

REPORT

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|-------------------------------------|--|
| SUBJECT | REVENUE & CAPITAL MONITORING 2015/16 MONTH 6 OUTTURN FORECAST STATEMENT |
| DIRECTORATE | Chief Executive's Unit |
| MEETING | Children & Young People Select |
| DATE | 12th November 2015 |
| DIVISIONS/ WARD AFFECTED | All Authority |

1. PURPOSE

- 1.1 The purpose of this report is to provide Select Committee 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 |

| 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 |
|--------------------------------|--|--|---|---|---|
| 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. |

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|-------------------------------|--|--|---|---|--|
| 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 |

| 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 |
|---|--|--|---|---|--|
| | | | | | 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 £'000 | Slippage Brought Forward £'000 | Total Approved Financing Budget 2015/16 £'000 | Provisional Budget Slippage to 2016/17 £'000 | Revised Financing Budget 2015/16 £'000 | Forecasted 2015/16 Capital Financing £'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 CONSULTTEES

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

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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 over spend 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 with 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 over spend 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. |

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

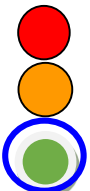
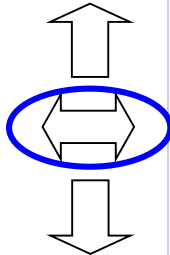
The total budget for Capital Schemes within the Children & Young People portfolio is £50,368,595 comprising an original budget of £43,100,948 together with authorised capital slippage from 2014/15 of £7,267,647. The budget is separated under the following headings

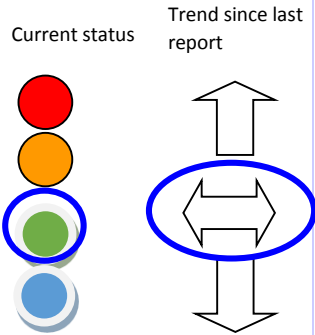
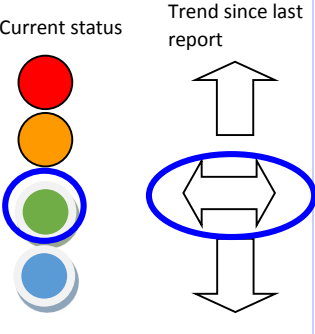
| CHILDREN & YOUNG PEOPLE | Annual Forecast | Original Budget | Slippage from 2014/15 | Budget Virement or Revision | Total Approved Budget @ Month 6 £000's | Forecast Over / (Under) Outturn @ Month 6 £000's | Variance Since Month 2 |
|--|----------------------------|----------------------------|--------------------------------------|--|---|---|---------------------------------------|
| | £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 |

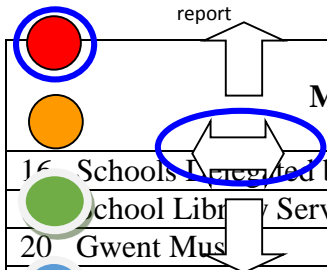
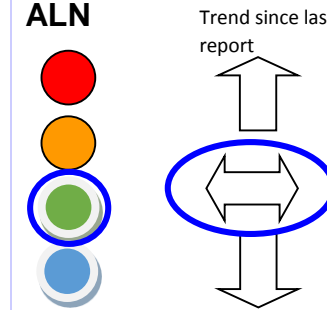
Further details of all the schemes are contained in the appendix 5C. Currently no variation has been reported and so the budgets are presented here for information only.

APPENDIX (links to Hub)

- [Appendix 5C M6 Capital Monitoring Children and Young People Select 2015-16](#)
- [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 Schools Movement on Reserves Appendix Monitoring 2015-16 Appendix 14](#)
- [M6 Savings Mandates Appendix SM 2015-16](#)

| CHILDREN & YOUNG PEOPLE SELECT 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 16 schools delegated budgets Current status  Trend since last report  | <p>Schools budgets will be protected at cash limit, this means no pay inflation and or non pay inflation is provided for in funding, This is about finding opportunities to reduce costs in schools.</p> <p>Schools are being supported to seek opportunities for savings. Cluster led meetings. All schools being supported with performance management. Training needs have been identified for Head Teachers to address any skill gaps when managing their budgets. All schools continue to engage.</p> | <p>Ensure the identified 'quick wins' are developed and continue to be published, shared and evaluated throughout all schools. Highlight schools who need more significant support and agree action to mitigate any financial challenges. Continue to review resource impact for foundation phase. Monitor schools closely to ensure they follow their</p> | Income Savings Total | 1124,000 1124,000 1124,000 | 1124,000 1124,000 1124,000 | 0 0 0 | Nikki Wellington |

