

REPORT

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|------------------------------------|---|
| SUBJECT | REVENUE & CAPITAL MONITORING 2016/17 PERIOD 2 OUTTURN FORECAST STATEMENT |
| DIRECTORATE | Chief Executive's Unit |
| MEETING | Economy & Development Select |
| DATE | 24th November 2016 |
| DIVISIONS/WARD AFFECTED | All Authority |

1. PURPOSE

- 1.1 The purpose of this report is to provide Members with information on the forecast revenue outturn position of the Authority at the end of period 2 which represents month 6 financial information for the 2016/17 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 Cabinet notes the extent of forecast revenue overspend at period 2 of £839,000, an improvement of £529,000 on previous reported position at period 1.
- 2.2 That Cabinet expects Chief officers to continue to review the levels of over and underspends and reallocate budgets to reduce the extent of compensatory positions needing to be reported from month 6 onwards.
- 2.3 That Cabinet appreciates the extent of predicted schools reserve usage and an anticipation that a further 4 schools will be in a deficit position by end of 2016-17.
- 2.3 That Cabinet approves a caveated use of reserves to finance £318,000 employment tribunal costs if the Council's budget is not able to absorb the effect of this extraordinary expenditure over the remaining 6 months of financial year.
- 2.4 That Cabinet considers the capital monitoring, specific over and underspends, and importantly that Cabinet recognises the risk associated with having to rely on a use of capital receipts in the year of sale and the potential for this to have significant revenue pressures should receipts be delayed and temporary borrowing be required.

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 (Month 6)

Given the extent of service movement since period 1 and the creation of the Resources Directorate, a change from previous reporting has been implemented to highlight to Members where particular services now reside. The following more detailed table is also anticipated to reduce the need for subsequent tables.

| Table 1: Council Fund 2016/17 Outturn Forecast Summary Statement at Period 2 (Month 6) | Original Budget | Budget Virements & Revisions Period 1 | Budget Virements & Revisions Period 2 | Revised Annual Budget @ Month 6 | Annual Forecast @ Month 6 | Forecast Over/ (Under) spend @ month 6 | Equivalent Forecast Over/ (Under) spend @ month 2 | Variance in Forecast since month 2 |
|---|----------------------------|--|--|--|--|---|--|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Adult Services | 6,925 | 0 | 0 | 6,925 | 6,740 | (185) | 20 | (205) |
| Children Services | 9,687 | 26 | 125 | 9,839 | 10,295 | 456 | 660 | (203) |
| Community Care | 20,121 | 39 | 464 | 20,624 | 21,512 | 888 | 483 | 405 |
| Commissioning | 2,008 | 0 | (465) | 1,543 | 1,497 | (46) | (22) | (24) |
| Partnerships | 347 | 0 | 0 | 347 | 347 | 0 | 0 | 0 |
| Public Protection | 1,486 | (26) | 0 | 1,460 | 1,437 | (23) | 0 | (23) |
| Resources & Performance | 928 | (17) | 0 | 911 | 891 | (20) | (19) | (1) |
| Total Social Care & Health | 41,502 | 22 | 124 | 41,649 | 42,719 | 1,070 | 1,121 | (51) |
| Individual School Budget | 43,298 | 10 | 0 | 43,308 | 43,308 | 0 | 0 | 0 |
| Resources | 1,508 | 0 | 0 | 1,508 | 1,499 | (9) | 0 | (9) |
| Standards | 5,066 | 0 | 0 | 5,066 | 5,116 | 50 | 209 | (159) |
| Total Children & Young People | 49,872 | 10 | 0 | 49,882 | 49,923 | 41 | 209 | (168) |
| Business Growth & Enterprise | 592 | 491 | 281 | 1,365 | 1,381 | 16 | (5) | 21 |
| Planning & Housing | 1,370 | 91 | 0 | 1,462 | 1,229 | (233) | (10) | (223) |
| Tourism Life & Culture | 2,342 | 51 | 600 | 2,993 | 3,389 | 396 | 398 | (2) |
| Youth | 600 | 0 | (600) | 0 | 0 | 0 | 0 | 0 |
| Total Enterprise | 4,905 | 633 | 281 | 5,819 | 5,999 | 180 | 383 | (203) |
| Governance, Engagement & Improvement | 4,233 | 206 | 0 | 4,439 | 4,411 | (28) | (5) | (23) |
| Legal & Land Charges | 516 | (69) | 0 | 448 | 418 | (30) | 0 | (30) |
| Operations | 17,120 | (198) | 0 | 16,922 | 16,988 | 66 | 41 | 25 |
| Total Chief Executives Unit | 21,869 | (61) | 0 | 21,808 | 21,817 | 8 | 36 | (28) |
| Finance | 2,063 | 214 | 0 | 2,277 | 2,248 | (29) | (8) | (21) |
| Information Communication Technology | 2,058 | 253 | 0 | 2,310 | 2,378 | 68 | 100 | (32) |
| People | 1,533 | (107) | 0 | 1,425 | 1,525 | 100 | 0 | 100 |
| Place | (652) | 6 | 0 | (646) | (501) | 145 | 217 | (72) |
| Total Resources | 5,002 | 365 | 0 | 5,367 | 5,651 | 284 | 309 | (25) |

