

REPORT

SUBJECT	REVENUE & CAPITAL MONITORING 2015/16 MONTH 6 OUTTURN FORECAST STATEMENT
DIRECTORATE	Chief Executive's Unit
MEETING	Cabinet
DATE	4th November 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 reporting period 2 which represents month 6 financial information for the 2015/16 financial year.
- 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 second period of revenue monitoring in 2015/16 (£1.066 million deficit) and seek a further report back to the next Cabinet outlining the Recovery Plans to be put in place to address the overspends in service areas
- 2.2 That Members note the forecast use of earmarked reserves and, in order to ensure adequacy of reserves for the MTFP, approve the following change in practice:
 - Increase workforce planning and redeployment to reduce the need for reserves to cover redundancies
 - Any request for reserve funding must first explore whether existing budgets, or external funding sources can be used for the proposal accepting this may require a change in priorities if existing budget are used

- Use of reserves to implement budget savings must use the saving first to repay the reserve
- IT investment bids will need to be considered in the core capital programme when the IT investment reserve is extinguished, this may necessitate displacing some of the core capital programme allocations depending on the priorities agreed

2.3 Members consider the position concerning period 2 Capital Monitoring with a revised budget of £60.496 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 2

Table 1: Council Fund 2015/16 Outturn Forecast Summary Statement at Period 2 (Month 6)	Annual Forecast @ Month 6	Revised Annual Budget @ Month 6	Forecast Over/(Under) Spend @ Month 6	Forecast Over/(Under) Spend @ Month 2	Forecast Variance Month 2 to Month 6
	£'000	£'000	£'000	£'000	£'000
Social Care & Health	39,237	38,136	1,101	519	582
Children & Young People	51,427	51,230	197	274	(77)
Enterprise	9,900	9,299	601	338	263
Operations	16,723	16,384	339	634	(295)
Chief Executives Unit	6,825	6,856	(31)	(120)	89
Corporate Costs & Levies	18,190	18,251	(61)	63	(124)
Net Cost of Services	142,302	140,156	2,146	1,708	438
Attributable Costs – Fixed Asset Disposal	182	233	(51)	0	(51)
Interest & Investment Income	(84)	(51)	(33)	(30)	(3)
Interest Payable & Similar Charges	3,279	3,661	(382)	(202)	(180)

Charges Required Under Regulation	5,752	5,722	30	74	(44)
Contributions to Reserves	90	90	0	0	0
Contributions from Reserves	(1,287)	(1,395)	108	(90)	198
Amounts to be met from Government Grants and Local Taxation	150,234	148,416	1,818	1,460	358
General Government Grants	(67,642)	(67,642)	0	0	0
Non-Domestic Rates	(26,737)	(26,737)	0	0	0
Council Tax	(60,694)	(60,094)	(600)	(500)	(100)
Council Tax Benefits Support	5,945	6,097	(152)	(93)	(59)
Net Council Fund (Surplus) / Deficit	1,106	40	1,066	867	199
Budgeted contribution from Council Fund	0	(40)	0	0	0
	1,106	0	1,066	867	199

3.1.3 The bottom line situation, a £1,066,000 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 £2,146,000, with the main overspending areas being:

- Children's social services (£1.1 million overspend),
- Enterprise Directorate (£601K overspend), relating to markets, community education, community hubs, IT, Leisure and Museums
- Operations Directorate (£339k overspend) relating to Home to School transport, and Property services
- CYP Directorate (£196k overspend) relating to the Youth Service

3.1.5 As part of the outturn report presentation to Cabinet and Selects it was explained that a review would be done of 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. This work is still on going.

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Social Care & Health (SCH)					
ADULT SERVICES					
Severn View DC & My Day DC	(24)	0	(24)	(9)	Underspend due to low Superannuation take up and manager temporarily reduced to a 3 day week.
MardyPark Rehabilitation Unit	(12)	0	(12)	17	Section 33 income is running ahead of budget but has reduced
MardyPark	48	0	48	(47)	Due to low level of income as a result of falling long term clients. A recently approved transformation model will look to readdress this position.
Severn View Residential	61	0	61	(12)	Combination of mandate savings not being achieved plus lower income charges from less full paying clients.
Direct Care	(80)	0	8	(88)	Reflects increased income from client referrals and Management vacancy
Transition Co-operative	(24)	0	(24)	8	Relates to income from staff seconded to an external agency.
Adult Services Man/Support	(99)	0	(99)	(40)	Current Disabilities team manager vacancy plus ICF grant meeting costs of the Direct Care team manager.
CHILDREN SERVICES					
Fostering Allowances and Payments For Skills	156	0	168	(12)	We are paying for an additional 7 children in foster placements with the age mix of children altering leading to increased payments. Skills payments to foster carers has also risen with the numbers of SGO's supported through this budget increasing by 7 this year.

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Younger People's Accommodation	(96)	0	(99)	3	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 budget to a different cost centre.
Ty'r Enfys	(52)	0	(52)	(8)	This facility with now remain closed for the entire year.
Counsel Costs	18	0	18	(55)	This service has received extra budget provision during the period of reporting
Therapeutic Service	(28)	0	(26)	(2)	Under spend due to vacant Play Therapist post being filled on a part time basis from 07/09/15
External Placements - LAC	920	0	920	508	Current activity is 64 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	(97)	0	(97)	(21)	This cost centre is generally used to fund the over spend within S026.
GWICES (Gwent Wide Integrated Community Equip Services	(26)	0	(26)	(1)	Forecast based on GWICES report for August 2015 received from the host Torfaen CBC
Other Children's Services –appendix 6	(2)	0	(2)	32	
SCYP - Placement & Support Team	128	0	128	43	Over spend due to use of agency staff, contact and assessment costs and home to school transport. More recently this budget has funded building work to create in house contact centres.
Children Services Safeguarding Unit	(21)		(21)	(8)	A vacant part time Independent Reviewing Officer post not expected to be filled until 01/01/16.
SCYP - Supporting Children & Young People Team	198	0	198	130	Overspend relates to the employment of 5 agency workers to cover staff sickness and capacity issues and a 77% increase in transport costs since last year.
Disabled Children	88	0	88	22	Large part of overspend relates to the continued use of agency staff to cover sickness and the employment of a Student Placement Social Worker.

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 2 Red= Adverse (Green) = Favourable	Headline Comment
FRS – Family Support Team	27	0	27	119	This budget is currently employing the services of 12 social workers to cover for various staff absences.
Bus Cases / Temp Funding - Cabinet 06/05/15	83	0	83	(129)	£68,000 relates to the employment of permanent staff
COMMUNITY CARE					
Aids for Daily Living	(31)	0	(99)	67	Forecast based on GWICES report for August 2015 received from the host Torfaen CBC
Adult Transformation	(57)	0	(57)	(56)	Delay reserve funding by £57K into 2015/16. Head of Service to make formal reserve slippage request.
Other Social Care	32	n/a	32	98	See appendix 6
COMMISSIONING	(7)	0	(3)	(4)	See appendix 6
RESOURCES	(1)	0	(1)	27	See appendix 6
Total SCH at Month 6	1,101	0	1,101	582	Total SCH Outturn at Month 6

Children & Young People (CYP)					
ISB	28	0	28	28	Additional costs of protection at schools and additional teacher
Management	36	n/a	36	(8)	Efficiency savings for the directorate still to be identified
Support Services	37	n/a	37	20	Legal costs incurred by the Authority
Additional Learning needs	(102)	n/a	(102)	(134)	Recoupment income is anticipated to be £102k more than budgeted.
Primary Breakfast Initiative Grant	55	n/a	55	(6)	Take up continues to increase and therefore resulting in additional staffing requirements.
Community Education Youth General	0	137	137	23	Progression made towards mandate saving. Additional funding avenues being explored in order to reduce current forecasted overspend.

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Other CYP	5	n/a	5	0	See Appendix 7
Total CYP at Month 6	59	137	196	(77)	Total CYP Outturn at Month 6

Enterprise (ENT)					
Sustainability	50	33	83	21	Sections' inability to achieve the expected income targets.
Strategic Property Management	(57)	0	(57)	(47)	Under spend relates partly to a staff vacancy, and a reduction in budgeted professional fee's
Cemeteries	(42)	n/a	(42)	(2)	Increase in budgeted income along with lower than anticipated expenditure,
County Farms Unit	9	n/a	9	39	Lower than anticipated maintenance costs
Markets	38	70	108	(2)	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 Education	90	0	90	90	£50,262 relates to one off redundancy costs which the section requests reserve funding. The remaining £40,000 due to the reduction in franchise income
Community Hubs	190	125	315	263	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.
Homelessness	(49)	0	(49)	(49)	Funding of the Financial Inclusion Officer coming from the Implementing the Housing Act Grant £28,000 and a reduction in expenditure against B&B accommodation.
Lodgings Scheme	(45)	0	(45)	(45)	Occupancy levels being forecast at a fairly high level therefore increasing the amount of rental income and HB benefit.

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Whole Place	(42)	n/a	(42)	(16)	Staff vacancies - Delayed appointment
ICT General Overheads	0	110	110	10	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.
Development Plans	(150)	0	(150)	(150)	LDP savings as scheme unlikely to be implemented in 2015-16
Leisure Services	60	35	95	95	20k over spend from Children's Services. 30k relates to a Learning Co-ordinator post that is not grant funded anymore, 20k 3G pitch income issues with the lighting and electricity supply
Museums, Shirehall, Caldicot Castle & Country Parks	105	45	150	70	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.
Other Enterprise	26	0	26	(13)	See Appendix 6
Total ENT at Month 6	183	418	601	263	Total ENT Outturn at Month 6

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Operations (OPS)					
Public Transport Subsidy Grant	(48)	0	(48)	(48)	Administering the Bus Services Support Grant is claimable against the grant £50,000, this has been off set by small over spends on vehicle costs of £2,000.

