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Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Llun, 7 Mawrth 2022

Hysbysiad o gyfarfod

Pwyllgor Dethol Economi a Datblygu

Dydd Mawrth, 15fed Mawrth, 2022 at 10.00 am
Remote Attendance

AGENDA

BYDD CYFARFOD CYN I AELODAU'R PWYLLGOR 30 COFNODION CYN I'R CYCHWYN Y CYFARFOD

Rhif Eitem	Eitem	Tudalennau
1.	Ymddiheuriadau am Absenoldeb.	
2.	Datganiadau o Fuddiant	
3.	Fforwm Agored i'r Cyhoedd. Canllawiau ~ Fforwm Agored Cyhoeddus y Pwyllgor Dethol Mae ein cyfarfodydd Pwyllgor Dethol yn cael eu ffrydio'n fyw a bydd dolen i'r ffrwd fyw ar gael ar dudalen gyfarfod gwefan Cyngor Sir Fynwy Os hoffech rannu eich barn ar unrhyw gynigion sy'n cael eu trafod gan Bwyllgorau Dethol, gallwch gyflwyno eich sylwadau drwy ddefnyddio'r ffurflen hon <ul style="list-style-type: none">• Rhannwch eich barn drwy lanlwytho ffeil fideo neu sain (uchafswm o 4 munud); neu• Cyflwynwch sylwadau ysgrifenedig (drwy Microsoft Word, uchafswm o 500 gair) Bydd angen i chi gofrestru ar gyfer cyfrif Fy Sir Fynwy er mwyn cyflwyno'r ymateb neu ddefnyddio eich manylion mewngofnodi os ydych wedi cofrestru o'r blaen. Y dyddiad cau ar gyfer cyflwyno sylwadau i'r Cyngor yw 5pm dri	

diwrnod gwaith clir cyn y cyfarfod. Os bydd y sylwadau a dderbynnir yn fwy na 30 munud, bydd detholiad o'r rhain, yn seiliedig ar thema, yn cael eu rhannu yng nghyfarfod y Pwyllgor Dethol. Bydd yr holl sylwadau a dderbynnir ar gael i gynghorwyr cyn y cyfarfod.

Os hoffech fynychu un o'n cyfarfodydd i siarad dan y Fforwm Agored i'r Cyhoedd, bydd angen i chi roi tri diwrnod o hysbysiad i ni drwy gysylltu â Scrutiny@monmouthshire.gov.uk. Y cadeirydd sy'n penderfynu faint o amser a roddir i bob aelod o'r cyhoedd i siarad, ond i'n galluogi i roi cyfle i nifer o siaradwyr, gofynnwn nad yw cyfraniadau yn hirach na 3 munud.

Os hoffech awgrymu pynciau i un o'n Pwyllgorau Dethol graffu arnynt yn y dyfodol, gwnewch hynny drwy e-bostio Scrutiny@monmouthshire.gov.uk

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Paul Matthews

Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Cynghorwyr Sir:

J.Becker
A.Davies
D. Evans
M.Feakins
G. Howard
P. Jordan
R.Roden
B. Strong
F. Taylor

Gwybodaeth Gyhoeddus

Mynediad i gopiâu papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Cymunedau Cynaliadwy a Chryf

Canlyniadau y gweithiwn i'w cyflawni

Neb yn cael ei adael ar ôl

- Gall pobl hŷn fyw bywyd da
- Pobl â mynediad i dai addas a fforddiadwy
- Pobl â mynediad a symudedd da

Pobl yn hyderus, galluog ac yn cymryd rhan

- Camddefnyddio alcohol a chyffuriau ddim yn effeithio ar fywydau pobl
- Teuluoedd yn cael eu cefnogi
- Pobl yn teimlo'n ddiogel

Ein sir yn ffynnu

- Busnes a menter
- Pobl â mynediad i ddysgu ymarferol a hyblyg
- Pobl yn diogelu ac yn cyfoethogi'r amgylchedd

Ein blaenoriaethau

- Ysgolion
- Diogelu pobl agored i niwed
- Cefnogi busnes a chreu swyddi
- Cynnal gwasanaethau sy'n hygyrch yn lleol

Ein gwerthoedd

- **Bod yn agored:** anelwn fod yn agored ac onest i ddatblygu perthnasoedd ymddiriedus
- **Tegwch:** anelwn ddarparu dewis teg, cyfleoedd a phrofiadau a dod yn sefydliad a adeiladwyd ar barch un at y llall.
- **Hyblygrwydd:** anelwn fod yn hyblyg yn ein syniadau a'n gweithredoedd i ddod yn sefydliad effeithlon ac effeithiol.
- **Gwaith tîm:** anelwn gydweithio i rannu ein llwyddiannau a'n methiannau drwy adeiladu ar ein cryfderau a chefnogi ein gilydd i gyflawni ein nodau.
- **Caredigrwydd** – Byddwn yn dangos caredigrwydd i bawb yr ydym yn gweithio gyda nhw, gan roi pwysigrwydd perthnasoedd a'r cysylltiadau sydd gennym â'n gilydd wrth wraidd pob rhyngweithio.