**Table 1: Council Fund 2016/17
Outturn Forecast Summary
Statement at
Period 2 (Month 6)**

| | Original Budget | Budget Virements & Revisions Period 1 | Budget Virements & Revisions Period 2 | Revised Annual Budget @ Month 6 | Annual Forecast @ Month 6 | Forecast Over/ (Under) spend @ month 6 | Equivalent Forecast Over/ (Under) spend @ month 2 | Variance in Forecast since month 2 |
|---|--------------------|---|---|---|------------------------------------|---|--|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Precepts and Levies | 16,484 | 0 | 0 | 16,484 | 16,488 | 4 | 0 | 4 |
| Coroners | 80 | 0 | 0 | 80 | 100 | 20 | 0 | 20 |
| Gwent Joint Records | 183 | 0 | 0 | 183 | 182 | (0) | 0 | (0) |
| Corporate Management (CM) | 361 | (175) | 0 | 186 | 505 | 319 | 0 | 319 |
| Non Distributed Costs (NDC) | 726 | 0 | 0 | 726 | 824 | 98 | 72 | 27 |
| Strategic Initiatives | 634 | 0 | 0 | 634 | 634 | 0 | 0 | 0 |
| Office furniture & equipment | 110 | (110) | 0 | (0) | 0 | 0 | 0 | 0 |
| Insurance | 1,218 | 0 | 0 | 1,218 | 1,159 | (59) | 0 | (59) |
| Total Corporate Costs & Levies | 19,796 | (285) | 0 | 19,511 | 19,892 | 381 | 72 | 309 |
| Net Cost of Services | 142,945 | 685 | 405 | 144,035 | 146,001 | 1,966 | 2,099 | (133) |
| Attributable Costs – Fixed Asset Disposal | 0 | 95 | 0 | 95 | 149 | 54 | 54 | 0 |
| Interest & Investment Income | (55) | 0 | 0 | (55) | (61) | (6) | 0 | (6) |
| Interest Payable & Similar Charges | 3,490 | 5 | 0 | 3,496 | 2,956 | (540) | 0 | (540) |
| Charges Required Under Regulation | 3,356 | 71 | 0 | 3,427 | 3,410 | (17) | 0 | (17) |
| Contributions to Reserves | 103 | 2 | 0 | 105 | 105 | 0 | 0 | 0 |
| Contributions from Reserves | (1,139) | (860) | (405) | (2,404) | (2,141) | 263 | 80 | 183 |
| Appropriations | 5,755 | (686) | (405) | 4,664 | 4,418 | (245) | 134 | (379) |
| General Government Grants | (63,567) | 0 | 0 | (63,567) | (63,567) | 0 | 0 | 0 |
| Non-Domestic Rates | (27,981) | 0 | 0 | (27,981) | (27,981) | 0 | 0 | 0 |
| Council Tax | (63,411) | 0 | 0 | (63,411) | (63,941) | (530) | (550) | 20 |
| Council Tax Benefits Support | 6,258 | 0 | 0 | 6,258 | 5,909 | (349) | (313) | (36) |
| Financing | (148,701) | 0 | 0 | (148,701) | (149,580) | (879) | (863) | (16) |
| Budgeted contribution from Council Fund | 2 | 0 | 0 | 2 | 0 | (2) | (2) | 0 |
| Net Council Fund (Surplus) / Deficit | 1 | (1) | 0 | (0) | 839 | 839 | 1,368 | (529) |

3.1.3 A comparison of the Net Council fund line against previous years activity indicates the following,

| Net Council Fund Surplus | 2016-17 | 2015-16 | 2014-15 |
|--------------------------|---------------|---------------|-------------|
| | £'000 | £'000 | £'000 |
| Period 1 | 1,511 deficit | 867 deficit | 219 deficit |
| Period 2 | 839 deficit | 1,066 deficit | 116 deficit |
| Period 3 | | 162 deficit | 144 deficit |
| Outturn | | 579 surplus | 327 surplus |

3.1.4 Overall an improved position is anticipated against month 2. The deficit at month 6 monitoring is also an improvement on the equivalent position last year. This is significantly affected by council tax receipts and treasury improvements, although the net cost of services still exhibits £2million

variance. Directorates are continuing to review the levels of over and underspends and reallocate budgets to reduce the extent of compensatory positions needing to be reported from month 6 onwards.

3.1.5 A summary of main pressures and under spends within the Net Cost of Services Directorates include,

3.1.6 Stronger Communities Select Portfolio (£401k net underspend)

- Chief Executives Unit (£8k overspend)

Governance and Legal division exhibit underspends of £28k and £30k respectively. Operations exhibits an overspend, whose net effect is predominantly the effect of the Highways Trunk Road Agency contract being renegotiated on more of a cost recovery basis (£250k), overspend of £38k in passenger transport, compensated in part by underspends in waste (£140k) and Property Services (£82k).

- Resources Directorate (£284k overspend)

An underspend in Finance Division costs (£29k) compensates in part for overspends in IT (£68k) as a result of delays in commercialising and selling our developed Social Care application. People division forecast an overspend of £100k, due to the delays with implementing the Training budget mandate (£50k) and take of Flexible benefits being less than the target saving mandate (£50k). Place division forecast an overspend of £145k, the result of delays in meet previously agreed income targets in the sustainability budget, and £70k overspend in respect of Markets, a mixture of increased costs in association with Borough Theatre, and a shortfall in income against income targets.

- Corporate (£381k overspend)

This is caused predominantly by an excess of net pension strain costs (£98k), and Coroner costs being higher than budgeted (£20k overspend), offset by Insurance underspend of £59k. In addition a recent decision in an Employment Tribunal will cost £318k which is currently unbudgeted and will require one off reserve funding if the Council's budget is unable to absorb the effect of this over the remaining few months of the year.

- Appropriations (£245k underspend)

Caused predominantly by a net £509k saving in treasury/borrowing costs from active treasury management and utilising recurrent short term borrowing as an alternative to taking out more expensive long term borrowing. Net borrowing costs are also favourably affected by any delay in the timing of expenditure that has not already been factored into the budget calculations e.g. capital (of net £42.5m capital budget only net £12m has been incurred at month 6), and using receipts as more cost effective temporary internal borrowing. The extent of this saving is moderated by the net anticipated use of reserves which is £264k less than predicted and should have a directly compensating underspend within services as they are not incurring that reserve funded expenditure.

- Financing (£879k underspend)

The net effect from an excess of Council tax receipts and less than anticipated Council tax benefit payments

3.1.7 Economy & development Select Portfolio (£157k net overspend)

- Enterprise Directorate (£180k net overspend)

Commercial and people development (£17k overspend) - Business growth and enterprise is incurring a forecast overspend of £97k, compensated in part by underspend in Eisteddfod spending of £80k, which reduces the approved call upon reserves in Appropriations.

