

## REPORT

<b>SUBJECT</b>	<b>REVENUE &amp; CAPITAL MONITORING 2015/16 MONTH 6 OUTTURN FORECAST STATEMENT</b>
<b>DIRECTORATE</b>	<b>Chief Executive's Unit</b>
<b>MEETING</b>	<b>Strong Communities Select Committee</b>
<b>DATE</b>	<b>5th November 2015</b>
<b>DIVISIONS/ WARD AFFECTED</b>	<b>All Authority</b>

### 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

<b>Table 1: Council Fund 2015/16 Outturn Forecast Summary Statement at Period 2 ( Month 6 )</b>	<b>Annual Forecast @ Month 6</b>	<b>Revised Annual Budget @ Month 6</b>	<b>Forecast Over/(Under) Spend @ Month 6</b>	<b>Forecast Over/(Under) Spend @ Month 2</b>	<b>Forecast Variance Month 2 to Month 6</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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)
<b>Net Cost of Services</b>	<b>142,302</b>	<b>140,156</b>	<b>2,146</b>	<b>1,708</b>	<b>438</b>
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
<b>Amounts to be met from Government Grants and Local Taxation</b>	<b>150,234</b>	<b>148,416</b>	<b>1,818</b>	<b>1,460</b>	<b>358</b>
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)
<b>Net Council Fund (Surplus) / Deficit</b>	<b>1,106</b>	<b>40</b>	<b>1,066</b>	<b>867</b>	<b>199</b>
<b>Budgeted contribution from Council Fund</b>	<b>0</b>	<b>(40)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>1,106</b>	<b>0</b>	<b>1,066</b>	<b>867</b>	<b>199</b>

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
<b>Social Care &amp; Health (SCH)</b>					
<b>ADULT SERVICES</b>					
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.

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
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.
<b>CHILDREN SERVICES</b>					
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.
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

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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.
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.

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Bus Cases / Temp Funding - Cabinet 06/05/15	83	0	83	(129)	£68,000 relates to the employment of permanent staff
<b>COMMUNITY CARE</b>					
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
<b>COMMISSIONING</b>	(7)	0	(3)	(4)	See appendix 6
<b>RESOURCES</b>	(1)	0	(1)	27	See appendix 6
<b>Total SCH at Month 6</b>	<b>1,101</b>	<b>0</b>	<b>1,101</b>	<b>582</b>	<b>Total SCH Outturn at Month 6</b>

<b>Children &amp; Young People (CYP)</b>					
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	55	n/a	55	(6)	Take up continues to increase and therefore resulting in

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Initiative Grant					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.
Other CYP	5	n/a	5	0	See Appendix 7
<b>Total CYP at Month 6</b>	<b>59</b>	<b>137</b>	<b>196</b>	<b>(77)</b>	<b>Total CYP Outturn at Month 6</b>

<b>Enterprise (ENT)</b>					
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



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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.
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
<b>Total ENT at Month 6</b>	<b>183</b>	<b>418</b>	<b>601</b>	<b>263</b>	<b>Total ENT Outturn at Month 6</b>

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<b>Operations (OPS)</b>					
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.
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,

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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
<b>Total OPS at Month 6</b>	<b>(2)</b>	<b>341</b>	<b>339</b>	<b>295</b>	<b>Total OPS Outturn at Month 6</b>

<b>Chief Executive's Office (CEO)</b>					
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 <b>Period 2</b>  Red= Adverse (Green) = Favourable	Headline Comment
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
<b>Total CEO at Month 6</b>	<b>(31)</b>	<b>0</b>	<b>(31)</b>	<b>89</b>	<b>Total CEO Outturn at Month 6</b>

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<b>Corporate (COL)</b>					
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

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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
<b>Total COL at Month 6</b>	<b>(60)</b>	<b>0</b>	<b>(60)</b>	<b>(124)</b>	<b>Total COL Outturn at Month 6</b>

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
<b>Appropriations (APP)</b>					
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 advantageous to prevent concentrated borrowing at difficult times.