SUBJECT:	REVENUE & CAPITAL MONITORING 2021/22 FORECAST OUTTURN STATEMENT – MONTH 9
MEETING:	CABINET
DATE:	2nd March 2022
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To provide Members with an updated forecast of the revenue and capital outturn position for the current financial year.
- 1.2 This report will also be considered by Select Committees as part of their responsibility to,
 - assess whether effective budget monitoring is taking place,
 - monitor the extent to which budgets are spent in accordance with agreed budget and policy framework,
 - challenge the reasonableness of projected over or underspends, and
 - monitor the achievement of predicted efficiency gains or progress in relation to savings proposals.
- 1.3 To provide an update on the financial impact of Covid-19 on the Council.

2. RECOMMENDATIONS:

- 2.1 That Cabinet recognises a forecast surplus of £2.182m at year-end on the Council's core service delivery, a significant improvement in the forecast outturn position since month 6 of £4.122m.
- 2.2 That Cabinet note that the improvement in the forecast outturn has arisen both through continuing budget recovery action and more significantly through the notification of substantial further and late specific grant funding to be received from Welsh Government before the year-end.
- 2.3 That Cabinet recognises the importance of a positive outturn position being achieved for 2021/22, in that it safeguards and now forecasts to contribute to limited one-off reserve headroom retained to assist with meeting the unpredictable financial challenges over the medium term, and where uncertainty still remains to the extent of future pressures and the funding available to meet these challenges.
- 2.4 That Cabinet recognises that currently the overall net revenue forecast surplus at month 9 is £310k, as this takes account of a further forecast deficit of £1.872m that is directly associated with the extraordinary financial pressures attached to Covid-19. If, as expected the £1.872m is fully recovered from the WG Covid-19 hardship fund the overall surplus would be that on core service delivery of £2.182m.

- 2.5 That Cabinet can be reasonably assured based on commitments from Welsh Government, that all Covid-19 associated cost pressures and income losses that are eligible to be met by the Welsh Government Covid-19 Hardship fund will be funded to the end of March 2022.
- 2.6 That Cabinet note that there remains significant Covid-19 related cost pressures and income losses forecast after the end of March 2022 and that these have been assessed and incorporated where required into the final budget proposals for 2022/23.
- 2.7 That Cabinet recognise that the current budget forecast allows for an estimated non-teaching pay award for 2021/22 of 1.75%. The outcome of pay negotiations is awaited and in the event that the agreed pay award is above this estimate, that this will present a further budgetary pressure. Welsh Government have been clear that no compensating funding is anticipated and given that the Minister confirmed via the final settlement that this already took into account any subsequent pay awards.
- 2.8 That Members note that the overall revenue outturn position continues to be subsidised by £2.2m of capital receipts which are being used to fund identified eligible expenditure under the flexible use of capital receipts directive.
- 2.9 That Members note the forecast 93% delivery of the budgeted mandated savings as detailed in **appendix 3** and as agreed by full Council previously and the implicit remedial action/savings included in the financial outturn to compensate for circa 7% savings (£309k) reported as delayed or unachievable by service managers.
- 2.10 Cabinet notes the extent of forecast improvements in school balances contained in **table 4** and **appendix 1** which is informed and driven by the extent to which significant and unprecedented late grant support provided by Welsh Government to schools at the end of 2020/21 exceeded the impact of school investment plans, and notably further receipt of unbudgeted grant support notified since month 6 totalling £2.06m.
- 2.11 Cabinet considers the forecast capital outturn spend of £31.5m as outlined in **appendix 1** that would result in forecast slippage of £54.3m, noting the continuing delays in progressing some of the key capital projects due to the ongoing challenging operating conditions and impact both internally and externally in relation to Covid-19.
- 2.12 That Cabinet approve the Capital budget revisions as listed in **appendix 4** to this report resulting from the notification of external capital grant awards to the value of £4.01m and draw on Section 106 balances of £971k.

3. KEY ISSUES:

3.1 Assessing the financial impact of the pandemic on the Council

- 3.2 The 2021/22 budget was set against the backdrop of an unprecedented period of uncertainty, both in Local Government and in the wider context. The Covid-19 pandemic continues to have a major impact on all local authorities and wider public services across

Wales. From a financial perspective, the response to the pandemic has required the Council to incur significant additional expenditure, for example, costs relating to infection control measures, safeguarding the public and employees and support for elderly and vulnerable residents. In addition, income losses have also been substantial, during the period where services either have been closed or have experienced significant reductions in demand or footfall due to restrictions in place.

3.3 The Council has been given clear commitments of the proposed Welsh Government support to meet the Covid-19 pressures and significantly the announcement of further funding for local authorities via the Local Government Covid-19 hardship fund to the end of March 2022. Cabinet can be reasonably assured that all such Covid-19 related pressures will be funded during this period.

3.4 **Table 1** below indicates a total forecast net under spend for the Council at year-end of £310k and how this variance is broken down into that relating to core service delivery and that relating directly to the response to the pandemic.