Planning & Housing (£232k underspend) – a £225k underspend is forecast in planning. The service is using £100k from reserves to assist with LDP work that is not anticipated to be drawn upon, and the 2016/17 budget reflects a further £125k that will not be incurred this year. Housing also anticipate an underspend, totalling £8k and the net effect of additional grant funding to afford homeless inclusion officer position, and increased income from the Council's lodging scheme through heightened occupation rates.

Tourism, leisure & culture (£396k overspend) - Countryside exhibit an underspend of £12k from part vacancy and extra grant funding. There is a £119k overspend in respect of Cultural services, of which the main pressure is Caldicot Castle, and Museums experiencing £37k as a result of unmet mandate savings. Leisure services anticipate £81k overspend, partly due to reduced grants to afford summer play schemes, but mainly due to redundancy costs of circa £40k, a shortfall in mandated savings £25k and reduced income. Tourist Information Centres indicate a £61k overspend due to savings not yet being achieved. Youth services are a recent addition to Enterprise Directorate, it has been received with an inherent pressure (£147k) as previous mandates presumed additional grant funding that has not been achieved.

- Social Care & Health (£23k underspend)

Public Protection (£23k underspend) – miscellaneous minor underspends on £1.5million expenditure budget

3.1.8 Adult Select Portfolio (net £637k overspend)

- Social Care & Health

Adult Services (£185k underspent) – the net effect of secondments and intermediate care funding sustaining services, a saving of £45k has resulted from the My Day review, which compensates in part for a short term staffing pressure at Severn View of £70k.

Community Care (£887k overspend) – this area is now the most significant financial challenge affecting Social Care Directorate. The net pressure is caused by care package demands predominantly within the Chepstow team and Mental Health Care team, collectively £1.1 million. These are compensated in part by savings within the other 2 teams (£152k), reported Frailty partnership cost underspends (£52k) and net community learning disability team savings of £27k.

Commissioning (£46k underspend) – predominantly a savings within Drybridge Gardens service area caused by a refund on the last 3 years management agreement and a vacant unit at the site.

Resources (net £19k underspend) – a mix of Finance team and Facilities management savings

Whilst the work around Changing Practice and the associated budget saving mandate of £628k is continuing, the service is facing increasing demand which is offsetting some of the progress that has been made.

3.1.9 Children & Young People Select Portfolio (net £497k overspend)

- Social Care & Health

Children's Services (net £456k overspend) – there are a variety of large value under and overspends within the service. Assessment and contact costs introduce a £140k cost pressure, consideration is being given to the most appropriate cost centre for these costs. As in previous years, Counsel/legal costs introduce a net pressure, this year of £118k. Encouragingly external placement costs exhibit a £300k underspend, which even with increased costs in fostering payments (£141k) still provides a net financial underspend for the service. There are continuing agency staff costs of £458k whilst the team seek to recruit and train new directly employed staff.

Youth offending team partnership (breakeven) – whilst it is unusual to highlight a service that is anticipated to have a neutral year end effect. As part of the Select Committee's work programme, Members may wish to understand the considerable effort made by the service to accommodate significantly declining government funding in 2016/17 and into future and how it could foreseeably impact upon sustainability of the service.

- Children and Young People (net £41k overspend)

Resources delegated to schools exhibit no variance to budgeted levels. There is a small underspend of £9k within the Finance team, which compensates in part for the net overspend in Additional Learning Needs costs.

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.

Month 6 movement on school reserves

| Reserve b/fwd (Surplus)/ Deficit | In Year forecast at Month 2 (Surplus)/ Deficit | Difference reported from Month 6 to Month 2 (Surplus)/ Deficit | In Year forecast at Month 6 (Surplus)/ Deficit | Projected c/fwd at year end (Surplus)/ Deficit |
|----------------------------------|--|--|--|--|
| £'000 | £'000 | £'000 | £'000 | £'000 |

Abergavenny cluster

| | | | | | |
|---|-------|-----|------|-----|------|
| King Henry VIII Comprehensive | (107) | 241 | (37) | 204 | 97 |
| Cantref Primary | (42) | 13 | (3) | 10 | (32) |
| Deri View Primary | (86) | 62 | 13 | 75 | (11) |
| Gilwern Jnr & Infants | (41) | 14 | 4 | 18 | (23) |
| Goytre Fawr Jnr & Infants | (54) | 34 | (11) | 22 | (32) |
| Llanfair Kilgeddin CV Jnr & Infants | (67) | 67 | 0 | 67 | 0 |
| Llanfoist Fawr Primary | (94) | 45 | 18 | 62 | (32) |
| Llantillio Pertholey Jnr & Infants | (37) | 42 | (6) | 37 | (1) |
| Llanvihangel Crocorney Jnr & Infants | 24 | 6 | (0) | 5 | 29 |
| Our Lady and St Michael's RC Primary School | (31) | 19 | (14) | 5 | (25) |
| Ysgol Gymraeg Y Fenni Primary | (59) | 21 | 2 | 23 | (36) |

