

SUBJECT: REVENUE AND CAPITAL BUDGET 2010/11 – FINAL PROPOSALS

MEETING: Special Cabinet

DATE: 17th February 2010

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE:

- 1.1 To update Cabinet with the consultation responses to the budget proposals issued by them on the 2nd and 10th December 2009 in respect of the capital and revenue budgets.
- 1.2 To update members with implications arising from the Final Settlement announcement of the Welsh Assembly.
- 1.3 To make recommendations to Council on the capital and revenue budgets and level of Council Tax for 2010/11.
- 1.4 To receive the Responsible Financial Officer's Prudential Indicator calculations.
- 1.5 To receive the statutory report of the Responsible Financial Officer on the budget process and the adequacy of reserves.

2. RECOMMENDATIONS:

- 2.1 That Cabinet considers the responses to consultation and makes appropriate recommendations to Council on:
 - The 2010/11 revenue budget
 - The 2010/11 to 2013/14 capital programme
 - The Band "D" equivalent Council Tax to apply for county purposes in 2010/11
- 2.2 That Cabinet approve the necessary disinvestment proposals appended to this report subject to Council approval of the budget.
- 2.3 That Cabinet recommend Council to dispose of assets identified in the exempt background paper at best value, in addition to sales previously authorised.
- 2.4 That Cabinet considers the Responsible Financial Officer's report on the robustness of the budget process and the adequacy of reserves issued under the provisions of the Local Government Act, 2003.
- 2.5 That Cabinet adopts the Responsible Financial Officer's report on Prudential Indicators.

- 2.6 That Cabinet formally notes that Education expenditure for 2010/11 is again likely to be lower than the Education Indicator based Assessment, and to agree that this is primarily because of the inescapable need to spend on Personal Social Services, especially those for children.
- 2.7 That Cabinet agrees in principal to the changes required in budget management in order to facilitate the agile working agenda and financing of the accommodation strategy.

3. KEY ISSUES:

BUDGET CONSULTATION

- 3.1 Cabinet issued its budget consultation proposals on 2nd December, 2009, thereby allowing a significant period for consultation and scrutiny. The detail proposals were released at an all Member Seminar held on 10th December, 2009, the draft notes of which are included at **Appendix A/1 to this report**. The proposals were also considered by the Children's and Young Persons, Strong Communities and Audit and Accounts Select Committees meetings and the Schools Budget Forum. Extracts of the draft minutes from the Committees are included as **Appendices A/2 to A/6** respectively. Other consultation opportunities arose at Business Ratepayer consultations, notes of which appear at **Appendices A/7 – A/9**, as well as other community based meetings. At the date of writing this report consultation is ongoing and any further responses will be reported orally to Cabinet.
- 3.2 As might be expected, responses to consultation varied but concentrated almost exclusively on budget reduction proposals rather than the proposed areas for investment via the medium term financial planning (MTFP) process. Where comments were made that budget reduction proposals should not be pursued, they were, in the main, unaccompanied by alternative savings ideas. Select Committee Members welcomed the all Member seminars that had been held on the budget that had improved their ability to participate constructively in the process.
- 3.3 The most commonly mentioned concerns by Members were the proposals;
- To reduce the public conveniences budget
 - To reduce expenditure at leisure centres
 - To reduce highways and verge maintenance spending
- 3.4 The Accounts and Audit Committee Chairman has written asking that consideration be given to reintroducing the "Community Spirit" newsletter. The current expectation of Cabinet is that this will be reintroduced in the spring in conjunction with Local Service Board partners with the costs being contained within existing budgets.
- 3.5 On capital account, general concerns were expressed at the need to spend a large amount of money at one secondary school to make it DDA compliant for pupils.

FINAL SETTLEMENT

- 3.6 As expected and despite huge concern from Welsh Local Government, the final settlement delivered no material change from the Provisional Announcement upon which the budget proposals were based. As far as Monmouthshire is concerned, the final settlement provided a reduction of £207,000 in Aggregate External Finance from that announced at provisional stage thereby increasing the difficulty of producing a balanced budget. The reduction was due, in the main to relative data changes to Council Tax Bases throughout Wales. Taking this into account together with changes to the transfers in and out of the settlement leads to an overall reduction in funding of £288,000. A table showing each authorities position resulting from the final settlement is included at **Appendix B** to this report.
- 3.7 As members will know, the Assembly holds responsibility for directly funding Post 16 education delivered through Monmouthshire's schools. Here again, the position is extremely difficult with a 7.2% cash reduction from 2009/10 to 2010/11. The figures for each Welsh Council are shown at **Appendix B/1**.
- 3.8 On capital account, the final settlement saw a reduction in the overall level of Welsh funding, but no change to Monmouthshire's overall figure.
- 3.9 The medium term prognosis is of extreme concern. There is to be no Comprehensive Spending Review until after the forthcoming General Election resulting in difficulty with forecasting Assembly funding levels in the medium term. All commentators agree however that the next few years will see negative cash figures for revenue support with -2% being a frequently quoted expectation and some anticipating a worse position. The table below shows the global draft results of work conducted by SOLACE on behalf of local government in Wales:

Cash Change to RSG	2011/12	2012/13	2013/14
Best Case	-2%	-2%	-2%
Moderate Case	-3.4%	-3.5%	-3.5%
Worst Case	-4.3%	-4.5%	-4.6%

- 3.10 On capital account the position is even more bleak with significant reductions in capital funding being forecast. Current national projections suggest that total local government funding from the Assembly may fall, by 2013/14, to just 54% of its 2008/09 level in cash terms.

CABINET'S RECOMMENDATIONS TO COUNCIL

- 3.11 The budget proposals distributed for consultation included a gap of £782,000 still to be closed. The notification of a reduction in AEF from the final settlement as outlined above, increases the gap to £1,070,000.
- 3.12 Cabinet has carefully considered the responses to consultation and Cabinet Members are grateful to the public and fellow Councillors for their constructive input to an extremely difficult decision making process.
- 3.13 Based on comments received, Cabinet has decided **not to proceed** with the following proposal made at its meeting of 10th December, 2009:

- Reduction in Highways and verge maintenance - £85,000
 - Saving of £89,000 on toilets rationalisation in 2010/11 pending discussions with Town and Community Councils in time for any necessary local precepts to be considered for 2011/12
- 3.14 Cabinet is continuing to recommend the inclusion of all the Medium Term Financial Plan investment increases proposed on 2nd December, 2009 and reproduced for convenience at **Appendix C** (with the 2010/11 and later figures being indicative only). The revised Directorate based service and cost reductions now proposed to partially offset these increases are shown in summary at **Appendix D**.
- 3.15 The budget proposals of 2nd December 2009 included cost reductions based on strategic initiatives yet to be delivered. Cabinet intends for these to be pursued and the savings delivered in a timely manner. These intended savings are reproduced for convenience at **Appendix E** (with the 2010/11 and later figures being indicative only).
- 3.16 Cabinet has agreed, subject to national staff side consideration, to implement the National Single Status Job Evaluation Agreement with an implementation date of April 2009. In the event this proposal is implemented the single status reserve will be used to fund back pay and protection costs for 2009/2010. Budgets will be adjusted to account for the 2010/11 costs, currently included as a single figure in the budget calculations.
- 3.17 Cabinet and Council have recently considered reports that result in changes to the budget proposals in the following areas:
- School Transport policy, where current policy for transport to Welsh Medium schools has been extended to guaranteeing concessionary seats to pupils travelling from neighbouring counties to Torfaen CBC
 - Future Accommodation strategy where the recent Council decision has resulted in a reduced capital demand over the medium term and significant re-profiling of spending and funding to a new control total of £17 million, a significant saving over the estimated costs of remaining at County Hall. Members will recall in this respect that prudential borrowing will be needed to finance projects in the shorter term with a longer term return to financial sustainability by:
 - Capital receipt from sale of County Hall site
 - “Windfall” Capital receipts
 - Anticipation of Capital receipts from Local Development Plan sites
 - Capitalisation of reduced costs of energy and maintenance resulting from new, high efficiency buildings
 - Capitalisation of reduced costs resulting from the Agile Working initiative
 - Tactical use of reserves
- 3.18 Taking into account the above issues Cabinet members have considered the remaining gap of £1,178,000. They have identified the following means of closing the gap for 2010/11 without further impact on services.
- The final council tax base adjustment has resulted in an increase in Council Tax revenue of £353,000.
 - The Responsible Financial Officer has reconsidered the funding requirement for the single status agreement based on updated assumptions and considers that the impact for 2010/11 will now be less than forecast at budget proposals stage. It should however be stressed that single status is a difficult area to forecast with precision until implemented.

- Cabinet has considered very carefully the level of Council Tax increase included in the budget proposals. They have noted the considerable pressure on the budget, including that arising from the recent period of bad weather and the increase in the roads repair bill and are now recommending a council tax increase of 3.9%.

3.19 In summary therefore the following mechanism is being proposed to close the budget gap:

- Council tax base adjustment - £353,000
- Reduction in anticipated single status impact in 2010/11 - £557,000
- Council tax increase from 3% to 3.9% - £358,000

3.20 The Council continues to develop its approach to agile working and this has implications for budget management. As sections move to an agile working environment, resultant savings need to be captured as identified in the Full Business case. It is intended that these will be extracted from service budgets and held to part fund the new accommodation strategy either as a direct revenue injection or from capitalisation. In addition in order to create an appropriate agile working environment in the Council's offices, furniture, equipment and IT Budgets need to be centralised so that the office accommodation can be properly equipped for this new way of working.

3.21 On capital account, the deficit included in the proposals set out on 2nd December 2009 has been addressed by slowing down the Education Strategic Review (ESR) programme. This means a two year delay on Goytre Fawr school and Caldicot Ysgol Yfin, unless significant additional funding is identified by WAG grant or additional ESR capital receipts. The ESR programme is being reviewed in readiness for the new project based funding streams from WAG. In addition, the feasibility of modernising the Authorities secondary school provision is currently being reviewed with the help of WAG "21st Century Schools" funding as previously reported. Success with gaining WAG funding in this area may require considerable match funding from the Authority and together with successful bids for the primary sector would almost certainly require a full review of the Authority's capital programme in year when these funding streams are known. For 2009/10 Council approved £150,000 use of reserves towards the 21st Century schools project which will not now be needed due to the Assembly grant allocation of £1million to be spent this year. It is, in consequence, intended to re-allocate the £150,000 reserve provision into 2010/11.

3.22 The capital programme has also been updated following the recent decisions taken on the accommodation strategy at full Council. It also now includes the additional £2.5 million on infrastructure funded by prudential borrowing and included in Cabinet's budget proposals, the debt costs of which are funded in the first year from earmarked reserves. The updated summary capital programme and ESR programme are included in **Appendices J1 and J2**.

THE PRUDENTIAL CODE

3.23 Under the Prudential Code, local authorities are required to publish Prudential Indicators produced to demonstrate that capital programmes are prudent, sustainable and affordable in the longer term. The indicators for 2010/14 are contained at **Appendix G** to this report, assuming eventual Council approval of Cabinets budget and Council Tax recommendations.

INDICATOR BASED ASSESSMENTS

3.24 Councils are required to consider their proposed Education expenditure compared to their Education Indicator Based Assessment (IBA). Like some Welsh Councils, Monmouthshire spends below its Education IBA (by an estimated £1.308 million for 2008/9 increasing to an estimated £1.672 million for 2009/10). Obviously this is a matter of concern to Headteachers and to the Schools Forum albeit that they

understand that IBA's were never intended to represent a proxy for need to spend. In the event Cabinet proceeds with its budget proposals it is suggested the rationale for spending below IBA on Education and Transportation (Highway) services is that local need, when set in the context of the worst settlement per head of population of any Welsh Council, dictates that priority must be afforded to spending on Social Services especially those for children where expenditure is ahead of IBA.

