

SUBJECT	2018-19 RESERVE USAGE FORECAST
DIRECTORATE	Chief Executive's Unit
MEETING	Audit Committee
DATE	31st January 2019
DIVISIONS/WARD AFFECTED	All Authority

1 PURPOSE

- 1.1 To appraise audit members of the prospective reserve usage in conjunction with continuing to highlight the revised reserves protocol endorsed by Cabinet.
- 1.2 A periodic focus by Audit Committee on reserve usage is important due to
 - Future funding gap and continuing low settlements
 - Pressures arising from such issues as increasing demand, new and changing legislation, changes in the wider economy and hard to predict events.
 - Grant funding streams being reduced or stopped at short notice
 - Capital receipts and other income streams not being achieved
 - Saving proposals not being delivered and increased demand on services leading to overspends

2 REVISED RESERVES PROTOCOL

- 2.1 The detailed report received by Cabinet in July 15 was prompted by;
 - Faster than expected use of earmarked reserves over the last 4 year period
 - Limited opportunities to replenish reserves from in year underspends as budgets get tighter
 - Limited opportunities to redistribute reserves as various reserves are used up
 - Risks around the on-going austerity measures, the projected gap in the MTFP and the lack of clarity on the Authority's future business model or longer term financial plan to respond to this, notwithstanding the work recently commenced around 'Future Monmouthshire'.
 - Huge commitment of capital resources to Future Schools
 - The need for reserves to work harder
 - The need to consider some issues as requiring base budgets rather than continued funding from reserves e.g. redundancy costs are unfortunately going to be an ongoing feature of expense for the Authority every year.

3 RESERVE ACTIVITY

3.1 The Council has unallocated reserves in the form of Council fund balance and school reserves. Realistically the level of surplus/deficit affecting Council Fund will commonly fluctuate before the end of the year, but for estimating purposes we will commonly presume services' activities influenced to avoid material adverse effect.

3.2 Revenue and Capital monitoring reflects an approved use of reserves. A specific analysis is undertaken at every formal periodic monitoring exercise to establish whether reserve cover conveyed to them by members will be fully utilised within the financial year. Where it is apparent this is not the case, both the reserve movement budget in appropriations budget and the expenditure within service directorate is adjusted. This is to prevent any imbalance in the bottom line position for net cost of services. The forecast outturn position based on month 7 activity is,

Account	Cat2(T)	2017/18	B/F	Contributions To Reserves	Reserve usage brought forward from previous year	2018/19 Revenue Contribution from Reserves	Capital Contributions From Reserves	Approved usage of reserves slipped into following year	2018/19 C/F
Council Fund (Authority)		-7,111,078							-7,111,078
School Balances		-175,225				832,981			657,756
Sub Total Council Fund		-7,286,303		0		832,981	0		-6,453,322
<i>Earmarked Reserves:</i>		0							
Sub-Total Invest to Redesign		-1,302,343		-40,000	29,000	169,828	152,214	-36,170	-1,027,472
Sub-Total IT Transformation		-734,881		0	111,913	114,000	16,573	-10,000	-502,396
Sub-Total Insurance and Risk Management		-1,046,416		0	0	0	0	0	-1,046,416
Sub-Total Capital Receipt Generation		-347,139		0	72,072	81,343	0	0	-193,724
Sub Total Treasury Equalisation		-990,024		0	0	0	0	0	-990,024
Sub-Total Redundancy and Pensions		-496,813		0	0	163,978	0	0	-332,835
Sub-Total Capital Investment		-648,336		0	0	0	0	0	-648,336
Sub-Total Priority Investment		-686,751		0	88,000	628,751	0	-330,000	-300,000
<i>Other Earmarked Reserves:</i>									
Sub-Total Other Earmarked Reserves		-1,121,237		-53,000	0	185,460	0	-86,471	-1,075,248
Total Earmarked Reserves		-7,373,942		-93,000	300,985	1,343,360	168,787	-462,641	-6,116,452
Total useable revenue reserves		-14,660,245		-93,000	300,985	2,176,341	168,787	-462,641	-12,569,774