| Reserve b/fwd (Surplus)/ Deficit | In Year forecast at Month 2 (Surplus)/ Deficit | Difference reported from Month 6 to Month 2 (Surplus)/ Deficit | In Year forecast at Month 6 (Surplus)/ Deficit | Projected c/fwd at year end (Surplus)/ Deficit | |
|-------------------------------------|--|--|--|--|-------|
| £'000 | £'000 | £'000 | £'000 | £'000 | |
| Caldicot cluster | | | | | |
| Caldicot Comprehensive | (209) | 204 | 0 | 204 | (5) |
| Archbishop Rowan Williams Primary | (84) | 69 | 0 | 69 | (16) |
| Castle Park Primary | 21 | 23 | 3 | 26 | 48 |
| Dewstow Primary | (113) | 113 | (41) | 72 | (40) |
| Durand Jnr & Infants | (61) | 25 | (6) | 18 | (42) |
| Magor Vol Aided Jnr & Infants | (56) | 6 | 2 | 8 | (48) |
| Rogiet Jnr & Infants | (60) | 63 | (11) | 52 | (8) |
| Undy Jnr & Infants | (17) | (33) | 22 | (11) | (28) |
| Ysgol Gymraeg Y Ffin Primary | (13) | 60 | (4) | 56 | 43 |
| Chepstow cluster | | | | | |
| Chepstow Comprehensive | 414 | (257) | 3 | (254) | 160 |
| New Pembroke Primary | (36) | 33 | 1 | 33 | (3) |
| Shirenewton Jnr & Infants | (82) | 6 | (12) | (5) | (87) |
| St Mary's Chepstow RC Jnr & Infants | (25) | 39 | (6) | 33 | 7 |
| The Dell Jnr & Infants | (50) | 45 | (9) | 36 | (14) |
| Thornwell Jnr & Infants | (2) | 24 | (11) | 13 | 11 |
| Monmouth cluster | | | | | |
| Monmouth Comprehensive | (46) | 46 | 0 | 46 | 0 |
| Cross Ash Jnr & Infants | (51) | 26 | 1 | 27 | (24) |
| Kymin View Primary | (19) | 32 | (8) | 25 | 6 |
| Llandogo Jnr & Infants | 11 | (1) | 3 | (4) | 7 |
| Osbaston Church In Wales Primary | (37) | 8 | 18 | 26 | (11) |
| Overmonnow Jnr & Infants | 19 | (39) | 18 | (21) | (2) |
| Raglan Jnr & Infants | (18) | 14 | 4 | 18 | 0 |
| Trellech Jnr & Infants | (86) | 20 | 3 | 23 | (63) |
| Usk CV Jnr & Infants | (71) | 41 | (3) | 38 | (33) |
| | (1,265) | 1,130 | (74) | 1,055 | (209) |
| Special Schools | | | | | |
| Mounton House | 155 | (50) | 50 | 0 | 155 |
| Pupil Referral Unit | (46) | 0 | 0 | 0 | (46) |
| | 109 | (50) | 50 | 0 | 109 |
| | (1,156) | 1,080 | (24) | 1,056 | (100) |

3.2.2 6 schools exhibited a deficit position at the start of 2016/17. This is anticipated to rise to 10 by end of 2016-17, so effectively just over quarter of schools is anticipated to be in deficit by end of year. Significant volatility is particularly evident at Comprehensive school level, with Caldicot and Monmouth making significant use of their reserves. Conversely Chepstow exhibits good forecast

progress against their exacting recovery plan targets for the year, and if their trajectory remains constant over the next 6 months, they will provide enhanced confidence that they will resolve their deficit position by end of 2017/18 as agreed between Governing Body and LEA.

- 3.2.3 Collectively school balances at the beginning of the financial year amounted to £1,156,000. The Schools anticipated draw upon balances is forecasted to be £1,056,000 for 2016/17, leaving £100,000 as forecasted closing reserve balances.

| Financial Year-end | Net level of School Balances |
|--------------------|------------------------------|
| 2011-12 | (965) |
| 2012-13 | (1,240) |
| 2013-14 | (988) |
| 2014-15 | (1,140) |
| 2015-16 | (1,156) |
| 2016-17 Forecast | (100) |

- 3.2.4. Anticipated reserve levels have featured as a concern in previous years monitoring, and this year is really no different. This hasn't yet manifested itself as a problem at past year ends due to the receipt of adhoc grants from Education Advisory Service (EAS) late in the year which mitigated the forecast decline in the year end position.
- 3.2.5 CYP colleagues continue to work with EAS to improve the communication process to reduce this volatility, but ironically that may have an adverse effect on level of reserves to be carried forward, so reserve levels remain a focus for review.

3.3 2016/17 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 2016/17 financial year as part of the MTFP budgeting process. .

In summary they are as follows,

| Budgeted Service Savings Mandates Progress 2016/17 | | | | | | |
|--|--|--|--|---|--------------------------|---------------------------------|
| DIRECTORATE | Saving included in 2016/17 Budget £'000 | Savings reported achieved month 2 £'000 | Savings reported achieved month 6 £'000 | Percentage progress in achieving savings % | Delayed savings £'000 | Savings not achievable £'000 |
| Children & Young People | 600 | 600 | 600 | 100% | 0 | 0 |
| Social Care & Health | 640 | 640 | 12 | 2% | 628 | 0 |
| Enterprise | 385 | 285 | 285 | 74% | 0 | 100 |
| Resources | 469 | 318 | 299 | 64% | 15 | 155 |
| Chief Executive's | 1,565 | 1,442 | 1,442 | 92% | 63 | 60 |
| Total Mandated Service Savings 2016-17 | 3,659 | 3,285 | 2,638 | 72% | 706 | 315 |

- 3.3.2 Forecasted mandated savings are currently running at 72%, down from 92% at period 1, with currently £315,000 being deemed unachievable at the end of month 6, and a further £706,000 unlikely to crystallise in 2016-17.

- 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 Consequently the savings appendix also has a traffic light system to indicate whether savings are likely to be achieved or have justifiable reasons explaining delayed implementation. The following summary of savings mandates are still reported to be red or amber risk.

3.3.5 **Stronger Communities Select Portfolio**

Resources Directorate

- Mandate A5: Sustainable Energy Initiatives: Expected income targets of £34,000 are unachievable, alternative delivery plan of increased income on property rental portfolio and reduced expenditure on repairs and maintenance proposed
- Mandate B3: Training Services Consolidation: Consolidation of authorities existing training functions and increased revenue streams of £50,000 are unachievable. Alternative delivery plans are being considered.
- Mandate B5a: Community Asset Transfer £60,000: MCC still in discussions over transfer of Chepstow Drill Hall and Melville Theatre. £45,000 of the £60,000 savings contained within the mandate are forecast to be achieved.
- Mandate B16: Flexible Employment Options £50,000: Scheme exhibits little demand amongst staff.
- Mandate B18: Strategic Property Review: £21,000 shortfall identified as a failure to achieve Residential Letting Income and the Depot Rationalisation Programme which will take longer than expected.