THE ROBUSTNESS OF PROCESS AND RESERVES

- 3.25 The Cabinets strategy is for the planned use of reserves in support of the revenue and capital budgets. Part of the revenue support strategy in 2008/09 was for the application of £500,000 general reserves in the current year of account repaid in 2009/10 and 2010/11 when the Assembly forward indications were slightly improved. This proposal was intended to equalize funding over the three year medium term planning horizon operated by the Assembly and a repayment of £250,000 has been factored into the budget recommendations.
- 3.26 For 2009/2010 Cabinet was intending to overlay reserve utilization of £1.074 million in support of the revenue budget (excluding Single Status) on the basis that the then MTFP, based on Assembly forward indications, suggested there would be a surplus for 2010/11 and beyond when this could be paid back. Since then, national expectations have been seriously downgraded resulting in new MTFP projections. Members will know of current year budget forecasts the Responsible Financial Officer's view is that a priority call on any surplus generated on the revenue account should be utilized to avoid the need to make this call on the general reserve, thereby protecting the position for the future to some limited extent.
- 3.27 Total planned reserve utilization in support of the revenue budget in 2010/11 (excluding Single Status) is £1.356 million. The planned reserve utilization for 2010/11 in support of the capital programme amounts to £426,000 Total planned reserve utilization is, in consequence is a net £1.782 million. This is shown in more detail at **appendix H**.
- 3.28 The current revenue budget monitoring report for 2009/10 suggests that Treasury and Council Tax outperformance will compensate for a services overspend and may result in some reserve utilization being unnecessary but will enable very limited year end reserve replenishment. This contrasts starkly with the planned utilisation of reserves next year, as shown above, which, in the absence of year end intervention could result in some reserves going into deficit, based on a worst case scenario. This will require careful consideration at year end when the outturn position is known.
- 3.29 Under the provisions of the 2003 Local Government Act, the Responsible Financial Officer has to provide conclusions on the robustness of the budget process and the adequacy of reserves. Those conclusions are shown at **appendix F**.
- 3.30 The effect of Cabinets revenue budget recommendations is shown at **appendix I**. The effect of Cabinets capital recommendations is shown at **appendix J**. Final budget and Council Tax setting is reserved for decision of Council and this is scheduled for March 4th 2010.

4. REASONS:

- 4.1 To make appropriate recommendations to Council on the revenue and capital budgets for 2010/11, and the resultant Council Tax recommended to be set for County purposes.
- 4.2 To sustain the Capital programme by the sale of surplus assets.

- 4.3 As required by statute, to consider the Responsible Financial Officers provisional conclusions on the robustness on the budget process and the adequacy of reserves going forward.
- 4.4 To approve the Prudential Capital Indicators calculated by the Responsible Financial Officer.

5. RESOURCE IMPLICATIONS:

As identified within the report and appendices.

6. CONSULTEES:

Cabinet
Corporate Management Team

7. BACKGROUND PAPERS:

Directorate Budget builds, detailed capital programme and associated papers Provisional Local Government Settlement
Final Local Government Settlement
The CIPFA Prudential Code for Capital Expenditure

8. AUTHORS:

Joy Robson – Head of Finance and Improvement
Steve Greenslade - Corporate Director RER and Responsible Financial Officer

9. CONTACT DETAILS:

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- A/1 Draft notes of member budget seminar
- A/2 Draft Minutes of Economy and Development Select Committee
- A/3 Draft Minutes of Audit and Accounts Select Committee
- A/4 Draft Minutes of Special Strong Communities Select Committee and Children and Children and Young People Select Committee
- A/5 Draft Minutes of Adults Select Committee
- A/6 Draft Minutes of Schools Budget Forum
- A/7 Draft Minutes of business rate consultation – Central Monmouthshire
- A/8 Draft Minutes of Mor Hafren Business Rates Consultation
- A/9 Draft Minutes of Bryn y Cwm Business Rates Consultation
- B. Final Settlement Data
- B/1 Final Post 16 Allocations
- C. Investment Recommendations via MTFP process
- D Disinvestment schedule
- E MTFP Strategic Initiatives
- F Responsible Financial Officers Opinion
- G Prudential Indicators
- H/1 Reserve Funding for 2010/11 Budget
- H/2 Reserve Balances
- H/3 Reserve funding for 2009/10 Budget
- I Revenue Budget Summary
- J/1 Capital Budget Summary
- J/2 ESR Capital Budget Summary

Monmouthshire County Council

Member Budget Consultation Seminar

Thursday 10th December 2009 at 10am

Present:

County Councillors:

G. C. Burrows, D. L.S. Dovey, S. M. Dovey, A. Easson, D.L. Edwards, D. J. Evans, P.A.Fox; R.J.W. Greenland, L. Guppy, E.J. Hacket – Pain, J.D. Harris, R.G. Harris, R.J.C. Hayward, R.J. Higginson, P.A.D. Hobson, B.R. Hood, G. Howard, S.G.M Howarth, A.C. James, S. B. Jones, R. P. Jordan, J. Major, J.G. Mitchell, P. Murphy, M. Powell, J.L. Prosser, E. Saxon, V.E. Smith, R.G. Stewart, B. Strong, J. Sullivan, C.M. Walby, A.C. Watts, S. White and A. M. Wintle.

Officers:

S.M.W. Andrews, S.K. F. Greenslade, H.Ilett, A. Keep, P. Matthews, J. Robson, E. M. Tapper, N. Wellington and M. Wilkinson.

Apologies for Absence:

Apologies for absence were received from County Councillors R. Edwards and A.E. Webb

Declarations of Interest:

County Councillor A. Easson declared a personal interest as an LEA appointed governor at Ysgol Y Fin Caldicot pursuant to the Members Code of Conduct , Local Government Act 2000.

Capital Budget Proposals 2010/11

The Leader welcomed Members to the seminar, which was being held in response to notification of the final budget settlement for 2010/11 from WAG and would initiate the budget consultation process.

We noted that the final budget settlement from WAG was £207 000 less than had been anticipated, £276 000 after grant adjustment, and that cuts would be made to the Better School Fund, Bus Revenue Support and Healthy Schools.

We noted that the final Aggregate External Finance (AEF) per head of population for Monmouthshire was the lowest of all Welsh local authorities and future disinvestment would result in a £15 million budget shortfall by 2013/14.

Members were asked to consider whether the budget for 2010/11 should begin to cut into the anticipated shortfall to reduce the severity of the impact on services.

The Capital Budget Proposals for 2010/11 had been determined using a series of budget expenditure, income and funding assumptions within the context of the Cabinet Strategy.

We heard that the Cabinet Strategy would:

- Protect Schools and Children's Services
- Utilise £400 000 of reserves to support the budget
- Implement Single Status from April 2009 subject to union approval
- Operate a balanced capital programme ensuring that school capital receipts are earmarked to schools, remaining capital receipts earmarked to accommodation and the sale of surplus assets is at best value.

The Cabinet Member for Finance invited members to raise issues for clarification to facilitate informed budget scrutiny within the forum of the Select Committee.

The following issues were discussed:

- Within the forum of the scrutiny committees members would be asked to consider whether Cabinets proposal for investment in County Operations and standards were appropriate. No points of clarification were raised in this area.
- The Cabinet Member for Children & Young Persons Services confirmed that the protection of vulnerable persons was and would remain a Cabinet priority. Whilst the budget proposals identified a potential £100 000 reduction in SEN funding we heard that this represented a change in methodology intended to improve efficiency given that there had been no exclusions from Monmouthshire's schools during the previous 17 months. As a fall back position some monies would be available from reserves if required.
- MTFP investment totalling £774 000 proposed for Adult Services would help to ensure that vulnerable adults would be protected. We welcomed notice of the satisfactory results of the POVA inspection.
- The demographic structure of Monmouthshire there is increased demand on Adults Services. Adult Services have been subject to in depth review and remodelling to improve efficiency and there has been a clear focus on re – ablement working in partnership with a variety of health and welfare providers. The Corporate Director, Social and Housing Services stated that it was essential to protect adult care packages, care home fees and the post of Adults Reviewing Officer. Disinvestment had not been proposed in these areas.
- We heard that the proposed disinvestment of £41 000 in the Learning Disability Service was misleading. The service would also receive an MTFP investment of £168 000 would result in a total increase of £127 000. We heard that this level of investment was required to deal effectively with improved life expectancy and the increasing number of pupils with Special Educational Needs.
- Disinvestment totalling £40 000 in the Domiciliary Care budget had been proposed given that staff employed to manage and respond to the Careline Response Service had been under utilised for the previous two years. The Careline Response Service would be retained and where required respondents would be built into service users' care packages.

- Concern was expressed regarding complete disinvestment in the Countryside Access Team totalling £31 000 as it was perceived that this team played a significant role in generating income from tourism within Monmouthshire. It was felt that potential sources of income should be promoted.
- MTFP, reserve funded, investment totalling £250 000 had been proposed for highways maintenance.

It was felt that the integration of the school transport with social services re – ablement focus was beneficial.

- It is anticipated that the cost of implementing Single Status from April 2009, subject to union approval, will total £5 064 000. We heard that other local authorities have proposed to implement Single status from April 2006 therefore this proposal is open to trade union challenge. Changes to staff terms and conditions including car user's allowances and mileage rates would be considered. Such changes would be influenced by the move to new office accommodation and the authority's unique demography. It is anticipated that significant savings could be made in this area.
- In response to a member question regarding the possibility of implementing a new pension scheme for local authority staff to mitigate the impact of the 22% budget expenditure assumed for superannuation in 2010/11 we were advised that alternative options were limited by statute and that this remained a concern.
- Members were alerted to a 2.3% increase in teachers pay as part of a national three year deal. This was outside of local authority control. We noted that attempts had been made by local authorities in South East Wales to rationalise wages for ancillary school staff but ultimately, individual schools were responsible for the management of their own contractual arrangements. The Cabinet Member for Finance had met with Monmouthshire Head Teachers during the budget setting process to support schools in levelling efficiencies.
- The Corporate Director, Lifelong Learning and Education informed members that there had been no change to capital receipts from the Education Strategic Review. We heard that essential adaptations to King Henry VIII comprehensive School had been included within the capital budget deficit but that it would be necessary to generate funding to carry out these works. The proposal to slow down the ESR budget due to the delayed recovery in the property market and the abolition of the School Improvement Grant could delay work at Goytre Fawr Primary School and Ysgol Y Fin however there was a likelihood that some grant funding could be achieved to progress these schemes in the next bidding round in May 2010.
- With regard to Treasury Management, members were advised that there was potential for greater manoeuvre with regard to setting the Council Tax rate for 2010/11. A 3% increase in the rate of Council Tax had been proposed for 2010/11. Members were informed that a capping figure of 5% from WAG was anticipated for 2010/11. A sensitivity analysis had identified that a further 0.75% in the proposed Council Tax rate would reduce the current budget gap for 2010/11 by £400 000 from £1 058 000. We welcomed notice that the Council Tax collection rate had generated £800 000 to £1 million in revenue per annum for the previous ten years and has been used to support reserves.
- The Cabinet Budget Proposals would be reported to Select Committees and Forums to encourage wider consultation.

The seminar ended at 12noon.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of the Economy and Development Select Committee held at County Hall, Cwmbran on Thursday, 7th January 2010 at 10.00 a.m.

**CAPITAL BUDGET PROPOSALS 2009/10 TO 2012/13
REVENUE BUDGET PROPOSALS 2010/11**

The Chairman welcomed Cabinet Members to the meeting who were attending to answer questions raised and to consider suggested amendments to the budget.

The Cabinet Member for Resources and Regulatory Services outlined the budget proposals and the assumptions made in the Medium Term Financial Plan, in line with information that Members had received at a previous Member Briefing.

The following points were discussed:

- Prior to the meeting County Councillor R.J.C. Hayward had requested that the essential user allowance for officers be removed and that a reduction in mileage rate to 40p be made. This was currently being evaluated by Cabinet and would make obvious savings as well as additional administrative savings due to the rate being below taxable value and there being no necessity to issue P11D forms.
- Further work had to be undertaken with regard to the Strong Communities Select Committee report on public conveniences. Whilst there was an identified saving of £89,000 within the budget papers, further work to reconcile those figures and consult with Community and Town Councils on this issue would be undertaken. It was noted that Community and Town Councils were in the process of setting their own budgets and that this saving may not be implemented in the forthcoming year.
- With regard to Grounds Maintenance, it was queried whether there was a need for as many Depots within the county and there should be further scrutiny of maintenance sections across the county.
- It was considered that a saving of £85,000 by reducing highways maintenance and verges maintenance was unreasonable and concern was expressed that due to severe weather conditions there was an increasing need to have pot holes repaired to a higher standard than was currently made. It was also suggested that where planning permission was granted for large housing developments that contributions could be sought from developers due to the amount of additional site traffic damaging roads within the vicinity of developments. A query was also raised as to whether work undertaken by utilities was being inspected to ensure the Authority were not paying costs that should be borne by those companies.

- Clarification was sought as to whether the retail units within the Authority's ownership had transferred to Monmouthshire Housing as part of the stock transfer or whether they had been retained. Concerns were expressed that if they remained within the ownership of the Authority more rigorous measures should be in place to ensure tenants maintained levels of repair.
- It was requested that the Children and Young People Select Committee scrutinise funding for Youth Service provisions across the county. This was not included within the budget proposals but there appeared to be inconsistent approaches to funding each Youth Service provision within the county.

