awaiting developments on this work.

Still awaiting for HUB section to promote courses
Meeting with staffing team to look at where time can be found in order to free staff up to deliver specialised courses and offer more packages to families and young people

Income	200,000	100,000	100,000
Savings	0	0	0
Total	200,000	100,000	100,000

Tracey Thomas

Summary Month 10

Current status

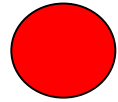


Summary – Month 2

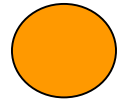
Current status



Key



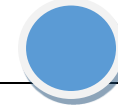
Concerns identified with delivery of target.
Continue to closely review & monitor.



Monitoring & required to keep on track



On target to achieve budget



On target and over acceding.

Strong Communities Select Committee Portfolio Position Statement Month 2 (2015/16)

1 Head of Operations Commentary

1.1 This is a month 2 report so is early in the financial year. Nevertheless the report highlights some significant budgetary issues that continue from the 2014/15 financial year, including the PTU budget assumptions and those for school meals. The pressures have been assessed and in some instances have been listed as pressures within the wider budget setting process. If they are not managed through the corporate process then it will fall back upon the Operations department to find alternative savings or greater income during the year to balance the department's budget overall. A pressure has arisen through a review of Property services charging, resulting in some Property Services costs no longer being able to be allocated to the capital budget. This is a change from established custom and practice and officers are investigating how this may best be managed. At present the income assumptions surrounding grounds maintenance and SWTRA are modest and performance in these areas will improve the projected out turn, officers will revise these assumptions further into the year when turnover becomes clearer.

2 Revenue Outturn Forecast

2.1 The combined budget and outturn forecast for this portfolio is

Service Area	Budget at Month 2 £000's	Forecast Outturn £000's	Variance at Month 2 £000's
Chief Executive's Office	6,837	6,716	(121)
Operations	16,098	16,732	634
Corporate	18,351	18,414	63
Appropriations	8,224	7,976	(248)
Financing	(145,376)	(145,969)	(593)
Total	(95,866)	(96,131)	(265)

2.2 The most significant over and underspends are

Service	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
CEO			
Benefits		(120)	£57,000 under spend against the Benefits budget reflecting current activity levels. £49,000 underspend against the budget that was earmarked for topping up the bad debt provision (this is based on last year's activity) £13,000 additional Admin Grant from DWP

Service	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
Operations – Passenger Transport Unit	300		Assumed ALN transport savings have proven unachievable, budgeted increased income levels were not made whilst at the same time corporate budget decisions regarding reductions in overtime costs were imposed. A mandate has been put forward to highlight the fact that the service cannot operate within its existing budget and has requested further funding via the MTFP in 2016-17.
Operations – Building Cleaning	50		Delayed implementation of mandate saving of transferring public conveniences to Town Councils.
Operations – School Catering	55		Increased costs to comply with Healthy Eating in Schools Agenda and a reduction in budgeted meals
Operations – Procurement		72	Vacancy savings and reduced third party expenditure
Operations – Property Services	300		A review of property service charging which means that overheads cannot be charged to capital schemes
Operations – Accommodation costs		125	Maintenance costs for Magor and Usk are underspent mainly due to reduced costs as buildings are relatively new.
Operations - Waste	126		Savings from mandates could not be achieved – leasing costs could not be saved as vehicles were already owned and therefore a budget did not exist. Only five out of six posts could be removed. Additional income of 40k from trade waste will be delayed as the implementation date is September 2015.

Corporate Services	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
CORPORATE			
Audit Commission Fees (Certification)		(35)	Forecasted saving in relation to the auditing

Grant Claims)			of grant claims
Early Retirement Pension Costs	130		Additional cost of redundancies notified in latter part of 2014/15
Insurance Premium Payment(Direct)		(34)	Based on potential 5% increase in premium. Dependent on Insurance tender for new period starting 1st October
APPROPRIATIONS			
Attributable Costs - Fixed Asset Disposal		(30)	Investment income forecast to be higher than budget as advantageous short term loan deals
Interest Payable and Similar Charges		(202)	£128k - Reduction in rate on temporary borrowing offset by higher level of debt at 01/04/15 due to loans being taken out early when at attractive rates; Plus £10k saving relating to a budget reduction in 2014/15 for the Abergavenny library. Also reduction in saving of £16k due to the delay of an LDP receipt into 2016/17
Charges Required Under Regulation	74		The shortfall mainly relates to MRP payable relating to vehicles purchased from borrowing (unbudgeted) in 1415.
Contribution from Reserves	90		9/5/15 Cab report Children's Services development - funded from reserves - part apportioned to 2015-16.
FINANCING			
Council Tax		(500)	Surplus due to projected better CT Collection rate
Benefit Support		(93)	Forecast extrapolated from CT Benefits system based upon benefits awarded to date