Chief Executive's Office

- Mandate B11: Senior Leadership Structure Review: Currently £42,700 of the £315,000 mandated savings still to be found. Current structures under review in regard to achieving this further saving.
- Mandate 21: Town & Community Councils: The mandate is currently £80,000 short of the £400,000 in regard to the service collaboration for Tourism (£20k), Museums (£20k), Public Conveniences (£20k) and Community Hubs (£20k)

3.3.6 **Economy & Development Select Portfolio**

Enterprise (ENT) Directorate

- Mandate B5 b and c: Community Asset Transfer / Income Generation £100,000 relates to revised Leisure income targets and the commercialisation of assets. Neither is forecast to be achieved this year.

3.3.7 **Adult Select Portfolio**

Social Care & Health (SCH) Directorate

- Mandate A34. Whilst current year savings were anticipated to be delivered in full at period 1, a revised overspend of £822,000 within Adult Services at month 6, makes it unlikely that the practice change mandate of £628,000 will be delivered this financial year.

3.3.8 **Children and Young People Select Portfolio**

Children and Young People (CYP) Directorate

- Current year savings are anticipated to be delivered in full.

3.4 Capital Position

3.4.1 The summary Capital position as at month 6 is as follows

| MCC CAPITAL BUDGET MONITORING 2016-17 AT MONTH 6 by SELECT COMMITTEE | | | | | | |
|---|------------------------|---------------------------------|--------------------------------------|--|---------------------------------------|--|
| SELECT PORTFOLIO | Annual Forecast | Slippage Brought Forward | Total Approved Budget 2016/17 | Provisional Capital Slippage to 2017/18 | Revised Capital Budget 2016/17 | Forecasted Capital Expenditure Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Children & Young People | 32,399 | 39,731 | 43,227 | (10,829) | 32,398 | 1 |
| Adult | 83 | 30 | 92 | 0 | 92 | (9) |
| Economic & Development | 707 | 680 | 825 | 0 | 825 | (119) |
| Strong Communities | 9,264 | 3,243 | 9,508 | (265) | 9,243 | 21 |
| Capital Schemes Total | 42,453 | 43,684 | 53,653 | (11,094) | 42,559 | (106) |

Proposed Slippage to 2017-18

3.4.2 Proposed slippage at month 6 mainly relates to Future Schools (£10.8 million), £165,000 within S106 schemes, £63,000 in relation to LDP sales at Coed Glas and Crick, £28,000 in respect of Rights of Way work, and £10,000 in respect of Revenues IT system enhancements

3.4.3 Commonly slippage volumes increase into the third quarter and outturn as service managers realise the impracticality of realising commitments by the end of the financial year. Only £12m capital expenditure has been incurred against a working capital budget of £42.5million at month 6.

Capital Outturn

3.4.4 Major revisions to the capital programme since month 2 include Cabinet approvals for the Solar Farm grid connection (£350K) and Linkages at Woodstock Way in Caldicot (£30k). Other changes to General Capital and S106 schemes are reported in the Select Committee appendices.

3.4.5 Whilst many schemes are commonly reported as being at break even with budget this early in the financial year, past year's activity suggests this prediction is unlikely to be the reality at outturn. The Future schools programme, which remains the most significant element of capital programme, has been delayed whilst colleagues have secured additional funding. Following a Council meeting of 20th October it is anticipated the pace of expenditure will pick up.

3.4.6 The capital programme forecast at month 6 results in a minor net underspend of £106,000, most of which relates to settlement of cattle market costs below anticipation and a specific Abergavenny town team initiative that isn't proposed to go ahead.

3.4.7 There is conversely a forecast net overspend amongst section 106 schemes relating predominantly to Caldicot 3g pitch expenditure. Unfortunately this overspend had gone unnoticed due to a mistake in interpreting Committee reports that meant the previous budget addition of £53,000 was double

counted until spotted and removed at month 6. A review is being undertaken to understand the additional costs incurred with the intention of reporting back the position separately to Members if further funding remains advocated.

Capital Financing and Receipts

3.4.8 Given the anticipated capital spending profile reported in para 3.1.1, the following financing mechanisms are expected to be utilised.

| MCC CAPITAL FINANCING BUDGET MONITORING 2016-17 AT MONTH 6 By FINANCING CATEGORY | | | | | | |
|---|----------------------------------|---------------------------------|--|---|---|--|
| CAPITAL FINANCING SCHEME | Annual Forecast Financing | Slippage Brought Forward | Total Approved Financing Budget 2016/17 | Provisional Budget Slippage to 2017/18 | Revised Financing Budget 2016/17 | Forecast Capital Financing Variance 2016/17 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Supported Borrowing | 2,400 | 0 | 2,400 | 0 | 2,400 | 0 |
| General Capital Grant | 1,461 | 0 | 1,461 | 0 | 1,461 | 0 |
| Grants and Contributions | 15,721 | 16,050 | 17,832 | (2,111) | 15,721 | 0 |
| S106 Contributions | 1,113 | 880 | 1,305 | (165) | 1,140 | (27) |
| Unsupported borrowing | 13,059 | 11,553 | 21,151 | (8,092) | 13,059 | 0 |
| Earmarked reserve & Revenue Funding | 1,091 | 590 | 1,100 | (10) | 1,091 | 0 |
| Capital Receipts | 7,457 | 14,500 | 8,292 | (716) | 7,576 | (119) |
| Low cost home ownership receipts | 112 | 112 | 112 | 0 | 112 | 0 |
| Unfinanced | 40 | 0 | 0 | 0 | 0 | 40 |
| | | | | | | |
| Capital Financing Total | 42,453 | 43,684 | 53,653 | (11,094) | 42,559 | (106) |

Useable Capital Receipts Available

3.4.9 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 2016/20 MTFP capital budget proposals.