Table 1: Council Fund 2021/22 Outturn Forecast as at Month 9

Directorate	Total forecast variance at Month 9	Of which due to core service delivery:	Of which due to Covid-19 Expenditure Increase:	Of which due to Covid-19 Income Loss:
Social Care, Health & Safeguarding	28	28	0	0
Children & Young People	1,128	1,128	0	0
Enterprise	47	(911)	261	697
Monlife	430	(128)	0	558
Chief Executives Unit	(160)	(160)	0	0
People & Governance	(179)	(179)	0	0
Resources	39	(217)	48	208
Corporate Costs & Levies	(693)	(693)	0	0
Appropriations	(400)	(400)	0	0
Financing	(550)	(650)	100	0
Total forecast Month 9	(310)	(2,182)	409	1,463
Total forecast Month 6	5,911	1,940	1,734	2,237
Variance from Month 6	(6,221)	(4,122)	(1,325)	(774)

3.5 The overall forecast surplus of £310k comprises expected additional costs of £409k and income losses of £1.463m directly related to the impact of Covid-19 on the Council, alongside a forecast £2.182m surplus on core Council service delivery. If, as expected, the £1.872m is fully recovered from the WG Covid-19 hardship fund the overall surplus would be £2.182m.

- 3.6 It is important to note that the combined forecast overspend of £1.872m (£409k and £1,463k in the table above) relating specifically to the Covid-19 impact is presented on a prudent basis in so much that it displays a worst case scenario that does not take into account any of the further Welsh Government Hardship funding anticipated to meet the additional costs or reimbursement of income losses that have equally resulted.
- 3.7 The Council can be reasonably assured based on continued dialogue with Welsh Government and their current funding commitments, that all Covid-19 associated cost pressures and income losses eligible to be met by the Welsh Government Covid-19 Hardship fund will be funded to the end of March 2022.
- 3.8 Whilst the Council is grateful for the funding commitments made to date by Welsh Government through the Covid-19 Hardship fund, it is imperative that the Council looks to continue to make strong representations for further clarity on funding arrangements for the ongoing Covid-19 pressures post March 2022. As Covid-19 restrictions continue to ease some of these pressures are expected to fall away quickly, others will take some time to unwind and stabilise, whilst others will be of a more permanent nature brought about by strategic policy change enacted by Welsh Government.
- 3.9 The Council prudently set aside reserve funding at the end of 2019/20 and 2020/21 totalling £2.6m for specific Covid-19 related pressures which were yet to materialise, and in the event that funding commitments from Welsh Government fall short of meeting the additional expenditure and income losses, and this reserve funding will be available to mitigate the impact. Given the Council's comparatively low level of reserve cover, and the financial challenges over the medium term and beyond, recourse to this funding should be seen as an absolute last resort after exhausting all other alternative options. Therefore, it remains of critical importance that services manage budgets and expenditure tightly and take all opportunities to maximise income generation and bear down on cost. It is vitally important that services do not become reliant upon WG support and develop strategies that allow them to emerge from the pandemic on a sustainable financial footing.
- 3.10 Just as importantly as managing the direct impacts of the pandemic on the Council, the wider and longer lasting indirect impact on Council services need to be considered, particularly in the areas of Homelessness, Children's services, Adult social care and Children's additional learning needs. There remains significant latent and complex demands in these areas as a result of the ongoing societal impacts of the Covid-19 response and restrictions, and some of these impacts will take a significant period of time to unwind and the Council needs to engage in careful discussions with Welsh Government around the management of this in the medium term. Alongside this Council services need to prepare to be adaptable and innovative in their response to these pressures materialising and not simply rely on traditional methods of mitigation or solely place reliance on further funding coming forward.
- 3.11 **Financial assessment of core service delivery**
- 3.12 As the Council continues to transition from the response phase of the pandemic it is important that Cabinet is kept informed as impacts are being assessed. The Council had already faced significant financial challenges in setting a balanced budget for 2021/22 and

the pandemic has only accentuated the challenge. The budget round saw £10.3m of budget pressures accommodated, notably:

- In full, all pay and pension-related spending pressures in our schooling system;
- The increasing demand placed on children’s social care services, adult social care and our children with additional learning needs budgets;
- Significant service pressures within the passenger transport unit and within recycling and waste and that look to ensure that the Council supports and sustains key service delivery;
- Investment that ensures that homeless people are provided adequate support, advice and accommodation in their time of need;
- An ongoing commitment to recognise and value the contribution made by the workforce and ensuring that local government staff are paid no less than the minimum wage set by the Living Wage Foundation. And that as a result of the Cabinet decision in January 2021 is also extended to apprenticeship roles within the Council.

3.13 Despite accommodating the above pressures into the 2021/22 budget, at month 9 there continues to be significant in year core service pressures forecast, with many of these pressures developing in the same key areas that have been provided additional support in the budget. Critically as we have moved through the financial year we have been notified of significant unbudgeted grant funding which has helped offset these pressures.