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 <b>Period 2</b>  Red= Adverse (Green) = Favourable	Headline Comment
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	
<b>Total APP at Month 6</b>	<b>(328)</b>	<b>0</b>	<b>(328)</b>	<b>(81)</b>	<b>App Outturn at Month 6</b>

<b>Financing (FIN)</b>					
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	<b>(752)</b>	<b>0</b>	<b>(752)</b>	<b>(159)</b>	
<b>Grand Total @ Month 6</b>	<b>173</b>	<b>906</b>	<b>1,079</b>	<b>212</b>	

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
<b>Clusters</b>							
Abergavenny	(412)	124	(24)	(19)	<b>(431)</b>	(312)	(119)
Caldicot	(426)	275	(23)	153	<b>(273)</b>	(174)	(99)
Chepstow	98	36	9	63	<b>161</b>	143	18
Monmouth	(424)	166	27	154	<b>(270)</b>	(231)	(39)
Special	24	(18)	(10)	105	<b>129</b>	(4)	133
	<b>(1,140)</b>	<b>583</b>	<b>(21)</b>	<b>456</b>	<b>(683)</b>	<b>(578)</b>	<b>105</b>

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.

<b>Financial Year-end</b>	<b>Net level of School Balances</b>
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

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

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

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

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

### 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.

<b>MCC CAPITAL FINANCING BUDGET MONITORING 2015-16 AT MONTH 6 By FINANCING CATEGORY</b>						
<b>CAPITAL FINANCING SCHEME</b>	<b>Annual Forecast Financing £'000</b>	<b>Slippage Brought Forward £'000</b>	<b>Total Approved Financing Budget 2015/16 £'000</b>	<b>Provisional Budget Slippage to 2016/17 £'000</b>	<b>Revised Financing Budget 2015/16 £'000</b>	<b>Forecasted 2015/16 Capital Financing £'000</b>
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
<b>Capital Financing Total</b>	<b>25,310</b>	<b>10,773</b>	<b>60,496</b>	<b>(35,214)</b>	<b>25,282</b>	<b>28</b>

### 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

<b>TOTAL RECEIPTS</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance b/f 1 <sup>st</sup> 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
<b>TOTAL Actual / Estimated balance c/f 31<sup>st</sup> March</b>	<b>19,592</b>	<b>19,802</b>	<b>11,100</b>	<b>12,595</b>
TOTAL Estimated balance reported in 2015/19 MTFP Capital Budget proposals	11,660	21,104	11,542	10,388
<b>Increase / (Decrease) compared to MTFP Capital Receipts Forecast</b>	<b>7,932</b>	<b>(1,303)</b>	<b>(443)</b>	<b>2,207</b>

#### 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)
<b>Sub Total</b>	<b>(10,321,886)</b>	<b>(105,728)</b>	<b>2,384,804</b>	<b>1,762,186</b>	<b>(6,280,624)</b>	<b>(144,827)</b>	<b>731,863</b>	<b>653,732</b>	<b>(5,039,856)</b>
<b>Restricted Use Reserves</b>									
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)
<b>Total Earmarked Reserves</b>	<b>(10,980,310)</b>	<b>(105,728)</b>	<b>2,384,804</b>	<b>1,762,186</b>	<b>(6,939,048)</b>	<b>(144,827)</b>	<b>731,863</b>	<b>653,732</b>	<b>(5,698,280)</b>

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 4<sup>th</sup> quarter so that the figures will be current and available for 2015/16 closure. This may give scope to re-designate some of this reserve but this is subject to the outcome of the work outlined.
- 3.9.5 If action is not taken to slow down the use of ear marked reserves through the above mechanisms, consideration would need to be given to budgeting to replenish reserves or including in the base budget, requests that would normally have been funded by reserves, both of which will increase the resource gap in the MTFP.

#### **4 REASONS**

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

#### **5 RESOURCE IMPLICATIONS**

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

#### **6 WELL BEING OF FUTURE GENERATIONS IMPLICATIONS**

- 6.1 The decisions highlighted in this report have no future generations and sustainability implications.