The Cabinet Member for Resources and Regulatory Services thanked Members for their input and requested that should any further issues arise that they be brought forward for consideration. The budget proposals would next be discussed at the Special Strong Communities and Children and Young People Select Committee on 12th January 2010.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of the Audit and Accounts Select Committee held at County Hall, Cwmbran on Thursday 21st January at 2:00pm

CAPITAL BUDGET PROPOSALS 2009/10 TO 2012/13 & REVENUE BUDGET PROPOSALS 2010/2011

The Cabinet Member for Resources and Regulatory Services outlined the budget proposals for scrutiny and the assumptions made in the Medium Term Financial Plan which identified a £3 176 000 budget gap.

Members were encouraged to propose recommendations to Cabinet to address the shortfall in the capital and revenue programme.

The Cabinet Member for Resources & Regulatory Services, assured members that the budget proposals presented to Cabinet by Directorates had been thoroughly assessed on the basis of, desirability, achievability, risk to the Authority and to some extent political preference.

The following points were discussed:

- We heard that a Member proposal to remove the essential user allowance for officers and to reduce the mileage rate to 40 pence was being considered by Cabinet. We heard that the potential savings had yet to be quantified but would include administrative savings due to the rate being below taxable value and removing the necessity to issue P11D forms. We heard that the proposal was the subject of ongoing discussions and could come into effect in the next budget cycle, subject to trade union approval.
- We noted that a proposed saving of £85,000 by reducing highways and verges maintenance was unreasonable and had been removed from the budget due to the recent severe weather conditions. There was an increasing need for pot holes to be repaired to a higher standard and £2.5 million of prudential borrowing had been made available for Highways.
- Staff redundancies within Community Services, namely within the Authority's leisure centres and the libraries were proposed. We heard that specific posts had been identified as being "at risk" but the Cabinet Member for Resources and Regulatory Services felt it inappropriate to divulge potentially sensitive information within an open Committee. In response to a member question, the Head of Resources and Performance Management, Lifelong, Learning & Leisure stated that the leisure centres management structures were currently under review and measures such as reducing opening hours were also being considered to make the required savings. Members sought clarification regarding the Authority's redundancy payment policy (enhanced or statutory) with regard to an over spend of £130 000 within the LLL Directorate attributed to redundancy payments.
- Concern was expressed regarding £1m expenditure required to ensure that King Henry VIII Comprehensive School met the requirements of the Disability Discrimination Act (DDA). The works were deemed necessary to enable the admission of 1 looked after child to the school in the first instance.

£620 000 had been identified for the works within the Capital Programme and it was anticipated that the remainder would be funded from the WAG “Access For All” budget. The Head of Resources and Performance Management, Lifelong, Learning & Leisure stated that parental choice was the driving force behind the decision to carry out DDA works and that these had been minimised where possible. Investigations had shown that ensuring DDA compliance at the school would benefit 6 student admissions in future years and save £40 000 per pupil, per annum in transport costs to alternative Monmouthshire secondary school.

- We heard that “theoretical” posts had been deleted from the base budget and redeployment was the Authority’s preferred option rather than redundancy where a post holder was present. We expressed concern that the budget for 2010/11 had not accounted for relocating and re – skilling staff in accordance with the redeployment policy.
- In response to a member question regarding budgetary provision for the ongoing review of Area Working, we heard that although there had been a reduction in the previous budget the decision had been delayed by the Chief Executive pending completion of the management restructure. The base budget, therefore, had been brought forward from the previous year.

The Committee issued the Cabinet Member with a recommendation to make budgetary provision of £50 000 to reinstate a version of Community Spirit within Monmouthshire. The Head of Resources, Performance Management, Strategy and Communications, Chief Executives and Social and Housing Services stated that following discussions with the Local Service Board it had been agreed to reinstate a local authority publication which would initially be funded by the LSB as a one year pilot.

Members requested that they be provided with an opportunity to review the draft version prior to its publication.

The Cabinet Member for Resources and Regulatory Services thanked Members for their input and requested that should any further issues arise that they be brought forward for consideration.

MONMOUTHSHIRE COUNTY COUNCIL**Minutes of the Special Strong Communities Select Committee
Held at County Hall on Tuesday 12th January 2010 at 12.00pm
(Invitation extended to members of Children and Young People Select)****BUDGET CONSULTATION**

The Chairman welcomed the Cabinet member with responsibility for Resources and Regulatory Services, who provided an overview on the budget consultation process. We were advised that members were required to provide an input regarding the Cabinet measures and proposals for how the budget assumptions could be managed.

Proposals had been categorised by Cabinet member and prioritised with a traffic light system. Potential investments had also been considered. Proposals had been submitted by the directorate and relevant team, Cabinet had taken a view on each proposal, either to progress or reject the proposal. Explanations were provided for the implications of rationalisation. Scrutiny members were offered an opportunity to provide views.

The committee were invited to comment and ask questions regarding the proposals. During discussion the following points were noted:

County Operations and Standards

- Further information was requested regarding toilet rationalised. The Cabinet member advised that there was a level of inefficiency in relation to the system. The Strong Communities Select Committee had undertaken an investigation into public conveniences within Monmouthshire and a report had been presented to Cabinet. The budget proposals had considered findings of the report and several facilities would be closed. In depth dialogue would be held with Town and Community Councils in order to obtain views and expressions of interest regarding them taking on facilities.
- Some concerns were expressed regarding financial implications for Town and Community Councils taking on facilities. We were advised that Town and Community Councils would be advised of the intention of the Authority, this would be the initial action and consultation would be part of future progress.
- Information was requested regarding income generated and expenditure regarding the twin stream sack recycling. We were informed that figures were available and savings had occurred as a result of Cabinet decisions. Additional sacks would cost more to the Authority and income would not increase or quality improved due to further separation. Savings had occurred due to increased collections and less waste going to landfill.
- Members appreciated work that had been carried out by the Cabinet Member, senior officers and Waste and Recycling team, in relation to collections and efficient services.
- As a result of requests, the Authority were now collecting plastic materials. However, a market was currently available only for half the products. Services were being developed and markets were improving in relation to collected materials.
- We were informed that the main aim of the recycling process, was to divert materials from landfill. The Authority were collecting more therefore this aim had been achieved.

- Members were advised that Community Spirit had been a successful mechanism for presenting and communicating waste and recycling information, however, concerns were expressed that press releases had not had the same effect.

Community Services

- A query was raised regarding the effect that the reduction in leisure services would have on the GP referral service.
- The Corporate Director advised that the issue related to some leisure centres reduced staffing levels and reduced opening hours, however, the significant increase in referrals through the GP service had increased use of leisure centres. It was not anticipated that there would be an impact in relation to clients of the GP referral service.
- It was suggested that work of the Countryside access team should be prioritised not reduced. More work was required to be undertaken by the directorate, however, it had been decided that the voluntary sector was strong enough to be developed. Additional information was expected from the directorate in relation to rationale. Cabinet had been assured that the service would not be affected.
- Members recognised that libraries were an essential part of the community. We were informed that there were no proposals to reduce opening hours but staff may be required to take on a variety of roles.

Resources and Regulatory Services

- No comment.

Transport and Infrastructure

- We were advised that proposals would not impact on post 16 transport. At present there were no students who required transportation, however, there could be increased demand on the service in future.
- It was clarified that maintenance of verges and drains were carried out as separate issues.

Adult Services

- Members expressed thanks to Social Services for services that had been undertaken during the extreme weather conditions.

Children and Young Peoples Services

- The importance was highlighted of the requirement for the service. We were informed that Children's Services had maintained as much of the budget as possible, due to the important nature of the service.
- Members were advised that grants would not be cut unexpectedly, rationalisation had been made in conjunction with historical grants. Pressures had received in depth though and advice had been obtained from the directorate.
- Pupil referrals were identified as one of the biggest budget factors and were identified as part of the schools budget. A recommendation had been received from Estyn that a provision should be registered as pupil referral unit, which had been registered from September 2009. Savings had been proposed and it was anticipated that these would be continued. The Estyn recommended approach had continually been followed.
- We were informed that Referral Unit figures were not per pupil basis. Schools would only lose money if pupils were permanently excluded. Members welcomed the opportunity for increased scrutiny of pupil referrals.
- We were informed that the amount proposed, by the directorate, for in house respite had been reduced by Cabinet, as the service was recognized as vital. It was understood that good channels of communication were in place, however, further work would be undertaken in relation to promotion of the respite service.

- The staffing of Children's Social Services was understood to be under continual pressure due to the nature and demand of the work.
- Members were advised that the Authority contributed to some joint services for Special Education Needs, which enabled pupils to be supported. Negotiations were in place with other authorities and general agreement had been reached to support services at the rate of inflation.
- Cabinet had challenged the pressure for school meals marketing and it was felt that the figure was appropriate for advertising and promotion.
- The special needs budget formula reflected need. The general reduction in ISB would vary with schools and number of pupils.

Regeneration Services

- No comment.

Corporate Services and Organisational Development

- No comment.

A member advised that a recommendation would be made to full Council requesting that a form of Community Spirit was reintroduced. We were advised that this would be more likely in conjunction with the Local Service Board.

The Chairman thanked officers, Cabinet members and the Children and Young People Select committee for attending.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of the Adults Select Committee held at County Hall, Cwmbran on Wednesday 16th December 2009 at 10.00 a.m.

CAPITAL BUDGET PROPOSALS 2009/10 TO 2012/137**REVENUE BUDGET PROPOSALS 2010/2011**

County Councillor P. Murphy explained that Cabinet had looked at the medium term financial plan and identified funding gaps. A funding gap of £3million had been identified within next year's budget. The Cabinet had looked at red, amber and green categories. He explained that there had been some confusion with information sent out, regarding potential disinvestments, but explained that until the presentation they had not been able to see what investments were built into the medium term financial plan. The decision was made to look at trimming some of the services rather than looking at investments.

It was agreed to look at the saving options for Adults Select to enable Cabinet to take a balanced view and we noted that the total of the MTFP Investment was £774,000 although on the positive side there would be £300,000 going into Adults Services.

A Member raised a point which had also been discussed at the Member's Seminar that the Cabinet's strategy does not seem to take account of 'vulnerable people' across the board. She suggested that the strategy should be overarching regarding the budget proposals and that 'vulnerable people' should be prioritized as a category. The Cabinet Member for Social Services agreed that this more strategic approach to budget-setting would be beneficial and that Cabinet accepted that this should be done.

We discussed the following potential disinvestment figures:

Housing Strategic Services Grant – Option £11,049 – Proposal £11,049

Manageable but there will be a reduction in our contributions to some partnership initiatives. This figure included a combination of things, i.e. cleaning, supplies.

The proposal of £11,049 was agreed.

Support People – Option £16,165 – Proposal £16,165

It was confirmed that this should not read 'staffing' but should read 'suppliers and services'.

This service would be tight to manage and should be revisited.

Commissioning – Option £96,124 – Proposal £58,255

This involves a number of contracts and grants which are being closely examined for effectiveness, duplication or re-tendered. We noted that although re-tendering is taking place this was on a six month lead time. Contracts have run on due to a shortage of staff. It was agreed that delivery services need to be looked at. Cabinet also looking at the Frailty Programme and it was agreed that, where possible, it was more beneficial to prevent people going into hospitals.

Learning Disability Service – Option 68,00 – Proposal £41,000

Detailed assessment of young people in transition had led to a reduction in expectation of need for 2010/11. A Member queried the number of young people moving from children to young services but there were no numbers available.

Homeless Bed and Breakfast Budget – Option£18,705 – Proposal £18,705

There had been a significant reduction in the use of B&B. Private Leasing Scheme is not built into this.

Renovation Grants ICT Support - £3,159 - £0

No cuts proposed as this would have impacted on environmental health and not helped the corporate bottom line.

Adult Staffing - £30,500 - £30,500

Examination of support staff and reallocation of roles due to opportunities coming out of Agile Working where it is anticipated efficiencies can be made. We noted that this took into account two posts.

Support Staff Savings - £24,400 - £24,400

This has been looked at a number of times. Part of the figure relates to a post which is presently vacant and, after examining all posts, it was felt that although tight it was achievable but would possibly impact on the effectiveness of the Finance Section. A Member expressed concern that this would add to an even longer time frame for getting bills out but it was hoped that the implementation of an electronic system over the now used paper system would improve timescales.

Communications and Training - £24,150 - £24,150

Removal of catering provision at training events and reduction in budget available for Adult Services publications. We noted that a lot of the publications are already available on the web and there was the potential to share these publications with other service providers. Democratic Services were also looking at sending out agendas electronically therefore cutting out all paper copies. Whilst Members agreed that when publications/leaflets are circulated they are essentially already subject to changes, some Members felt strongly that many people within the county would suffer if communication was only available electronically, i.e. Community Spirit.

The Scrutiny Coordinator explained that during their visits to various places, as part of the Impact on Ageing Population scrutiny, they had found that a lot of residents had booklets, even if out of date, with useful numbers in them and a lot of people retained these as they found them very useful. Non Council residents had also asked if they could be provided with them.