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Home To School Transport	234	101	335	35	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	(70)	90	20	(30)	Overspend due to delayed implementation of the mandate saving - transferring public conveniences to town councils.
Schools Catering	35	n/a	35	(20)	the section is continuously improving meal numbers and so overspend reduced from M2
Procurement	0	n/a	0	72	Now forecasting a balanced position
Resources	103	n/a	103	(197)	variance from month 2 is partly due to an increase in fee's chargeable to the 21st century schemes in this year's programme A virement from procurement of £79k improved position
Accommodation	(150)	n/a	(150)	(25)	Underspend due to a continued reduction in premises and supplies and services costs on all accommodation
Highways	(65)	50	(15)	(15)	Advertising income will not be fully achieved as Cabinet approval was only granted in May. increased income relating to Fixed Penalty notices on Street works,
Refuse & Cleansing Operations	(66)	86	20	(106)	pressures of the budget mandates are still real, however have been mitigated by a reduction in fuel costs (£60k benefit from budget) and a reduction in Superannuation as about 20 staff have opted out of the Council provided pension (£96k). Managers are to engage with staff to ensure that their decision to opt out of the pension is what they want to do, so this may not be a recurring saving.
RAG Training	46	0	46	46	Has seen demand fall due to both increasing competition from other training providers and Council's facing major budget pressures only undertaking mandatory training.
Other Operations	(7)	0	(7)	(7)	See Appendix 9
Total OPS at Month 6	(2)	341	339	295	Total OPS Outturn at Month 6

Chief Executive's Office (CEO)					
Directorate / Service area	Forecast Outturn Position exclusive of savings not yet achieved	Targeted 2015-16 Savings not yet realised	Forecast Outturn Position <u>net</u> of savings not achieved	Movement since Period 2	Headline Comment
	£'000	£'000	£'000	Red= Adverse (Green) = Favourable	
Customer Relations	12	0	12	12	Professional fees incurred during a complaint investigation.
Benefits	(30)	n/a	(30)	90	Increases in the bad debt provision and a net increase in Housing Benefit expenditure.
Council Tax & NNDR Administration	65	0	65	65	Forecast shortfall in income from court fees, includes potential redundancy costs for Officer
Cashiers	16	0	16	16	Overspend is largely attributable to estimated annual card fees made to Global Payments
Revenues Systems Administration	(43)	0	(43)	(43)	Vacant post, reduced petrol costs due to long term sickness and reduced system costs as proportion now charged to Housing Benefits
Financial Systems Support and VAT	(7)	0	(7)	(7)	additional income from Schools following the renegotiation of contract costs
Communications	30	0	30	30	due to an under recovery of costs for the post of Digital Media Designer
Policy and Partnership Management	(29)	0	(29)	(29)	Mainly £23,000 of one off LSB grant attributable to a post which is currently vacant
Other CEO	(45)	0	(45)	(45)	See Appendix 10
Total CEO at Month 6	(31)	0	(31)	89	Total CEO Outturn at Month 6

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Corporate (COL)					
Audit Commission Fees (Certification Grant Claims)	(22)	n/a	(22)	4	Forecasted saving in relation to the auditing of grant claims
Coroner Fees	16	0	16	6	Original budget insufficient for service costs
HMRC Rate Reimbursements	(36)	0	(36)	(19)	VAT rebates exercise
Early Retirement Pension Costs	150	n/a	150	16	Additional cost of redundancies notified in latter part of 2014/15& during 2015/16
Insurance Premium Payment(Direct)	(60)	n/a	(60)	(18)	Based on reduction in premium costs as a result of the tender completed in September 2015.
Indirect Revenue Gains Reserve	(114)	0	(114)	(104)	Rate rebates from MCC Properties
Other Corporate	6	0	6	(5)	See appendix 11
Total COL at Month 6	(60)	0	(60)	(124)	Total COL Outturn at Month 6

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 2 Red= Adverse (Green) = Favourable	Headline Comment
Appropriations (APP)					
Attributable Costs - Fixed Asset Disposal	(51)	0	(51)	(51)	Some schemes have underspent as sold without incurring costs; but virements will be made to other schemes now being planned. Underspends on those schemes will be slipped to 16/17 (£102k) to complete schemes
Interest and Investment Income	(33)	0	(33)	(4)	Increased cash income due to increased cash balances - in turn due to temporary borrowing taken out when rates were

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					advantageous to prevent concentrated borrowing at difficult times.
Interest Payable and Similar Charges	(382)	n/a	(382)	(180)	Movement from Month 2 mainly due to long term borrowing now no longer being forecast in year (£9m at month 2); Temporary borrowing has not increased due to slippage on 21C schools programme.
Charges Required Under Regulation	30	n/a	30	(44)	MRP reduction due to 14/15 slippage (-£137k) removed as incorrect - Offset by reduction in MRP relating to annuity funding of 21C schools program - delayed to 18/19 expected date of school opening
Earmarked Contributions From Reserves (Revenue)	108	n/a	108	198	
Other Appropriations	0	0	0	0	
Total APP at Month 6	(328)	0	(328)	(81)	App Outturn at Month 6

Financing (FIN)					
Council Tax	(600)	n/a	(600)	(100)	Surplus due to projected better Council Tax Collection rates.
Benefit Support	(152)	n/a	(152)	(59)	The forecast reflects the current commitments within the system. Caseloads continue to reduce, a trend that is expected to continue through to year end.
Total Financing	(752)	0	(752)	(159)	
Grand Total @ Month 6	173	906	1,079	212	

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 6 projections.

Draft Council Fund Outturn 2015/16– Schools Summary outturn position at Month 6 (Period2)	(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 @ Month 6 £'000	Forecasted Reserve Balances at 2015-16 Outturn (A+D) £'000	Draw Forecasted on School Balances @ Month 2 £'000	Variance Month 2 To Month 6 £'000
Clusters							
Abergavenny	(412)	124	(24)	(19)	(431)	(312)	(119)
Caldicot	(426)	275	(23)	153	(273)	(174)	(99)
Chepstow	98	36	9	63	161	143	18
Monmouth	(424)	166	27	154	(270)	(231)	(39)
Special	24	(18)	(10)	105	129	(4)	133
	(1,140)	583	(21)	456	(683)	(578)	105

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 £456,000 for 2015/16, therefore leaving £683,000 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, Chepstow Comprehensive school have a recovery plan in place, the latest forecast indicates an increase in the deficit for the school. This is due to the contribution to redundancy costs that the school has incurred. The recovery plan is currently being reviewed and given the number of pupils on roll this deficit will still be met over the duration of the plan.

3.2.4 5 schools exhibited a deficit position at the start of 2015/16; Llanvihangel Crocorney (£15,039), Castle Park (£39,730), Chepstow Comprehensive (£388,687) Llandogo (£12,347) and Mounton House Special School (£25,955). Of these five schools the following two have seen an increase in their deficit balance at month 6, Llanvihangel Crocorney (£33,714), this is due to the pupil numbers in the school increasing and therefore an additional teacher needed to be employed and Mounton House Special School (£136,144), due to significant staffing changes and a delay in grant funding through the ESF project. One more school, Overmonnow is now reporting a deficit, (£8,239), this is again due to an increase in pupil numbers resulting in an additional teacher being employed. Overmonnow are in the process of developing a recovery plan.

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)	(683)

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 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.

3.2.7 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 6

DIRECTORATE	Specific Savings Initiatives 2015/16 £'s	Savings Identified @ Month 6 £'s	Percentage Progress In Savings Achieved %	Delayed Savings to 2016/17 £'s	Savings Unachievable in 2015/16 £'s
Children & Young People	1,514,000	1,377,000	91%	137,000	0
Social Care & Health	274,000	274,000	100%	0	0
Enterprise	1,392,983	974,983	70%	125,000	293,000
Operations	1,513,000	1,258,000	83%	50,000	205,000
Chief Executives Office	85,000	85,000	100%	0	0
Total Budgeted Savings	4,779,983	3,969,983	83%	312,000	498,000

3.3.2 Forecasted mandated savings are currently running at 83%, with £498,000 being deemed unachievable at the end of month 6, and a further £312,000 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)

- Home to School Policy Changes of £29,000 have been deemed to be unachievable due to other budget pressures within the Transport Section, although £72,000 of the total has been achieved.
- 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.
- Highways advertising income forecasting a £50,000 shortfall due to implementation of the scheme due to planning issues.
- 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 – £15,000 shortfall due extra staffing requirements at Chepstow TIC and unattainable green screen savings (£10,000) and conservation income (£20,000).
- Utility supply issues at the Caldicot 3G sports pitch has resulted in reduced income (£20,000) and £15,000 for caretaker charges at Abergavenny Leisure Centre.
- 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 £110,000 will not occur with 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 due to budget pressures relating to the Borough theatre.

Children and Young People (CYP)

- The Youth Service are forecasting to achieve £63,000 of the mandated savings (£200,000) and are trying to identify the shortfall which has been reported as an over spend at month 6.

