

Strong Communities Select Committee Portfolio Position Statement Month 2 (2016/17)

APPENDIX 2

Head of Operations Commentary

Following the first two months transactions a small overspend is predicted in cleaning and schools catering. Work continues with town and community councils to gain support and funding for toilet cleaning which will assist in recovering the cleaning position and primary sector catering does suffer from variations leading into the Summer period. Often this is recovered in the Autumn and Winter period but officers will be monitoring performance. At this stage in the financial year officers anticipate some typical movement in budgets relating to service demand (waste disposal, recycling, winter maintenance etc.) but do not anticipate such variations placing pressure upon service budgets over the year. However the new SWTRA agreement and the new financial arrangement between the lead authorities and SWTRA/WG is presently being developed and this has the potential to have a significant impact upon the budget as the method of cost recovery and the value of works undertaken is eventually agreed. Welsh Government is seeking to reduce the budget overall but at this stage it is not clear what effect this has upon MCC. It will become clearer during the year and the financial impact can be better assessed.

1. Revenue Outturn Forecast

1.1 The combined budget and outturn forecast for this portfolio is

Service Area	Original Budget £000's	Budget Virements £000's	Budget at Month 2 £000's	Forecast Outturn £000's	Variance at Month 2 £000's
Chief Executive's Office	6,810	24	6,834	6,808	(26)
Operations	17,255	(5)	17,250	17,291	41
Corporate	19,795	0	19,795	19,867	72
Appropriations	5,755	(700)	5,055	5,189	134
Financing	(148,701)	0	(148,701)	(149,564)	(863)
Total	(99,086)	(681)	(99,767)	(100,409)	(642)

1.2 The most significant over and underspends are

Service	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
CEO			
Revenues	15		Overspend mainly due to summons income being less than budgeted
Systems & Exchequer		(22)	additional rechargeable income received from Schools
Other CEO		(19)	See Appendix 10
OPERATIONS			
Service	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
Operations – Building Cleaning	28		Over spend in relation to delay in passing cleaning service to Town /Community Councils
Operations – School Catering	17		The catering service is forecasting to overspend due to the sections inability to achieve the full additional 2.5% increase on income
Other Operations		(4)	See Appendix 9

Corporate Services	Overspend Predicted £000's	Underspend Predicted £000's	Commentary on forecasted outturn
CORPORATE			
Early Retirement Pension Costs	72		Additional pension strain cost notified in latter part of 2015/16 for 2016/17 financial year
APPROPRIATIONS			
Attributable Costs - Fixed Asset Disposal	54		A reserve funded budget for Estates Officer time was omitted in error when preparing the 16/17 MTFP
Priority Investment Reserve Funding	80		£80k is not required to help fund the Eisteddfod in Abergavenny
FINANCING			
Council Tax		(550)	Increased Council Tax Base
Benefit Support		(313)	Less claimants than budgeted for
Total Strong Communities	266	(908)	Net Underspend (642)

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

2. 2016-17 Savings Progress

2.1 The savings required by the 2016-17 budget mandates have not yet been fully secured.

Operations Budgeted savings are £1,065,000 and at month 2, £1,045,000 have been identified. Of the remaining savings, £20,000 are deemed to be unachievable.

Chief Executives budgeted savings were £555,000. £490,300 has been identified at month 2. Of the remaining savings, £22,000 is deemed to be unachievable and £47,200 will be achieved through an alternative delivery model.