Domiciliary Care - £65,000 - £40,000

Work is underway on high cost placements – a new contract will begin in September hence lead in times. It had previously been difficult to tender due to four agencies operating, however the market had changed considerably. Price differential, although now being noticed, had also grown.

Adult Service Reconfiguration - £100-,000 - £75,000

One vacancy held at present as it is felt that this does not need to be filled. Another body in domiciliary care – reablement elderly, mentally infirmed and children.

Increased Use of Independent Sector - £100,000 - £70,000

Where it is more cost effective and acceptable vacancies in the independent sector will be used. Where we can rationalize we will, particularly with the older persons provisions.

Community Meals Service - £70,000 - £45,000

Increase in the cost of meals by 20p going from £2.90 - £3.10. Services need to be kept going due to rural location of Monmouthshire. We noted that historically this was operated voluntarily and then sub contract was attempted but this was withdrawn.

A Member suggested that Community Meals could be considered by the Committee in detail, however, Members were advised that it is a difficult issue to consider from a purely monetary perspective, as the social gain to citizens of this service being providing cannot easily be measured. Members agreed that this is a service which should be continued despite it's financial viability, as it contributes to the overall objective of this Council to help people live as independently as possible for as long as possible.

Cease Careline Response Service - £42,000 - £42,000

We noted that a review of Telecare indicated an under-usage of the Emergency Response Service. Although most people have a relative or close friend who can be contacted in case of an emergency some people don't have anyone to contact and because of this people are employed to be on call in this situation but this is proving to be costly, especially when being under-used. Now going back to all participants to ask again if they might be able to provide a contact number. If this emergency service were to cease then 999 would be used.

It was agreed that if Members had any further questions or suggestions that these be passed on to the Scrutiny Coordinator or Democratic Services and that the Scrutiny Co-ordinator would write to County Councillor P. Murphy and County Councillor B. Hood confirming the points made by the Adults Select Committee on the Budget for 2010-2011.

MONMOUTHSHIRE COUNTY COUNCIL

Directorate of Lifelong Learning and Leisure

Schools Budget Forum Meeting Minutes

**Minutes of the Meeting held on Thursday the 28th of January 2010 at
4.30 p.m. in Committee Room 4 at County Hall.**

Present:

Messrs: J Healy, G Keeble, A Keep, S McLester, B Shepherd, T Wall, S Hughes, Canon Dr K Denison and V Barrett

Mesdames: A Spokes, C Herman, S. Gwyer-Roberts, C Barker, V Howells and J Burge.

Advisors: N. Wellington, D Mountfield, A Drew and A Wilson.

1. Apologies

Apologies for absence were received from H Williams, A Holloway, I Standing and Councillor L Hacket Pain.

2. To Confirm and Sign the Minutes of the Previous Meeting held on the 26th of November 2009.

The minutes were signed as a true and accurate record.

3. Matters arising

There were no matters arising.

4. To receive a presentation from County Councillor Phil Murphy – Budgets 2010/11

Councillor Murphy opened with a presentation on 10/11 budget proposal, this presentation is the same presentation that been given to members. In the presentation the forum were told that the final settlement for Wales resulted in an uplift of 2.1%, yet Monmouthshire's uplift on funding was only 1.1%. As a result Monmouthshire County Council will lose £207k, (£276 after adjustments for grants). There are to be cuts in grants including, Better Schools Fund, Healthy Schools, Cymorth and DCELLS (post 16 funding). There was a warning that looking forward, capital spend will be cut by 17.3% per year. It is projected that Monmouthshire's shortfall in funding for the 2012/13 financial year will increase to £15m. In the 2010/11 financial year the council will be introducing a school efficiency saving of 1.5%. The cabinet strategy is to use £300k from the reserves for schools in 2010-11. Savings and investments throughout the authority were outlined and after these were taken into consideration a gap of £1m remains. There have been changes in the plans for the new county hall, meaning more likely spend is now £17m.

The forum was then asked for questions.

John Healy queried the £100k saving on SEN as outlined in the authorities planned savings. Andy Keep explained that the SEN budget is volatile and as a result of an increased budget a few years ago, SEN has made savings of at least £100k for the past two years. Garry Keeble said that staffing ratios within SEN units cause financial pressures, giving examples of when support of at least two staff were required, the funding only allows for one. John Healy furthered that £100k is a lot of money to take away from SEN pupils, one of the most vulnerable members of society. Andy Keep said that the £100k saving won't affect schools but specialised placements only. Canon Keith Denison said that the authority should be commended for securing a £1m grant to enable a feasibility study for the secondary sector, and that a lot of good work had already been carried out within the primary sector. Andy Keep added that even with all the proposals outline in the presentation, the budget was still £1m short. Stuart McLester asked why the authority was committing to spend £17m when there is a £1m shortfall in funding. Councillor Murphy answered that the authority didn't have the £17m and that this would need to be borrowed, but the authority will make significant savings on maintenance of the current county hall and the authority restructure. Susan Gwyer-Roberts concluded that Monmouthshire schools are under considerable financial pressure and we need to help young citizens of Monmouthshire to leave school with the skills they need, these pressures we've just discussed make that even harder.

5. Responses to the presentation from the budget forum

Concern was expressed over the funding of SEN units within Monmouthshire and details were provided in terms of staffing required for these units. Following a review of the school budget, the funding provided to the units is inadequate for the required staff.

The current saving plan indicates a saving of £100k for SEN, but it was explained to the forum that this was for pupils placed in independent schools, these saving have been achieved for the last two years, however it was suggested that these savings could be diverted to the units and this saving found from elsewhere.

The funding for the new County Hall was discussed, and a request was made for a balance sheet to establish the benefits and costs. The savings were outlined in terms of maintenance costs and possible travel savings.

The cut of 7.18% for DCELLS was explained, at the time the individual school funding was not known.

Overall there was concern expressed by the members as to how the education would be maintained, but the schools will wait for the individual school budget builds to assess this.

Congratulations were also passed on to Monmouthshire regarding the pass funding for new schools and the work carried out in respect of this.

Can I thank you once again for attending, and I am sure the headteachers will explain the issues in detail when you meet them on Friday.

MONMOUTHSHIRE COUNTY COUNCIL
Business Rates Consultation Monmouth - 19 January 2010

Who was there.

Mr Hoyle, Jim Prior, Shirley Hughes, Barbara Wright, David Cummings, Roy Nicholas, Chris Munslow, Councillor Alan Wintle, Vivien Mitchell Jeanna, Anthea Dewhurst, David Hill

Facilitated by Jenny Lewis and Debbie McCarty

Cabinet Member for Finance, Councillor Phil Murphy gave a presentation on the draft 2010-2011 budget, based on the overall financial situation and the budget response. He then listed investments and disinvestments that would attempt to meet our obligations and our funding gap. The draft budget was based on a working assumption that council tax would rise by 3%.

We noted that this still left an unbalanced budget, with a gap of around £1.1m but Councillor Murphy explained that this would be addressed in the final decision making process and would take account of points made during the consultation process.

Summary of points made

Everybody at the meeting expressed interest in the Council's proposals, welcomed the presentation and the information in it, and appreciated the difficulties that the Council found itself in.

Many of the planned investments were welcomed, particularly in recycling, foster services, special educational needs, and highways maintenance. The meeting did recognise however the damage that had occurred during recent adverse weather and the pressures that this would put on the budget in the future.

Monmouth residents were pleased to see the provision made for the Shire Hall.

The move away from B&B accommodation for homeless and vulnerable residents was appreciated, and the meeting noted with interest that we now had to make allowances for asylum seekers.

Following a question about the deficit that had been identified in last year's presentation, and what had happened to it, Councillor Murphy explained that is always subject to extra income from various grants throughout the financial year, and economies and efficiencies are always being sought to meet expected deficits. In this way last year's deficit had been dealt with.

There was a question from the audience about losses from the Icelandic investment, and it was explained that it was hoped to get 90% back, but as the investment of £1.2m had come out of capital reserves the only effect on the revenue budget was loss of interest.

In relation to the Capital programme the meeting expressed agreement that the loss of capital receipts because of the recession in relation to sites such as the Wyesham School were going to have ramifications on our ability to continue with the very successful school rebuilding programme.

One member of the audience asked for a realistic picture of what this draft budget would mean. For example what would it mean for the resurfacing of roads in Wyesham. We had a discussion on how road maintenance is revenue, but resurfacing is capital, so there is always a balance to be made. There was general interest and support in the idea of prudential borrowing to keep our roads in reasonable shape to save money in the future.

The Chamber of Commerce welcomed expenditure on tourism, although there was some dissent from the green lobby! There was a discussion on the rationalization of car park charges, as to whether charges would be for general income generation or for car park and transport management. Councillor Murphy confirmed that local authorities were not allowed to use car parking charges for pure income generation.

The general feeling of the meeting was that this was a useful way of understanding the financial dilemmas of the Council and recognized that efficiency and vacancy savings had been employed to try and keep service cuts to a minimum. However it was recognised that vacancy savings will have an effect on the effectiveness of service delivery

Questions from the Mor Hafren Business Rates Consultation Exercise 2nd February 2010

16 people attended the event.

The questions were as follows:

Question : from County Councillor John Marshall. If you only collect 97% council tax in one year, what happens to the lost 3%?

Councillor Murphy replied by explaining that very often collection of the remaining monies will take place in the subsequent year but probably the total collection rate would be about 99%

Question : On the back of an explanation of single status a member of the public asked:

Why is the Council bucking the trend with the way they treat their staff in the fact that they are protected for a number of years if their wage is decreased? In the private sector it would be tough luck?

Councillor Murphy replied by explaining that single status was forced on the organisation and it goes against everything that the cabinet is trying to do in making savings and increasing efficiencies.

Question: Some elderly who have fixed income are going to struggle with an increase in Council tax. What will happen to them?

Councillor Murphy explained the way the budget was calculated and the fact that if there is a problem it is the Welsh Assembly Government's point of view that the local authority should raise the Council tax to balance the budgets. WAG are regularly advised of the impact this would have on this client group and the need for a better settlement.

Question: Councillor Marshall explained that he had a perception that there are many people on low incomes who are not claiming council tax benefits?

Councillor Murphy said that this issue would be fed back to County Hall to ensure that we publicise the range of benefits available.

Question: Why do we get such a poor settlement?

Councillor Murphy explained that the formula that is used to determine the settlement does not help rural authorities or those authorities that are perceived as affluent. In fact, based on the figures provided, those deprived authorities such as Valley authorities receive a larger slice of settlement. However, there is an argument to say that there are no beneficial outcomes from investing the money, but perversely under the formula they get even more i.e doing badly get's you a better settlement.

Question: Why doesn't the Valuation Office work out the business rates based on profit rather than turnover?

The turnover could be high but the actual profits could be non-existent which means that a business would cease trading and no further business rates would be received and this would have further detrimental impact on the economy of an area.

Councillor Murphy and Councillor Fox said they would investigate this issue further and the possibility of Hardship relief, however, this money would come straight out of the County Council budget.

Question: What do we get for our business rates?

Councillor Murphy explained that we are purely a collection point for the business rates. However, a percentage is re-distributed to the Authority as part of the settlement and this is included in our budgets, so business rates are indirectly supporting the Council budget.

Question: From John Marshall – the businesses in the Centre of Caldicot Town knew nothing about this meeting?

Several members explained that they had received notification and were aware that the e-mail and notice went out to Town and Community Councils, Chambers of Commerce, Forums and voluntary groups.

**EXTRACT OF NOTES OF THE COMMUNITY FORUM MEETING OF 21ST JANUARY 2010
TY'R MORWYDD MULBERRY HOUSE, ABERGAVENNY.**

BUDGET PROPOSALS 2010/11

PRESENTATION BY COUNTY COUNCILLOR PHIL MURPHY

Councillor Murphy outlined the general picture in respect of the Financial Settlement for 2010/11. There was an average uplift of 2.1% across Wales. However Monmouthshire's were down slightly (1.1)

In broad financial terms Monmouthshire loses £276k after adjusting for grants due to Council Tax Base.

There were cuts to the:

Better Schools Fund.

Bus Revenue Support

Healthy Schools

Many other grants had been flat lined or yet to be announced.

He explained that the future held further concerns and almost inevitable cuts, it is envisaged that there will be a 2.3% reduction year on year for the foreseeable future. As it stood the Council's current £3 million Budget short fall would increase to around £17 million within a few years if it didn't take direct action to halt the gap.

In setting the budget there had to be some assumptions that for example non teaching pay would increase by 0.5%, teacher's pay would increase by 2.3% and superannuation 22% etc.

He outlined that the Council's Cabinet had agreed a strategy and that was to protect schools and children's services and then concentrate on frontline services.