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 6 is as follows

MCC CAPITAL BUDGET MONITORING 2015-16 AT MONTH 6 by SELECT COMMITTEE						
CAPITAL BUDGET SELECT PORTFOLIO	Annual Forecast	Slippage Brought Forward	Total Approved Budget 2015/16	Provisional Capital Slippage to 2016/17	Revised Capital Budget 2015/16	Forecasted Capital Expenditure Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Children & Young People	13,727	7,267	51,311	(34,566)	16,745	(18)
Adult	353	35	353	0	353	0
Economic & Development	642	531	706	(70)	636	6
Strong Communities	7,588	2,940	8,127	(578)	7,549	40
Capital Schemes Total	25,310	10,773	60,496	(35,214)	25,282	28

MCC CAPITAL BUDGET MONITORING 2015-16 AT MONTH 6 By SCHEME CATEGORY						
CAPITAL BUDGET SCHEME	Annual Forecast	Slippage Brought Forward	Total Approved Budget 2015/16	Provisional Capital Slippage to 2016/17	Revised Capital Budget 2015/16	Forecasted Capital Expenditure Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Asset Management Schemes	3,371	889	3,354	0	3,354	18
Future Schools	15,136	6,699	49,702	(34,566)	15,136	0
Other School development Schemes	251	219	269	0	269	(18)
Infrastructure & Transport	3,174	670	3,242	(68)	3,174	0
Regeneration Schemes	972	947	1,208	(247)	960	12
Sustainability Schemes	81	81	81	0	81	0
County Farm Schemes	347	152	352	0	352	0
Inclusion Schemes	1,354	348	1,354	0	1,354	0
ICT Schemes	304	188	288	0	288	16
Other Schemes	318	581	646	(333)	313	0
Capital Schemes Total	25,310	10,773	60,496	(35,214)	25,282	28

3.5 Proposed Slippage to 2016-17

3.5.1 The only major proposed slippage apparent at month 6 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 be £28,000 over spent at Month 6.

3.6.2 This prediction is unlikely to be the reality, because the levels of actual capital expenditure incurred by the end of month 6 doesn't provide a sufficiently robust measure on which to base a greater accuracy of forecast.

3.7 Capital Financing and Receipts

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

MCC CAPITAL FINANCING BUDGET MONITORING 2015-16 AT MONTH 6 By FINANCING CATEGORY						
CAPITAL FINANCING SCHEME	Annual Forecast Financing	Slippage Brought Forward	Total Approved Financing Budget 2015/16	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	13,839	3,953	21,246	(7,406)	13,839	0
S106 Contributions	704	690	946	(247)	698	6
Unsupported borrowing	2,236	1,274	17,091	(14,856)	2,236	0
Earmarked reserve & Revenue Funding	998	409	1,248	(250)	998	0
Capital Receipts	3,421	4,414	15,894	(12,455)	3,439	(18)
Low cost home ownership receipts	189	33	189	0	189	0
Unfinanced	40	0	0	0	0	40
Capital Financing Total	25,310	10,773	60,496	(35,214)	25,282	28

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	19,592	19,802	11,100
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 6	(5,009)	(1,320)	6,050	2,000
Deferred Capital Receipts	4	4	4	4
Less: Set aside Capital Receipts	0	(10,452)	0	0
Less: Receipts to be applied - General	(3,077)	(140)	(509)	(509)
Less : Receipts to be applied - 21C Schools	0	(13,103)	(16,397)	0
TOTAL Actual / Estimated balance c/f 31st March	19,592	19,802	11,100	12,595
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	7,932	(1,303)	(443)	2,207

Points to note:

- The reduction in the capital receipts forecast in 2015/16 and increase in 2017/18 is due to the delay in 2 LDP receipts from 2015/16 to 2016/17 (£5.6m) and 2016/17 to 2017/18 (£6.2m).
- The increase in the Capital receipts balance of £7.9m compared to the MTFP at 31/3/2016 is mainly due to forecast slippage of receipts funded budgets (21C schools) to 2016/17 (£12.3m), offset by the reduction in forecast receipts in 2015/16 (£5m). By the end of the MTFP window these slippage effects are largely reversed.

3.8.2 The Council has agreed to the inclusion of 21c schools initiative within the Capital Program and this relies on utilising £29.7 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 to 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 Approved Usage		Capital Usage	2016-17
	b/fwd	Replenishment of Reserves	Draw on Reserves			Replenishment of Reserves	Draw on Reserves		c/fwd
Invest to Redesign	(1,483,521)	(60,228)	797,362	402,095	(344,292)	(114,827)	270,737		(188,382)
IT Transformation	(639,840)		323,200	103,091	(213,549)				(213,549)
Insurance & Risk Management	(2,250,388)				(2,250,388)				(2,250,388)
Capital Receipt Regeneration	(460,342)		153,845	79,512	(226,985)			135,191	(91,794)
Treasury Equalisation	(990,024)				(990,024)				(990,024)
Redundancy & Pensions	(599,936)		325,434		(274,502)		192,126		(82,376)
Capital Investment	(1,620,945)	(15,500)		528,611	(1,107,834)			518,541	(589,293)
Priority Investment	(1,973,294)		759,050	648,877	(565,367)		169,000		(396,367)
Museums Acquisitions	(59,798)				(59,798)				(59,798)
Elections	(83,183)	(25,000)			(108,183)	(25,000)	100,000		(33,183)
Grass Routes Buses	(160,615)	(5,000)	25,913		(139,702)	(5,000)			(144,702)
Sub Total	(10,321,886)	(105,728)	2,384,804	1,762,186	(6,280,624)	(144,827)	731,863	653,732	(5,039,856)
Restricted Use Reserves									
Chairman's	(36,754)				(36,754)				(36,754)
Youth Offending Team	(382,226)				(382,226)				(382,226)
Building Control Trading	(490)				(490)				(490)
Outdoor Education Centres	(190,280)				(190,280)				(190,280)
I Learn Wales	(48,674)				(48,674)				(48,674)
Total Earmarked Reserves	(10,980,310)	(105,728)	2,384,804	1,762,186	(6,939,048)	(144,827)	731,863	653,732	(5,698,280)

3.9.2 This indicates that by the end of 2016-17 the Council is likely to utilise over 48% of the useable earmarked reserves brought forward from 2014-15, based on approvals to use reserves so far. Further reserve usage is anticipated before the end of the year, in particular this report refers to redundancy costs in relation to Community Hubs which will need approval (£305k) and is likely to extinguish the Redundancy and Pensions reserve.

3.9.3 Given the forecast use of earmarked reserves, it is proposed that in order to ensure adequacy of reserves for the MTFP, the following change in practice is approved:

- Increase workforce planning and redeployment to reduce the need for reserves to cover redundancies
- Any request for reserve funding must first explore whether existing budgets, or external funding sources can be used for the proposal accepting this may require a change in priorities if existing budget are used
- Use of reserves to implement budget savings must use the saving first to repay the reserve
- IT investment bids will need to be considered in the core capital programme when the IT investment reserve is extinguished, this may necessitate displacing some of the core capital programme allocations depending on the priorities agreed

3.9.4 A revaluation of the insurance reserve requirement is to be commissioned in the third quarter, and the work undertaken in the 4th quarter so that the figures will be current and available for 2015/16 closure. This may give scope to re-designate some of this reserve but this is subject to the outcome of the work outlined.

3.9.5 If action is not taken to slow down the use of ear marked reserves through the above mechanisms, consideration would need to be given to budgeting to replenish reserves or including in the base budget, requests that would normally have been funded by reserves, both of which will increase the resource gap in the MTFP.

4 REASONS

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

5 RESOURCE IMPLICATIONS

5.1 The forecast overspend and use of earmarked reserves, requires action to be taken to ensure that the budget is kept on track and earmarked reserves are maintained at an adequate level for the MTFP.

6 WELL BEING OF FUTURE GENERATIONS IMPLICATIONS

6.1 The decisions highlighted in this report have no future generations 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 6 monitoring reports, as per the hyperlinks provided in the Appendices

9 AUTHOR

Mark Howcroft – Assistant Head of Finance

Dave Jarrett – Senior Accountant Business Support

10 CONTACT DETAILS

Tel. 01633 644740

e-mail. markhowcroft@monmouthshire.gov.uk

Appendices (attached below)

Appendix 1	Mandated Savings Progress Report
Appendix 2	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

Appendix 2C to 5C (click link to report on Hub)

[Appendix2C M6 Capital Monitoring Strong Communities Select 2015-16](#)

[Appendix 3C M6 Capital Monitoring Economic and Development Select 2015-16](#)

[Appendix 4C M6 Capital Monitoring Adult Social Care and Health Select 2015-16](#)


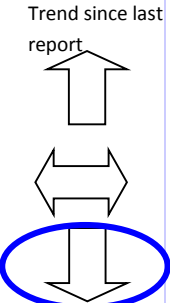

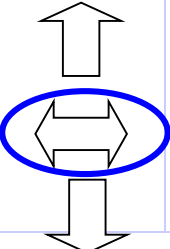
[Appendix 5C M6 Capital Monitoring Children and Young People Select 2015-16](#)

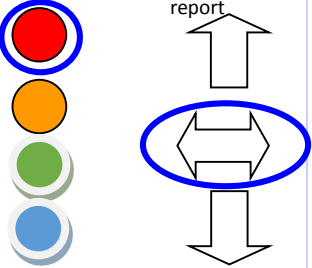
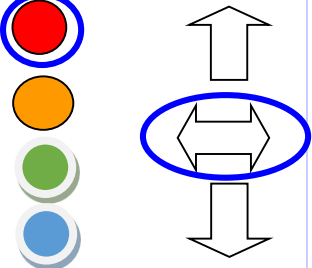
Appendix 6 to 14 (click link to report on Hub)