#### **7 CONSULTEES**

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

#### **8 BACKGROUND PAPERS**

- 8.1 Month 6 monitoring reports, as per the hyperlinks provided in the Appendices

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

### **Head of Operations Commentary**

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

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

Building cleaning and school meals show relatively small overspends and officers are anticipating an improvement in catering as we enter the higher school meal numbers typical of the winter months. Property Services capital fees continue to fall below budgeted levels but since we first highlighted this officers have revised the potential deficit down from £300,000 to £103,000. This coupled with a projected saving on accommodation maintenance costs of £150,000 have contributed heavily towards the improved out turn position.

The projected waste/recycling/street scene position has similarly been revised to a reduced overspend of £66,000 compared with £128,000 at month 2. However it remains volatile with new contracts in the New Year that will almost certainly increase our recycling costs and it is of dubious benefit to note that the projected improvement is partially attributable to staff not taking advantage on the LGPS, hence reducing employer on costs. The reduction in custom for the training centre is of concern and needs addressing in the short term if possible although the centralisation of training is now forming a mandate for 16/17.

Not mentioned specifically is highways and SWTRA. At the moment the projection is breakeven but as we enter the winter months it is quite possible that this will be revised. SWTRA spend has reduced to date but is now showing signs of returning to last year's figure and winter conditions bring SWTRA income (albeit county cost) and officers are increasingly confident that the next forecast will offer sufficient confidence to include an underspend.

In conclusion officers will be limiting spend as far as possible throughout the remaining financial year but will balance this against the service demands arising in the winter. Posts will remain vacant and some will be removed during the year in order to reduce spend with least impact upon service provision and material spend will be kept to a minimum. The withdrawal of vehicles being taken home will provide some savings on fuel to again assist the reduction in the over spend.

## 1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

<b>Strong Communities Service Area</b>	<b>Budget @ Month 2</b>	<b>Budget Revision Virements</b>	<b>Budget @ Month 6</b>	<b>Forecast Outturn</b>	<b>Variance @ Month 6</b>	<b>Variance @ Month 2</b>	<b>Forecast Movement Months 2 to 6</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Chief Executive's	6,850	6	6,856	6,825	(31)	(120)	89
Operations	16,276	108	16,384	16,723	339	634	(295)
Corporate	18,466	(215)	18,251	18,190	(61)	63	(124)
Appropriation	8,224	36	8,260	7,932	(328)	(248)	(80)
Financing	(148,376)	0	(148,376)	(149,128)	(752)	(593)	(159)
<b>Total Strong Communities Select</b>	<b>(98,560)</b>	<b>(65)</b>	<b>(98,625)</b>	<b>(99,458)</b>	<b>(833)</b>	<b>(264)</b>	<b>(569)</b>

1.2 The most significant over and under spends are

<b>Strong Communities Service Area</b>	<b>Overspend Predicted</b>	<b>Underspend Predicted</b>	<b>Forecast Movement Mth's 2 to 6</b>	<b>Commentary on forecasted outturn</b>
	<b>£000's</b>	<b>£000's</b>	<b>(Positive)/ Negative</b> £000's	
<b>CEO</b>				
Benefits		30	90	Increases in the bad debt provision and a net increase in Housing Benefit expenditure.
Council Tax	60		60	Shortfall in income from court fees of 35k, although