Man. No.	Description	Target Savings £'s	Forecast Savings Identified £'s	Delayed Till 2016/17 £'s	Unachievable £'s
	STRONG COMMUNITIES				
13/14	Garden Waste	40,000	40,000	0	0
A14	Home to School Transport	30,000	30,000	0	0
A28	Community Hubs	25,000	25,000	0	0
B8	Promoting Business Waste	80,000	80,000	0	0
B13	Highways Infrastructure Income Generation	150,000	150,000	0	0
B14	Grounds – funding review	75,000	75,000	0	0
B15	Highways Maintenance	200,000	200,000	0	0
B19	Property Services Management Review	100,000	100,000	0	0
B21	Town & Community Councils	265,000	245,000	0	20,000

B22	Collaboration and realigning structures in Operations	100,000	100,000	0	0
	Total Operations	1,065,000	1,045,000	0	20,000
	CHIEF EXECUTIVES'				
B2	Rationalise Business Support	50,000	28,000	0	22,000
B7	Legal Services	25,000	25,000	0	0
B11	Senior Leadership Team Restructure	315,000	272,300	42,700	0
B17	Business Rates Appeals	140,000	140,000	0	0
B23	Discretionary Fees And income	25,000	25,000	0	0
	Total CEO	555,000	490,300	42,700	22,000

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

Mandate Reference Key


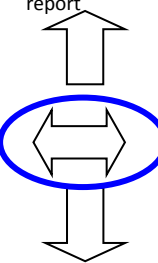
A – Mandates that originated in the financial year 2015/16 or earlier but also impact in the current financial year, 2016/17.

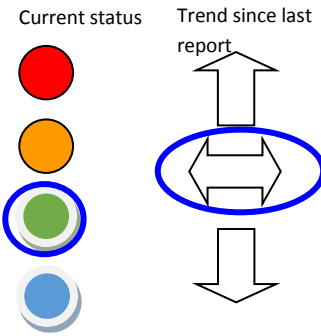
B – New mandates for the financial year 2016/17

Mandate Number	Mandate Summary	RAG Month 2	RAG Month 6	RAG Month 9	RAG Outturn
13/14	Waste				
A14	Home to School Transport				
A28	Community Hubs/Contact Centre				
B2	Rationalise business support				
B7	Legal Services				
B8	Promoting Business Waste				
B9	Planning Services – Income Generation				
B11	Leadership Team Structure Review				
B13	Highways Infrastructure Income Generation				
B14	Grounds – Funding Review				
B15	Highways Maintenance				
B17	Business rates Evaluation - Appeals				
B19	Property Services and Facilities Management Review				
B21	Town and Community Councils				
B22	Collaboration and realigning structure in operations				
B23	Discretionary Fees and Income				

Budget Mandates

Progress and Next Steps at Month 2 (31st May 2016)

Mandate RAG	Progress up to month 2	Next Steps	Type	Year-end target	Forecasted to achieve	Variance	Owner
<p>Mandate Financial Year 13/14</p> <p>Garden Waste</p> <p>Current status  Trend since last report </p>	<p>Increase in charges for Garden Waste collection service.</p> <p>The charge for a garden waste service has increased from the 1st April 2016 to £14 per permit.</p> <p>Each permit provides a one bag entitlement to a weekly collection service.</p> <p>A proportion of the additional income has already been realised at month 2 with the service predicting full income achievable in the financial year.</p>	No next steps	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>40,000</p> <p>0</p> <p>40,000</p>	<p>40,000</p> <p>0</p> <p>40,000</p>	<p>0</p> <p>0</p> <p>0</p>	Rachel Jowitt

<p>Mandate A14</p> <p>Home to School Transport</p> <p>Current status Trend since last report</p> 	<p>Continuation of 2014-15 mandate. Fundamental policy review to nearest school, and more zealous application of free school travel criteria.</p> <p>Post 16 travel grant was removed in the financial year 2014/15 and budget base realigned.</p> <p>Mandate monitoring for the service identified for the financial year 2015/16 further savings would not be realised as grant had previously ceased and budget removed from service area.</p> <p>This maintains to be the position will the savings allocated to the financial year 2016/17.</p>	<p>Continue discussions with elected Members on commencement of policy review.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>30,000</p> <p>30,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>0</p> <p>30,000</p> <p>30,000</p>	<p>Roger Hoggins/ Richard Cope</p>