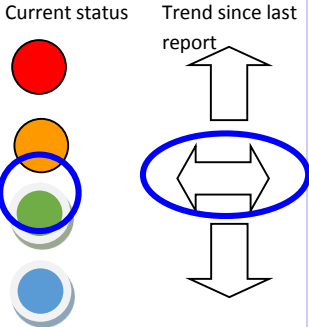
- [M6 Social Care and Health Revenue Budget Monitoring 2015-16 Appendix 6](#)
 - [M6 Children and Young People Revenue Budget Monitoring 2015-16 Appendix 7](#)
 - [M6 Enterprise Revenue Budget Monitoring 2015-16 Appendix 8](#)
 - [M6 Operations Revenue Budget Monitoring 2015-16 Appendix 9](#)
 - [M6 Chief Executive Office Revenue Budget Monitoring 2015-16 Appendix 10](#)
 - [M6 Corporate Revenue Budget Monitoring 2015-16 Appendix 11](#)
 - [M6 Appropriations Revenue Budget Monitoring 2015-16 Appendix 12](#)
 - [M6 Financing Revenue Budget Monitoring 2015-16 Appendix 13](#)
 - [M6 Schools Movement on Reserves Appendix Monitoring 2015-16 Appendix 14](#)
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- [M6 Savings Mandates Appendix SM 2015-16](#)




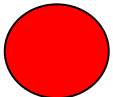
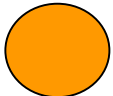

Budget Mandates

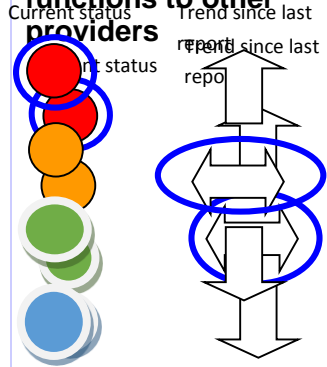
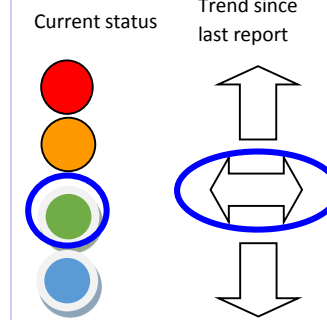
Progress and Next Steps at Month 6

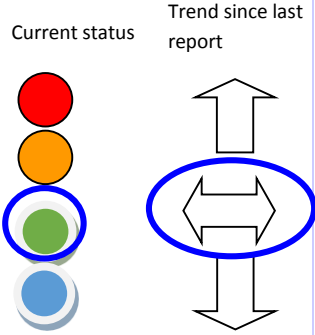
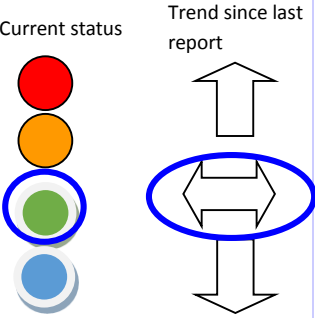




Mandate RAG	Progress for month one and two	Next Steps	Type	Year end target	Forecasted to achieve	Variance	Owner
Mandate 1 Leisure. Current status  Trend since last report 	<p>Leisure centre staffing remodelled £115k, admin and clerical review £66k, support services review £20k, reduction caretaking Abergavenny £15k, outdoor education reduction £25k, leisure supplies and service £25k, increased income through fitness and sport offer £155k.</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. 15k Caretaker savings will not be achieved as the school failed to invoice until 15-16. Consequently the full years charge in this year. 20k 3G pitch income will not be achieved due inability to light both pitches which is affecting to ability to generate income in both pitches.</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>	Income Savings Total	155,000 265,983 420,983	135,000 250,983 385,983	20,000 15,000 35,000	Ian Sanders
Mandate 2 Housing Current status  Trend since last report 	<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 continues to be reversed up to month 6 and 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>	Income Savings Total	25,000 30,000 55,000	25,000 30,000 55,000	0 0 0	Ian Bakewell


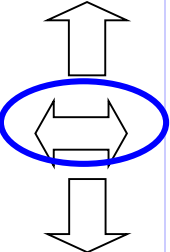

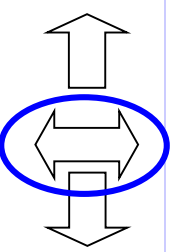
<p>Mandate 5 *</p> <p>Sustainable Energy Initiatives</p> <p>Current status Trend since last report</p> 	<p>2014/15 & 2015/16 – savings*</p> <p>Investing in biomass boilers, solar farms and reduction in Carbon Commitment.</p> <p>Expected income targets not achieved.</p>	<p>Review target for 15/16.</p> <p>Cabinet report out for consultation currently to create a solar farm.</p> <p>Cabinet report approved. Savings will commence in 15/16.</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 – Red,</p> <p>Income from green screen – Red</p> <p>Income from rental of Abergavenny Red Square window - Green</p> <p>TIC at Chepstow has had considerable lone working pressure which is why the budget is overspent.</p>	<p>Museums - 30,000 of savings will not be achieved. Green Screen income of 10,000 and 20,000 conservation income. The Green Screens have yet to be utilised. The conservation income in the mandate was higher than agreed the total income from conservation was initially agreed as 30,000 not 50,000, the museums are looking at other ways to raise this income but the additional 20,000 will not be achieved this year.</p> <p>Castle - Achieving in year savings of 9k but reporting total overspend of 90k as reported at M2 due to historic budget assumptions and savings from 14-15 of 20,000.</p> <p>Tourism - 15,000 savings not achievable. The use of</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>81,000</p> <p>109,000</p> <p>190,000</p>	<p>51,000</p> <p>94,000</p> <p>145,000</p>	<p>30,000</p> <p>15,000</p> <p>45,000</p>	<p>Ian Saunders</p>

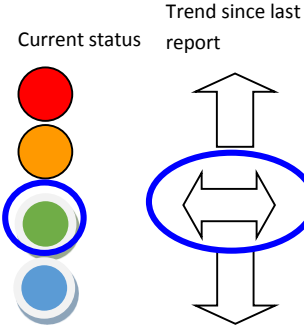
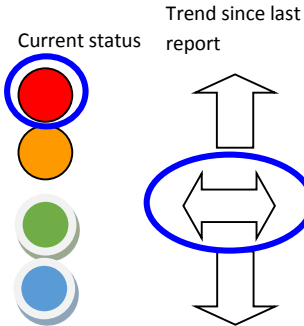
		volunteers is not available at the moment. The current staffing budget only runs until the end of October but as a decision has not been made on the future of the TIC this is again having an impact on the budget. 5,000 has been secured from the Town Council.					
Mandate 14 Home to School Transport Current status Trend since last report 	Continuation of 2014-15 mandate. Fundamental policy review to nearest school, and more zealous application of free school travel criteria. Post 16 travel grant removed. - Green Removal of the non-statutory element of travel grants to post 16 students by July – Green 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. Transport Policy on hold. There is currently no progress on change of policy on statutory distances and pick up points due to members exploring other options.	Waiting for further steer on policy direction for home to school transport. For this mandate the money has been removed from the budget therefore no further action necessary. 29K was double counted from 14/15 this was highlighted at the outset and would not be achieved. Pressure mandate being submitted to address current underfunded budget for 16/17.	Income 0 0 0 Savings 101,000 72,000 29,000 Total 101,000 72,000 29,000	Roger Hoggins/ Richard Cope			

Summary Month 10 Current status 	Summary – Month 2 Current status 	Summary – Month 6 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
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<p>Mandate 15 * Mandate 42 Facilities transfer functions to other providers</p> <p>Current status Trend since last report Trend since last report</p> 	<p>2014/15 mandate*</p> <p>Working with other income sources. 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 on Linda Vista, Bailey Park public conveniences maintained. Activities during 2015/16 have been challenging. It is highly unlikely that we will achieve full year savings on this for 2015/16 and post 16 for a period of 3 years. 130k per year secured and runs an academic year so delayed implementation of the mandate saving - transferring public conveniences to town councils" Secured 10k from Supporting People's Programme to assist with Post 16 support for 1 year</p>	<p>Meetings with all schools to look at new roles for staff and review the delivery plan and consider opportunities for funding. 2016/17 Planning and writing of resources and courses to be completed over the period Programme to start delivery on 2nd September 2015</p> <p>Meet with SPP to finalise grant. Case load young people to be supported. Commence project in July 2015.</p> <p>Market and promote menus and packages available Community Kitchen opened September 2015 Ensure the identified 'quick wins' are developed and continue to be published, shared and evaluated throughout all schools. Shop to be operational by September 2015 Highlight schools who need more significant support and agree action to mitigate any financial challenges. Continue to review resource impact for to promote courses foundation phase. Meeting with staffing team to look at where time can be found in order to free staff up budget plans and more schools do not fall into a deficit.</p>	<p>Income</p> <p>Savings</p> <p>Savings</p> <p>Total</p>	<p>100,000</p> <p>0200,000</p> <p>100,000</p> <p>200,00</p>	<p>10,000</p> <p>03,000</p> <p>10,000</p> <p>63,000</p>	<p>90,000</p> <p>137,000</p> <p>90,000</p> <p>137,000</p>	<p>Roger Higgins Thomas</p>
<p>Mandate 16 schools delegated budgets</p> <p>Current status Trend since last report</p> 	<p>Schools budgets will be protected at cash limit, this means no pay inflation and or non pay inflation is provided for funding, for buffets; children's parties and lunches for community members. This is about finding opportunities to reduce costs in schools. Skate Park Shop in Abergavenny is near opening. Schools are being supported to seek opportunities for savings. Finalising details with Legal on contract with local business. Clustered meetings. Audit and accounts have been set up. All schools being supported with performance management. Marketing ready to go out Training needs have been identified for Head Propel is steadily progressing Teachers to address any skill gaps when Courses ready to advertise Staffing being trained currently to deliver All schools continue to engage.</p> <p>Wellbeing is steadily progressing Fully met, the delegated funds were reduced to all schools. 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 their priority.</p> <p>£63,000 of savings met, but the service are reporting an £137k overspend at month 6.</p>	<p>Community Kitchen in Abergavenny has been awarded 5 starting by Environmental Health and is now operational taking bookings for buffets; children's parties and lunches for community members. This is about finding opportunities to reduce costs in schools. Skate Park Shop in Abergavenny is near opening. Schools are being supported to seek opportunities for savings. Finalising details with Legal on contract with local business. Clustered meetings. Audit and accounts have been set up. All schools being supported with performance management. Marketing ready to go out Training needs have been identified for Head Propel is steadily progressing Teachers to address any skill gaps when Courses ready to advertise Staffing being trained currently to deliver All schools continue to engage.</p> <p>Still awaiting for HUB section to promote courses foundation phase. Meeting with staffing team to look at where time can be found in order to free staff up budget plans and more schools do not fall into a deficit.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>1124,000</p> <p>1124,000</p> <p>1124,000</p>	<p>1124,000</p> <p>1124,000</p> <p>1124,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Nikki Wellington</p>