2.3 Please see Appendix 9,10,11,12 and 13 for further analysis of the directorate expenditure at month 2.

3 2015-16 Savings Progress

3.1 The savings required by the 2015-16 budget mandates have not yet been fully secured.

3.2 Operations Budgeted savings were £1,517,000 and at month 2, £1,201,000 have been identified. Of the remaining savings, £115,000 are delayed until 2016/17 and currently £201,000 are deemed to be unachievable.

3.3 Chief Executives budgeted savings were £85,000. These have all been achieved.

Man. No.	Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed Till 2016/17 £'s	Unachievable £'s
	STRONG COMMUNITIES				
14	Home to School Policy Changes	115,000	0	115,000	0
15	Facilities - Transfer functions to other providers	100,000	10,000	0	90,000
25	Transport Review and Rationalisation	62,000	62,000	0	0
36	Cost Neutral Waste Service	270,000	184,000	0	86,000
37	Project Gwyrdd	250,000	250,000	0	0
37a	Waste Mgt - Efficiency & Realignment	50,000	50,000	0	0
37b	Waste Mgt - Modernising Trade Waste Services	40,000	40,000	0	0
37c	Waste Mgt - Collection changes, Grey bags and nappies	180,000	180,000	0	0
41	Highways	450,000	425,000	0	25,000
	Total Operations	1,517,000	1,201,000	115,000	201,000
	CHIEF EXECUTIVES'				
40a	Democracy & Regulation	85,000	85,000	0	0
	Total CEO	85,000	85,000	0	0

Please see Savings Mandate Progress Appendix 1 for further details on savings

4 Capital Outturn Forecast

4.1 The capital budget of £4,485,758 had been increased by slippage from 2014/15 of £2,939,759 to a new total of £7,425,517. The budget is separated under the following headings

Strong Communities	Annual Forecast £000's	Original Budget £000's	Slippage from 2014/15 £000's	Total Approved Budget £000's	Annual Overspend / (Underspend) Month 2 £000's
Development Schemes Over £250k	11	0	11	11	0
Development Schemes Under £250k - Essential Works	783	410	373	783	0
Development Schemes Under £250k - Other Recommend	836	270	566	836	0
Infrastructure	2783	2112	671	2783	0
IT Schemes - Infrastructure/Hardware	147	0	147	147	0
IT Schemes - Web Related	35	0	35	35	0
Low Cost Home Ownership	33	0	33	33	0
Maintenance Schemes - General	346	201	145	346	0
Renovation Grants	654	600	54	654	0
Section 106	705	0	705	705	0
Specific Grant Funded	0	0	0	0	0
Maintenance Schemes - Property	1093	893	200	1093	0
Grand Total	7,426	4,486	2,940	7,426	0

5 Supporting Financial Monitoring Workbooks (ctrl click to access)

Important: Please do not Check Out Files

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

[Revenue Monitoring Month 2 Operations](#)

[Revenue Monitoring Month 2 Corporate](#)

[Revenue Monitoring Month 2 Appropriations](#)

[Capital Monitoring Month 2 Strong Communities Select](#)

Economy & Development Select Committee

Portfolio Position Statement Month 2 (2015-16)