	<p>Transport Policy review has yet to be commenced.</p> <p>Alternative Delivery Plan at month 2 – The service has reduced other operational budgets to realise the savings identified in this mandate.</p>	<p>Alternative Delivery Plan – Month 2 reporting identified original plan not achievable as budget removed from service in previous financial year</p>	Total	30,000	30,000	0	
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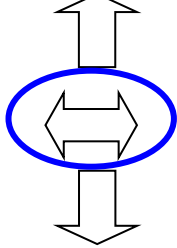
Mandate A28

Community Hubs

Current status



Trend since last report



Community Hubs aim to deliver services in a different way, aligning them with the Whole Place philosophy. This will introduce major changes to how the library, one stop shop, Community Education and citizen advice and support services are delivered. We will create a hub in each town where in person services will be delivered. The contact centre will aim to provide a reliable and informed first point of contact for people contacting us other than in person.

We envisage works to commence on Abergavenny Hub during 2017 following a period of public and Member consultation to agree plans and costs.

Alternative Delivery Plan as at Month 2 (variance on original mandate target)

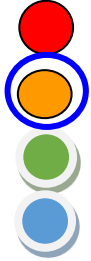
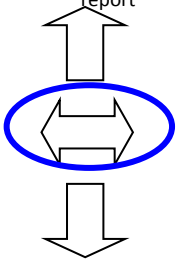
Due to delayed implementation of the community hub in Abergavenny the service has identified a reduction in the services resources budget along with the savings from staffing budgets due to vacancies.

Commence Member and Public consultation to agree plans and costs.

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

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

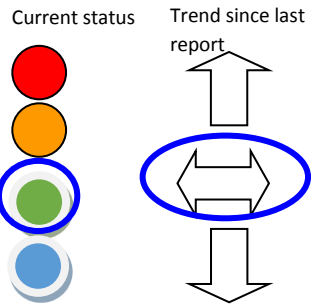
Deborah Hill-Howells/
Rachel Jowitt

<p>Mandate B2</p> <p>Rationalise Business Support</p> <p>Current status Trend since last report</p> 	<p>Review the business support functions across the whole Authority to identify savings.</p> <p>To date 56% of the total savings have been achieved. Further exploration continues to identify the current shortfall in mandate target.</p> <p>An alternative delivery plan will be put in place at month 6 if further savings have not been identified.</p>		<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>50,000</p> <p>50,000</p>	<p>0</p> <p>28,000</p> <p>50,000</p>	<p>0</p> <p>22,000</p> <p>22,000</p>	<p>Tracey Harry</p>
<p>Mandate B7</p> <p>Legal Services</p> <p>Current status Trend since last report</p> 	<p>Income generation by providing Legal services to external organisations.</p> <p>Negotiations with Melin Homes were delayed to an unsuccessful recruitment process following retirement of the team member that had responsibility for planning agreements.</p> <p>The service has seen an increase in demand from within the Authority, and current proposals are to realign the vacant post to cover this demand, resulting in little scope to income generate from external bodies.</p> <p>Alternative Delivery Plan as at Month 2 (variance on original mandate target)</p> <p>The service has received a one off grant from WG in respect of local land charges litigation. This grant will allow for the</p>		<p>Income</p> <p>Savings</p> <p>Total</p> <p>Income</p> <p>Savings</p> <p>Total</p>	<p>25,000</p> <p>0</p> <p>25,000</p> <p>0</p> <p>25,000</p> <p>25,000</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>25,000</p> <p>25,000</p>	<p>25,000</p> <p>0</p> <p>25,000</p> <p>0</p> <p>0</p> <p>0</p>	<p>Robert Tranter</p>

Income generation figures included in the original mandate to be covered for this financial year, however a pressure will exist for future financial years.

Mandate B8

Promoting Business Waste



Introduction of a new policy to charge for trade waste, and better control over the use of household waste recycling centres.

A policy was approved through Individual Member Decision on the 11th November 2015 for the prohibition of commercial vehicles at the Household Waste Recycling Centres.

The policy was introduced in April 2016. Tonnages (which equal cost) appeared to have reduced and therefore there is confidence that the savings will be made.