There would also be a balanced capital programme, which school capital receipts earmarked to schools and other capital receipts earmarked for accommodation.

All surplus assets were to be sold at best value unless specifically determined by Cabinet. For example the decision to pull Park Street School out of an auction in order to give a community group more time to prepare its bid for the premises, is an example of this.

Councillor Murphy then outlined in detail options for investment and disinvestment across the whole range of Council services. (A copy of the full presentation is available on request from the Secretary Tom James 01873 735807.

In response to a question from a Forum member regarding consultation, Councillor Murphy advised that in respect of public conveniences and other services which it may be an option for a community or town council to take on that for this year at least many Community Council's had already set their precept, something which the County Council will be trying to resolve through ongoing discussions over this years budget with its partners.

Also in recognising the difficulties of the consultative process, Cabinet had agreed to start the consultation on the Budget from 2011/12 in March this year to give the maximum opportunity for town, community councils and community groups like the Forum to get involved and play their full part in the ongoing discussions.

He also outlined to the Forum that while 'single status' is a major financial consideration for the Council, provision in the reserves had been made and he was confident that any requirements could be met effectively.

Councillor Fox in answer to a further question confirmed that the spiralling costs of the original proposal for the new County Hall verging at £30 million had been a significant factor in downsizing the new proposal. The new proposal also had to be considered in the context of the Council's Agile Working Agenda.

Furthermore the costs associated with the new County Hall development would be offset by the disposal of some assets, including Coed Glas, the valuation of the site which had been quoted in the newspapers was extremely conservative, and those buildings that had been identified as possible assets for sale remained only options at the moment.

The Chairman thanked Councillors Fox and Murphy for their attendance on the evening.

Increase in AEF	£000s		
Local Authority	2009-10 Final AEF ¹	2010-11 Final AEF	% increase
ISLE OF ANGLESEY	93,658	94,594	1.0%
GWYNEDD	168,136	169,919	1.1%
CONWY	144,705	146,350	1.1%
DENBIGHSHIRE	134,916	138,107	2.4%
FLINTSHIRE	183,765	187,212	1.9%
WREXHAM	157,473	162,408	3.1%
POWYS	179,361	181,155	1.0%
CEREDIGION	99,091	101,175	2.1%
PEMBROKESHIRE	160,076	162,282	1.4%
CARMARTHENSHIRE	247,428	251,818	1.8%
SWANSEA	296,439	301,929	1.9%
NEATH PORT TALBOT	195,474	198,934	1.8%
BRIDGEND	176,143	180,750	2.6%
THE VALE OF GLAMORGAN	148,901	152,428	2.4%
RHONDDA CYNON TAFF	340,377	348,900	2.5%
MERTHYR TYDFIL	85,604	87,296	2.0%
CAERPHILLY	248,526	254,184	2.3%
BLAENAU GWENT	108,027	109,702	1.6%
TORFAEN	128,974	131,146	1.7%
MONMOUTHSHIRE	97,596	98,697	1.1%
NEWPORT	190,879	196,796	3.1%
CARDIFF	383,577	394,809	2.9%
Wales	3,969,129	4,050,591	2.1%

Note: The published AEF for 2009-10 is subject to a number of adjustments

Aggregate External Finance by Local Authority

Local Authority	AEF (£000s)	AEF per capita (£) ¹
ISLE OF ANGLESEY	94,594	1,371
GWYNEDD	169,919	1,437
CONWY	146,350	1,306
DENBIGHSHIRE	138,107	1,415
FLINTSHIRE	187,212	1,240
WREXHAM	162,408	1,222
POWYS	181,155	1,366
CEREDIGION	101,175	1,296
PEMBROKESHIRE	162,282	1,366
CARMARTHENSHIRE	251,818	1,395
SWANSEA	301,929	1,318
NEATH PORT TALBOT	198,934	1,445
BRIDGEND	180,750	1,341
THE VALE OF GLAMORGAN	152,428	1,221
RHONDDA CYNON TAFF	348,900	1,490
MERTHYR TYDFIL	87,296	1,566
CAERPHILLY	254,184	1,474
BLAENAU GWENT	109,702	1,588
TORFAEN	131,146	1,440
MONMOUTHSHIRE	98,697	1,116
NEWPORT	196,796	1,399
CARDIFF	394,809	1,215
Wales	4,050,591	1,353

¹ Based upon 2008 Mid-year population estimates

Appendix B/1 – Post 16 Allocations

Local Authority	2009-10 allocation £	2010-2011 allocation £	Variation £	Variation %
Isle of Anglesey County Council	2,715,596	2,959,328	243,732	8.98%
Gwynedd Council	3,218,539	3,188,885	(29,654)	-0.92%
Conwy County Borough Council	4,307,078	4,283,760	(23,318)	-0.54%
Denbighshire County Council	3,980,863	3,895,943	(84,921)	-2.13%
Flintshire County Council	5,638,368	5,934,937	296,568	5.26%
Wrexham County Borough Council	1,168,228	1,652,300	484,072	41.44%
Powys County Council	6,399,984	6,406,390	6,407	0.10%
Ceredigion County Council	3,899,946	3,889,250	(10,696)	-0.27%
Pembrokeshire County Council	5,731,659	5,388,397	(343,262)	-5.99%
Carmarthenshire County Council	6,167,799	6,450,334	282,535	4.58%
The City and County of Swansea	5,555,493	5,469,849	(85,644)	-1.54%
Neath Port Talbot County Borough Council	1,504,206	1,357,374	(146,832)	-9.76%
Bridgend County Borough Council	6,185,224	6,174,088	(11,136)	-0.18%
The Vale of Glamorgan County Council	6,006,342	6,676,371	670,030	11.16%
Rhondda Cynon Taff County Borough Council	12,026,841	12,680,052	653,211	5.43%
Merthyr Tydfil County Borough Council	2,368,774	2,397,247	28,473	1.20%
Caerphilly County Borough Council	4,640,071	5,433,865	793,794	17.11%
Blaenau Gwent County Borough Council	1,935,930	1,802,093	(133,837)	-6.91%
Torfaen County Borough Council	4,002,076	4,469,788	467,712	11.69%
Monmouthshire County Council	3,680,526	3,416,249	(264,277)	-7.18%
Newport City Council	6,706,120	7,490,564	784,443	11.70%
Cardiff County Council	11,107,784	11,864,975	757,192	6.82%
Total	108,947,448	113,282,039	4,334,591	3.98%

Evidence Based Pressures from Section 6 of Medium Term Financial Plan

- 6.1 All Directorates have produced information on unavoidable pressures that need to be addressed in the medium term. These have been considered by Cabinet on grounds of robust evidence of need, outcomes derived, consequences of non-inclusion and affordability.
- 6.2 The following table shows the value of evidenced pressures included in the Medium Term Plan on grounds of priority and affordability. It will be noted that the scale of the pressures decrease with time and this needs to be viewed with extreme caution.

Pressures by Directorate	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000
Lifelong Learning and Leisure	1,097	529	184	170	0
Social and Housing Services	712	1,170	561	250	0
Regeneration Env. and Resources	1,689	1,371	808	513	352
Chief Executives Units	0	85	0	0	0
Totals	3,498	3,155	1,553	933	352
Of which, reserve funding (enter as credit)	(550)	(881)	(294)	(280)	(302)
Core Funding	2,948	2,273	1,259	653	50

- 6.3 The following tables identify pressures and values by Directorate that Cabinet considers appropriate for inclusion in the medium term financial plan. All minor pressures (amounting to £100,000 or less over four years), unless reserve funded, have been removed and will need to be managed within existing budgets. An exception has been made for pressures in the Chief Executives Unit due to the relative small scale of the related net budget. At the date of this Cabinet refresh 2013/14 pressures had still to be considered.

Lifelong Learning and Leisure Pressures	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000
Special Educational Needs placements with other Local Authorities	90	45	0	0	
Raising Standards at Key Stage 4 (one off costs funded from Change Management Reserve)	150	0	0	0	
Schools Increased Energy Prices	501	140	154	170	
School Meals Investment	40	30	30	0	
Schools additional pressures	0	300	0	0	
Museums 2009/10 budget correction	0	104	0	0	
One-Stop Shop - Income Shortfall - MHA withdrawal - 2 x OSS	0	48	0	0	
Energy Price saving	316	(138)	0	0	
LLL Totals	1,097	529	184	170	0
Of which, reserve funding (enter as credit)	(150)	0	0	0	0
LLL Core Funding	947	529	184	170	0

Social and Housing Services Pressures	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000
Fees for Private and Independent Sector – Residential and Nursing Care Homes	191	191	191	0	
Fees for Private and Independent Sector – Domiciliary Care	45	45	0	0	
Demographic Demand	150	150	150	150	
Learning Disability	168	168	100	100	
Fees for Foster Parents	40	40	40	0	
External Placements: Children Services	0	295	0	0	
Private Leasing Scheme - reserve funded - to be repaid in 2011/12	0	100	0	0	
Loss of Income - various - reserve funded - to be repaid in 2011/12	0	70	0	0	
Agency Costs: Children Services	0	70	30	0	
Unaccompanied Asylum Seekers	0	50	50	0	
One-Stop Shop - Income Shortfall - MHA withdrawal - 2 x OSS	0	48	0	0	
Energy Price saving	118	(57)	0	0	
SHS Totals	712	1,170	561	250	0
Of which, reserve funding (enter as credit)	0	(170)	170	0	0
SHS Core Funding	712	1,000	731	250	0

Regeneration, Environment & Resources Pressures	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000
Waste Management – Recycling Initiatives	150	150	100	0	
Waste Management – Landfill Taxation	216	205	194	183	
Highways Maintenance converted to capital spending and financed from reserves, resulting in reduced revenue need from 2014	250	250	250	250	250
Property Maintenance	200	50	50	50	50
Local Development Plan work funded from Change Management Reserve	150	150	50	0	
Transport - pay & display machine upgrade - reserve funded	0	36	0	0	
Project Gwyrdd - procurement costs / other costs - reserve funded	0	166	164	30	52
Building Control - income shortfall; ICT system update - reserve funded	0	20	0	0	
Building Control - ICT system update - reserve funded	0	20	0	0	
Development Control - professional fees	0	100	0	0	
Development Control - income shortfall - reserve funded	0	70	0	0	
One-Stop Shop - Income Shortfall - MHA withdrawal - 2 x OSS	0	95	0	0	
Energy Price saving	275	(39)	0	0	
Increased Fuel Prices	448	99	0	0	
RER Totals	1,689	1,371	808	513	352
Of which, reserve funding (enter as credit)	(400)	(711)	(464)	(280)	(302)
RER Core Funding	1,289	660	344	233	50

Chief Executive's Unit	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000
Increased canvassing costs		35			
Village green applications		30			
Scrutiny support		20			
CEO Totals	0	85	0	0	0
Of which, reserve funding (enter as credit)	0	0	0	0	0
CEO Core Funding	0	85	0	0	0

Reserve funded items to be reviewed annually for sustainability based on financial health of supporting reserves. Highways reserve item to be reviewed for prudential borrowing capacity with a view to incrementally increasing capital spend.