Movement in Available Useable Capital Receipts Forecast

| TOTAL RECEIPTS | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|---|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 |
| Balance b/f 1 st April | 5,311 | 11,563 | 0 | 1,093 |
| ADD | | | | |
| Receipts received in YTD | 14,041 | 0 | 0 | 0 |
| Receipts forecast received | 5,625 | 7,320 | 5,560 | 5,660 |
| Deferred capital receipts | 4 | 4 | 4 | 4 |
| LESS | | | | |
| Receipts to be applied | (7,457) | (18,887) | (4,471) | (509) |
| Set aside | (5,961) | 0 | 0 | 0 |
| Predicted Year end receipts balance | 11,563 | 0 | 1,093 | 6,248 |
| Financial Planning Assumption 2016/20 MTFP Capital Budget | 18,151 | 6,452 | 3,985 | 3,481 |
| Increase / (Decrease) compared to MTFP Capital Receipts Forecast | (6,588) | (6,452) | (2,892) | 2,767 |

3.4.10 The above table indicates the anticipated receipts activity, but it should not be interpreted for instance that the Council will have £11.6 million unused receipts its bank account at the end of March 17. The Council utilises an active treasury management strategy, and borrowing decisions are based on daily cashflow considerations, so capital receipts received, together with cash income, grant receipts, and the effect of delayed expenditure will be utilised on a daily basis to avoid unnecessary borrowing. This concept is commonly a feature of Internal Borrowing, and is one of the reasons why interest charges can be favourably influenced to provide a net benefit to the revenue account above in para 3.1.2. Further consideration will be given to the balance of various funding streams at the outturn position to minimise the impact on the revenue account where possible.

3.4.11 The balances forecast to be held at the 31st March each year are lower than forecast in the MTFP, mainly due to the delayed LDP receipts. This difference is eradicated by March 2020 when all the LDP sites are forecast to have been sold.

3.4.12 The forecast / received receipt figure above for 2016/17 includes receipts from the old Abergavenny cattle market site, Coed Glas and the Old County Hall site. However there is an increasingly significant risk resulting from the need to utilise capital receipts in the same year that they come into the Council. This provides no tolerance or flexibility should the receipts be delayed, which isn't uncommon, and will necessitate compensatory temporary borrowing which is more costly than utilising capital receipts and will compromise the treasury team's success in outperforming the appropriations budget for the favourable benefit of the bottom line position.

3.5 Reserve Usage

3.5.1 Revenue and Capital monitoring reflects an approved use of reserves. Whilst commonly at this stage in the year, services assume full reserve usage of amounts previously approved, there are some likely deferrals in use identified together with an increased call upon reserves which account for the net difference in budgeted use of reserves against actuals in Appropriations section of financial monitoring. These variances are,

Reduced call upon reserves

- Innovations & marketing officer contribution £19k (deferral)
- Eisteddfod Community fundraising backstop £80k (no longer required)
- LDP expenditure contribution £100k (deferral)
- RDP expenditure contribution £63k (deferral)
- Elections expenditure contribution £100k (deferral)

Increased call upon reserves

- Pension strain costs (£98k)

3.5.2 The following predicted position reflects capital and revenue presumptions evident in period 2 monitoring.

| Summary Earmarked Reserves Forecast 2016-17 | | | | | |
|--|-------------------|----------------------------------|-------------------------|----------------------|-------------------|
| Earmarked Reserves | 2015-16 | Revenue Approved Usage | | Capital Usage | 2016-17 |
| | C/FWD | Replenishment of Reserves | Draw on Reserves | | c/fwd |
| Invest to Redesign | -1,298,155 | -74,739 | 519,344 | 223,363 | -630,187 |
| IT Transformation | -826,835 | | | 238,862 | -587,973 |
| Insurance & Risk Management | -1,236,396 | | | | -1,236,396 |
| Capital Receipt Regeneration | -322,361 | | 95,376 | | -226,985 |
| Treasury Equalisation | -990,024 | | | | -990,024 |
| Redundancy & Pensions | -1,274,256 | | 690,521 | | -583,735 |
| Capital Investments | -1,264,599 | | | 628,236 | -636,363 |
| Priority Investments | -1,120,069 | | 836,197 | | -283,872 |
| Museum Acquisitions | -56,760 | | | | -56,760 |
| Elections | -108,183 | -25,000 | | | -133,183 |
| Grass Routes Buses | -139,702 | -5,000 | | | -144,702 |
| Sub Total | -8,637,340 | -104,739 | 2,141,438 | 1,090,461 | -5,510,180 |
| Restricted Use Reserves | | | | | 0 |
| Youth Offending Team | -325,000 | | | | -325,000 |
| Building Control Trading | -12,008 | | | | -12,008 |
| Outdoor Education Centres | -190,280 | | | | -190,280 |
| CYP Maternity | -104,000 | | | | -104,000 |
| Total Earmarked Reserves | -9,268,629 | -104,739 | 2,141,438 | 1,090,461 | -6,141,468 |

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

4 REASONS

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

5 RESOURCE IMPLICATIONS

- 5.1 As contained in the report.

6 EQUALITY AND SUSTAINABLE DEVELOPMENT IMPLICATIONS

- 6.1 The decisions highlighted in this report have no equality 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 (period 2) monitoring reports, as per the hyperlinks provided

[Chief Executives Revenue Monitoring Month 6 201617](#)
[Children and Young People Revenue Monitoring Month 6 201617](#)
[Corporate Revenue Monitoring Month 6 201617](#)
[Enterprise Revenue Monitoring Month 6 201617](#)
[Resources Revenue Monitoring Month 6 201617](#)
[Social Care and Health Revenue Monitoring Month 6 201617](#)
[Appropriations Revenue Monitoring Month 6 201617](#)
[Financing Revenue Monitoring Month 6 201617](#)
[Capital Monitoring Month 6 201617](#)