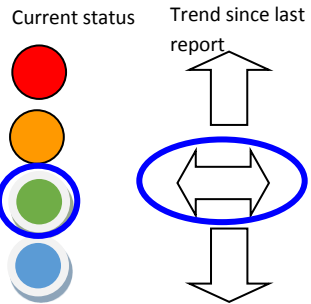
Continue to monitor trade waste.

Income	80,000	80,000	0
Savings	0	0	0
Total	80,000	80,000	0

Rachel Jowitt

Mandate B9

**Planning Services-
Income Generation**



Reduce the net cost of planning services with the increase of income from planning applications received.

Planning application fee income for the first 2 months of the year is down on the same period last year, some of which can be explained by the higher than normal number of major applications attracting large fees received in April 2015.

Income within the service can fluctuate significantly from month to month due to the high fees a small number of large applications can make.

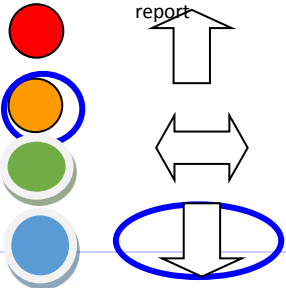
Legislative changes from August 2016 may increase application number before implementation; further update on applications will be available at month 6 reporting.

Income	40,000	40,000	0	Mark Hand
Savings	0	0	0	
Total	40,000	40,000	0	

Mandate B11

Leadership Team Structure Review

Current status Trend since last report



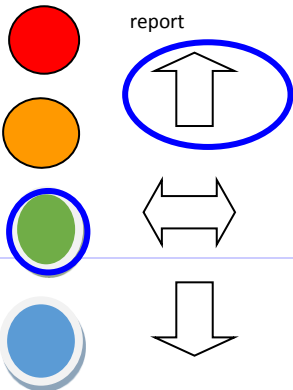
Re-alignment of Senior Key Posts and Roles.

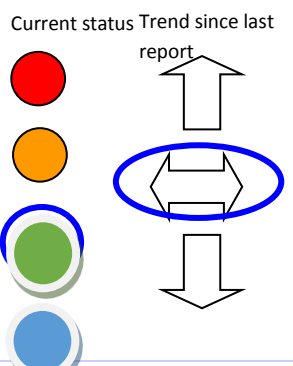
Cabinet gave approval to the Chief Executive on the 4th May 2016 to proceed with the Leadership Review.

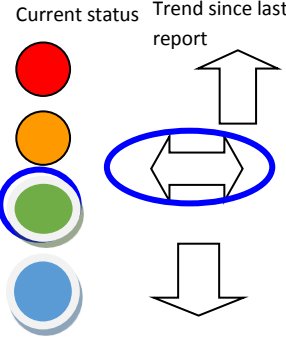
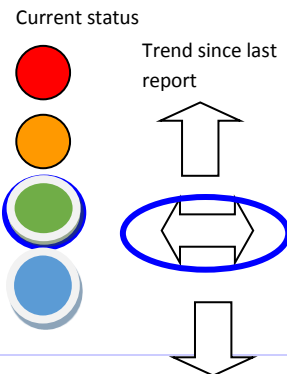
The report outlined a reduction of 8 management positions at Head of Service level, with the addition of 3 new posts.

Interviews took place on the 28th May 2016.

Income	0	0	0	Paul Matthews
Savings	315,000	272,300	42,700	
Total	315,000	272,300	42,700	

	<p>Council on the 8th June approved the post of Chief Officer Resources.</p> <p>This restructure amounts to a reduction in budget amounting to £272.3k</p> <p>Alternative Delivery Plan as at Month 2 (variance on original mandate target) – An alternative delivery plan is not available as at Month 2.</p>					
<p>Mandate B13</p> <p>Highways Infrastructure Income Generation</p> <p>Current status</p> <p>Trend since last report</p> 	<p>Income generation from highway advertisements across Monmouthshire (£50k)</p> <p>Due to planning problems that have been encountered by the service with the installation of the signs, an anticipated delay in income is currently being reported amounting to £20k as at Month 2. Highway and planning colleagues are working on acceptable locations.</p> <p>Increase in additional car parking spacing (£100k)</p>	<p>The report along with recommendations is</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>150,000</p> <p>0</p> <p>150,000</p>	<p>130,000</p> <p>0</p> <p>130,000</p>	<p>20,000</p> <p>0</p> <p>20,000</p> <p>Roger Hoggins</p>