Account	Cat2(T)	2017/18		2018/19		Approved usage of reserves slipped into following year	2018/19 C/F
		B/F	Contributions To Reserves	Reserve usage brought forward from previous year	Revenue Contribution from Reserves		
Council Fund (Authority)		-7,111,078					-7,111,078
School Balances		-175,225			832,981		657,756
Sub Total Council Fund		-7,286,303	0		832,981	0	-6,453,322
<i>Earmarked Reserves:</i>		0					
Sub-Total Invest to Redesign		-1,302,343	-40,000	29,000	169,828	152,214	-1,027,472
Sub-Total IT Transformation		-734,881	0	111,913	114,000	16,573	-502,396
Sub-Total Insurance and Risk Management		-1,046,416	0	0	0	0	-1,046,416
Sub-Total Capital Receipt Generation		-347,139	0	72,072	81,343	0	-193,724
Sub Total Treasury Equalisation		-990,024	0	0	0	0	-990,024
Sub-Total Redundancy and Pensions		-496,813	0	0	163,978	0	-332,835
Sub-Total Capital Investment		-648,336	0	0	0	0	-648,336
Sub-Total Priority Investment		-686,751	0	88,000	628,751	0	-300,000
<i>Other Earmarked Reserves:</i>							
YG33	Museums Acquisitions Reserve	-55,885					-55,885
YG33	Elections Reserve	-58,183	-25,000				-83,183
YG33	Grass Routes Buses Reserve	-146,084	-5,000				-151,084
YG33	Youth Offending Team Trading Partnership	-248,989			98,989		-150,000
YG33	Building Control trading reserve	-22,254			0		-22,254
YG33	Outdoor Education Centres Trading Partnership	-129,500					-129,500
YG33	CYP maternity	-142					-142
YG33	Plant & Equipment reserve (Highways)	-150,000					-150,000
YG33	Homeless Prevention Reserve Fund	-9,536					-9,536
YG33	Solar Farm Maintenance & Community Fund	-23,000	-23,000				-46,000
YG33	Rural Development Plan Reserve	-277,665			86,471	-86,471	-277,665
Sub-Total Other Earmarked Reserves		-1,121,237	-53,000	0	185,460	0	-1,075,248
Total Earmarked Reserves		-7,373,942	-93,000	300,985	1,343,360	168,787	-6,116,452
Total useable revenue reserves		-14,660,245	-93,000	300,985	2,176,341	168,787	-12,569,774

3.3 Appreciating Audit Committee's reflection at last meeting, that it would be more helpful if they could see the individual draw on reserves proposed. Such detail has been added to Appendix 1 together with date and approval of report where appropriate to assist Members accessing background to any specific approval they wish.

3.4 Earmarked reserves remain at limited levels unlikely to provide any material capacity/headroom to meet unanticipated volatility or significantly facilitate future service re-engineering and design.

As a useful reminder, with regard to the allocation of bottom line surplus to replenish reserves, the Sc151 officer's considered advice at last year's outturn was

Priority Investment Fund	£155k (to extinguish ADM deficit)
Capital Receipts Generation Reserve	£70k (Capital receipts generation reserve part funds Valuation team's cost, and a top up is necessary to accord with their indicative 2018-19 costs.)
Balance Invest to Redesign Reserve	£448k
Total	£653k

3.5 Despite those top ups, the current predicted use of the Priority investment reserve means that it will likely expire by the end of 2018-19 as a funding source, as the £300k yearend balance is earmarked/allocated to local development plan purposes. Given the forecast use of earmarked reserves, Cabinet has previously approved a policy on earmarked reserves to ensure that earmarked reserves are focused on investment in areas where they can achieve most impact hence putting the balance for redistribution into “Invest to Re-design”.