9 AUTHOR

Mark Howcroft – Assistant Head of Finance

10 CONTACT DETAILS

Tel. 01633 644740

e-mail. markhowcroft@monmouthshire.gov.uk

Appendices

Appendix 1 Mandated Savings Progress Report





Budgeted Service Savings Mandates Progress 2016/17







| DIRECTORATE | Saving included in 2016/17 Budget | Savings reported achieved month 2 | Savings reported achieved month 6 | Percentage progress in achieving savings | Delayed savings | Savings not achievable |
|---|-----------------------------------|-----------------------------------|-----------------------------------|--|-----------------|------------------------|
| | £'000 | £'000 | £'000 | % | £'000 | £'000 |
| Children & Young People | 600 | 600 | 600 | 100% | 0 | 0 |
| Social Care & Health | 640 | 640 | 12 | 2% | 628 | 0 |
| Enterprise | 385 | 285 | 285 | 74% | 0 | 100 |
| Resources | 469 | 318 | 299 | 64% | 15 | 155 |
| Chief Executive's | 1,565 | 1,442 | 1,442 | 92% | 63 | 60 |
| Total Mandated Service Savings 2016-17 | 3,659 | 3,285 | 2,638 | 72% | 706 | 315 |





2015/16 Budgeted Service Savings Mandates Progress



| RESOURCES | | | | | | | | |
|---|-------------|--|-----------------------------------|--|---|---------------------|----------------------------|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress |
| RESOURCES | | | | | | | | |
| Sustainable Energy Initiatives (Ben Winstanley) | A5 | Investing in biomass boilers, solar farms and reduction in Carbon Commitment. | 34,000 | 0 | 0 | | 34,000 | Unachievable |
| Rationalise Business Support (Tracy Harry) | B2 | Review the business support functions across the whole Authority to identify savings. | 50,000 | 28,000 | 50,000 | | | On track and expected to be fully met |
| Training Services Consolidation (Peter Davies) | B3 | Consolidation of the Authorities existing training functions. | 50,000 | - | - | | 50,000 | Unachievable |
| Community Asset Transfer/ Income generation (Peter Davies / Deb Hill-Howells) | B5 | Community Asset Transfer of two properties, includes optimisation of assets to generate income | 60,000 | 45,000 | 45,000 | 15,000 | - | £60k of £160 relates to Estates of which £45k has been found. £15k shortfall is due to delayed implementation on Melville theatre and ongoing discussion with Town Council over Drill Hall. |
| Flexible Employment Options (Peter Davies) | B16 | Market to all staff the Authority's flexible benefits and employment packages. | 50,000 | 50,000 | - | | 50,000 | Unachievable |
| Business rates evaluation - Appeals (Ruth Donovan) | B17 | Rate refunds following Appeals by Cooke & Arkwright | 140,000 | 140,000 | 140,000 | | | On track and expected to be fully met |
| Strategic Property Review (Ben Winstanley - Deb Hill-Howells) | B18 | Reduction in Corporate Building Maintenance, Purchase Card rebates , Facility Management Restructure and reductions in Transport Costs and Supplies and Services costs | 60,000 | 30,000 | 39,000 | | 21,000 | Alternative delivery plan has not been possible due to pressures within the service |
| Discretionary Fees and Income (Joy Robson) | B23 | Increased Discretionary Fees & Charges | 25,000 | 25,000 | 25,000 | | | Spread across authority, assume it has been achieved. |
| TOTAL | | | 469,000 | 318,000 | 299,000 | 15,000 | 155,000 | |











| CHIEF EXECUTIVE'S UNIT | | | | | | | | | |
|---|-------------|---|-----------------------------------|--|---|---------------------|----------------------------|---|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress | |
| Garden Waste (Rachel Jowitt) | | Increase in charges for Garden Waste collection service. | 40,000 | 40,000 | 40,000 | | | On track |  |
| Home to School Transport (R Hoggins / Richard Cope) | A14 | Continuation of 2014-15 mandate. Fundamental policy review to nearest school, and more zealous application of free school travel criteria. | 30,000 | 30,000 | 30,000 | | | This saving is forecast to be achieved but through the reduction in contract costs for home to school transport rather than the policy review initially included in the original mandate. There is no appetite for the nearest school policy to be reviewed at this moment in time but it is still being looked into. |  |
| Community Hubs (Will McClean) | A28 | It's about delivering services in a different way and aligning them with the Whole Place philosophy. This will introduce major changes to how the library and one stop shop services are delivered. <i>We will create a hub in each</i> | 25,000 | 25,000 | 25,000 | | | Achievable through alternative Delivery Plan |  |
| Community Hubs (Rachel Jowitt) | A28 | It's about delivering services in a different way and aligning them with the Whole Place philosophy. This will introduce major changes to how the library and one stop shop services are delivered. We will create a hub in each town where face to face services will be delivered. The contact centre will sustain a reliable and informed first point of contact for people contacting us other than face to face. | 25,000 | 25,000 | 25,000 | | | Achievable through alternative Delivery Plan. Contact Centre experiencing overspend exceeding mandate target |  |

| CHIEF EXECUTIVE'S UNIT | | | | | | | | | |
|---|-------------|---|-----------------------------------|--|---|---------------------|----------------------------|---|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress | |
| Legal Services (Rob Trantor) | B7 | Income generation by providing Legal Services to external organisations. | 25,000 | 25,000 | 25,000 | | | Currently staff resource is totally used up undertaking internal legal work so there is no spare capacity to generate income from outside of the organisation. This will not affect outturn in 16-17 as it has been offset by a grant windfall in Land Charges but will be a pressure from 17-18 onwards. |  |
| Promoting Business Waste (Rachel Jowitt) | B8 | Introduction of a new policy to charge for trade waste, and better control over the use of household waste recycling centres. | 80,000 | 80,000 | 80,000 | | | On Track |  |
| Leadership Team Structure Review (Paul Matthews) | B11 | Re-alignment of Senior Key Posts and Roles. | 315,000 | 272,300 | 272,300 | 42,700 | | Waiting for update on the achievability, alternative delivery option |  |
| Highways Infrastructure Income Generation (Roger Hoggins) | B13 | Income generation from highway advertisements across Monmouthshire (£50k) | 150,000 | 150,000 | 150,000 | | | Planning approval delays means £25,000 relating to advertising income will be delayed. Shortfall will be managed within service budget. |  |
| Grounds – Funding Review (Rachel Jowitt) | B14 | | 75,000 | 75,000 | 75,000 | | | on track |  |
| Highways Maintenance (Roger Hoggins) | B15 | Reducing the budgets within the highways section. | 200,000 | 200,000 | 200,000 | | | on track |  |