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|---|--|--|---|--------|---|---|---|---------|--------|--------|---|-------|--------|--------|---|--|--|--|------------------------|
| | Fully met, the delegated funds were reduced to all schools. | budget plans and more schools do not fall into a deficit. | | | | | | | | | | | | | | | | | |
| <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> | No next steps necessary | <table border="1"> <tr> <td>Income</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Savings</td> <td>20,000</td> <td>20,000</td> <td>0</td> </tr> <tr> <td>Total</td> <td>20,000</td> <td>20,000</td> <td>0</td> </tr> </table> | Income | 0 | 0 | 0 | Savings | 20,000 | 20,000 | 0 | Total | 20,000 | 20,000 | 0 | | | | Sharon Randall - Smith |
| Income | 0 | 0 | 0 | | | | | | | | | | | | | | | | |
| Savings | 20,000 | 20,000 | 0 | | | | | | | | | | | | | | | | |
| Total | 20,000 | 20,000 | 0 | | | | | | | | | | | | | | | | |
| <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> | <table border="1"> <tr> <td>Income</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Savings</td> <td>50,000</td> <td>50,000</td> <td>0</td> </tr> <tr> <td>Total</td> <td>50,000</td> <td>50,000</td> <td>0</td> </tr> </table> | Income | 0 | 0 | 0 | Savings | 50,000 | 50,000 | 0 | Total | 50,000 | 50,000 | 0 | | | | Nicky Wellington |
| Income | 0 | 0 | 0 | | | | | | | | | | | | | | | | |
| Savings | 50,000 | 50,000 | 0 | | | | | | | | | | | | | | | | |
| Total | 50,000 | 50,000 | 0 | | | | | | | | | | | | | | | | |

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|--|--|--|---|--|--|--|-----------------------------|
| <p>Mandate 42 Youth Service</p> <p>Current status Trend since last report</p>  | <p>Replace core funding with other income sources.</p> <p>The Youth Service is exploring new ways of working. They are embracing this opportunity in an innovative way. Small groups are exploring ideas to generate income streams and savings whilst ensuring quality service is maintained.</p> <p>Mandate Summary</p> <p>16 Schools - reviewed budgets</p> <p>1 School Library Service</p> <p>20 Gwent Mus</p> <p>Transformation of ALN</p> <p>4 Youth Service</p> | <p>Meetings with all schools to look at new roles for staff and outcomes required to meet funding criteria.</p> <p>Planning and writing of resources and courses to be completed over summer period</p> <p>Programme to start delivery on 2nd September 2015</p> | <p>Income</p> <p>Savings</p> <p>Total</p> | <p>200,000</p> <p>0</p> <p>200,00</p> | <p>63,000</p> <p>0</p> <p>63,000</p> | <p>137,000</p> <p>0</p> <p>137,000</p> | <p>Tracey Thomas</p> |
| <p>Mandate 35 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</p> <p>Community Kitchen in Aberavenny has been awarded a grant from the council and the team have commenced operation. Taking as part of the stages; children's parties and community consultation is considered robust and well evidenced.</p> <p>Difficult in predicting the volume of near opening until full consultation is complete. All actions present opportunities for delivery</p> <p>Audit and accounts have been set up</p> <p>Marketing ready to go out</p> <p>Propel is steadily progressing</p> <p>Courses ready to advertise</p> <p>Staffing being trained currently to deliver</p> <p>Wellbeing is steadily progressing</p> <p>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>Make scales of delivery of the packages available on the city kitchen review September 2015.</p> <p>Continue to review and adapt the course to ensure it is established and families.</p> <p>Simple to be operational by September 2015 plan.</p> <p>Secure stage 2 projects started</p> <p>Steady business flow is established</p> <p>Still awaiting for HUB section to promote courses</p> <p>Meeting with staffing team to look at where time can be found in order to free staff up to deliver specialised courses and offer more packages to families and young people</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> |

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| | £63,000 of savings met, but the service are reporting an £137k overspend at month 6. | | | | | | |
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