Schools Reserves

3.6 Each of the Authority’s Schools is directly governed by a Board of Governors, which is responsible for managing their school’s finances. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools.

3.7 The net effect of an individual school’s annual surplus or deficit is shown in a ring-fence reserve for the particular school. Details of which for each school are included in Appendix 2, together with an indication of any recovery plan targets agreed and how close the Governing Body is in satisfying that responsibility in current year.

3.8 In summary form the anticipated outturn school balances are predicted to be,

	Opening Reserves 2018-19 (surplus)/deficit	In year position at Month 7 (surplus)/deficit	Anticipated Outturn Position (surplus)/deficit
Combined balance	(£175,225)	£832,981	£657,756

3.9 Whilst any extraordinary funding from WG and beneficial revisions to budgeted draw on reserves will sustain the reserve situation for longer than is often predicted, it remains unlikely that the collective level of reserves will sustain the traditional annual draw by schools on reserves in recent years, which will add additional focus by schools to address the need to remain within budget going forward rather than passporting the consequences to their reserves, given that collective flexibility is now pretty much exhausted.

3.9 Our Fairer Funding Regulations adopted by Council and Governing Bodies have traditionally precluded governing bodies from planning for a deficit position. This was changed in 2016-17, (which coincides quite closely with declining net balance above) to allow licensed deficits where a recovery plan is agreed and followed. However this flexibility only extended as far as there being a collective schools reserve surplus.

3.10 The following table exhibits the net trend in use, indicating collectively schools are currently using reserves at a considerably faster rate than they have replenished them traditionally.

Financial Year-end	Net level of School Balances £’000
2011-12	(965)
2012-13	(1,240)
2013-14	(988)

2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19 forecast	658

- 3.11 There are however weaknesses in the forecasting approaches of individual schools, such that the budgeted forecast in the last row above will seldom match the reality.

For instance, whilst extraordinary Welsh Government grant of £344k in the last quarter of 2017-18 would have had a beneficial effect on balance levels, collectively they only actually used £94k of their reserves for the year, a £900k variation in original forecasting. That sort of volatility potentially makes it very difficult for senior colleagues and Members to predict the necessary action from year to year.

- 3.12 At month 2 Cabinet agreed to alterations to Fairer Funding guidance available to governing bodies, in an attempt to strengthen forecasting arrangements helpfully recognising that the problem is not so much with schools actual use of reserves but more to do with their forecast or budgeted draw. The bringing forward of Recovery Plan submissions, to be consistent with annual budget consideration, is designed to provide a better quality of data/information on which to consider the approval of any deficit budget, and would be reassuring to Members that any annual deficit volatility is accommodated within a multiyear budget strategy.
- 3.13 There is some evidence from narratives in Appendix 2 and extent of recovery figures provided, that this change is reducing the hiatus between reporting problem and reporting solution. However the month 7 prediction is £35k worse than forecast at month 2, so there's still a way to go, this deficit at month 7 is materially skewed by an unanticipated £156k adverse movement at Chepstow secondary school movement.
- 3.14 Based on school's predictions, general trends can be extrapolated, so 12 schools started this year in deficit. There is an increasing trend of schools entering deficit, (net further 5 predicted at present by schools), and that position looks particularly acute in secondary schools. Further insight/reassurance has been requested in respect of Chepstow secondary school, as whilst they still predict a small surplus by end of year, it is sensible to check the potential for them to yo-yo back into deficit and a need for a further recovery exercise, which wouldn't be advantageous to Governing body's administration.
- 3.15 It is questionable whether LEA colleagues have the capacity to facilitate the level of engagement and interaction necessary to resolve 18+ adverse financial scenarios within reasonable timeframes without extending recovery plans beyond usual 3 years. They will of course be prioritising the more significant aspects, but it can be seen from the recovery plan indicators included alongside the reserve position in Appendix 2, that some of the schools starting the year in deficit still had no agreed recovery plan, whilst others showed a perverse agreement to an increasing deficit.