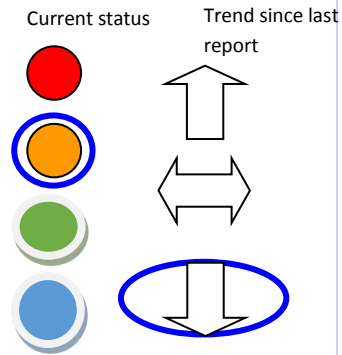
	<p>Review of off street public parking took place in 2014 and following extensive consultation a report was taken to Cabinet in September 2014, with a decision to propose a new car park order.</p> <p>The Car Park Order has been circulated for consultation.</p> <p>The service is currently reporting that the additional income identified from increased car park spaces in the mandate is on track for delivery but is subject to the outcome of the Car Park Order and Cabinet approval.</p> <p>Alternative Delivery Plan as at month 2 (variance on original mandate target) – The service is looking to wider advertising opportunities to vehicles, bus shelters to offset the anticipated shortfall on original mandate targets.</p>	<p>scheduled for Cabinet in July 2016.</p> <p>Alternative Delivery Plan due to forecasted shortfall on budget target as at Month 2</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>20,000</p> <p>0</p> <p>20,000</p>	<p>20,000</p> <p>0</p> <p>20,000</p>	<p>0</p> <p>0</p> <p>0</p>	
<p>Mandate B14</p> <p>Grounds – Funding Review</p> <p>Current status Trend since last report</p> 	<p>Highways verge maintenance – reduce the number of cuts in the contract in line with the pollinator policy.</p> <p>In line with the pollinator policy the Authority has reduced highway verge mowing to one cut.</p> <p>Expansion of the partnership arrangements with Green Fingers, Abergavenny.</p> <p>MCC have been working in partnership with Green Fingers on the Lina Vista Site, Abergavenny. This partnership has been</p>	<p>The Authority will continue to monitor highway verges to ensure safety remains a priority and where required take appropriate action.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>75,000</p> <p>75,000</p>	<p>0</p> <p>75,000</p> <p>75,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Rachel Jowitt</p>

	<p>expanded and the group are now undertaking the routine maintenance of the site with support from MCC.</p>						
<p>Mandate B15</p> <p>Highways Maintenance</p> <p>Current status Trend since last report</p> 	<p>Reducing the budgets within the highways section.</p> <p>Two posts have been transferred to SWTRA and an additional post deleted from the highways service.</p> <p>In addition a reduction in budgets for materials and vehicles has taken place.</p> <p>The mandate is on target to be delivered within the financial year</p>	<p>No next steps necessary</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>200,000</p> <p>200,000</p>	<p>0</p> <p>200,000</p> <p>200,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Roger Hoggins</p>
<p>Mandate B17</p> <p>Business rates evaluation - Appeals</p> <p>Current status Trend since last report</p> 	<p>Rate refunds following appeals</p> <p>The valuation office is continuing to focus on business rates so little progress has been made on any appeals to date. A monitoring meeting is scheduled with Cook and Arkwright on the 22nd September by which time progress is expected on appeals work with further information being available for month 9 reporting.</p> <p>Despite the current delay, Cooke and Arkwright are still very confident that these</p>	<p>Continued monitoring of position and planned update meetings with Cooke and Arkwright.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>140,000</p> <p>0</p> <p>140,000</p>	<p>140,000</p> <p>0</p> <p>140,000</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Ruth Donovan</p>

appeals will be successful and the £140k identified income will be achieved towards the end of the financial year.

Mandate B18

Strategic Property Review



Residential Agency Service (£10k)

The original mandate identified the creation of an Arm's Length Company to provide a residential agency service. Following Legal advice it is highly unlikely that this is now a sound proposition, however discussions are on-going.