				the position has improved slightly from the previous forecast and potential redundancy costs (25k)
Systems and Exchequer		34	(34)	Staff vacancies of 50k offset by increase in annual card fees of 15k
Policy & Partnerships		26	(26)	Additional one off grants from LSB and Home Office (40k) offset by additional staff costs that are unbudgeted
<b>OPERATIONS</b>				
<b>Service</b>	<b>Overspend Predicted £000's</b>	<b>Underspend Predicted £000's</b>		<b>Commentary on forecasted outturn</b>
Operations – Passenger Transport Unit	293		(7)	Assumed ALN transport savings have proven unachievable, budgeted increased income levels were not made whilst at the same time corporate budget decisions regarding reductions in overtime costs were imposed. A mandate has been put forward to highlight the fact that the service cannot operate within its existing budget and has requested further funding via the MTFP in 2016-17.
Operations – Building Cleaning	20		(30)	Delayed implementation of mandate saving of transferring public conveniences to Town Councils.
Operations – School Catering	35		(20)	Increased costs to comply with Healthy Eating in Schools Agenda and a reduction in budgeted meals
Operations – Property Services	103		(198)	Changes in accounting code of practice which means that overheads cannot be charged to capital schemes. The change from month 2 relates to increase ins fees that are chargeable to the 21 <sup>st</sup> Century schools programme offset by a reduction in third party expenditure on procurement.
Operations –		150	(25)	Maintenance costs for Magor and Usk are

Accommodation costs				underspent mainly due to reduced costs as buildings are relatively new.
Operations – Waste and street scene	66		(60)	Savings from mandates have been mitigated by a reduction in fuel costs and an increase in staff opting out of the pension scheme resulting in a 20k overspend on waste. Raglan training centre is overspent by 40k due to demand reducing for training courses and increased competition from other providers.

<b>Corporate Services</b>	<b>Overspend Predicted</b>	<b>Underspend Predicted</b>	<b>Forecast Movement Mth's 2 to 6 (Positive) / Negative</b>	<b>Commentary on forecasted outturn</b>
	£000's	£000's	£000's	
<b>CORPORATE</b>				
Audit Commission Fees (Certification Grant Claims)		(35)		Forecasted saving in relation to the auditing of grant claims
HMRC Reimbursements		(36)		MCC Vat rebates exercise
Early Retirement Pension Costs	150		20	Additional cost of redundancies notified in latter part of 2014/15
Indirect revenue Gains		(114)		Rate rebates on MCC properties
Insurance Premium Payment(Direct)		(59)	(25)	Insurance tender saving greater than expected at month 2
<b>APPROPRIATIONS</b>				
Attributable Costs - Fixed Asset Disposal		(51)	(51)	Some schemes have underspent as sold without incurring costs

Interest Payable and Similar Charges		(382)	(180)	Movement from Month 2 mainly due to long term borrowing now no longer being forecast in year (£9m at month 2); Temporary borrowing has not increased due to slippage on 21C schools program
Charges Required Under Regulation	30		(44)	The shortfall mainly relates to MRP payable relating to vehicles purchased from borrowing (unbudgeted) in 1415.
Interest and Investment Income		(33)	(4)	income due to increased cash balances - in turn due to temporary borrowing taken out when rates were advantageous
Contribution from Reserves	108		198	to cover Estates salary; £90k from M2 is Children's Services report May 2015 Reduced draw on LDP
<b>FINANCING</b>				
Council Tax		(600)	(100)	Surplus due to projected actual CT Collection rate of 99.3% over budgeted 98% and increased CT recovery
Benefit Support		(153)	(60)	Forecast extrapolated from CT Benefits system based upon benefits awarded to date. Caseloads continue to reduce, a trend that is expected to continue through to year end

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

## 2. 2015-16 Savings Progress

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

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

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

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

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



### 3. Capital Outturn Forecast

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

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

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

**APPENDIX (links to Hub)**

[M6 Operations Revenue Budget Monitoring 2015-16 Appendix 9](#)

[M6 Chief Executive Office Revenue Budget Monitoring 2015-16 Appendix 10](#)

[M6 Chief Executive Office Revenue Budget Monitoring 2015-16 Appendix 10](#)

[M6 Appropriations Revenue Budget Monitoring 2015-16 Appendix 12](#)

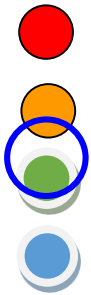
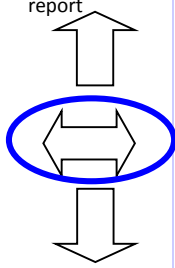
[M6 Financing Revenue Budget Monitoring 2015-16 Appendix 13](#)