1 DIRECTOR'S COMMENTARY

2015-16 is a year in which Enterprise is charged with delivering on some of its most challenging efficiency and income generation targets. As such, it's difficult to provide accurate commentary on a forecast position taken at month 2. The early position however does reflect the lead-in time taken to develop new Community Hubs and whilst ground can be re-gained on implementation now that the HR processes have been all but worked through, a shortfall in the target is likely. It is envisaged that this will be offset with additional income through Estates and Housing and delaying appointment/holding open vacant posts wherever possible. In relation to a further pressure point, Community Education, the franchise agreement has been recently reduced significantly and as such, a staff restructure report is currently making its way through the Select process in readiness for July cabinet. Caldicot Castle continues to exhibit pressures in relation to inability to hit income targets in light of the overall investment needs attached to running a scheduled ancient monument and whilst SRS efficiencies have been identified in the main, £100k of new income remains unidentified around software development. Given that the replacement social care system will soon be up and running, a commercialisation opportunity exists which will be explored and further work continues on the integration of legacy software systems across partners. In short, whilst an over-spend is evident at this early stage, I remain confident in the efforts taken to redress this.

2 Revenue Outturn Forecast

2.1 The combined budget and outturn forecast for this portfolio is

Service Area	Budget at Month 2 £000's	Forecast Outturn £000's	Variance at Month 2 £000's
Community led Delivery	1,928	2,066	138
Commercial and People Development	4,101	4,201	100
Enterprise Management	397	397	0
Development Planning	931	931	0
Tourism, leisure and Culture	2,500	2,600	100
Total	9,857	10,195	338

2.2 The most significant over and underspends are

Service	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
Markets	110		Delayed implementation of restructure, increased overtime demands and inability to meet budget mandate savings of increasing income by 50k
Sustainability	62		Inability to meet income targets from PV schemes etc.

Cemeteries		40	Increase in income
County Farms		40	Lower than anticipated maintenance costs
Industrial Units	20		Higher than anticipated maintenance costs
Community Hubs	52		Delays in implementation of Community Hubs Restructure – likely to be in place September
Whole Place		26	Staff Vacancies
ICT Technology	100		Savings from budget mandate about income generation of 100k from software sales will not occur
Museums	10		Green screen savings will not occur
Caldicot Castle	80		Historic budget underfunding and savings from previous year not achieved
Tourism	10		Overspend due to staff costs. Efforts are being made to reduce this further by use of volunteers
TOTAL	444	106	Net Total 338

2.3 Further analysis of Economic and Development Select Expenditure can be found in the workbook link provided below

3 2015-16 Savings Progress

3.1 The savings required by the 2015-16 have not yet been secured.

3.2 Enterprise budgeted savings were £1,392,983 and at month 2, £1,024,983 have been identified. Of the remaining savings £145,000 are delayed and currently £223,000 are deemed to be unachievable.

Man. No.	Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed Till 2016/17 £'s	Unachievable £'s
	ECONOMY & DEVELOPEMNT				
1	Dev of Leisure & Outdoor services	420,983	420,983	0	0
2	Collaboration of Housing services	55,000	55,000	0	0
5	Sustainable Energy Initiatives	33,000	0	0	33,000

6	Museums, Shirehall, Castles & Tourism	190,000	170,000	20,000	0
26	Property Review	100,000	100,000	0	0
28	Community Hubs & Contact Centre	250,000	125,000	125,000	0
31	ICT Savings	250,000	130,000	0	120,000
40	Planning income	24,000	24,000	0	0
41a	Market Income	70,000	0	0	70,000
	TOTAL ENTERPRISE	1,392,983	1,024,983	145,000	223,000

3.3 Further detailed analysis of Savings mandates are contained in Appendix 1.

4 Capital Outturn Forecast

4.1 There was no original budget for capital schemes within this portfolio however capital slippage from 2014/15 of £530,735 has been allowed into 2015/16. The budget is separated under the following headings

Economy & Development	Annual Forecast £000's	Original Budget £000's	Slippage from 2014/15 £000's	Total Approved Budget £000's	Annual Overspend / (Underspend) Month 2 £000's
Development Schemes Over £250k	4	0	4	4	0
Section 106	527	0	527	527	0
Grand Total	531	0	531	531	0

Further details of all the schemes are contained in capital workbook link below.