Termination of lease (£10k)

Termination of leases to generate efficiencies is on track to achieve the savings identified in the mandate for the financial year 2016/17.

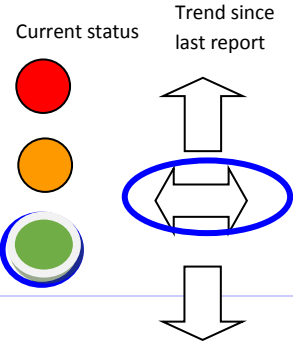
Depot Rationalisation Programme (£20k)


Discussions have commenced around depot rationalisation. The project will require detailed service modelling, along with staff and public consultation. The timeline for this work will span over several financial years. The reduction in costs included in this mandate will not be achieved within this financial year.

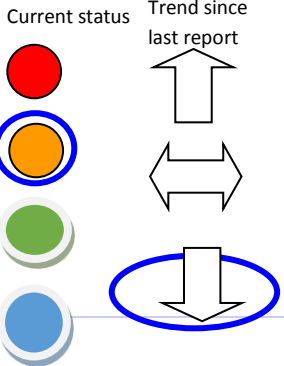
Letting Income from renting additional properties (£20k)

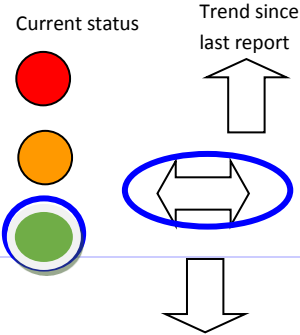
Income	30,000	20,000	10,000
Savings	30,000	10,000	20,000
Total	60,000	40,000	30,000


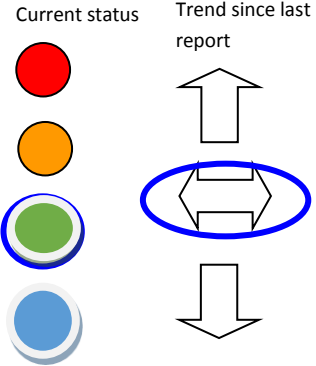
Deb Hill-Howells/
Ben Winstanley

	<p>Proposed income being delivered from additional property rental in on target to deliver within the financial year.</p> <p>Alternative Delivery Plan as at Month 2 (variance on original mandate target) – Due to other pressure within the service an alternative delivery plan has not been possible.</p>					
<p>Mandate B19</p> <p>Property Services and Facilities Management review</p>  <p>Current status</p> <p>Trend since last report</p>	<p>Reduction in corporate building maintenance budgets. The budgets have been reduced within the financial year. <i>The shortfall in the purchase card rebate savings of £7.5k will be covered by increasing the reduction in the corporate building maintenance budget.</i></p> <p>Purchase rebates from the use of procurement cards. (£15k) The implementation of the procurement card is anticipated by the 1st July, <i>It is anticipated that this will reduce the savings to £7.5k for the financial year.</i></p>	<p>Continue to monitor corporate buildings maintenance requirements to ensure they remain fit for purpose for the organisation.</p> <p>Continue to monitor progress of implementation. If a delay in proposed implementation date, Service Manager to identify an alternative delivery plan at Month 6.</p>	<p>Income</p> <p>Savings</p> <p>Total</p>	<p>15,000</p> <p>85,000</p> <p>100,000</p>	<p>15,000</p> <p>85,000</p> <p>100,000</p>	<p>0</p> <p>0</p> <p>0</p> <p>Rob O'Dwyer</p>