| CHIEF EXECUTIVE'S UNIT | | | | | | | | | |
|--|-------------|---|-----------------------------------|--|---|---------------------|----------------------------|--|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress | |
| Property Services and Facilities Management Review (Rob O'Dwyer) | B19 | Reduction in corporate building maintenance budgets. Purchase rebates from the use of procurement cards. (£15k), Facility Management restructure (£35k) | 100,000 | 100,000 | 100,000 | | | The section is forecast to achieve the full mandate saving, shortfall from purchase rebates will be covered through general expenditure efficiencies. |  |
| Town and Community Councils (Roger Hoggins) | B21 | Restructuring of Services in collaboration with Town / Community Councils PCs | 110,000 | 90,000 | 90,000 | 20,000 | | Public conveniences are forecast to achieve £90,000 of the £110,000k mandate saving due to delayed implementation of which £80k is a contribution from the Town Council. |  |
| | | Grounds | 83,500 | 83,500 | 83,500 | | | On Track |  |
| | | Waste | 71,500 | 71,500 | 71,500 | | | On Track |  |

| CHIEF EXECUTIVE'S UNIT | | | | | | | | | |
|---|-------------|---|-----------------------------------|--|---|---------------------|----------------------------|--|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress | |
| Town and Community Councils (Roger Hoggins) | B21 | Restructuring of Services in collaboration with Town / Community Councils (Shortfalls) Museums (£0 out of £20k) Tourism (£5,000 out of £25k) Community Hubs (£70,000 out of £90K)) | 135,000 | 75,000 | 75,000 | | 60,000 | No contribution from Town council for museums. Only £5k received from Chepstow TC for TIC. £70k achieved from Hubs. So High Risk on Museums, Low Risk on Tourism and Community Hubs |  |
| Collaboration and realigning structures in operations (Roger Hoggins) | B22 | | 100,000 | 100,000 | 100,000 | | | £70k of total saving related to Highways efficiencies from restructure, delay in implementation has meant staff savings have been delayed as well. Should not impact on outturn position as shortfall will be covered by managed efficiencies in expenditure. |  |
| TOTAL | | | 1,565,000 | 1,442,300 | 1,442,300 | 62,700 | 60,000 | | |

| ENTERPRISE | | | | | | | | | |
|---|-------------|---|-----------------------------------|--|---|---------------------|----------------------------|---------------------------------------|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress | |
| Leisure Services Income Generation (Ian Saunders) | B1 | Income generation/cost savings within the service. | 120,000 | 120,000 | 120,000 | | | On track and expected to be fully met |  |
| Planning Services- Income Generation (Mark Hand) | B9 | Reduce the net cost of planning services with the increase of income from planning applications received. | 40,000 | 40,000 | 40,000 | | | On track and expected to be fully met |  |
| Community Asset Transfer/ Income generation (Peter Davies / Deb Hill-Howells) | B5 | Income Generation Leisure | 25,000 | - | - | | 25,000 | Won't be achieved this financial year |  |
| | | Optimisation of Assets - PD | 75,000 | - | - | | 75,000 | Unachievable |  |
| Extension Shared Lodgings Housing Scheme (Ian Bakewell) | B10 | Increase the Shared Housing Scheme within Monmouthshire. | 50,000 | 50,000 | 50,000 | | | On track and expected to be fully met |  |
| Second Phase Review of subsidies to 3rd Sector (Will Mclean) | B12 | Consolidation and reduction of grants to 3rd sector providers. | 75,000 | 75,000 | 75,000 | | | On track and expected to be fully met |  |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | 385,000 | 285,000 | 285,000 | 0 | 100,000 | | |

| SOCIAL CARE & HEALTH | | | | | | | | | |
|--|-------------|--|-----------------------------------|--|---|---------------------|----------------------------|---|---|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress | |
| Transition - Bright New Futures (SC&H) (Julie Boothroyd) | A24 | In 2014 we combined our Transitions Project Team within Bright New Futures Project. (based in Bridges) | 12,000 | 12,000 | 12,000 | | | On track and expected to be fully met |  |
| Adult Social Care Transformation (Julie Boothroyd) | A34 | The service is continuing its journey on practice change and restructuring itself to meet future mandate savings with community links and innovative approaches to domiciliary care, coupled with less reliance on admissions to residential care. | 628,000 | 628,000 | 0 | 628,000 | | With an £822k Adults overspend identified at month 5, we are reviewing alternative courses of action to pursue alternative opinions to deliver the savings. |  |
| | | | 640,000 | 640,000 | 12,000 | 628,000 | 0 | | |

| CHILDREN & YOUNG PEOPLE | | | | | | | | |
|--|-------------|--|-----------------------------------|--|---|---------------------|----------------------------|---------------------------------------|
| Budget proposals 2016/17 | Mandate No. | Savings Mandate Narrative | Saving included in 2016/17 Budget | Value of Saving Forecast at Month 2 £s | Value of Saving Forecast at Month 6 £'s | Delayed savings £'s | Savings not achievable £'s | Assessment of progress |
| Gwent Music (Nicki Wellington) | A20 | Gwent Music is a joint service hosted by Newport. The plan is to refocus the service to make them more efficient. | 50,000 | 50,000 | 50,000 | - | - | On track and expected to be fully met |
| Phase 3 of Additional Learning Needs Review (Sharon Randall-Smith) | B20 | Closure off Deri View SNRB (£50k), Placement costs for External pupils attending Mounon House (£250k). Implementation of new funding formula from April 2016. (£250k). | 550,000 | 550,000 | 550,000 | - | - | On track and expected to be fully met |
| | | | 600,000 | 600,000 | 600,000 | 0 | 0 | |