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

Important: Please do not Check Out Files

[Revenue Monitoring Month 2 Enterprise](#)

[Capital Monitoring Month 2 Economy and Development Select](#)

Adult Select Committee Portfolio Position Statement Month 2 (2015-16)

1 DIRECTOR'S COMMENTARY

- 1.1 Even though very early in the year, we are set to deliver an outturn overspend of £157,503, with £90,277 reserve funded. This is different to the reported position due to the additional Children's Services funding agreed by Cabinet on 6th May which has yet to be adjusted for.
- 1.2 Looking at Children's Services, after the additional budget allocation we are set for a £254,579 overspend, with £90,277 subject to reserve funding. We are still experiencing budgetary pressures from external placements and the full year cost burden of placements that started part way through 2014/15. Continued work on current placements may allow us to reduce the outturn downwards as we progress through the year.
- 1.3 On a positive note Adult Services is exhibiting an under spend of £97,076 after allocating £60,000 to Children's Services. The Community Care division is still reporting good results with another year set to deliver an under spend, being £106,846. This division is continuing its journey on practice change and restructuring itself to meet future mandate savings with community links and innovative approaches to domiciliary care, coupled with less reliance on admissions to residential care.

2 Revenue Outturn Forecast

- 2.1 The combined budget and outturn forecast for this portfolio is

Service Area	Budget at Month 2 £000's	Forecast Outturn £000's	Variance at Month 2 £000's
Adult Services	7,067	7,049	(18)
Community Care	19,668	19,561	(107)
Commissioning	1,971	1,967	(4)
Resources & Performance	946	918	(28)
Total before £60k budget reallocation to Children's services	29,652	29,495	(157)

2.2 The most significant over and underspends are

Service	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
Disability Equipment (GWICES)		(99)	Advanced stock purchases in 2014/15 by the Intermediate Care Fund
Monnow Vale	39		Historic budget did not fully account for pooled costs.
Transition secondment		(32)	Staffing cost budgeted but secondment continues to be met by 3 rd party
Management team		(59)	Intermediate Care Funding has paid for Direct Care team manager post
Direct Residential Care	139		Employee efficiency and previous mandate savings not deliverable along with falling client numbers resulting in lower income
Domiciliary Care and Community meals	8		Net effect of past savings not made in full
Day Centres		(14)	Net employee cost savings at Severn View
Community Care		(107)	Net effect of savings within Community Learning Disability Team from continuing Health Care applications transferring client funding to Health Board
Commissioning		(4)	Small net saving associated with Drybridge Gardens
Resources		(28)	Net underspend in IT and Finance provision
TOTAL	186	(343)	Net Total (157)

2.3 Further analysis of the Costs centres contained within the Adult Select Service areas can be obtained from the detailed budget monitoring in the links included below.

3 2015-16 Savings Progress

3.1 As at month 2 we are on track to meet our mandated savings as illustrated below: -

Man. No.	Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed Till 2016/17 £'s	Unachievable £'s
	SOCIAL CARE & HEALTH				
24	Bright new futures	14,000	14,000	0	0
33	Sustaining Independent Lives in the Community	260,000	260,000	0	0
	TOTAL SCH	274,000	274,000	0	0

3.2 Further details on the savings mandates can be found in Appendix 1.

4 Capital Outturn Forecast

4.1 A summary of this year's capital schemes are shown below: -

Social Care & Health	Annual Forecast	Original Budget	Slippage from 2014/15	Total Approved Budget	Annual Overspend / (Underspend) Month 2
	£000's	£000's	£000's	£000's	£000's
IT Schemes – Infrastructure/Hardware	35	0	35	35	0
Maintenance Schemes - Property	47	47	0	47	0
Grand Total	82	47	35	82	0

4.2 Further details of all the schemes are contained in the workbook link below.

There is a potential additional scheme involving the Mardy Park carpark reconfiguration that secured capped and finite Intermediate Care Funding from Welsh Government in 2014-15. This scheme did not feature in capital programme during 2014-15 as it did not obtain necessary planning consensus to proceed in the fashion advocated. The resources granted must be spent by end of March 2016, the project is due to receive further planning consideration shortly and may necessitate an urgent recommendation to Cabinet for inclusion in 2015-16 capital programme.

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

Important: Please do not Check Out Files

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

[Capital monitoring Month 2 Adult Select](#)

Children & Young People Select Committee Portfolio Position Statement Month 2 (2015-16)

1.1 CYP DIRECTOR'S COMMENTARY

The Directorate's Month 2 position is a forecasted over spend of £274,000, which we are anticipating will fall as we progress through the year. The Youth Service remains a volatile area having been subject to a £200,000 saving mandate. Whilst a significant amount of this saving has been identified, the service is working hard to recoup the remaining amount.