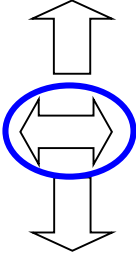

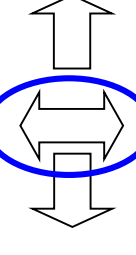
[M6 Savings Mandates Appendix SM 2015-16](#)

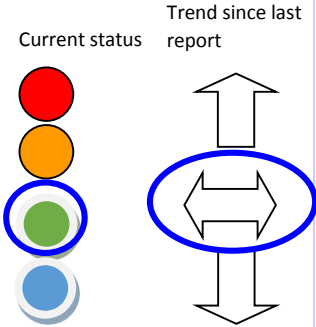
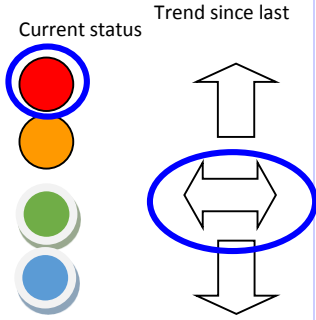
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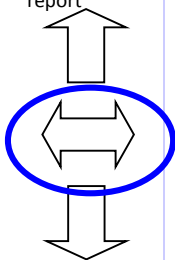
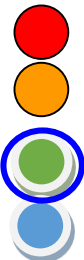
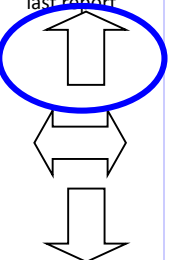
**STRONG COMMUNITIES Budget Mandates**

**Progress and Next Steps at Month 6**

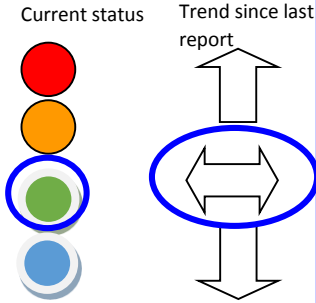
Mandate RAG	Progress for month one and two	Next Steps	Type	Year end target	Forecasted to achieve	Variance	Owner
<p><b>Mandate 14</b></p> <p><b>Home to School Transport</b></p> <p>Current status  Trend since last report </p>	<p><b>Continuation of 2014-15 mandate. Fundamental policy review to nearest school, and more zealous application of free school travel criteria.</b></p> <p>Post 16 travel grant removed. - Green</p> <p>Removal of the non-statutory element of travel grants to post 16 students by July – Green</p> <p>Increase in post 16 charging – achieved increase in costs in 14/15 and will sustain however the 29k target for 15/16 will not be delivered as already realised.</p> <p>Transport Policy on hold.</p> <p>There is currently no progress on change of policy on statutory distances and pick up points due to members exploring other options.</p>	<p>Waiting for further steer on policy direction for home to school transport.</p> <p>For this mandate the money has been removed from the budget therefore no further action necessary.</p> <p>29K was double counted from 14/15 this was highlighted at the outset and would not be achieved. Pressure mandate being submitted to address current underfunded budget for 16/17.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>101,000</p> <p>101,000</p>	<p>0</p> <p>72,000</p> <p>72,000</p>	<p>0</p> <p>29,000</p> <p>29,000</p>	<p>Roger Hoggins/ Richard Cope</p>