3.14 The principal pressures and savings are within the areas of:

Pressure/Saving	Month 9 £000's	Month 6 £000's	Description
Children’s services	394	695	Despite stabilisation in Children looked after numbers, new children have required high cost residential placements, as opposed to those leaving which have been more in the lower cost fostering/kinship/family placements. A recent legal case has also led to the need to pay kinship carers in line with foster carer rates, along with the increase in payment to foster carers due to increasing skills training. The pressure has been considerably offset since month 6 by £627k of unbudgeted WG winter pressure grant.
Adults Services	(253)	547	The pressure on this budget is largely as a result of additional carer recruitment to our in house care at home service, and increased care packages in the South of the County. This has been significantly offset since month 6 by £823k of unbudgeted grant in respect of winter pressures and the social care recovery fund.
Additional Learning Needs	1,065	982	Primarily due to a reduction in income from other LAs (£244k), additional support for pupils

			attending our own schools (£278k), and placement costs outside of our own schools (£460k).
Landlord services	181	401	Reduced income from recharges into capital schemes due to a lower level of activity in the capital programme, alongside an in-year adjustment to correct a control account in-balance due to the mis-posting of income in previous years.
Transport & Passenger Transport Unit (PTU)	241	236	The cost of maintaining the authority's fleet has exceeded available budget.
Non-teaching pay award	837	837	An allowance has been made within the forecast for the expected result of pay award negotiations over and above the 1% already budgeted for. The estimate is based on an expected award of 1.75% with negotiations continuing between local government employer's representatives and trade unions.
Holiday pay in relation to regularised overtime	493	0	A statutory change has meant that staff who work over their contracted hours as part of their normal working pattern, or casual staff who are given standard working hours, are entitled to accrued holidays. This pressure reflects the backdated pressure of bringing staff in line with the revised regulations for both 2020/21 and 2021/22.
Council tax	(650)	(750)	Out-performance of budgeted Council tax collection.
Borrowing costs	(571)	(230)	A reduction in net budgeted borrowing costs reflective of the continuing low interest rate environment and significant capital slippage.
Staff vacancies	(1,064)	(540)	Significant staff vacancies being carried in the establishment.
Waste contract & recyclates	(494)	(157)	The HWRC and transfer station contract savings have been realised since month 6 and a relatively buoyant recycling market in Quarter 2 and Quarter 3 have reduced costs. Planned expenditure on new depot infrastructure in south of county has not materialised due to the lack of suitable site availability to house recycling and waste fleet.
Unbudgeted grant income	(3,469)		Additional £1.019m grant notified for reductions in Council tax income during the period, alongside £1m in further AEF distribution. A further £1.25m notified in relation to Social care winter pressures, with a further allocation of £200k from the social care recovery fund. *£1.45m of this amount is shown above as already netting off the above pressures in relation to Children's & Adults services.

- 3.15 Importantly the overall outturn position also continues to be supported by £2.2m of identified eligible expenditure to be funded from capital receipts under the flexible use of capital receipts directive. Reliance on these mitigations is a short term measure only and is clearly not sustainable over the medium term.
- 3.16 As the financial year progresses there will inevitably be further forecast budget pressures and savings identified and added to the budget forecast. **Appendix 2** provides an analysis of both the significant forecast pressures and savings already identified at month 9.
- 3.17 It is important to note that the majority of the savings identified during the year to assist the in-year budget recovery are one-off savings and will not bring any further benefit to future year's budgets. Conversely, the majority of those pressures highlighted above are recurrent pressures and were considered as part of the wider budget process for 2022/23 and beyond.
- 3.18 Following the further funding commitments received from WG for Covid-19 related pressures, as we look to the remainder of the financial year the key financial focus and uncertainty continues to be in achieving a positive outturn position in the core service delivery. To that end the ongoing budget recovery plan remains vital in ensuring that the Council ends the year in a robust financial position and without needing to deplete reserve balances which are at comparatively low levels despite the recent replenishment, and particularly in light of the challenging budgetary position leading into 2022/23.
- 3.19 **Progress against mandated savings**
- 3.20 The 2021/22 budget included mandated savings totalling £4.734m and the progress against these is summarised in **table 3** below and in more detail in **appendix 3**.

Table 3: Progress against mandated savings

Directorate	2021/22 Budgeted Savings £000	Saving achieved £000	Delayed Savings £000	Savings Unachievable £000	% Achieved
Children & Young People	(1,510)	(1,275)	(235)	0	84%
Social Care & Health	(874)	(874)	0	0	100%
Enterprise	(821)	(821)	0	0	100%
Monlife	(100)	(80)	0	(20)	80%
Resources	(165)	(123)	(42)	0	75%
Chief Executives Unit	(32)	(20)	(12)	0	63%
Corporate Costs & Levies	(1,508)	(1,508)	0	0	100%
Appropriations	275	275	0	0	100%
Total	(4,734)	(4,426)	(289)	(20)	93%

3.21 It is pleasing to note the forecast 93% delivery of mandated savings, especially in light of the ongoing challenges faced by services in the current operating conditions. Finance officers will continue to work with services to ensure that these savings are fully delivered as the year progresses and to look at options for delivering on savings indicated as delayed.

3.22 School balances

3.23 From a financial perspective, 2020/21 was an unprecedented year for schools who received several significant Welsh Government grants to support them and their pupils during a period of significant disruption to learning, and alongside this sustained periods of enforced closure during the financial year resulted in spending on core budgets being significantly curtailed. This resulted in the majority of schools bringing forward significant surplus balances into the 2021/22 financial year.

3.24 The Authority required schools carrying significant surplus balances that were above levels guided by Welsh Government (£50k for a Primary, £100k for a Secondary) to provide investment plans setting out how they intended to spend the significant balances being held. These plans have subsequently been completed and assessed and has informed the budget monitoring process.

3.25 At month 9, the forecast is a contribution to reserves of £686,954, resulting in a forecast surplus balance of £4,105,074. The majority of the increase in reserve balances is due to further additional unbudgeted grants notified from Welsh Government during the year:

- £1,089,288 to cover revenue maintenance
- £117,306 Winter of Wellbeing
- £184,076 ALN new system funding
- £668,971 RRR's funding.