4 REASONS

- 4.1 To comply with best practice regarding the management and review of earmarked reserves and the Financial Procedure Rules within the Authority's constitution.

5 RESOURCE IMPLICATIONS

- 5.1 As a financial planning assumption, the level of Council Fund reserves should be between 4% - 6% of net expenditure. Based on a budgeted net expenditure (excluding Police and Community Council precepts) and before financing totalling £144.2 million, the anticipated outturn Council fund reserve level equates to 5.06%, which is towards the middle of agreed acceptable levels. This reduces to 4.5%, if net year end schools balances position remains as initially predicted in para 3.8.
- 5.2 There is an immaterial level of earmarked reserve replenishment built into the annual budget, and by necessity Head of Finance considers the replenishment of specific reserves where year-end surpluses allow.
- 5.4 Earmarked reserves remain at limited levels unlikely to provide any material capacity/headroom to meet unanticipated volatility or significantly facilitate future service re-engineering and design consequential with setting an annual budget that involves generating circa £5million savings annually.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

- 6.1 The decisions highlighted in this report have no direct equality implications. A sensible and robust reserve usage strategy does however underpin sustainability of the organisation.

7 CONSULTEES

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

8 BACKGROUND PAPERS

Appendix 1 – Detailed Call upon Earmarked Reserves
Appendix 2 – Individual School balance forecast

9 AUTHOR

Mark Howcroft – Assistant Head of Finance

10 CONTACT DETAILS

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Appendix 1 – Detailed Call Upon Earmarked Reserves

Account	Cat2(T)	Authority	2017/18 B/F	Contributions To Reserves	Reserve usage brought forward from previous year	2018/19 Revenue Contribution from Reserves	Capital Contributions From Reserves	Approved usage of reserves slipped into following year	2018/19 C/F
Council Fund (Authority)		Not applicable, informed by year end	-7,111,078						-7,111,078
School Balances		Not applicable, informed by year end	-175,225			832,981			657,756
Sub Total Council Fund			-7,286,303	0		832,981	0		-6,453,322
<i>Earmarked Reserves:</i>									
YG33	Invest to Redesign Reserve MAIN	Reserve balance	-1,346,174		29,000		152,214		-1,164,960
YG33	Vehicle advances	Treasury Decision	0	0		72,013			72,013
YG33	Developing a new Social Services ICT System	Cabinet 16/07/14	80,000	-40,000					40,000
YG33	Innovation & marketing business case	Cabinet 15/04/15	-36,170			36,170		-36,170	-36,170
YG33	Inspire to Work	Cabinet 05/07/17 & Cabinet 05/09/18	0			61,645			61,645
Sub-Total Invest to Redesign		Reserve balance	-1,302,343	-40,000	29,000	169,828	152,214	-36,170	-1,027,472
YG33	IT Reserve MAIN	Reserve balance	-729,969		40,000	60,000	16,573		-613,396
YG33	Accounts payable strategy	Individual Member Decision 08/03/17	-4,913		4,913				0
YG33	Cash Receipting System	Cabinet 04/10/17	0		67,000			-10,000	57,000
YG33	Document Management System	Cabinet 07/03/18	0			54,000			54,000
Sub-Total IT Transformation		Reserve balance	-734,881	0	111,913	114,000	16,573	-10,000	-502,396
Sub-Total Insurance and Risk Management		Reserve balance, provision calculated at year end taking account of year's activity	-1,046,416	0	0	0	0	0	-1,046,416
Sub-Total Capital Receipt Generation		Reserve balance, allowing for Valuation Team's costs of disposal	-347,139	0	72,072	81,343	0	0	-193,724
Sub Total Treasury Equalisation		Reserve balance	-990,024	0	0	0	0	0	-990,024
Sub-Total Redundancy and Pensions		Reserve balance, allowing for pension strain costs of redundancy decisions made during the year	-496,813	0	0	163,978	0		-332,835
Sub-Total Capital Investment		Reserve balance	-648,336	0	0	0	0	0	-648,336
YG33	Priority Investment Reserve MAIN	Reserve balance	-586,751						-586,751
YG33	14/15 Evidence based pressures - Local Development Plan	Part of annual budget build	-100,000			375,000		-300,000	-25,000
YG33	Social Care Senior Leadership review	Cabinet 27/07/16	0			38,751			38,751
YG33	Community Infrastructure Levy Introduction	Budget setting Cabinet 15/02/17	0			30,000		-30,000	0
YG33	Legal costs for revocations	2016/17 budget setting	0		88,000				88,000
YG33	Alternate Delivery Model Facilitation - Tourism, Leisure and Culture (Monlife)	Cabinet 15/02/18 & Cabinet 06/06/18	0			185,000			185,000
Sub-Total Priority Investment		Reserve balance	-686,751	0	88,000	628,751	0	-330,000	-300,000