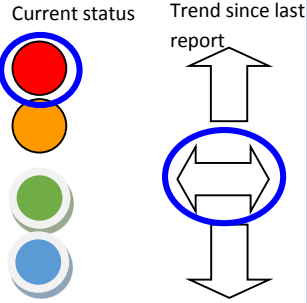
<p>Mandate 18 *</p> <p>School library service - combine with general library service</p> <p>Current status Trend since last report</p> 	<p>2014/15 mandate with 2015/16 savings*</p> <p>Savings achieved – mandate delivered</p>	<p>No next steps necessary</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>20,000</p> <p>20,000</p>	<p>0</p> <p>20,000</p> <p>20,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Sharon Randall - Smith</p>
<p>Mandate 20</p> <p>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>
			 On target and over acceding.				

<p>Mandate 24 * Transition - Bright New Futures (SC&H)</p> <p>Current status</p>  <p>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 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. The Accommodation Working Group is charged with reviewing all property usage with the aim of minimising the costs and releasing any property that can be made surplus.</p> <p>Rental of buildings – Green Rates Savings on vacant buildings - Green Rental Grant reductions – Dedicated member of staff now responsible for this.</p>	<p>Continue to review the property rationalisation delivery plan. 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 20,000</p> <p>Savings 80,000</p> <p>Total 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 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>"Forecast overspend of £100,000 is mainly due to higher than anticipated employee costs, this has been partly off set by a reduction in supplies and services expenditure. Increase staffing costs are due to the delayed implementation of the of the Community Hubs restructure the mandate savings of £250k related to a full year saving where as it is only possible to achieve 6 months of reduced costs. The community Hubs are likely to achieve savings from September 2015." This outturn includes £113k of mitigating underspends including keeping a post vacant until April 2016 to help offsets the delayed mandate saving.</p>	<p>Project plan requires continuous monitoring, updating and adjusting to reflect the project developments. 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. 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>Income 0</p> <p>Savings 250,000</p> <p>Total 250,000</p>	<p>0</p> <p>125,000</p> <p>125,000</p>	<p>0</p> <p>125,000</p> <p>125,000</p>	<p>0</p> <p>125,000</p> <p>125,000</p>	<p>Deborah Hill-Howells</p>

Mandate 31

ICT Savings (SRS & custom built software solutions)

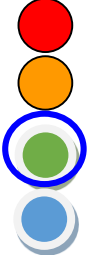
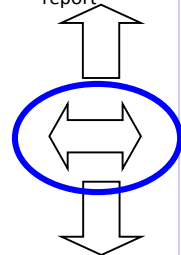
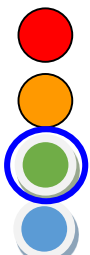
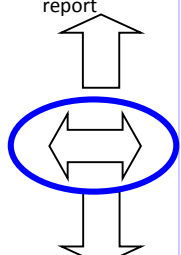


The mandate's aim was to :- Drive cost efficiencies and income generation opportunities within the Shared Resource Service (SRS). This will subsequently result in MCC benefiting from reduced budget without any significant impact to service. And generate ongoing savings and user benefit from custom built software solutions being generated, then productised and sold commercially.


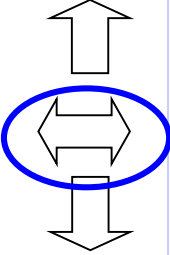

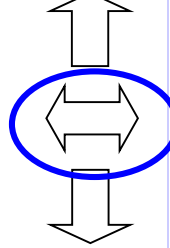
Continue to work with SRS to identify and deliver alternative savings where possible.


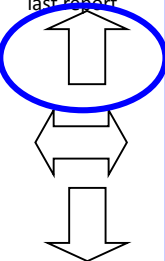

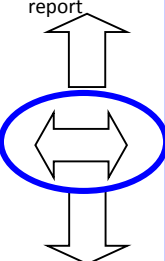

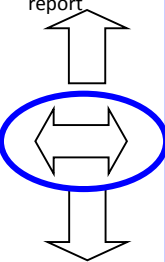
Continue to develop options for alternative savings. SRS have made 130k of their proposed 150k saving - still 20k saving to be found on software contracts however further savings of 20k have been found from vacancies. The 100k savings that were to be achieved through in-house software development and the sale of products will not occur. Other options to look for alternative savings are being actively sought.

Income	0	0	0	Peter Davies
Savings	250,000	150,00	100,000	
Total	250,000	150,00	100,000	

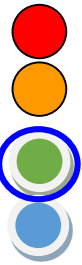
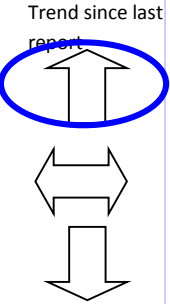

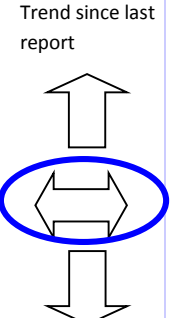
<p>Mandate 33 & 34</p> <p>Adult Social Care</p> <p>Current status</p>  <p>Trend since last report</p> 	<p>The service is continuing its journey on practice change and restructuring itself to meet future mandate savings with community links and innovative approaches to domiciliary care, coupled with less reliance on admissions to residential care.</p> <p>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.</p> <p>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.</p>	<p>Continue to review the structures and workforce to establish the resource, knowledge and skills moving forward.</p> <p>Service transformation will continue to evolve and approval sought as the programme develops.</p> <p>Continue to deliver and ongoing evaluation of the training.</p> <p>Continue to capture and work with savings ideas from the teams.</p> <p>IT build on target and early indication is very positive and feedback is good.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>260,000</p> <p>260,000</p>	<p>0</p> <p>260,000</p> <p>260,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Julie Boothroyd</p>
<p>Mandate 35</p> <p>Transformation of ALN</p> <p>Trend since last report</p>  	<p>We are undertaking a review of Additional Learning Needs. Its forms a 3 stage process.</p> <p>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.</p>	<p>All timescales of delivery of the mandate to stay in line with the 'complete review' timetable.</p> <p>Continue to review and adapt the consultation both internally and in the community and families.</p> <p>Finance milestone to be built into the delivery plan.</p> <p>Ensure stage 3 is monitored and kept on track.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>120,000</p> <p>120,000</p>	<p>0</p> <p>120,000</p> <p>120,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Sharon Randall-Smith</p>

Mandate Summary	RAG Month 10	RAG Month 2	RAG Month 6
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<p>Mandate 36 * Route Optimisation</p> <p>Current status </p> <p>Trend since last </p>	<p>Mandate from 2014/15</p> <p>Due to the changing to routes the mandate related to the reduction in fleet.</p> <p>Cleansing service efficiencies £50k, Trade waste recycling £40k, Grey and Nappy bag changes £180k</p> <p>There are two mandates that will not be fully achieved in 15-16. £86k on mandate 36 "Route Optimisation", transport leasing costs build into the saving but we own the vehicle that we reduced from the fleet and therefore no leasing savings could be achieved. Also, the mandate originally cut 6 FTE posts, but only 5 FTE posts could be cut.</p>	<p>Review the on-going operation and budgets and re-align in line with service needs.</p> <p>Also there is £40k resulting from the shortfall on additional external income budget, (Mandate 15 above, £50k in 14-15 and a further £50k in 15-16 was introduced). We have secured an additional £60 of this increase, but a pressure still remains. 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, started in September 15. Hopefully, this will be generated, however, it is being noted now as a possible pressure and a further update will be available by month 9 monitoring.</p>	<p>Income 0</p> <p>Savings 270,000</p> <p>Total 270,000</p>	<p>0</p> <p>184,000</p> <p>184,000</p>	<p>0</p> <p>86,000</p> <p>86,000</p>		<p>Rachel Jowitt</p>
<p>Mandate 37a Waste Services</p> <p>Current status </p> <p>Trend since last </p>	<p>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.</p> <p>Vacancies have been deleted therefore savings have been achieved.</p>	<p>No relevant Next Steps</p>	<p>Income 0</p> <p>Savings 50,000</p> <p>Total 50,000</p>	<p>0</p> <p>50,000</p> <p>50,000</p>	<p>0</p> <p>0</p> <p>0</p>		<p>Rachel Jowitt</p>