All schools are putting in place plans to ensure the most effective and beneficial use of these grants is made.

Table 4: Forecast movement school balances for 2021/22

Draft Council Fund Outturn 2021/22 – School Balances Summary outturn position at Month 9	(A) Opening Reserves (Surplus) / Deficit Position 2021/22	(B) Draw / (Contribution) from / (to) School Balances @ Month 2	(C) Draw / (Contribution) from / (to) School Balances @ Month 6	(D) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+D) Forecast Reserve Balances at 2021/22 Outturn	Variance Draw on School Balances Month 6 to Month 9
	£000's	£'000	£'000	£'000	£'000	£'000
Cluster						
Abergavenny	(1,158)	309	426	(197)	(1,355)	(623)
Caldicot	(1,091)	539	372	(197)	(1,288)	(569)

Chepstow	(349)	516	417	42	(307)	(375)
Monmouth	(794)	457	354	(318)	(1,113)	(673)
Special	(26)	(39)	(11)	(16)	(42)	(5)
Total	(3,418)	1,782	1,558	(687)	(4,105)	(2,245)

- 3.26 Irrespective of the significant one-off funding given to schools at the end of 2020/21, and the further grants notified during 2021/22, it is clear that the inherent structural budget deficits that led to a significant number of schools being in deficit over the past few years remain and that these will require resolution regardless. It is expected that the additional funding made available to those schools will allow a period of transition and as to allow those underlying budgetary issues to be rectified without impacting on educational standards.
- 3.27 **Capital outturn forecast**
- 3.28 The capital expenditure forecast outturn detailed in **appendix 1** indicates no variance to budget at the present time. This is not uncommon on capital projects at this stage of the year where projects are in progress and final consolidation of costs will not be undertaken until later in the year.
- 3.29 The impact of Covid-19 on the programme has varied and is very much been dependent on the nature of the works being undertaken. Following initial delays on schemes during periods of operating restrictions, contractors are adapting to Covid-19 work restrictions, although cost inflation and supply chain issues continue to represent a challenge to project delivery. Some of the issues will be temporary, however it remains unclear whether increases in cost inflation will be sustained over the medium term.
- 3.30 There is therefore a significant level of slippage forecast at month 9 of £54.35m (63% of total budget) where some of the Councils major schemes have been impacted by delays:
- **Abergavenny 3-19 School (£26.399m)** where the original budget schedule for the project has changed considerably since the inception of the project due to external factors.
 - **Asset Investment Fund (£18.092m)** where further expenditure is dependent on appropriate schemes coming forward that meet the Authorities investment criteria.
 - **Crick Road Care Home (£5.964m)** where there have been delays in the building schedule.
 - **Other notable slippages:** £813k for a backlog in disabled facility grant implementations; £516k for modifications to County Hall 'J' block, delayed due to a 'SUDS' consent being required; £489k for Match Funded Capital schemes and £280k on the Re-Fit programme.
- 3.31 The forecast movement in capital receipts balances for the year is shown below. Whilst overall balances on the face of it are healthy, there remains the risk that forecast receipts receivable for 2022/23 onwards are at comparatively low levels, and combined with the

fact that receipts are continuing to be used to subsidise the revenue budget through capitalisation direction means that the scope for further capital investment funded via receipts will be limited.

Table 5: Forecast movement in capital receipt balances

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Balance as at 1st April	9,581	13,503	11,108	10,311	8,714
Capital receipts used for financing	(3,582)	(2,311)	(1,294)	(1,194)	(1,094)
Capital receipts used to support capitalisation direction	(2,208)	(2,650)	(507)	(507)	(507)
Capital receipts Received or Forecast	9,712	2,565	1,004	104	104
Forecast Balance as at 31st March	13,503	11,108	10,311	8,714	7,217

4 OPTIONS APPRAISAL

- 4.1 This report provides an update on the current financial situation and the challenges facing the Council now and over the medium term. It has been prepared at a time of great uncertainty as the Council still transitions from the emergency response phase of the Covid-19 pandemic towards a period of recovery.
- 4.1 The outturn forecast that has been prepared for consideration is predicated on assumptions that have been independently assessed by budget holders and subsequently reviewed as part of the budget monitoring process. These assumptions don't look to represent a policy position that Cabinet is looking to take on when services are re-opening, either fully or in a more limited capacity, or how services are looking to respond to the changing demands. Rather they represent a reasoned assessment of the impact on services in year based on known information, anticipated future changes and estimates.
- 4.2 By far the greatest uncertainty that exists is the continued level of Welsh Government funding to be received to offset additional costs incurred in responding to the Covid-19 emergency response and the significant income losses that have resulted where services have ceased as a result of the lockdown restrictions in place. Current funding commitments from Welsh Government are due end in March 2022 in their current form and the council will continue to make strong representations for further clarity on funding for the ongoing Covid-19 pressures faced.

5 EVALUATION CRITERIA

- 5.1 This forecast outturn report represents an assessment of the forecast for the 2021/22 financial year based on nine months of data. More so than ever the combination of the impact of the Covid-19 pandemic on service operating conditions and the fact that it is only part way through the financial year, means that a level of risk uncertainty should be attributed to the forecast.