Account	Cat2(T)	Authority	2017/18	B/F	Contributions To Reserves	Reserve usage brought forward from previous year	2018/19 Revenue Contribution from Reserves	Capital Contributions From Reserves	Approved usage of reserves slipped into following year	2018/19	C/F
Other Earmarked Reserves:											
YG33	Museums Acquisitions Reserve		-55,885								-55,885
YG33	Elections Reserve	Top up as revenue position allows	-58,183		-25,000						-83,183
YG33	Grass Routes Buses Reserve	Cabinet 24/03/2010	-146,084		-5,000						-151,084
YG33	Youth Offending Team Trading Partnership	Trading a/c year end balance	-248,989				98,989				-150,000
YG33	Building Control trading reserve	Trading a/c year end balance	-22,254				0				-22,254
YG33	Outdoor Education Centres Trading Partnership	Trading a/c year end balance	-129,500								-129,500
YG33	CYP maternity	Trading a/c year end balance	-142								-142
YG33	Plant & Equipment reserve (Highways)		-150,000								-150,000
YG33	Homeless Prevention Reserve Fund		-9,536								-9,536
YG33	Solar Farm Maintenance & Community Fund	Council 28/7/16	-23,000		-23,000						-46,000
YG33	Rural Development Plan Reserve	Cabinet 16/10/14	-277,665				86,471		-86,471		-277,665
Sub-Total Other Earmarked Reserves		Reserve balance	-1,121,237		-53,000	0	185,460	0	-86,471		-1,075,248
Total Earmarked Reserves		Reserve balance	-7,373,942		-93,000	300,985	1,343,360	168,787	-462,641		-6,116,452
Total useable revenue reserves		Reserve balance	-14,660,245		-93,000	300,985	2,176,341	168,787	-462,641		-12,569,774