<p>Mandate 37b Trade Waste</p> <p>Current status </p> <p>Trend since last report </p>	<p>Modernising Trade Waste Services This has 2 elements:- The introduction of trade waste recycling and realignment of 2 schedule changes.</p> <p>There is £40k of additional income to be received from the introduction of Trade waste recycling, to start in September 15. Hopefully, this will be generated, however, it is being noted now as a possible pressure and a further update will be available by month 9 monitoring.</p>	<p>Continue to review operational impact. Establish any potential mitigating actions.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>40,000</p> <p>10,000</p> <p>50,000</p>	<p>40,000</p> <p>10,000</p> <p>50,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Rachel Jowitt</p>
<p>Mandate 37c Grey bag & nappy collection.</p> <p>Current status </p> <p>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 </p> <p>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>

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<p>Mandate 41 Highways</p> <p>Current status </p> <p>Trend since last report </p>	<p>This mandate was made up of both savings and income generation :-</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>Savings - on target to be delivered. Income - Advertising Scheme has been put on hold whilst a planning issue around advertising signs is resolved so it is assumed that the remaining £25,000 will not be achieved this year.</p>		<p>Income 55,000 Savings 395,000 Total 450,000</p>	<p>30,000 395,000 425,000</p>	<p>25,000 0 25,000</p>	<p>Roger Hoggins</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>Critically review current structures and operation and business model. Re-structure under way.</p>		<p>Income 70,000 Savings 0 Total 70,000</p>	<p>0 0 0</p>	<p>70,000 0 70,000</p>	<p>Ben Winstanley</p>

1	Leisure			
2	Housing			
5	Sustainable Energy Initiatives			
6	Museums & Castles			
14	Home to School Transport			
15	Facilities			
16	Schools Delegated budgets			
18	School Library Service			
20	Gwent Music			
24	Transition – Bright New Futures			
25	Fleet Rationalisation			

26 Property Rationalisation			
28 Community Hubs			
31 ICT savings			
33 Adult Social Care (&34)			
35 Transformation of ALN			
36 Route Optimisation			
37a Waste Services			
37b Trade Waste			
37c Grey Bag & Nappy Collection			
40a Democracy			
41 Highways			
41a Abergavenny Markets			
42 Youth Service			

Strong Communities Select Committee Portfolio Position Statement Month 6 (2015/16)

APPENDIX 2

Head of Operations Commentary

The forecast out turn estimated at month 6 continues to show a deficit position for the Operations department overall albeit the projected deficit has reduced from £634,000 estimated at month 2 to £339,000 estimated out turn at month 6.

The main service areas contributing to the over spend remain consistent with those indicated at month 2. However the levels of overspend have changed and overall diminished. The situation for the PTU has improved slightly although the underlying cause indicated at month 2 remains the same. Savings surrounding rationalisation of the ALN transport and other wider budget assumptions surrounding overtime savings and operator (inflation) costs will continue to hold this budget in a deficit for this year. The draft budget for 16/17 includes a pressure to address this position.

Building cleaning and school meals show relatively small overspends and officers are anticipating an improvement in catering as we enter the higher school meal numbers typical of the winter months. Property Services capital fees continue to fall below budgeted levels but since we first highlighted this officers

have revised the potential deficit down from £300,000 to £103,000. This coupled with a projected saving on accommodation maintenance costs of £150,000 have contributed heavily towards the improved out turn position.

The projected waste/recycling/street scene position has similarly been revised to a reduced overspend of £66,000 compared with £128,000 at month 2. However it remains volatile with new contracts in the new year that will almost certainly increase our recycling costs and it is of dubious benefit to note that the projected improvement is partially attributable to staff not taking advantage on the LGPS, hence reducing employer on costs. The reduction in custom for the training centre is of concern and needs addressing in the short term if possible although the centralisation of training is now forming a mandate for 16/17. Not mentioned specifically is highways and SWTRA. At the moment the projection is break even but as we enter the winter months it is quite possible that this will be revised. SWTRA spend has reduced to date but is now showing signs of returning to last year's figure and winter conditions bring SWTRA income (albeit county cost) and officers are increasingly confident that the next forecast will offer sufficient confidence to include an underspend. In conclusion officers will be limiting spend as far as possible throughout the remaining financial year but will balance this against the service demands arising in the winter. Posts will remain vacant and some will be removed during the year in order to reduce spend with least impact upon service provision and material spend will be kept to a minimum. The withdrawal of vehicles being taken home will provide some savings on fuel to again assist the reduction in the over spend.

1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

Strong Communities Service Area	Budget @ Month 2	Budget Revision Virements	Budget @ Month 6	Forecast Outturn	Variance @ Month 6	Variance @ Month 2	Forecast Movement Months 2 to 6
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive's	6,850	6	6,856	6,825	(31)	(120)	89
Operations	16,276	108	16,384	16,723	339	634	(295)
Corporate	18,466	(215)	18,251	18,190	(61)	63	(124)

Appropriation	8,224	36	8,260	7,932	(328)	(248)	(80)
Financing	(148,376)	0	(148,376)	(149,128)	(752)	(593)	(159)
Total Strong Communities Select	(98,560)	(65)	(98,625)	(99,458)	(833)	(264)	(569)

1.2 The most significant over and under spends are

Strong Communities Service Area	Overspend Predicted £000's	Underspend Predicted £000's	Forecast Movement Mth's 2 to 6 (Positive)/ Negative £000's	Commentary on forecasted outturn
CEO				
Benefits		30	90	Increases in the bad debt provision and a net increase in Housing Benefit expenditure.
Council Tax	60		60	Shortfall in income from court fees of 35k, although the position has improved slightly from the previous forecast and potential redundancy costs (25k)
Systems and Exchequer		34	(34)	Staff vacancies of 50k offset by increase in annual card fees of 15k
Policy & Partnerships		26	(26)	Additional one off grants from LSB and Home Office (40k) offset by additional staff costs that are unbudgeted
OPERATIONS				
Service	Overspend Predicted £000's	Underspend Predicted £000's		Commentary on forecasted outturn
Operations – Passenger Transport Unit	293		(7)	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	20		(30)	Delayed implementation of mandate saving of transferring public conveniences to Town Councils.
Operations – School Catering	35		(20)	Increased costs to comply with Healthy Eating in Schools Agenda and a reduction in budgeted meals
Operations – Property Services	103		(198)	Changes in accounting code of practice which means that overheads cannot be charged to capital schemes. The change from month 2 relates to increase ins fees that are chargeable to the 21 st Century schools programme offset by a reduction in third party expenditure on procurement.
Operations – Accommodation costs		150	(25)	Maintenance costs for Magor and Usk are underspent mainly due to reduced costs as buildings are relatively new.
Operations – Waste and street scene	66		(60)	Savings from mandates have been mitigated by a reduction in fuel costs and an increase in staff opting out of the pension scheme resulting in a 20k overspend on waste. Raglan training centre is overspent by 40k due to demand reducing for training courses and increased competition from other providers.

Corporate Services	Overspend Predicted	Underspend Predicted	Forecast Movement Mth's 2 to 6 (Positive) / Negative £000's	Commentary on forecasted outturn
	£000's	£000's		
CORPORATE				
Audit Commission Fees (Certification Grant Claims)		(35)		Forecasted saving in relation to the auditing of grant claims
HMRC Reimbursements		(36)		MCC Vat rebates exercise
Early Retirement Pension Costs	150		20	Additional cost of redundancies notified in latter part of 2014/15
Indirect revenue Gains		(114)		Rate rebates on MCC properties
Insurance Premium Payment(Direct)		(59)	(25)	Insurance tender saving greater than expected at month 2
APPROPRIATIONS				
Attributable Costs - Fixed Asset Disposal		(51)	(51)	Some schemes have underspent as sold without incurring costs
Interest Payable and Similar Charges		(382)	(180)	Movement from Month 2 mainly due to long term borrowing now no longer being forecast in year (£9m at month 2); Temporary borrowing has not increased due to slippage on 21C schools program
Charges Required Under Regulation	30		(44)	The shortfall mainly relates to MRP payable relating to vehicles purchased from borrowing (unbudgeted) in 1415.
Interest and Investment Income		(33)	(4)	income due to increased cash balances - in turn due to temporary borrowing taken out when rates were advantageous

Contribution from Reserves	108		198	to cover Estates salary; £90k from M2 is Children's Services report May 2015 Reduced draw on LDP
FINANCING				
Council Tax		(600)	(100)	Surplus due to projected actual CT Collection rate of 99.3% over budgeted 98% and increased CT recovery
Benefit Support		(153)	(60)	Forecast extrapolated from CT Benefits system based upon benefits awarded to date. Caseloads continue to reduce, a trend that is expected to continue through to year end

1.3 Please see Appendix 9,10,11,12 and 13 for further analysis of the directorate expenditure at month 6.

2. 2015-16 Savings Progress

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

Operations Budgeted savings were £1,513,000 and at month 6, £1,258,000 have been identified. Of the remaining savings, £50,000 are delayed until 2016/17 and currently £205,000 are deemed to be unachievable.