County Operations and Standards

Issue	Saving £ Implications/ Rationalisation	
Grounds Maintenance - seek contribution from sports associations or town councils or transfer facilities or close facilities, remove winter bedding and either summer bedding or reduce cemetery cuts	30,000	<p>Loss of sports facilities, unkempt gardens and cemeteries. Possibility of transferring to voluntary sector or Town/ Community Councils. Maintaining bowling greens and cricket squares are relatively expensive and some clubs have to maintain their own facilities at their own cost.</p> <p>With the reduced proposals the preference would be not to cut the grasscutting in the cemeteries but to concentrate on the annual bedding. The town councils provide much of the flower displays now so they may well be best placed to take on the displays presently done by the County. If they choose not to then we would probably plant flowering shrubs in the beds. They would supply some flowering during the summer but would be fairly low maintenance.</p>
Waste and recycling - savings from Co-mingled/twin stream recycling (£160,000), alternate week residual waste collection (£120,000), commercial waste and recycling charges (£30,000), senior management reduction (£20,000)	330,000	Already reported and largely agreed by members as a result of twin sack project.
Trading Standards - reduction in supplies and services budget	20,000	Impacts on service in relation analysing consumer complaints, conducting consumer surveys, reduced ability to pay for legal and expert advice for prosecutions and difficulties in meeting statutory requirements if equipment not upgraded
	380,000	

Community Services

Issue	Saving £ Implications/ Rationalisation	
Leisure Centre reduction in staffing, opening hours and energy efficiency savings	88,000	Reducing staffing at Assistant Manager or Duty Officer levels. This will need careful implementation to ensure that full health and safety standards are maintained. Opening hours to be reduced from 98.5 hours to 95 hours per week.
Community Learning, Library Service restructure	120,000	The restructure will require careful implementation to ensure capacity of managers is not stretched too much. May also have a knock on effect on duties of other staff. This is not intended to affect the opening hours or front line staff, but flexibility may be reduced. May need regrading of some posts to cover day to day management in libraries.
Countryside Access Team - reduced capacity	31,000	Some loss of capacity for volunteer programme and regional promoted routes
Countryside supplies and services	12,000	Non staff budget reductions across premises, advertising, together with full recovery of joint financing costs and additional countryside sites income
	251,000	

Resources and Regulatory Services

Issue	Saving £	Implications/ Rationalisation
Finance staff reductions	52,000	Reduced capacity for administrative support, increased pressure on budget management and accounts closure processes. External Audit may have a negative view
Audit reduction in coverage	17,500	Loss of audit capacity would reduce coverage across the council giving less assurance to operational managers on the adequacy of the internal control environment
Revenues Service reductions	36,000	Streamlining of processes, extension of electronic payments and system integration. Closure of HQ cash desk to the public. Probable processing delays at peak times
Payroll Efficiencies	14,000	Accelerating process efficiencies. Needs care not to double count against SE Wales Shared Services project.
ICT staff and training reductions	49,000	Reduced senior capacity for project and service delivery and potential reduced capability for service development and support
Finance systems development	15,000	Finance system development will be limited to what can be done internally, Agresso Planner module will not be progressed. Efficiency saving measures will be delayed
ICT procurement	30,000	Restricts flexibility in equipment renewal with consequential risk of failure of key equipment at or nearing end of life.
Building control staffing	42,000	Reduction in capacity will mean that when the housing market improves BC will not have scope to deal with increased applications. Staff process 93% of Monmouthshire work currently so need to recruit if business improves acknowledged.
	255,500	

Transport and Infrastructure

Issue	Saving £	Implications/ Rationalisation
Highways staffing	60,000	Reduced capacity will put greater pressure on other staff and a possible reduced response to service requests
School transport efficiencies by rationalising existing contracts and bringing more in house and increasing hire income	200,000	Increased pressure on staff and risk that savings may not be achieved.
	260,000	

Adult Services

Issue	Saving £	Implications/ Rationalisation
Housing Strategic Services - Partnership Work	11,049	Manageable but there will be a reduction in our contribution to some partnership initiatives.
Supporting People Supplier and Services	16,165	The service will be tighter to manage.
Commissioning - Involves a number of contracts and grants which are being closely examined for effectiveness, duplication or retendered.	58,255	6 months lead in has been factored into the figures where there are contract changes.
Learning Disability Medium Term Pressures	41,000	Detailed assessment of young people in transition has led to a reduction in expectation of need for 10/11.
Homeless Bed and Breakfast Budget	18,705	There has been a significant reduction in use of B & B although pressures exist in private leasing.
Adult Staffing - Examination of Support Staff and reallocation of roles	30,500	Anticipating shared resource due to agile working implementation.
Support Staff - includes reduction in IT Consultancy and Finance Support	24,400	Deemed achievable but will impact on effectiveness of Finance Section.
Communications and Training	24,150	Removal of catering provision at training events and reduction in budget available for Adult Services publications.
Domiciliary Care - Institute new contract arrangements and bearing down high cost placements	40,000	Work is underway on high cost placements - a new contract will begin in September hence lead in in time.
Adult Service Reconfiguration. Through the service reviews there will be some establishment reductions.	75,000	One vacancy held at present. The staffing structure needs to be examined to follow the service model. Savings may not be achievable for a full year.
Increased use of the independent sector by reconfiguring of olders persons provision with a particular focus on respite	70,000	Where it is more cost effective and acceptable we will use vacancies in the independent sector.
Community Meals Service - Increase the cost of Community Meals by 20p and reduce staffing rotas.	45,000	Initial proposal increased the cost by 50p. Any cost increase could deter people from using the service.
Cease Careline Response Service - Review of Telecare indicated an under-usage of Emergency Response Service.	42,000	The service has been under utilised but could impact on other Emergency Service - contact has been made with individuals involved.
	496,224	

Children and Young Peoples Services

Issue Saving £ Implications/ Rationalisation

Grants to other organisations.	30,111	A combination of historical donations to different groups. Withdrawing the donation may affect contributions from other partners. However use in some areas is unknown.
Resources and Performance Management cost reductions via deletion of a post and a reduced school meals marketing budget.	32,834	Removal of a post and reduction in resource budget through implementation of agile working within the directorate. School meals marketing to utilise alternative delivery methods.
Better use of in-house respite care	20,103	The current budget is under used but the service is necessary as it provides support for families.
Communication and Training	10,350	This results in the removal of catering provision at Children Services training events. It also involves a reduction in the budget available to produce Children's Services publications.
Children's Services Staffing	24,759	This will reduce the level of IT support available to Children's Services and implementation of ICS and will potentially affect implementation timescales. In addition it involves the removal of Social Services support to educational establishments which will be examined with Lifelong Learning and Leisure
Creation of a Pupil Referral Unit to be funded from the Individual Schools Budget	360,750	Following the 08 Estyn Inspection it was strongly recommended that provision for Education Other Than At School (EOTAS) should be registered as a Pupil Referral Unit (PRU). This was completed in September 2009 and the PRU is now supported by a Management Board and will be inspected by Estyn in the near future as any school would be. This proposal moves funding of the PRU into the Individual Schools Budget (ISB) with the other 39 schools. Part year costs for the running of the PRU of £120K are identified within 09/10, reflecting its registration in September 09. It is purposed that from 10/11 that the remaining £240,750 is also found from the ISB. The net impact of this additional pressure, when other factors that influence the ISB are taken into consideration, is for a 0.4% cut in real terms. In terms of actual costs estimated per pupil the amount allocated per pupil is increased by £18.21 for 10/11.
Reduction in Special Educational Needs budget for specialist placements	100,000	The reduction in the current SEN budget is a recognition of the creation of the PRU to reduce the requirement for some specialist placements. A reserve will be required to draw upon should there be an increase in pupils requiring such placements.
	578,907	

Regeneration Services

Issue

Saving £ Implications/ Rationalisation

CED's grant reduction	30,000	CED's budget reduction will result in community groups losing out in support for the running of their projects. £20k to remain to support RDP projects
Economic development staffing reduction	20,000	Reduced capacity to do business support and grant research
Property Services reduction in consultancy support, technical support systems and management support	76,000	Reduced capacity, so higher workloads for some staff and reduced technical information increases the risk of reliance on other sources.
Estates staffing reduction	15,000	Reduced capacity will impact on health and safety coverage such as asbestos. Reprioritisation of work would mean member and public requests would not be progressed
	141,000	

Corporate Services and Organisational Development

Issue	Saving £	Implications/ Rationalisation
Policy and partnerships various	43,000	Reduces translation capacity and ceases licence for open strategy
Members Allowances - no uplift in Basic or SRA	3,800	Pre-empt's report of Independent Remuneration Panel
Restrict ceremonial role of Chairman & remove member catering budget	3,000	Maintains civic figurehead as a presence within Council area and saves on member catering (coffee and biscuits at meetings)
Personnel Unit staffing	28,636	Reduced capacity for personnel function
Area working	12,500	Increased market fees and use grant to reduce shop mobility budget
Land Charges income uplift	10,000	Dependent on housing market improvement.
	100,936	

Summary	
	Savings
County Operations and Standards	380,000
Community Services	251,000
Resources and Regulatory Services	255,500
Transport and Infrastructure	260,000
Adult Services	496,224
Children and Young Peoples Services	578,907
Regeneration Services	141,000
Corporate Services and Organisational Development	100,936
Totals	2,463,567

Strategic Initiatives from Section 7 of Medium Term Financial Plan

7.1 In recognition of the ever-changing face of local public service delivery and the Council's commitment to citizen centred delivery, there are a number of strategic initiatives being worked on by Cabinet and at various levels of research. The following table identifies some of those pieces of work and provides a savings value on them over the period of the MTFP where work is sufficiently advanced to provide figures with a reasonable level of confidence.

Initiative Description	2009/10 Impact £000	2010/11 Impact £000	2011/12 Impact £000	2012/13 Impact £000	2013/14 Impact £000
Shared service and cross boundary collaborative working on front line services	0	0	0	(573)	(47)
Improving the Councils efficiency and effectiveness by: - Reviewing the management and administrative structure of the Council - Centralising Support Services - E-Government Efficiencies - Implementing Agile Working	(50)	(200)	(250)	0	0
Improved Procurement	(100)	(100)	0	0	0
Rationalisation of Depot Provision	0	0	(70)	0	0
Schools rationalisation	Dependant on outcome of the next stage of the Education Strategic review				
Changes in Area Working	Dependant on outcome of current review				
Shared Back Office Services	Dependant on outcome of South East Wales review				

Appendix F – Responsible Financial Officers Opinion

- 1.1 The 2003 Local Government Act imposes a number of statutory duties on a Councils Responsible Financial Officer (RFO). Guidance on these duties is contained within LAAP Bulletin 55 and the CIPFA Statement on the Role of the Finance Director, compliance with which has been supported by the Councils Audit Committee. The primary duties are for me, as RFO, to provide a view on the robustness of the budget process, budgetary risk and the adequacy of reserves and balances.
- 1.2 In terms of robustness of the budget process, I have of necessity placed reliance on the work carried out by budget managers and devolved accountants within directorates. I conclude that the process has been properly rigorous with notable elements of good practice. These include;
- The use of the Councils Medium Term Financial Plan as an integral part of budget planning
 - Inclusion of all Councillors in two all-member budget workshops
 - Cabinet ownership of budget principles through adoption of a budget strategy.
 - Anticipating likely and known events through the application of appropriate indices for base costs.
 - Applying rigour via Directorate Management Team, Chief Officer, Corporate Management Team and Cabinet Member scrutiny.
 - Comparing year on year budgets by using 2008/2009 outturn and 2009/2010 management data.
 - Consulting on budget proposals with Select Committees, the Schools Forum and Business Ratepayers.
 - Providing opportunities for public consultation.
 - Communicating emerging Settlement considerations to members by a process of briefings.
 - Being clear on risks and assumptions within budget proposals.
 - Ensuring all members are involved in the budget setting process by establishing that budget and Council Tax settings is a function of full Council.
- 1.3 There are a number of explicit risks in the budget proposals now presented, key amongst which is the extent to which services will be able to contain expenditure to budget given the extremely low national and local level of settlement in the short and medium term, the extent to which demographic growth pressures have been compressed in the current budget cycle and the degree of managed budget reduction envisaged within directorate budget management plans. The decision to anticipate Performance Incentive Grant in advance of meeting the agreed performance criteria represents an additional risk.

- 1.4 In my view, the main budgetary risks going forward are as follow:
- Negative settlement increases projected for the medium term
 - Possible continued income reductions from withdrawal of Monmouthshire Housing from current Service Level Agreements,
 - The potential liability arising from historical equal pay claims and new claims arising from the implementation of single status.
 - The costs of single status job evaluation
 - The accommodation needs of the Council, including the Agile Working initiative and the relocation of the Archives and Schools Library services.
 - The laudable national initiative for 21st Century Schools, where the source of capital is uncertain given the medium term national forecast for significant funding reductions.
 - The national and local emphasis on increased waste diversion
 - The deteriorating condition of local roads and associated infrastructure
 - The ageing population
 - Continued uncertainty in financial markets
 - Low economic activity leading to increased demand for some services and reduced income in others.
- 1.5 For a number of years I have been expressing concern at the funding level of the Council's General Fund – its main working reserve - and within it the deterioration of schools based reserves. In terms of school based reserves the slight recovery of 2007/08 and 2008/09 has continued with the result that Monmouthshire's schools based reserves are no longer the lowest in Wales. In general and earmarked reserve terms however the 2010/11 budget recommendations anticipate significant usage of reserves (excluding single status). Whilst earmarked reserves have been established over time for the purpose of future utilisation, I have concerns at the sustainability of the level of reserve application given the settlement prognosis for the medium term. A number of reserves will need to be reviewed at year end to ensure that they are not totally depleted and can be maintained into the future.
- 1.6 My judgement, taking into account the budget forecast at month 9, the corporate budget position, the quantum of earmarked reserves as well as the General Reserve is to certify reserves as adequate presently, but subject to my comments at 1.5 above in respect of the medium term. It is vital in my view that the reserve position continues to be closely monitored. This will require continued sound budget management in future years of account and close Cabinet scrutiny of any further proposals to utilise reserves in 2010/11.
- 1.7 My provisional schedule of reserves estimated at the end of the financial year is included as an appendix to the budget report.