- 5.2 There is an increased level of comfort that Welsh Government funding will meet additional costs and income losses brought about by the response to and the impact of the pandemic to the end of the financial year. However, this continues to represent a risk that will only be mitigated by monthly and quarterly submissions to Welsh Government being agreed. And furthermore and beyond those impacts resulting from Covid-19 there exists a number of significant cost pressures that need to be managed regardless.
- 5.3 The Council has traditionally maintained formal reporting to Cabinet at month 2, month 5, month 9 and outturn, with more frequent budget monitoring information being undertaken at a departmental level and reported to management and the Strategic Leadership Team. More regular formal reporting to Cabinet is considered necessary only where circumstances necessitate it.
- 5.4 Given the further funding commitments made by Welsh Government through to the end of the year to cover Covid-19 pressures, it is considered appropriate to maintain the traditional reporting frequency for the remainder of this financial year, with further reporting to take place at outturn.
- 5.5 The update of the Medium Term Financial Plan (MTFP) and the development of the budget proposals for 2022/23 have been finalised. The Council has needed to consider the wider and longer lasting indirect Covid-19 impact on Council services, particularly in the areas of Homelessness, Children's services, Adult social care and Children's additional learning needs. There remains significant latent and complex demands in these areas as a result of the ongoing societal impacts of the Covid-19 response and restrictions, and some of these impacts will take a significant period of time to unwind and the Council will therefore continue to engage in careful discussions with Welsh Government around the management of this in the medium term.

6 REASONS:

- 6.1 To provide Members with an updated forecast of the revenue and capital outturn position for the current financial year.
- 6.2 To ensure that the gravity of the financial challenges facing the Council are understood and that reasonable actions are being taken to safeguard the ongoing financial sustainability of the Council.

7 RESOURCE IMPLICATIONS:

- 7.1 The resource implications of the current in-year forecast outturn are contained in this report and the attached appendices. The forecast outturn exhibits an under spend of £310k. However further Welsh Government Covid-19 hardship funding is expected to be received through the end of year of £1.709m which is not included in the current forecast.
- 7.2 The financial challenges facing the Council and resulting from the Covid-19 pandemic are significant in the current year and will undoubtedly be a feature of the next 4 years of the MTFP. Not just for this Council but all councils across Wales and the UK. The Council is having to incur significant costs in its response effort and this will continue as it transitions towards recovery. Furthermore and resulting from the restrictions that UK Government and Welsh Government have had to put in place to contain the spread of the virus we are

suffering significant shortfalls in our income levels. Some of these will return more quickly than others as services are able to be safely turned back on.

7.3 In terms of how the Council will respond to the challenges faced in the current year and over the medium term this will very much depend on the level of compensating funding received from Welsh Government and the flexibilities afforded to Welsh local authorities to spread the impact over more than one financial year.

7.4 The more immediate focus has been in arresting the core service delivery deficit that was forecast earlier in the financial year. To that end the ongoing budget recovery plan has been vital in ensuring that the Council ends the year in a positive position and without needing to deplete reserve balances which are at comparatively low levels despite the recent replenishment, and particularly in light of the challenging budgetary position it has had to overcome leading into 2022/23.

8 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

8.1 This report provides Members with information on the forecast revenue and capital outturn position of the Authority and carries no decisions. There are therefore no equality of future generations' implications directly arising from this report.

8.2 Any such impacts will be fully considered subsequently when Council receives details the budget recovery plan and revised budget proposals.

9 CONSULTEES:

Senior Leadership Team
Cabinet

10 BACKGROUND PAPERS:

Appendix 1 – Detailed outturn statements and directorate commentaries

Appendix 2 – Service variance analysis

Appendix 3 – Progress against budgeted savings

Appendix 4 – Capital external financing budget revisions

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Social Care, Health & Safeguarding Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Net Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Adult Services	(4)	0		0	(4)
Children Services	396	0	0	0	396
Community Care	(67)	0	0	0	(67)
Commissioning	(155)	0	0	0	(155)
Partnerships	0	0	0	0	0
Public Protection	(115)	0	0	0	(115)
Resources & Performance	(27)	0	0	0	(27)
Total	28	0	0	0	28

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Social Care, Health & Safeguarding Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Adult Services					
Reduced capacity to offer services	(259)				(259)
Bad debt provision	99				99
Additional care packages & recruitment	156				156

Total Adult Services	(4)	0	0	0	(4)
Children Services					
High cost residential placements as a result of increased complexity	832				832
Legal case relating to rate historically paid to kinship carers	273				273
Legal costs	213				213
Agency staff requirement	75				75
Winter pressures grant unbudgeted	(627)				(627)
Net reduction in staffing requirement over the period	(104)				(104)
Transport/Other grant funding	(266)				(266)
Total Children's Services	396	0	0	0	396
Community Care					
A net underspend driven by lower referrals for drug & alcohol dependency and unbudgeted grant, offset by an increase in some car packages	(67)				(67)
Total Community Care	(67)	0	0	0	(67)
Commissioning					
Other	(22)				(22)
Staff vacancy	(99)				(99)
Termination of the Usk Services contract	(34)				(34)
Total Commissioning	(155)	0	0	0	(155)
Public Protection					
Other	(7)				(7)
Staff vacancies	(108)				(108)
Total Public Protection	(115)	0	0	0	(115)
Resources & Performance					
Other	13				13
Staff vacancy	(40)				(40)
Total Resources & Performance	(27)	0	0	0	(27)
Total	28	0	0	0	28