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

Man. No.	Mandate Description	Target Savings	Forecast Savings	Delayed Till	Unachievable	Forecasted Savings
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		£'s	Identified £'s	2016/17 £'s	£'s	Variance Since Month 2 £'s
	STRONG COMMUNITIES					
14	Home to School Policy Changes	101,000	72,000	0	29,000	0
15	Facilities - Transfer functions to other providers	100,000	10,000	0	90,000	0
25	Transport Review and Rationalisation	62,000	62,000	0	0	0
36	Cost Neutral Waste Service	270,000	184,000	0	86,000	0
37	Project Gwyrdd	250,000	250,000	0	0	0
37a	Waste Mgt - Efficiency & Realignment	50,000	50,000	0	0	0
37b	Waste Mgt - Modernising Trade Waste Services	50,000	50,000	0	0	0
37c	Waste Mgt - Collection changes, Grey bags and nappies	180,000	180,000	0	0	0
41	Highways	450,000	425,000	50,000	0	0
	Total Operations	1,513,000	1,258,000	50,000	205,000	0
	CHIEF EXECUTIVES'					
40a	Democracy & Regulation	85,000	85,000	0	0	0
	Total CEO	85,000	85,000	0	0	0

2.1.1 Please see Savings Mandate Appendix SM for further details on savings

3. Capital Outturn Forecast

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	Original Budget	Slippage from 2014/15	Budget Virement or Revision	Total Approved Budget @	Forecast Over / (Under) Outturn	Variance Since Month 2
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	£000's	£000's	£000's	£000's	Month 6 £000's	@ Month 6 £000's	£000's
Development Schemes Over £250k	11	0	11	0	11	0	0
Development Schemes Under £250k - Essential Works	783	410	373	0	783	0	0
Development Schemes Under £250k - Other Recommend	836	270	566	0	836	0	0
Infrastructure	2783	2112	671	0	2783	0	0
IT Schemes - Infrastructure/Hardware	147	0	147	0	147	0	0
IT Schemes - Web Related	35	0	35	0	35	0	0
Low Cost Home Ownership	33	0	33	0	33	0	0
Maintenance Schemes - General	346	201	145	0	346	0	0
Renovation Grants	654	600	54	0	654	0	0
Section 106	705	0	705	0	705	0	0
Specific Grant Funded	0	0	0	0	0	0	0
Maintenance Schemes - Property	1093	893	200	0	1093	0	0
Total Strong Communities	7,426	4,486	2,940	0	7,426	0	0

Further details of all the schemes are contained in the appendix 2C. Currently no variation has been reported and so the budgets are presented here for information only.

Economy & Development Select Committee Portfolio Position Statement Month 6 (2015-16)

APPENDIX 3

DIRECTOR'S COMMENTARY

The current position of an overspend of 601k is reduced by the effects of reserves to cover redundancies, CMC2 and the LDP which reduces the overspend to 329k. This reflects continued pressures on income targets. In areas such as markets, leisure, museums and culture, we are generating more income than ever - but it is insufficient to meet annually uplifted targets. This reflects some of the issues we're experiencing whereby the current service formats, mean we have saturated the markets available to us and without considerable capital investment - it is not feasible to charge premium rates. This position which will not change

as things currently stand, is part of the reason behind now having to explore alternative delivery vehicles which provide different freedoms and flexibilities & access to new investment.

Reflecting on the other huge changes in the section, Community Learning has undergone a large-scale restructure following the franchise changes, Community Hubs are going live and Housing is undergoing further transformation with the introduction of significant legislation and Planning changes are also in the melting pot.

Despite this - many areas are showing signs of strength and potential. The job of work for the next six months is to mitigate pressures through holding vacant posts open, freezing non-essential spend, closing winter season TIC and continuing work to optimise income potential in the few areas where we believe some potential still exists.

1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

E&D Service Area	Budget @ Month 2 £000's	Budget Revision Virements £000's	Budget @ Month 6 £000's	Forecast Outturn £000's	Variance @ Month 6 £000's	Variance @ Month 2 £000's	Forecast Movement Months 2 to 6 £000's
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Community led Delivery	1,922	(109)	1,813	2,153	340	138	202
Commercial and People Development	3,866	(192)	3,674	3,801	127	100	27
Enterprise Management	397	0	397	407	10	0	10
Development Planning	930	(19)	911	761	(150)	0	(150)
Tourism, life and Culture	2,492	12	2,504	2,778	274	100	174
ENT Select	9,607	(308)	9,299	9,900	601	338	263

1.2 The most significant over and underspends are:

E&D Service Area	Overspend Predicted £000's	Underspend Predicted £000's	Forecast Movement Mth's 2 to 6 (Positive) / Negative £000's	Commentary on forecasted outturn
Markets	108		(2)	Delayed implementation of restructure, increased overtime demands and inability to meet budget mandate savings of increasing income by 50k
Sustainability	83		21	Inability to meet income targets from PV schemes etc.
Cemeteries		42	(2)	Increase in income
County Farms	9		39	Lower than anticipated maintenance costs
Asset Management		57	(47)	Savings through holding vacancies and reduced professional fees to mitigate overspend in other areas
Industrial Units	7		(13)	Higher than anticipated maintenance costs

Community Education	90		90	Redundancy costs of 50k to be reserve funded and a reduction in franchise income from September 15
Community Hubs	315		263	Redundancy costs of 305k to be funded from reserves
Housing		130	(130)	Reduction in bed and breakfast accommodation of 20k, increased occupancy levels 45k and one off 66k
Whole Place		43	(16)	Staff Vacancies – further delays in appointment process
ICT Technology	110		10	
CMC2	17		17	
Enterprise Management	10		10	Inability to find vacancy factor and full year impact of 15/16 pay award
Development Plans		150	(150)	Additional income, reduced call on reserves £100k
Museums and Cultural services	30		20	Green screen savings will not occur and the additional budget mandate for savings of 20k from conservation income will not occur.
Leisure Services	95		95	Overspend due to unfunded posts of 40k, 20k budget vired to children's service but could not be found, caretaking costs of 15k and loss of income on 3G pitch of 20k
Caldicot Castle	90		10	Historic budget underfunding and savings from previous year not achieved
Tourism	53		42	Overspend due to staff costs of 32k. Efforts are being made to reduce this further by use of volunteers. Budget included additional income from the Town Council of 15k but only 5k secured
Old Station Tintern	15		15	Additional management costs as now have manager at one site rather than across two

Countryside and Rights of Way		9	(9)	Savings from staff vacancies
TOTAL	1,032	431	276	Net Total 601

1.2 Further analysis of Economic and Development Select Expenditure can be found in Appendix 8

2015-16 Savings Progress

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

Enterprise budgeted savings were £1,392,983 and at month 6, £974,983 have been identified. Of the remaining savings £125,000 are delayed and currently £293,000 are deemed to be unachievable.

Man. No.	Mandate Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed Till 2016/17 £'s	Unachievable £'s	Forecasted Savings Variance Since Month 2 £'s
	ECONOMY & DEVELOPEMNT					
1	Dev of Leisure & Outdoor services	420,983	385,983	0	35,000	0
2	Collaboration of Housing services	55,000	55,000	0	0	0
5	Sustainable Energy Initiatives	33,000	0	0	33,000	0
6	Museums, Shirehall, Castles & Tourism	190,000	145,000	0	45,000	0
26	Property Review	100,000	100,000	0	0	0
28	Community Hubs & Contact Centre	250,000	125,000	125,000	0	0
31	ICT Savings	250,000	140,000	0	110,000	0
40	Planning income	24,000	24,000	0	0	0
41a	Market Income	70,000	0	0	70,000	0
	TOTAL ENTERPRISE	1,392,983	974,983	125,000	293,000	0

1.3 Further detailed analysis of Savings mandates are contained with Appendix SM

2. Capital Outturn Forecast

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	Original Budget	Slippage from 2014/15	Budget Virement or Revision	Total Approved Budget @ Month 6	Forecast Over / (Under) Outturn @ Month 6	Variance Since Month 2
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Development Schemes Over £250k	527	0	527	0	0	0	0
Section 106	4	0	4	0	0	0	0
Grand Total E&D	531	0	531	0	0	0	0

Further details of all the schemes are contained in the appendices. Currently no variation has been reported and so the budgets are presented here for information only.

Adult Select Committee Portfolio Position Statement Month 6 (2015-16)

At month 6 Children's Services is predicted to over spend by £1.296m, with £115k of this over spend covered by approved reserve funding. A large element of expenditure is within external residential placements supporting 64 children. The service is experiencing significant staff issues and continued increased demand resulting in the use of agency staff as well as additional capacity. LAC numbers have continued to increase this year from 106 to 121. A number of work streams are being followed in relation to recruitment and cost reductions. For example, we are working to implement in house contact centres, which will reduce costs of renting external facilities for contact and venue costs to host child protection conferences and LAC reviews etc.

Adult Services continues to exhibit good news with a potential £195,000 underspend with Community Care carrying on its journey of practice change. The Adult Services budget has benefited this year from Intermediate Care Funding which has helped support new initiatives and in part has assisted the bottom line position.

1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

Adult Service Area	Budget @ Month 2	Budget Revision Virements	Budget @ Month 6	Forecast Outturn	Variance @ Month 6	Variance @ Month 2	Forecast Movement Months 2 to 6
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Adult Services	7,067	(735)	6,332	6,201	(131)	(18)	(113)
Community Care	19,668	702	20,370	20,314	(56)	(107)	51
Commissioning	1,971	13	1,984	1,977	(7)	(4)	(3)
Resources & Performance	946	(40)	906	905	(1)	(28)	27
SCH Directorate	29,652	(60)	29,592	29,397	(195)	(157)	(38)

1.2 The most significant over and underspends are

Adult Select Service Area	Overspend Predicted	Underspend Predicted	Forecast Movement Mth's 2 to 6	Commentary on forecasted outturn

	£000's	£000's	(Positive) / Negative £000's	
Disability Equipment (GWICES)		(32)	66	Advanced stock purchases in 2014/15 by the Intermediate Care Fund
Adult Transformation		(57)	(57)	This scheme refers to Community co-ordination and subject to reserve budget. A formal slippage request has been made to carry forward into 2016/17.
Management team		(97)	(39)	Current Disabilities team manager vacancy plus ICF grant meeting costs of the Direct Care team manager.
Direct Care		(80)	(80)	Team manager vacancy and additional income from client referrals.
Direct Residential Care	97		(42)	Employee efficiency and previous mandate savings not deliverable along with falling client numbers resulting in lower income
Transition co-operative		(24)	(24)	Income from employee secondment
TOTAL ADULT SELECT	97	(290)	(175)	Net Total(195)

Further analysis of the Costs centres contained within the Adult Select Service areas can be obtained in Appendix 6.