1.2 SCH DIRECTOR'S COMMENTARY

Looking at Children's Services, after the additional budget allocation to be received, we are set for a £254,579 overspend, with £90,277 subject to reserve funding. We are still experiencing budgetary pressures from external placements and the full year cost burden of placements that started part way through 2014/15. Continued work on current placements may allow us to reduce the outturn downwards as we progress through the year

2 Revenue Outturn Forecast

2.1 The combined budget and outturn forecast for this portfolio is

Service Area	Budget at Month 2 £000's	Forecast Outturn £000's	Variance at Month 2 £000's
21st Century Schools	0	0	0
Individual School Budget	43,783	43,783	0
Resources	1,424	1,485	61
Standards	5,449	5,548	99
Youth	597	711	114
CYP Directorate	51,253	51,527	274
Children's Services	7,796	8,471	675
Total C&YP Select	59,049	59,998	949

2.2 The most significant over and underspends are

Service Heading	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
STANDARDS			
Management	44		Efficiency savings for the directorate still to be identified
Support Services	11		ICT server and database upgrades necessary
Additional Learning needs	32		Reduced SLA Income and staffing changes have resulted in a projected overspend
RESOURCES			

Primary Breakfast Initiative Grant	61		Take up continues to increase and therefore resulting in additional staffing requirements.
YOUTH			
Community Education Youth General	114		Progression made towards mandate saving. Additional funding avenues being explored in order to reduce current forecasted overspend.
CHILDRENS SERVICES			
Fostering Allowances and Payments For Skills	168		We are paying out an additional £91K this year in allowances for an extra 7 SGO's being £59K and £32K due to age related rate increases. The age mix of children has altered meaning children moving into higher age categories thus attracting higher allowance rates.
Younger People's Accommodation		(99)	A vast amount of work has been undertaken in this budget over the past two years to deliver, at present, an under spend. This budget is prone to volatility and we will continue to monitor over the year before deciding on viring a budget to a different cost centre.
Ty'r Enfys		(44)	This facility is currently closed and we anticipate reopening in January 2016.
Counsel Costs	73		Present activity levels are the same as last year and as such exhibiting a similar overspend.
Therapeutic Service		(26)	Vacant Play Therapist post until August 2015
External Placements – LAC	411		Current activity is 47 placements and we are seeing a full year effect of placements that only entered the system in the latter part of last year.
External Placement - Non-LAC		(76)	This cost centre is generally used to fund the over spend within S026.
SCYP - Placement & Support Team	85		There is an over spend of £15K against staff travel and employee efficiency savings not being achieved. The remainder is connected to conveyance of children and assessment costs in excess of the budget.
SCYP - Supporting Children & Young People Team	68		£31K relates to staff travel and employee efficiency savings not being achieved. The remainder is attributable to conveyance of children over and above the budget.
Disabled Children	66		Large part of overspend relates to the continued use of agency staff to cover sickness absenteeism.
FRS – Family Support Team		(92)	A large element of the under spend is within section 20 and conveyance of children costs. We will consider moving some budget to other cost

			centres prior to the month 6 forecast.
Bus Cases / Temp Funding - Cabinet 06/05/15	212		4 Social Workers for 6 months (Oct-Mar) over and above establishment. It has been agreed these costs will be met with reserve funding.

2.3 Further analysis of the Service Areas contained within CYP Select can be found in the workbook link provided below.

3 2015-16 Savings Progress

3.1 The savings required by the 2015-16 have not yet been secured.

3.2 Children & Young People's budgeted savings were £1,514,000 and at month 2 £1,400,000 have been identified. Of the remaining savings £114,000 are currently deemed to be delayed in year..

Man. No.	Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed In year £'s	Unachievable £'s
	Children & Young People				
16	Delegated Schools Budget	1,124,000	1,124,000	0	0
18	School Library Service	20,000	20,000	0	0
20	School Music Service	50,000	50,000	0	0
35	CYP / Additional Needs / Mounton House	120,000	120,000	0	0
42	Youth Service	200,000	86,000	114,000	0
	TOTAL C&YP	1,514,000	1,400,000	114,000	0

3.3 Further analysis of the Savings mandates can be found in Appendix 1.

4. **SCHOOLS**

4.1 Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 2 projections.