Appendix 2 – Individual School Balance Forecast

	Opening reserves 2018-19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Abergavenny cluster									
E003 King Henry VIII Comprehensive	162,460	(44,867)	117,593	Recovery Plan Meetings held and recovery path agreed - awaiting signed copy of plan for years 4 and 5.		105,232	125,533	137,424	5 year recovery plan required and confirmation of Education Achievement Service income awaited.
E073 Cantref Primary School	(65,965)	7,590	(58,375)	Extra grant income helping year end figure along with staffing changes					
E072 Deri View Primary School	(40,000)	(1,711)	(41,711)	Additional Learning Needs Funding has been confirmed with pupil support costs already included in the staff costs forecast.		(30,402)	(7,690)		Senior Teacher Secondment and Support Staff reorganisation
E035 Gilwem Primary School	(52,253)	25,865	(26,388)	Building Improvement works funded by the School Budget.					
E037 Goytre Fawr Primary School	(10,803)	13,698	2,895	Increase in Additional Learning Needs funding with costs of support staff already within the staff forecast.					
E093 Llanfoist Fawr Primary School	(49,580)	41,464	(8,116)	School budget contribution to the costs of three Teaching Assistants appointed from October to support Additional Learning Needs pupils.					
E044 Llantillio Pertholey CiW Primary School (VC)	(4,440)	(5,596)	(10,036)	Secondment of a Senior Teacher to another Local Authority and Higher Level Teaching Assistant replaced by a lower scale Teaching Assistant.		(2,866)	(17,755)		Full year effect of 3 Teaching Assistant redundancies.
E045 Llanvihangel Crucorney Primary School	(511)	(9,405)	(9,916)	Additional costs associated with the Federation with Llanfoist including Leadership and Administration.	(4,857)				
E090 Our Lady and St Michael's RC Primary School (VA)	7,084	15,043	22,127	The School continues to make progress in reducing costs including its photocopying contract.		10,182	(1)		Additional pupil numbers, Full Year Effect of Staff changes and revised contracts.
E067 Ysgol Gymraeg Y Fenni	(58,965)	56,718	(2,247)	Resources and Staffing employed in preparation for increased Nursery and main School pupil numbers. School Administrator increased to full time, Read Write Inc Resources, and New Telephone System.					
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					

	Opening reserves 2018-19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Caldicot cluster									
E001 Caldicot School	100,637	(17,086)	83,551	Changes to staffing for SLT increases in costs		30,645		1.35% of funding (£6.2)	Meeting with the school at Month 3. It is anticipated that sufficient efficiencies will be identified to bring school back into surplus by end of 19-20.
E068 Archbishop Rowan Williams CiW Primary School (VA)	(79,455)	33,169	(46,286)	Savings linked to the Head teachers 60% Executive Head appointment to another Monmouthshire Primary School.					
E094 Castle Park Primary School	43,659	(13,340)	30,319	School contribution to Additional Learning Needs support staff reviewed.	18,544	34,659	28,975	28,394	Recovery plan being updated as Head Teacher leaving at end of summer term. This will generate additional savings that should see school back in surplus.
E075 Dewstow Primary School	(105,626)	53,936	(51,690)						
E034 Durand Primary School	(71,665)	52,673	(18,992)	Overspend is staffing, marginally better than reported figure in M5					
E048 Magor CiW Primary School (VA)	19,227	13,370	32,597	Revised Support Staff Structure (Teaching Assistants and Midday Supervisors) from 1/9/18 and additional secondment and supply compensation income confirmed.	13,370	13,348			The long term effect of the staff changes implemented by the Executive Head teacher to be built into an amended recovery plan.
E056 Rogiet Primary School	(26,145)	9,365	(16,780)	Improvement due to members of staff coming back later than anticipated and part time.					
E063 Undy Primary School	28,221	54,674	82,895	An additional Foundation Phase Teacher employed from 1/9/18 plus the associated Foundation Phase Teaching Assistants (£40,000). Also the long term absence of a member of staff (£16,000). There are also one off costs of flooring and Furniture for the Foundation Phase classrooms (£17,000). This is a combined total cost of £73,000 - had these costs not been incurred the deficit would have been reduced to £7k rather than the £60k forecasted at Month 2.					
E069 Ysgol Gymraeg Y Ffin	37,616	11,521	49,137	Recoupment of Residential trips money has been poor. 4 teachers on mainscale.					
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					