SKF Greenslade,
Responsible Financial Officer

Prudential Indicators for Capital Programme Proposals 2009/2013

Local Authorities determine their own programmes for capital investment in fixed assets. The Prudential Code is the code of practice supporting local authorities in taking decisions and underpins the system of capital finance. The key objectives of the Prudential Code are to ensure, within the Prudential Framework, that capital investment plans of the Authority are affordable, prudent and sustainable.

To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. These indicators are reported below based on actual, current and planned capital budget proposals.

Importantly, it should be noted that the following effects are included in the proposed supported and unsupported borrowing resulting from the current and future capital budget proposals and figures have been adjusted accordingly:

- Abergavenny Regeneration – although the Council does not earmark borrowing to specific schemes, authority exists for the project to be funded by unsupported borrowing which, upon completion and receipt of the sale of the Cattle Market, will result in such borrowing being repaid. For Treasury purposes this is now currently anticipated to take place in 2011/12, following extended slippage in the scheme.
- Highways Infrastructure Maintenance – one-off unsupported borrowing of £2,625,000 to fund the capitalisation of increased highways maintenance budgets for 2010/11.
- Office accommodation – unsupported borrowing necessary to part-finance the scheme based on current expenditure and financing profile amounting to £3,400,000 in 2010/11, £1,057,000 in 2011/12, £3,500,000 in 2012/13 and £4,500,000 in 2013/14. The expectation is for this unsupported borrowing to be met in time from capital receipts.

Capital Expenditure

The actual capital expenditure (excluding vehicle leasing) that was incurred in 2008/09 and the estimates of capital expenditure to be incurred for the current year and future years that are recommended for approval are:

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Capital Expenditure	20,472	29,831	28,294	16,773	18,307	12,774

The estimate of capital expenditure for the 2009/10 and 2010/11 financial years includes allowance for any slippage of expenditure that is currently forecast from the 2009/10 capital programme.

As stated in the Capital Programme Budget Proposals the medium term programme has been drafted, and a programme constructed for the next four years. There will be opportunity for the programme to be reviewed annually.

Ratio of financing costs to net revenue stream

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2008/09 are:

	2008/09 Actual %	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Ratio of financing costs to net revenue stream	3.52%	5.04%	5.64%	5.91%	5.74%	6.30%

The estimates of financing costs include current commitments and the proposals in this budget report and are based on the actual and anticipated borrowing, net of investments.

Capital Financing Requirement

Estimates of the end of year Capital Financing Requirement for the Authority of the current and future years and the actual Capital Financing Requirement at 31 March 2009 are:

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Capital Financing Requirement	79,985	85,957	100,556	97,728	103,119	109,268

The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, Monmouthshire County Council does not associate borrowing with particular items or types of expenditure, other than under its current policy for determining its Minimum Revenue Provision. The authority has an integrated treasury management strategy (last approved on 5th March 2009 by Council) and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

The Council manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be drawn between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the Capital Financing Requirement reflects the authority's underlying need to borrow for a capital purpose.

CIPFA's Prudential Code for Capital Finance in Local Authorities includes a key indicator of prudence where Net External Borrowing does not, except in the short term exceed the total of Capital Financing Requirement. This is the case for the preceding year plus the estimates of any Capital Financing Requirement for the current and next four financial years.

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Net External borrowing	38,885	51,009	69,303	66,237	64,054	66,433
Capital Financing Requirement	79,985	85,957	100,556	97,728	103,119	109,268

The Corporate Director – Regeneration, Environment & Resources reports that the Authority had no difficulty meeting this requirement in 2008/09, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Authorised Limit for External Borrowing

In respect of external debt, it is recommended that the Council approves the following Authorised Limit for its total external debt gross of investments for the next four financial years.

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Borrowing	103,041	114,520	132,535	133,699	143,001	153,303
Other long term liabilities	4,238	4,509	1,651	1,611	1,664	3,391
Total	107,279	119,029	134,186	135,310	144,665	156,694

These limits separately identify borrowing from other long-term liabilities. The Council is asked to approve these limits and to delegate authority to the Corporate Director – Regeneration, Environment & Resources, within the total limit for any year, to effect movement between the separately agreed limits of borrowing and other long-term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

These limits are consistent with the authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of the most likely, prudent but not worse case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements.

Operational Boundary for External Debt

The Council is also asked to approve the following Operational Boundary for external debt for the same period.

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Borrowing	74,541	83,720	101,735	102,899	112,201	122,503
Other long term liabilities	306	306	306	306	306	306
Total	74,847	84,026	102,041	103,205	112,507	122,809

The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit but reflects the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the Authorised Limit to allow, for example, for unusual cash movements and equates to the maximum of external debt projected by this estimate.

The Operational Boundary represents a key management tool for in-year monitoring by the Corporate Director – Regeneration, Environment & Resources. Within the Operational Boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is asked to delegate authority to the Corporate Director – Regeneration, Environment & Resources, within the total Operational Boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the Authorised Limit. Any such changes will be reported to the Council at its next meeting following the change.

The Council's actual external debt at 31 March 2009 was £72.8 million, comprising £72.5 million borrowing and £0.3 million other long-term liabilities. It should be noted that the actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2010/11 would be the statutory limit determined under section 3(1) of the local Government Act 2003.

Incremental impact of new capital investment decisions on Council Tax

A key measure of affordability is the incremental impact on the Council Tax, and the Council should consider different options for its capital investment programme in relation to their differential impact on the Council Tax.

The incremental impact works on the basis that supported borrowing is funded through Revenue Support Grant. The calculation is therefore determined by establishing the revenue impact of:

- Unsupported borrowing – in terms of interest payments and the statutory Minimum Revenue Provision (MRP)
- Any revenue savings or costs that have been identified and that will result from capital schemes being delivered

The current capital budget proposals, using current information available, would have the following impact:

	2008/09 Actual £ p	2009/10 Estimate £ p	2010/11 Estimate £ p	2011/12 Estimate £ p	2012/13 Estimate £ p	2013/14 Estimate £ p
Effect on Band D Council Tax	3.25	9.09	26.49	-7.29	9.02	11.03

S.K.F. Greenslade
Responsible Financial Officer

Appendix H1 – Reserve Funding for 2010/11 budget

Appendix H1 Use of Reserves for Revenue Budget Purposes 2010/11

Item	2010/11		Reserve
	£000s To	£000s From	
COUNCIL FUND			
Phased Pay back of £500k drawn in 2008/09	-250		
Phased repayment of medium term equalisation funding drawn in 2009/10	-465		
To fund pension fund deficit from HST		271	
To fund 2010/11 budget		400	
Total	-715	671	
Net contribution to general reserve		-44	
EARMARKED			
General Earmarked reserve use			
Prepare assets for sale		207	Fixed asset reserve
Contributions to pensions		142	Superannuation reserve
Total	0	349	
MTFP evidence pressures			
Change management reserve			
Private Leasing scheme		100	Change management reserve
Loss of income SHS - various		70	Change management reserve
Local Development Plan work		150	Change management reserve
Development control income shortfall		70	Change management reserve
Project Gwyrdd		166	Change management reserve
EBPs from change management reserve	0	556	
Building control income shortfall		20	Building control trading reserve
Building control system upgrade		20	Building control trading reserve
Highways maintainance borrowing costs		250	Highways and Waste management reserve
Transport pay and display machine upgrade		36	Transport reserve
Total funding for evidence based pressures	0	882	
Agile working post		50	Change management reserve
Agile working equipment		75	Agile working transition reserve
Elections reserve	25		
Grass routes to schools	5		
Repair and renewal schemes	29		
Total other earmarked funding	59	125	
Earmarked reserve support for revenue budget	59	1356	
Capital			
IT E Gov schemes		215	IT reserve
County hall replacement		150	Change Management reserve
Repair and renewal schemes		41	Repairs and renewal reserve
Direct Services support reserve		20	
		426	
TOTAL EARMARKED	59	1782	

756 Total change management reserve movements

Appendix H2 Reserve Balances

				2008/09	2009/10			2010/11		
Account	Cat2	Cat2(T)	Cat6(T)	C/F Balance 31/03/09	Contributions To	Contributions From	C/F Balance 31/03/10	Contributions To	Contributions From	C/F Balance 31/03/11
COUNCIL FUND										
General Revenue Account				-5,067,000.00		160,000.00	-4,907,000.00	-715,000.00	670,900.00	-4,951,100.00
TOTAL COUNCIL FUND				-5,067,000.00	0.00	160,000.00	-4,907,000.00	-715,000.00	670,900.00	-4,951,100.00
EARMARKED & GENERAL RESERVES										
Earmarked Revenue Reserves										
YG33	38860	Renewal and Replacement Reserve - Accumulated		-1,988,350.37	-7,850.00		-1,996,200.37			-1,996,200.37
YG33	38861	Renewal And Replacement Reserve Advances		15,981.29	-42,150.00	72,110.00	45,941.29	-29,000.00	41,230.00	58,171.29
				-1,972,369.08	-50,000.00	72,110.00	-1,950,259.08	-29,000.00	41,230.00	-1,938,029.08
Earmarked Reserves										
YG33	38843	Property Reserve		-146,451.95			-146,451.95			-146,451.95
YG33	38844	Highways & Waste Management Reserve		-607,989.65		500,000.00	-107,989.65		250,000.00	142,010.35
YG33	38847	Direct Services Support Reserve		-271,561.53		251,562.00	-19,999.53		20,000.00	0.47
YG33	38850	IT Reserve		-1,132,915.98		918,399.00	-214,516.98		214,516.98	0.00
YG33	38855	Insurance & Risk Management Reserve		-662,954.50			-662,954.50			-662,954.50
YG33	38863	Fixed Assets Disposal Costs Reserve		-579,774.16		169,346.00	-410,428.16		207,000.00	-203,428.16
YG33	38865	Treasury Equalisation Reserve		-967,456.61		446,983.00	-520,473.61			-520,473.61
YG33	38870	Superannuation Reserve		-528,992.99		257,000.00	-271,992.99		142,000.00	-129,992.99
YG33	38880	Capital Support Reserve		-979,790.07		324,813.00	-654,977.07			-654,977.07
YG33	38885	Change Management Reserve		-1,137,025.19		1,314,638.00	177,612.81		755,745.00	933,357.81
YG33	38886	Single Status/Job Evaluation Reserve		-4,729,486.05	-3,659,365.00	223,000.00	-8,165,851.05			-8,165,851.05
YG33	38901	Chairman's Reserve		-45,610.00			-45,610.00			-45,610.00
YG33	38910	Museums Aquisitions Reserve		-54,934.86			-54,934.86			-54,934.86
YG33	38916	Youth Offending Team		-97,253.00			-97,253.00			-97,253.00
YG33	38917	MICAS Implementation Reserve		-170,000.00			-170,000.00			-170,000.00
YG33	38918	Agile Working Transition Reserve	Payroll Electronic Filing	-40,000.00			-40,000.00			-40,000.00
YG33	38918	Agile Working Transition Reserve	LLL Agile Working	-35,000.00			-35,000.00		16,250.00	-18,750.00
YG33	38918	Agile Working Transition Reserve	RER Agile Working	-50,000.00			-50,000.00		31,250.00	-18,750.00
YG33	38918	Agile Working Transition Reserve	SHS Agile Working	-29,000.00			-29,000.00		10,250.00	-18,750.00
YG33	38918	Agile Working Transition Reserve	CEO Agile Working	-36,000.00			-36,000.00		17,250.00	-18,750.00
YG33	38919	Building Control trading reserve		-60,967.00		72,000.00	11,033.00		40,000.00	51,033.00
YG33	38921	Astroturf Contributions Reserve		-21,163.51			-21,163.51			-21,163.51
YG33	38922	Out Of County Childcare Reserve		0.00			0.00			0.00
YG33	38923	Indirect Revenue Gains		0.00			0.00			0.00
YG33	38924	Elections Reserve		-33,183.00	-25,000.00		-58,183.00	-25,000.00		-83,183.00
YG33	38925	Other reserves		0.00			0.00			0.00
YG33	38948	Home to School Transport Service Reserve		0.00			0.00			0.00
YG33	38949	Grass Routes to Schools Reserve		-80,000.00	-5,000.00		-85,000.00	-5,000.00		-90,000.00
				-12,497,510.05	-3,689,365.00	4,477,741.00	-11,709,134.05	-30,000.00	1,704,261.98	-10,034,872.07
Trading Reserves										
YG33	38840	Construction Reserve		0.00			0.00			0.00
YG33	38841	Landscape Reserve		-175,800.55			-175,800.55			-175,800.55
YG33	38842	Facilities Reserve		-165,013.00		155,000.00	-10,013.00			-10,013.00
YG33	38845	Transport Reserve		-125,255.41		89,000.00	-36,255.41		35,500.00	-755.41
YG33	38846	Museums Reserve		-113,411.84			-113,411.84			-113,411.84
YG33	38926	Outdoor Education Centres Trading Reserve		-49,635.77			-49,635.77			-49,635.77
YG33	38927	School Library Service Trading Reserve		-96,319.45			-96,319.45			-96,319.45
				-725,436.02	0.00	244,000.00	-481,436.02	0.00	35,500.00	-445,936.02
TOTAL EARMARKED & GENERAL RESERVES				-15,195,315.15	-3,739,365.00	4,793,851.00	-14,140,829.15	-59,000.00	1,780,991.98	-12,418,837.17