<p><b>Mandate 15 *</b></p> <p><b>Facilities - transfer functions to other providers</b></p> <p>Current status  Trend since last report </p>	<p><b>2014/15 mandate*</b></p> <p><b>Building Cleaning / Community Services Engaging with town and community councils, 'friends of' and clubs to take on service related costs. Considerable work has already been undertaken e.g Linda Vista, Bailey Park, public conveniences. 15/16</b></p> <p>Activities during 2015/16 have been challenging. It is highly unlikely that we will achieve full year savings on this for 2015/16. Building Cleaning - Overspend mainly due to delayed implementation of the mandate saving - transferring public conveniences to town councils".</p>	<p>Review the delivery plan and consider opportunities for 2016/17.</p> <p>Will remain red with the limited savings until end of the year.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>100,000</p> <p>0</p> <p>100,000</p>	<p>10,000</p> <p>0</p> <p>10,000</p>	<p><b>90,000</b></p> <p>0</p> <p><b>90,000</b></p>	<p>Roger Hoggins</p>
<p><b>Mandate 25</b></p> <p><b>Fleet Rationalisation</b></p> <p>Current status  Trend since last report </p>	<p><b>The savings for this mandate were being achieved from the reduction of fleet vehicles across the authority.</b></p> <p>This fleet reduction has been achieved therefore the budget mandate is on target to be achieved by year end. The restructure element due to protection of employment policy did not achieve 100% however shortfalls will be made from other savings within the service.</p> <p>There are other operational opportunities currently being considered :- ICT 22 – the connected worker has made progress, this is at the trailing stage, ICT 13– the pool car booking system – this has not progressed.</p>	<p>No next steps for fleet reduction as complete.</p> <p>Continue to review the 2 ICT projects and report progress.</p> <p>Ensure shortfall in restructure savings are met within service area.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>62,000</p> <p>62,000</p>	<p>0</p> <p>62,000</p> <p>62,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Debbie Jackson</p>

<p><b>Mandate 26</b></p> <p><b>Property rationalisation</b></p> <p>Current status <span style="margin-left: 100px;">Trend since last report</span></p> 	<p>These savings are predicted on the need to reduce our operational portfolio and maximise revenue streams from our investment holdings. Revenue savings are largely accrued through the reduction in utilities costs, rates, repairs and maintenance. The Accommodation Working Group is charged with reviewing all property usage with the aim of minimising the costs and releasing any property that can be made surplus.</p> <p>Rental of buildings – Green Rates Savings on vacant buildings - Green Rental Grant reductions – Dedicated member of staff now responsible for this.</p>	<p>Continue to review the property rationalisation delivery plan. Permissions for any disposal will continue through the usual council process. Work alongside agile working policy owner to explore further opportunities for greater agile working.</p>		<p>Income 20,000</p> <p>Savings 80,000</p> <p>Total 100,000</p>	<p>20,000</p> <p>80,000</p> <p>100,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Ben Winstanley</p>
<p><b>Mandate 36 *</b></p> <p><b>Route Optimisation</b></p> <p>Current status <span style="margin-left: 100px;">Trend since last report</span></p> 	<p>Mandate from 2014/15</p> <p><b>Due to the changing to routes the mandate related to the reduction in fleet.</b></p> <p><b>Cleansing service efficiencies £50k, Trade waste recycling £40k, Grey and Nappy bag changes £180k</b></p> <p>There are two mandates that will not be fully achieved in 15-16. £86k on mandate 36 "Route Optimisation", transport leasing costs build into the saving but we own the vehicle that we reduced from the fleet and therefore no leasing savings could be achieved. Also, the mandate originally cut 6 FTE posts, but only 5 FTE posts could be cut.</p>	<p>Review the on-going operation and budgets and re-align in line with service needs. Also there is £40k resulting from the shortfall on additional external income budget, (Mandate 15 above, £50k in 14-15 and a further £50k in 15-16 was introduced). We have secured an additional £60 of this increase, but a pressure still remains. There is also one other mandate in 15-16, mandate 37b "Modernising Trade Waste Services", where there is £40k of additional income to be received from the introduction of Trade waste</p>	<p>Income 0</p> <p>Savings 270,000</p> <p>Total 270,000</p>	<p>0</p> <p>184,000</p> <p>184,000</p>	<p>0</p> <p>86,000</p> <p>86,000</p>	<p>Rachel Jowitt</p>	