2 2015-16 Savings Progress

As at month 6, SCH are on track to meet our mandated savings as illustrated below: -

Man.	Mandate	Target	Forecast	Delayed	Unachievable	Forecasted
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No.	Description	Savings £'s	Savings Identified £'s	Till 2016/17 £'s	£'s	Savings Variance Since Month 2 £'s
	SOCIAL CARE & HEALTH					
24	Bright new futures	14,000	14,000	0	0	0
33	Sustaining Independent Lives in the Community	260,000	260,000	0	0	0
	TOTAL SCH	274,000	274,000	0	0	0

2.1 Further details on the savings mandates can be found in Appendix SM

3 Capital Outturn Forecast

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

Social Care & Health	Annual Forecast £000's	Original Budget £000's	Slippage from 2014/15 £000's	Budget Virement or Revision £000's	Total Approved Budget @ Month 6 £000's	Forecast Over / (Under) Outturn @ Month 6 £000's	Variance Since Month 2 £000's
Development Schemes under £250K	171	0	0	171	171	0	0
IT Schemes – Infrastructure/Hardware	135	0	35	100	135	0	0
Maintenance Schemes - Property	47	47	0	0	47	0	0
Grand Total SCH	353	47	35	271	353	0	0

Further details of all the schemes are contained in the appendix 4C. Currently no variation has been reported and so the budgets are presented here for information only.

Children & Young People Select Committee Portfolio Position Statement Month 6 (2015-16)

CYP DIRECTOR'S COMMENTARY

The Directorate's month 6 position is a forecasted overspend of £196,000, this is an improvement of £77,000 from month 2. The youth service remains a volatile area having been subject to a £200,000 savings mandate. The current forecast overspend for the youth service is £137,000. It is pleasing to note that the Additional Learning Needs service is underspent by £102,000, again an improvement of £134,000 since month 2.

SCH DIRECTOR'S COMMENTARY

At month 6 Children's Services is predicted to overspend by £1.296m, with £115K subject to reserve funding. A large element of expenditure is within external residential placements supporting 64 children. The service is experiencing significant staff issues and continued increased demand resulting in the use of agency staff as well as additional capacity. LAC numbers have continued to increase this year from 106 to 121. A number of work streams are being followed in relation to recruitment and cost reductions. For example, we are working to implement in house contact centres, which will reduce costs of renting external facilities for contact and venue costs to host child protection conferences and LAC reviews etc.

Adult Services continues to exhibit good news with a potential £195,000 underspend with Community Care carrying on its journey of practice change. The Adult Services budget has benefited this year from Intermediate Care Funding which has helped support new initiatives and in part has assisted the bottom line position

1 Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

Children & Young People Service Area	Budget @ Month 2 £000's	Budget Revision Virements £000's	Budget @ Month 6 £000's	Forecast Outturn £000's	Variance @ Month 6 £000's	Variance @ Month 2 £000's	Forecast Movement Months 2 to 6 £000's
21st Century Schools	0	0	0	0	0	0	0
Individual School Budget	43,783	14	43,797	43,825	28	0	28
Resources	1,424	(22)	1,402	1,476	74	61	13
Standards	5,449	(15)	5,434	5,392	(42)	99	(141)
Youth	597	0	597	734	137	114	23
CYP Directorate	51,253	(23)	51,230	51,427	197	274	(77)
Children's Services	7,796	400	8,196	9,493	1,297	675	622
Total C&YP Select	59,049	377	59,426	60,290	1,494	949	525

1.2 The most significant over and underspends are

Children & Young People Service Area	Overspend Predicted £000's	Underspend Predicted £000's	Forecast Movement Mth's 2 to 6 (Positive) / Negative £000's	Commentary on forecasted outturn
STANDARDS				
Additional Learning Needs		(102)	(134)	Staff vacancy and higher than anticipated recoupment income.
Primary Breakfast Initiative Grant	55		(6)	Take up continues to increase and therefore resulting in additional staffing requirements.
RESOURCES				
Support Services	73		12	Efficiency savings for directorate to be identified. Directorate legal costs and a small saving due to a vacancy.
YOUTH				
Community Education Youth General	137		23	Delay in the start of the ESF project will result in less income in this financial year.
CHILDRENS SERVICES				

Fostering Allowances and Payments For Skills	156		(12)	We are paying for an additional 7 children in foster placements with the age mix of children altering leading to increased payments. Skills payments to foster carers has also risen with the numbers of SGO's supported through this budget increasing by 11 this year.
Younger People's Accommodation		(96)	3	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		(52)	(8)	This facility will remain closed for the entire year.
Therapeutic Service		(29)	(3)	Under spend due to vacant Play Therapist post being filled on a part time basis from 07/09/15
External Placements - LAC	920		509	Current activity is 64 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		(97)	(21)	This budget is generally used to fund the overspend within LAC.
SCYP - Placement & Support Team	128		43	There is a mixture of reasons for the overspend such as use of agency staff, contact and assessment costs and home to school transport. More recently this budget has funded building work to create in house contact centres.
SCYP - Supporting Children & Young People Team	198		130	Overspend relates to the employment of 5 agency workers to cover staff sickness and capacity issues and a 77% increase in transport costs since last year.
Disabled Children	88		22	Continued use of agency staff to cover sickness and the employment of a Student Placement Social Worker.
FRS – Family Support Team	27		119	Use of numerous agency social workers to cover for various staff absences.

Bus Cases / Temp Funding - Cabinet 06/05/15	83		(129)	Relates to delayed staff appointments.
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Further analysis of the Service Areas contained within CYP Select can be found in Appendix 7 and Appendix 6 for Children's Services

2 2015-16 Savings Progress

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

Children & Young People's budgeted savings were £1,514,000 and at month 6 £1,377,000 have been identified. Of the remaining savings £137,000 are currently deemed to be delayed in year.

Man. No.	Mandate Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed In year £'s	Unachievable £'s	Forecasted Savings Variance Since Month 2 £'s
	Children & Young People					
16	Delegated Schools Budget	1,124,000	1,124,000	0	0	0
18	School Library Service	20,000	20,000	0	0	0
20	School Music Service	50,000	50,000	0	0	0
35	CYP / Additional Needs / Mounton House	120,000	120,000	0	0	0
42	Youth Service	200,000	63,000	137,000	0	0
	TOTAL C&YP	1,514,000	1,377,000	137,000	0	0

2.1 Further analysis of the Savings mandates can be found in Appendix SM.

3. SCHOOLS

- 3.1 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 6 projections.

Draft Council Fund Outturn 2015/16– Schools Summary outturn position at Month 6 (Period 2)	(A) Opening Reserves (Surplus) / Deficit Position 2015/16 £'000	(B) Month 2 Draw on School Balances 2015-16 £'000	(C) Variance on Month 2 Reserve Draw £'000	(D) Draw Forecasted on School Balances @ Month 6 £'000	Forecasted Reserve Balances at 2015-16 Outturn (A+D) £'000	Forecasted Balances @ Month 2 £'000
Clusters						
Abergavenny	(412)	100	(119)	(19)	(431)	(312)
Caldicot	(426)	251	(98)	153	(273)	(174)
Chepstow	98	45	18	63	161	143
Monmouth	(424)	193	(39)	154	(270)	(231)
Special	24	(28)	133	105	129	(4)
	(1,140)	561	(105)	456	(683)	(578)

- 3.1.2 School balances at the beginning of the financial year amount to £1,140,000. The Schools budgeted draw upon balances is forecasted to be £456,000 for 2015/16, therefore leaving £683,000 as forecasted closing reserve balances.
- 3.1.3 Within these summary figures, of particular note, is the deficit reserve position forecasted for the Chepstow Cluster, Chepstow Comprehensive school have a recovery plan in place, the latest forecast indicates an increase in the deficit for the school. This is due to the contribution to redundancy costs that the school has incurred. The recovery plan is currently being reviewed and given the number of pupils on roll this deficit will still be met over the duration of the plan.
- 3.1.4 5 schools exhibited a deficit position at the start of 2015/16; Llanvihangel Crocorney (£15,039), Castle Park (£39,730), Chepstow Comprehensive (£388,687) Llandogo (£12,347) and Mounton House Special School (£25,955). Of these five schools the following two have seen an increase in their deficit balance at month 6, Llanvihangel Crocorney (£33,714), this is due to the pupil numbers in the school increasing and therefore an additional teacher needed to be employed and Mounton House Special School (£136,144), due to significant staffing changes and a delay in grant funding through the ESF project. One more school, Overmonnow is now reporting a deficit, (£8,239), this is again due to an increase in pupil numbers resulting in an additional teacher being employed. Overmonnow are in the process of developing a recovery plan.

3.1.5. 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)	(682)

3.1.6 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.

3.1.7 Individual School Balances are available in Appendix A CYP School Select.

Capital Outturn Forecast

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	Original Budget	Slippage from 2014/15	Budget Virement or Revision	Total Approved Budget @ Month 6	Forecast Over / (Under) Outturn @ Month 6	Variance Since Month 2
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Development Schemes Over £250k	19	0	19	0	19	0	0
Education Strategic Review	49,165	42,247	6,917	0	49,165	(18)	0
Maintenance Schemes Property	1,185	854	331	0	1,185	0	0
Grand Total	50,369	43,101	7,268	0	50,369	0	0

Further details of all the schemes are contained in the appendix 5C. Currently no variation has been reported and so the budgets are presented here for information only.