Draft Council Fund Outturn 2015/16– Schools Summary outturn position at Month 2 (Period1)	(A) Opening Reserves (Surplus) / Deficit Position 2015/16 £'000	(B) Budgeted Draw on School Balances 2015-16 £'000	(C) Variance on Budgeted Reserve Draw £'000	(D) Draw Forecasted on School Balances @ Month2 £'000	Forecasted Reserve Balances at 2015-16 Outturn (A+D) £'000
Clusters					
Abergavenny	(412)	124	(24)	100	(312)
Caldicot	(426)	275	(23)	252	(174)
Chepstow	98	36	9	45	143
Monmouth	(424)	166	27	193	(231)
Special	24	(18)	(10)	(28)	(4)
	(1,140)	583	(21)	562	(578)

4.2 School balances at the beginning of the financial year amount to £1,140,000t. The Schools budgeted draw upon balances is forecasted to be £562,000 for 2015/16, therefore leaving £578,000 as forecasted closing reserve balances.

4.3 Within these summary figures, of particular note, is the deficit reserve position forecasted for the Chepstow Cluster, although Chepstow Comprehensive School are budgeted to reduce their own school balance through the school recovery plan, the other primary schools within the cluster all plan to draw upon their balances. The draw on school balances to balance school budgets is forecasted for 24 out of the total 37 Monmouthshire Schools.

4.4 5 schools exhibited a deficit position at the start of 2015/16; Chepstow Comprehensive (£388,688) and Llandogo (£12,346) were the only schools that showed an increased deficit reserve balance during 2014/15 and these two schools are forecasted to remain in deficit, albeit with an improving position, at the end of 2015/16 by (£314,793) and (£3,581) respectively. Llanvihangel Crocorney (£15,040) is forecasted to increase its deficit in 2015/16 to (£20,382) and Castle Park (£39,730) to (£37,418) a slight improvement on 2014/15. Mounton House Special School (£25,593) moved into a deficit position at the end of 2014/15, but is now forecasted to move to a positive £3,988 balance by the end of 2015/16. The only school currently forecasted to move into deficit balance from a credit balance position is Rogiet Junior and Infants (£4,584).

4.5 Schools balances are exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances which is of concern and others a more balanced trend.

Financial Year-end	Net level of School Balances
2011-12	(965)
2012-13	(1,240)
2013-14	(988)
2014-15	(1,140)
2015-16 (Forecast)	(578)

4.6 There has been a significant reliance on reserve balances to supplement school spending plans in the last 4 years across individual schools with a certain amount of replenishment. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to no more than £50,000 for a primary school and £100,000 for a secondary school. Members may wish to seek a comfort that balances aren't being used to subsidise and sustain core costs such as staffing.

4.7 Individual School Balances are available in the workbook link provided below.

5 Capital Outturn Forecast

5.1 The total budget for Capital Schemes within the Children & Young People portfolio is £50,368,595 comprising an original budget of £43,100,948 together with authorised capital slippage from 2014/15 of £7,267,647. The budget is separated under the following headings

CHILDREN & YOUNG PEOPLE	Annual Forecast £000's	Original Budget £000's	Slippage from 2014/15 £000's	Slippage to 2016/17 £000's	Total Approved Budget £000's	Annual Overspend / (Underspend) Month 2 £000's
Development Schemes Over £250k	19	0	19		19	0
Education Strategic Review	31,855	42,247	6,917	(17,310)	31,855	0
Maintenance Schemes Property	1,185	854	331		1,185	0
Grand Total	50,369	43,101	7,268	(17,310)	33,059	0

The only slippage identified as needing to be slipped to 2016-17 at month 2 relates to 21c schools expenditure, and accords with the latest cashflow projection.

5.2 Further details of all the schemes are contained in the workbook link below.

6 Supporting Financial Monitoring Workbooks (ctrl click to access)

Important: Please do not Check Out Files

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

[Revenue monitoring Month 2 Children & young people](#)

[Schools reserves](#)

[Capital monitoring Month 2 Children & Young people Select](#)