Children & Young People Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Net Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Individual Schools Budgets	(29)	0	0	0	(29)
Resources	8	0	0	0	8
Standards	1,149	0	0	0	1,149
Total	1,128	0	0	0	1,128

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Children & Young People Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Individual Schools Budgets					
Back pay due to school staff is less than anticipated	(29)				(29)
Total Individual Schools Budgets	(29)	0	0	0	(29)
Resources					
Additional support services staff	8				8
Total Resources	8	0	0	0	8
Standards					
Additional learning needs - placements, recoupment, support	1,065				1,065

Breakfast club income	62				62
Additional staffing	22				22
Total Standards	1,149	0	0	0	1,149
Total	1,128	0	0	0	1,128

Enterprise Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Enterprise & Community Animation	(197)	0	433	0	236
Facilities & Fleet	(28)	25	0	0	(3)
Neighbourhood Services	(604)	236	0	0	(368)
Placemaking, Highways & Flood	(82)	0	264	0	182
Total	(911)	261	697	0	47

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Enterprise Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Enterprise & Community Animation					
Communications - Increase in Software Costs offset by increased income	6				6
Community & Pships - savings on course fees and mileage - staff costs to capitalisation (£29k)	(33)				(33)
Enterprise Mgt - Staff vacancy savings	(12)				

Homelessness - Increase in B&B costs, security costs due to Covid	(79)		433		
Sewage Treatment Costs - Shirenewton waste removal to avoid leaks.	24				
Housing Grant - Staff costs no longer covered by grant T&Cs	63				
Shared Housing & Private Leasing - Improved rental figures	(102)				
Housing Associations - Mortgage costs	8				8
Careline - Reduction in equipment spend, improved income.	(22)				(22)
Strategic Services - Vacant post savings.	(17)				(17)
Procurement	(33)				(33)
Total Enterprise & Community Animation	(197)	0	433	0	(91)
Facilities & Fleet					
Building Cleaning - Essential equipment repair & replacement.	0	25			25
PTU Commissioning - Reduction in in contract costs, windfall in operator payments going monthly. £50k route optimisation software capitalised	(269)				
Transport - Green car scheme loss £26k, increased repair costs £238k for additional vehicles taken on for covid & increased operations. Staff Cost to capitalisation £28k	241				
Total Facilities & Fleet	(28)	25	0	0	25
Neighbourhood Services					
Highways & Streetlighting - Energy & maintenance savings	(110)				(110)
Waste/Grounds - Savings from recyclates and reduced waste mgt contract + Increased vehicles due to covid.	(494)	236			
Total Neighbourhood Services	(604)	236	0	0	(110)
Placemaking, Highways & Flood					
Planning - Lost Pre-app income	35				35
Building Control - Lost income			73		
Car Parking & CPE - Software, premises and transport overspend	49				
Car Parking & CPE Income down			191		
Highway Dev & Flooding - Staff uspend & improved income.	(166)				

Total Placemaking, Highways & Flood	(82)	0	264	0	35
Total	(911)	261	697	0	(141)

MonLife Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Countryside & Culture	14	0	78	0	92
Finance & Business Development	(145)	0	38	0	(107)
Leisure, Youth & Outdoor Adventure	3	0	442	0	445
Total	(128)	0	558	0	430

Page 20	Monlife Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
		Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
	Countryside & Culture					
	Countryside & Culture - Income Loss, contribution to Living Levels	14		78		92
	Total Countryside & Culture	14	0	78	0	92
	Finance & Business Development					
	Finance & Business Development - Income Loss (£38k), Staff Vacancy savings (£145k)	(145)		38		(107)
	Total Finance & Business Development	(145)	0	38	0	(107)
	Leisure, Youth & Outdoor Adventure					
	Leisure, Youth & Outdoor Adventure - Loss of leisure centre & outdoor adventure income	3		442		445

Total Leisure, Youth & Outdoor Adventure	3	0	442	0	445
Total	(128)	0	558	0	430

Resources Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Commercial, Corporate & landlord Services	181	48	157	0	386
Finance	(376)	0	51	0	(325)
Future Monmouthshire	0	0	0	0	0
Information Communication Technology	(22)	0	0	0	(22)
Total	(217)	48	208	0	39

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Resources Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Commercial, Corporate & landlord Services					
Estates - Income loss from vacant office space in magor and loss of service charge, offset by staff savings	(96)		37		(59)
Solar Farm - Improved ROC income	(40)				(40)
Commercial Investments - income shortfall NLP	(74)		66		(8)
Commercial Investments - Castlegate - Control account mis-post	250				250