	<p>Facility Management restructure (£35k) Two vacant posts have been removed from the staffing establishment that has contributed to the savings identified along with additional income generation through the provision of services to Gwent Police via the Shared facility management arrangement.</p> <p>Transport cost reductions (£10k) The fleet size for the catering/cleaning service has reduced, along with changing to more fuel efficient vehicles, resulting in targeted savings on track for delivery.</p> <p>Reduction in supplies and services (£20k) The service has reduced the supplies and services budgets</p>	<p>Continue to review fleet to identify any further efficiency.</p>				
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<p>Mandate B21</p> <p>Town and Community Councils</p> <p>Current status Trend since last report</p> 	<p>Community Hubs (£90k) A reduction in resources budgets and savings from staff vacancies will result in £70k of the identified target being achievable in the financial year.</p> <p>Public Conveniences (£110k) Contribution from Town Councils amounting to £80k, and a reduction in maintenance and utilities of £10k. £90k of the identified target is achievable within the financial year.</p> <p>Tourism (£25k)</p>		<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>400,000</p> <p>400,000</p>	<p>0</p> <p>320,000</p> <p>320,000</p>	<p>0</p> <p>80,000</p> <p>80,000</p> <p>Roger Hoggins</p>
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	<p>A contribution of £5k to date has been secured from the Town Council for Chepstow TIC.</p> <p>Museums (£20k) No contribution from the Town Councils for Museum Services have been secured to date.</p> <p>Waste (£83.5k) Contributions received from the Town Councils.</p> <p>Grounds (£71.5k) Staff vacancies within the service will achieve the identified target within the financial year.</p> <p>Alternative Delivery Plan as at Month 2 (variance on original mandate target) – An alternative delivery plan is not available as at Month 2.</p>					
<p>Mandate B22</p> <p>Collaboration and realigning structures in operations</p> <p>Current status</p> <p>Trend since last report</p> 	<p>A joint working/collaboration between Newport City Council and Monmouthshire County Council for the provision of passenger transport.</p> <p>Newport and MCC continue to collaborate Management arrangements to deliver passenger transport. Interim arrangements have been extended until the 31st October 2016, with a view to taking forward collaboration during this period.</p>		<p>Income</p> <p>Savings</p> <p>Total</p>	<p>0</p> <p>100,000</p> <p>100,000</p>	<p>0</p> <p>100,000</p> <p>100,000</p>	<p>0</p> <p>0</p> <p>0</p> <p>Roger Hoggins</p>

							
<p>Mandate B23</p> <p>Discretionary Fees and Income</p> <p>Current status Trend since last report</p> 	<p>Increase discretionary fees and charges, calculated at 10% through cost reduction the service area or increased income.</p> <p>Early indications from the services are that discretionary fee targets are on track for delivery; however they are subject to external factors that will continue to be monitored by service areas.</p>			<p>Income 25,200 25,200</p> <p>Savings 0 0</p> <p>Total 25,200 25,200</p>	<p>0</p> <p>0</p> <p>0</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Joy Robson</p>

3. Capital Outturn Forecast

The capital budget of £0 had been increased by slippage from 2015/16 of £3,242,549 to a new total of £7,938,860. The budget is separated under the following headings

Strong Communities	Annual Forecast £000's	Original / Revision Budget £000's	Slippage from 2015/16 £000's	Total Approved Budget £000's	Slippage to 2015/16 £000's	Total Adjusted Budget £000's	Annual Overspend / (Underspend) Month 2 £000's
Development Schemes Over £250k	0	0	0	0	0	0	0
Development Schemes Under £250k - Essential Works	402	0	402	402	0	402	0

Development Schemes Under £250k - Other Recommend	475	270	205	475	0	475	0
Infrastructure	3,649	2,241	1,408	3,649	0	3,649	0
IT Schemes - Infrastructure/Hardware	72	0	72	72	0	72	0
IT Schemes - Web Related	35	0	35	35	0	35	0
Low Cost Home Ownership	112	0	112	112	0	112	0
Maintenance Schemes - General	439	301	138	439	0	439	0
Renovation Grants	607	600	7	607	0	607	0
Section 106	1,098	382	716	1,098	0	1,098	0
Specific Grant Funded	0	0	0	0	0	0	0
Maintenance Schemes - Property	1,049	902	147	1,049	0	1,049	0
Grand Total	7,939	4,314	3,243	7,939	0	7,939	0

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