		recycling, started in September 15. Hopefully, this will be generated, however, it is being noted now as a possible pressure and a further update will be available by month 9 monitoring.					
<b>Mandate 37a Waste Services</b> Current status  Trend since last report 	<b>The mandate is about re-aligning the service in order to be as customer focused and efficient as possible. To reduce duplication of services which provide clarity on responsibility and service delivery. To remove duplication and harmonise working practices.</b>  Vacancies have been deleted therefore savings have been achieved.	No relevant Next Steps	Income	0	0	0	Rachel Jowitt
			Savings	50,000	50,000	0	
			Total	50,000	50,000	0	
<b>Mandate 37b Trade Waste</b> Current status  Trend since last report 	<b>Modernising Trade Waste Services This has 2 elements:- The introduction of trade waste recycling and realignment of 2 schedule changes.</b>  There is £40k of additional income to be received from the introduction of Trade waste recycling, to start in September 15. Hopefully, this will be generated, however, it is being noted now as a possible pressure and a further update will be available by month 9 monitoring.	Continue to review operational impact. Establish any potential mitigating actions.	Income	40,000	40,000	0	Rachel Jowitt
			Savings	10,000	10,000	0	
			Total	50,000	50,000	0	

**Mandate 37c  
Grey bag & nappy collection.**



**This mandate relates to the removal of the free supply of grey refuse bags and the removal of the hygiene/ nappy collection.**

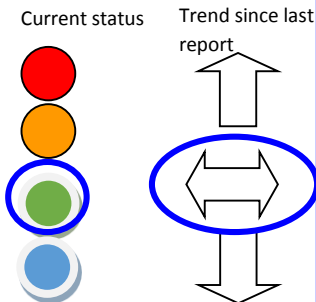
The mandate has been delivered the savings have been achieved.

Continue to review as still early stages. No other next steps relevant.

Income	0	0	0
Savings	180,000	180,000	0
Total	180,000	180,000	0

Rachel Jowitt

**Mandate 40a  
Democracy**

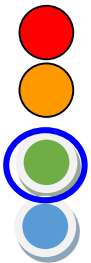
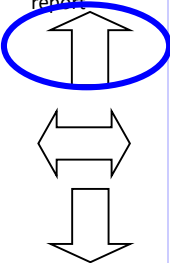


This mandate purpose was to reduce the budget requirement in a number of areas through a range of actions including :-  
 Management restructure – Green.  
 Increased income generation – Green  
 Removal of a vacant post – Green  
 Reduction in mileage budget – Green  
 All action plans delivered in order to achieve the savings.

In relation to budget delivery no next steps  
  
 Non budget Service improvements.

Income	24,000	24,000	0
Savings	85,000	85,000	0
Total	109,000	109,000	0

Tracy Harry

<p><b>Mandate 41 Highways</b></p> <p>Current status</p>  <p>Trend since last report</p> 	<p>This mandate was made up of both savings and income generation :-</p> <p>Employee restructure – Green  Material savings – Green  Plant saving – Green.  Re-negotiating with sub-contractors – Green  Additional income from skips &amp; scaffolding – green.  Operational fuel, stores &amp; procurement savings - Green.  Commercial advertising – Red.</p>	<p><b>Savings</b> - on target to be delivered.  <b>Income</b> - Advertising Scheme has been put on hold whilst a planning issue around advertising signs is resolved so it is assumed that the remaining £25,000 will not be achieved this year.</p>					
			Income	55,000	30,000	25,000	Roger Hoggins
			Savings	395,000	395,000	0	
			Total	450,000	425,000	25,000	

<p><b>STRONG COMMUNITIES Mandate Summary</b></p>	<p><b>RAG Month 10</b></p>	<p><b>RAG Month 2</b></p>	<p><b>RAG Month 6</b></p>
14 Home to School Transport	Red	Red	Green
15 Facilities	Yellow	Red	Red
25 Fleet Rationalisation	Yellow	Yellow	Yellow
26 Property Rationalisation	Green	Green	Green
36 Route Optimisation	Green	Red	Red
37a Waste Services	Yellow	Green	Green
37b Trade Waste	Green	Yellow	Green
37c Grey Bag & Nappy Collection	Green	Green	Green
40a Democracy	Green	Green	Green
41 Highways	Green	Green	Yellow