	Opening reserves 2018 19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/ Deficit	Projected carry forward at year end 2018-19 (Surplus)/ Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Chepstow cluster									
E002 Chepstow School	(158,456)	156,005	(2,451)	Changes in staffing, progression through the pay scales. Increase cost of supply costs for teaching staff					
E091 Pembroke Primary School	(181)	20,954	20,773	Compassionate and Sickness absence of a teacher plus the renegotiation of a Photocopying contract which will yield savings in future financial years	20,954	(209)	(3,760)		A recovery plan was agreed with the Head and Deputy Head teacher on 13/7/18.
E057 Shirenewton Primary School	(118,599)	21,833	(96,766)						
E058 St Mary's Chepstow RC Primary School (VA)	(6,055)	79,191	73,136	Head teacher absence and the employment of a replacement has added unforeseen pressure to the budget and Recovery Plan.					A recovery plan meeting was held on 19/11/18. However the substantive Head teacher does not take over the finances until December.
E060 The Dell Primary School	(22,165)	22,164	(1)						
E061 Thornwell Primary School	9,565	25,476	35,041	Welsh Government class size funding means capacity for the School to increase its pupil roll and trigger additional funding from 2019/2020.		9,058	(10,981)		Additional Pupil Numbers anticipated to be on roll January 2019.
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					

	Opening reserves 2018-19 (Surplus)/Deficit	In Year position at Month 7 (Surplus)/Deficit	Projected carry forward at year end 2018-19 (Surplus)/Deficit	Notes	Recovery Plan Y/E target balance 2018-19	Recovery Plan Y/E target balance 2019-20	Recovery Plan Y/E target balance 2020-21	Recovery Plan Y/E target balance 2021-22	Recovery Plan Comments
Monmouth cluster									
E004 Monmouth Comprehensive	423,951	121,843	545,794	Staffing changes including one off costs for the school. The school are still looking to recover in the agreed time scale		240,781	56,720	(67,015)	School presented recovery plan in June 2018 to Cabinet Member. Currently on target.
E032 Cross Ash Primary School	(59,356)	23,878	(35,479)	Support Staff have resigned as at 31/8/18, a Maternity Leave has resulted in savings and Education Achievement Service Income has been anticipated within the forecast					
E092 Kymin View Primary School	(34,657)	20,228	(14,429)	Staff changes required for the new academic year have resulted in a projected overspend. These changes include: part time deputy head teacher being replaced with a full time deputy; a class teacher on main pay scale leaving and being replaced by a teacher on upper pay scale, and an additional TA required to support a pupil with ALN					
E039 Llandogo Primary School	12,449	54,941	67,390	The school have faced high levels of sickness resulting in supply costs.	(1,141)	(1,141)			
E074 Osbaston CiW Primary School (VC)	(635)	17,592	16,957	Staffing changes for maternity and sickness has led to the increase in costs.					
E051 Overmonnow Primary School	(28,389)	44,190	15,801	Staff have been employed to provide one to one support for pupils with Additional Learning Needs and funding has not been back dated.					Meeting scheduled for 11/12/18 however Nursery teacher to be replaced as at 1/1/18 and an experienced teacher retiring 31/8/18 so opportunities to reduce costs are available to the Head teacher
E055 Raglan CiW Primary School (VC)	147,743	(58,972)	88,771	Staffing changes have resulted in additional savings		62,644	35,366	17,177	Recovery plan projects surplus of £24,921 in 2022/23
E062 Trellech Primary School	(87,650)	48,427	(39,223)						
E064 Usk CiW Primary School (VC)	(62,920)	80,331	17,411	Additional Foundation Phase teacher and Teaching Assistant to be employed from 1/9/18 which has resulted in a planned deficit. Additional Key Stage 1 top up funding will be triggered in 2019/20 and there will be an increasing pupil roll.					Education Achievement Grants anticipated but not yet confirmed plus confirmation and details of a Water Leak Rebate required
Teachers pay award		(17,750)	(17,750)	This will be allocated across the cluster to offset the pay award pressure for teaching staff					
	(151,857)	904,161	752,304						
Special Schools									
E020 Mounton House Special School	33,584	(115,464)	(81,880)	Some staff savings due to a member of staff finishing in August and not being replaced.	28,968	4,947	(39,683)		Month 2 indicates school will return to surplus this financial year.
E095 PRU	(56,951)	44,284	(12,667)						
	(23,367)	(71,180)	(94,547)						