H3 Reserve Funding for 2009/10

Reserve Funding for 2009/10 budget

Item	£000s		£000s	Reserve
COUNCIL FUND	To		From	
Pay back of 2008/09 contribution	250			Council Fund
HST pensions deficit			258	HRA balance
Medium Term equalisation funding			1074	
Total	250		1332	
Net Contribution from General fund			1082	
General Earmarked reserve use	To	From	From	
Prepare assets for sale			169	Fixed asset reserve
Contributions to pensions			257	Superannuation reserve
County Hall feasibility		75		Change management
Downturn affecting Treasury activity			447	Treasury equalisation
Total	0	75	873	
MTFP evidence pressures				
Raising standards at Key stage 4		150		Change management reserve
Highways maintenance borrowing costs			250	Highways and waste management reserve
Local Development Plan work		150		Change management reserve
Outside policy SEN post 16		60		Change management reserve
Project Green procurement costs			114	Highways service reserve
Project Green salary costs			31	Highways service reserve
Downturn in building control income			72	Building Control trading reserve
Loss of rent, building being held for agile working		30		Change management reserve
Secondary ESR work		150		Change management reserve
Single status Job evaluation team			223	Single status reserve
Total	0	540	690	
Other reserve funding				
Elections reserve	25			Elections reserve
R & R reserve	50		72	Repairs and renewals reserve
Single Status	3659			Single status reserve
Grass routes to schools	5			Grass routes to school reserve
Direct services reserve			252	Direct services reserve
Total	3739	0	324	
Trading account deficit support				
Highways			105	Service reserves
Facilities			155	Service reserves
Transport			89	Service reserves
			349	
Total reserve support for revenue budget	3739	615	2236	
Capital				
IT E Gov schemes			918	IT reserve
Capital Schemes			325	Capital Support Reserve
TOTAL EARMARKED	3739	615	3479	

Post budget change management reserve decisions			
Agile working post		83	
Agile working property(estates)		40	
Temporary relocation of Aber market		75	
School based redundancy costs		187	
Redundancy costs land charges		50	
Back rent payable to Trust fund		165	
Accommodation strategy funding		100	
Sub total		700	
Total change management reserve movements		1315	3479
			4794

Appendix J1 – Capital Budget Summary: Expenditure

Scheme	Approved 2010/11 Budget	Changes	Revised 2010/11 budget	Approved 2011/12 Budget	Changes	Revised 2011/12 Budget	Approved 2012/13 Budget	Changes	Revised 2012/13 Budget
Development Schemes									
Access for all	250,000	0	250,000	250,000		250,000	250,000	0	250,000
County Hall replacement	0	5,000,000	5,000,000	0	2,000,000	2,000,000	0	4,000,000	4,000,000
Project Gwyrdd	385,000	(385,000)	0	0		0	0	389,500	389,500
CEDS	350,000		350,000	350,000		350,000	350,000	0	350,000
Education Strategic Review	1,485,583	620,000	2,105,583	3,140,000	4,630,000	7,770,000	5,340,000	1,760,000	7,100,000
Developments under £250k (Bids to be received)	110,000		110,000	110,000		110,000	110,000	0	110,000
Maintenance Schemes									
County hall Major maintenance	300,000		300,000	225,000	75,000	300,000	0	300,000	300,000
Mandatory Disabled grants	600,000		600,000	600,000		600,000	600,000	0	600,000
Property Maintenance	2,261,471		2,261,471	2,318,008		2,318,008	2,375,958	0	2,375,958
Infrastructure Maintenance	2,876,563	2,625,000	5,501,563	2,942,227		2,942,227	2,759,532	0	2,759,532
County Farms - Maintenance	132,500	(86,750)	45,750	70,000	(40,000)	30,000	75,000	(54,000)	21,000
County Farms - Reinvestment	270,000	(92,575)	177,425	430,000	(327,000)	103,000	0	51,000	51,000
Specific Funded Schemes									
IT Schemes	0	163,980	163,980	0		0	0	0	0
Vehicle replacement	1,085,000	260,000	1,345,000	1,305,000	0	1,305,000	1,358,000	0	1,358,000
Total Expenditure	10,106,116	8,104,655	18,210,771	11,740,234	6,338,000	18,078,234	13,218,490	6,446,500	19,664,990

Appendix J1 – Capital Budget Summary: Funding

Borrowing										
Supported borrowing - GF	4,741,000	(622,000)	4,119,000	2,926,000	(194,000)	2,732,000	726,000	2,496,000	3,222,000	
Unsupported borrowing	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	0	1,000,000	
Unsupported borrowing - County Hall		3,400,000	3,400,000		1,057,000	1,057,000		3,500,000	3,500,000	
Unsupported borrowing - Highways	0	2,625,000	2,625,000							
Sub Total	5,741,000	5,403,000	11,144,000	3,926,000	863,000	4,789,000	1,726,000	5,996,000	7,722,000	
External Funding										
General Capital grant	1,599,000	(11,000)	1,588,000	1,599,000	(11,000)	1,588,000	1,599,000	(11,000)	1,588,000	
Torfaen contribution to County hall maintenance	150,000		150,000	112,500	37,500	150,000	0	150,000	150,000	
Sub Total	1,749,000	(11,000)	1,738,000	1,711,500	26,500	1,738,000	1,599,000	139,000	1,738,000	
Capital Receipts										
General Capital receipts	0	781,208	781,208	1,500,000		1,500,000	230,000	(200,208)	29,792	
Windfall capital receipts - county hall	0	732,000	732,000	0	943,000	943,000	0	500,000	500,000	
Capital receipts to fund Waste / Highways	50,000	0	50,000	200,000		200,000	0	0	0	
UPD receipts										
Sub Total	50,000	1,513,208	1,563,208	1,700,000	943,000	2,643,000	230,000	299,792	529,792	
Reserve Funding										
Capital Support reserve	0		0	0		0	0	0	0	
IT reserve for IT Schemes	0	163,980	163,980	0		0	0	0	0	
Revenue contribution county hall		150,000	150,000			0			0	
Sub Total	0	313,980	313,980	0		0	0	0	0	
Operating Lease										
Leasing	1,085,000	260,000	1,345,000	1,305,000	0	1,305,000	1,358,000	0	1,358,000	
Sub Total	1,085,000	260,000	1,345,000	1,305,000	0	1,305,000	1,358,000	0	1,358,000	
Specific Education Strategic Review funding										
Supported Borrowing ESR	63,000	620,000	683,000	1,878,000	192,000	2,070,000	4,078,000	(2,498,000)	1,580,000	
WAG funding - Education Strategic Review	1,422,583	1,000	1,423,583	1,262,000	4,438,000	5,700,000	1,262,000	4,258,000	5,520,000	
Section 106 contribution	0		0	0		0	0	0	0	
ESR Capital Receipts	0	0	0							
Sub Total	1,485,583	621,000	2,106,583	3,140,000	4,630,000	7,770,000	5,340,000	1,760,000	7,100,000	
			0			0				
Total Funding	10,110,583	8,100,188	18,210,771	11,782,500	6,462,500	18,245,000	10,253,000	8,194,792	18,447,792	
			0			0				
(Surplus) / Deficit	(4,467)	4,467	0	(42,266)	(124,500)	(166,766)	2,965,490	(1,748,292)	1,217,198	

Appendix J2 – ESR Capital Budget Summary

	Financial Year 2009/10			Financial Year 2010/11			Financial Year 2011/12			Financial Year 2012/13			Financial Year 2013/14		
	Revised Budget	Proposed Amendments	New Revised Budget	Revised Budget	Proposed Amendments	New Revised Budget	Revised Budget	Proposed Amendments	New Revised Budget	Revised Budget	Proposed Amendments	New Revised Budget	Revised Budget	Proposed Amendments	New Revised Budget
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Finance Budgets															
WAG SBIG	(2,542,000)		(2,542,000)	283,000	0	283,000	0		0			0			0
WAG Early Years Grant	95,000		95,000	95,000		95,000									
WAG Flying Start Grant	65,583		65,583	65,583		65,583									
Llanfoist Section 106			0			0						402,000			402,000
Bridgend SBIG Loan			0			0									
Transitional SBIG Rogiet	2,154,000		2,154,000			0									
Transitional SBIG Secondary Feasibility Work		1,000,000	1,000,000			0									
21st Century Schools			0			0			0			0			0
Transitional SBIG Castle Park	500,000		500,000	500,000		500,000	500,000	0	500,000						
Transitional SBIG Greenlane			0	240,000	0	240,000	2,600,000	0	2,600,000	2,760,000	0	2,760,000			0
Potential WAG Funding for Raglan			0	240,000	0	240,000	2,600,000	0	2,600,000	2,760,000	0	2,760,000			0
Sprinkler funding	0		0			0			0						
Total External Funding	272,583		272,583	1,423,583	0	1,423,583	5,700,000	0	5,700,000	5,520,000	0	5,520,000	402,000	0	402,000
Croesonon Capital Receipt			0			0									
Darenfelin Capital Receipt	0		0			0			0			0			
Wyesham Capital Receipt	0		0			0			0			0			
Park Street Capital Receipt	0		0			0			0			0			
Clydach Capital Receipt	0		0			0			0			0			
Caldicot Sudbrook	0		0	0	0	0			0			0			
Caldicot West End	0		0			0	0		0			0			
Sub Total Capital Receipts	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Other MCC Funding	3,358,000		3,358,000	63,000	620,000	683,000	1,878,000	192,000	2,070,000	3,080,000	(1,500,000)	1,580,000	2,998,000	-2,281,878	716,122
Council approved funding for Rogiet	0		0												
Total Internal Funding	3,358,000		3,358,000	63,000	620,000	683,000	1,878,000	192,000	2,070,000	3,080,000	0	1,580,000	2,998,000	(2,281,878)	716,122
Total Funding	3,630,583	1,000,000	4,630,583	1,486,583	620,000	2,106,583	7,578,000	192,000	7,770,000	8,600,000	0	7,100,000	3,400,000	(2,281,878)	1,118,122
Expenditure Budgets															
Llanfoist Primary (new school)															
Pembroke Primary (major extension)						0									
Rogiet Primary (new school)	2,154,000		2,154,000	0	0	0	0	0	0	0	0	0	0	0	0
Durand Primary	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Magor Primary (match funding)	300,000		300,000	0	0	0	0	0	0	0	0	0	0	0	0
Caldicot Trans. Work (Sandy Lane/St. Mary's)	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Caldicot Castle View (St Mary's)-remodelling	633,000		633,000	500,000		500,000	500,000		500,000	0		0			0
Caldicot Ysgol Yfin - remodelling	100,000		100,000	0		0	0		0	300,000	(300,000)	0	1,500,000	(1,500,000)	0
Raglan VC Junior & Infants- new school	0		0	300,000	0	300,000	3,250,000	0	3,250,000	3,450,000	0	3,450,000	0	0	0
Thornwell Primary - major refurbishment	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Caldicot Green Lane - New School	0		0	300,000	0	300,000	3,250,000	0	3,250,000	3,450,000	0	3,450,000	0	0	0
Primaries General	0		0	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Schools - Feasibility Works	0	1,000,000	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Medium secondary joint project	225,000		225,000	270,000		270,000	720,000	0	720,000	150,000	0	150,000			0
Access For All	40,000		40,000	50,000		50,000	50,000		50,000	50,000	0	50,000	50,000	0	50,000
Flying Start (Specific Scheme?)	65,583		65,583	65,583		65,583	0		0			0			0
King Henry VIII DDA Adaptations					620,000	620,000									
Goytre Fawr	0		0			0	300,000	(300,000)	0	1,200,000	-1,200,000	0	1,500,000	-1,500,000	0
Money allocated on 29th July to Brewery Yard	113,000		113,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditure	3,630,583	1,000,000	4,630,583	1,485,583	620,000	2,105,583	8,070,000	(300,000)	7,770,000	8,600,000	(1,500,000)	7,100,000	3,050,000	(3,000,000)	50,000
Surplus / (Deficit)	0		0	1,000	0	1,000	(492,000)	0	0	1,500,000	0	350,000	718,122	1,068,122	

1681424.4

1,069,122