County Farms - Increase in fees, and a reduction in tenant income.	21				21
Property Services - Reduction on project fee income	43				43
Central Accommodation - Pru borrowing hit for J block - increase in repair costs. Additional cleaning costs (£48k)	42	48			90
MCC Markets - Income Loss due to 50% charge due tot refurb, £78k due to covid rules. £35k over on Refuse.	35		54		89
Total Commercial, Corporate & landlord Services	181	48	157	0	386
Finance					
Benefits - B&B HB claims increasing due to Covid, not all can be claimed against Housing benefit subsidy so pressure on budget.	42				42
Council Tax & NNDR - Shortfall in Summons income due to courts being closed and decision to halt recovery of Unpaid Council Tax & Business Rates. Salary overspend as budget moved as part of restructure that has not taken place yet.	57		51		108
Charity Relief - Business Grants admin grant payment	(132)				(132)
Debtors - Vacant post	(4)				(4)
Finance & Imp - Senior staff vacancy saving	(243)				(243)
Payroll - Staff vacancy savings	(60)				(60)
Innovation - Staff Costs					0
Audit - Staff Savings	(15)				(15)
Systems & Exchequer - Security carrier savings, system dev postponement savings.	(21)				(21)
Total Finance	(376)	0	51	0	(325)
ICT					
SRS - Contribution savings	(22)				(22)
Total ICT	(22)	0	0	0	(22)
Total	(217)	48	208	0	39

Chief Executive Summary		Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION		Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Policy, Scrutiny & Customer Service		(160)	0	0	0	(160)
Total		(160)	0	0	0	(160)

Page 24	Chief Executive Detailed		Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
			Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Policy, Scrutiny & Customer Service							
Community Hubs - Unachievable income budget.		29					29
Community Education - Grant Windfall from 20-21.		(159)					(159)
Contact Centre - Increased staff costs offset by savings due to delay in new telephony system.		(65)					(65)
Corporate CEO - Inability to meet vacancy factor and increase in licensing fees		9					9
Scrutiny - Unachievable Staff vacancy savings		1					1
Policy & Partnerships - Welsh Language Overspend due to covid, reduction in third party contributions.		25					25
Total Policy, Scrutiny & Customer Service		(160)	0	0	0	0	(160)
Total		(160)	0	0	0	0	(160)

People & Governance Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
People & Governance	(179)	0	0	0	(179)
Total	(179)	0	0	0	(179)

People & Governance Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
Page 25	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
People & Governance					
Innovation - Staff re-grading, no budget	8				8
Members - IT Equipment saving and mileage/allowance due to less travel for meetings	(50)				(50)
Elections - Reduced canvassing costs offset by increased salary.	0				0
Committee Section - Increased staff hours	18				18
Legal - Staff savings through delay in employing lawyer.	(24)				(24)
Land Charges - Vacant Post & improved search income	(37)				(37)
People Services - Senior staff vacancy savings (£80K) and reduce demand in occ health. (£11k), Training Staff vacancy (£3k)	(94)				(94)
Total People & Governance	(179)	0	0	0	(179)
Total	(179)	0	0	0	(179)

Corporate Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Precepts & Levies	13	0	0	0	13
Corporate Management	(94)	0	0	0	(94)
Non Distributed Costs (NDC)	62	0	0	0	62
Strategic Initiatives	(677)	0	0	0	(677)
Insurance	3	0	0	0	3
Total	(693)	0	0	0	(693)

Corporate Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Precepts & Levies					
National parks levy	13				13
Total Precepts & Levies	13	0	0	0	13
Corporate Management					
Bad debt provision reversal	(86)				(86)
Other	(8)				(8)

Total Corporate management	(94)	0	0	0	(94)
Non Distributed Costs (NDC)					
Pension strain costs	62				62
Total Non Distributed Costs (NDC)	62	0	0	0	62
Strategic Initiatives					
Other	12				
Holiday pay in relation to regularised overtime	493				
Unbudgeted grant - Council tax losses	(1,019)				
Additional AEF notified	(1,000)				
Pay award pressure over and above 1% budgeted	837				837
Total Strategic Initiatives	(677)	0	0	0	837
Insurance					
Premium	(40)				(40)
Fees	(34)				(34)
Usk trust payment, offset by lower forecast Self insured costs	77				77
Total Insurance	3	0	0	0	3
Total	(693)	0	0	0	821

Appropriations Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Net Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Fixed Asset Disposal Costs	171	0	0	0	171
Interest & Investment Income	(72)	0	0	0	(72)
Interest Payable & Similar Charges	(403)	0	0	0	(403)
Charges Required under Regulation	(11)	0	0	0	(11)
Borrowing cost recoupment	(85)	0	0	0	(85)
Total	(400)	0	0	0	(400)

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Appropriations Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Fixed Asset Disposal Costs					
Unbudgeted security costs	171				171
Total Fixed Asset Disposal Costs	171	0	0	0	171
Interest & Investment Income					
Returns higher than budgeted due to increase in rates and additional unbudgeted recoupment	(72)				(72)

Total Interest & Investment Income	(72)	0	0	0	(72)
Interest Payable & Similar Charges					
Temporary borrowing costs remaining very low	(403)				(403)
Total Interest Payable & Similar Charges	(403)	0	0	0	(403)
Charges Required under Regulation					
Due to capital slippage in 20/21	(11)				(11)
Total Charges Required under Regulation	(11)	0	0	0	(11)
Unbudgeted recoupment from service	(85)				(85)
Borrowing cost recoupment	(85)	0	0	0	(85)
Total	(400)	0	0	0	(400)







Financing Summary	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Net Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Council Tax	(650)	0	0	0	(650)
Council Tax Reduction Scheme	0	100	0	0	100
Total	(650)	100	0	0	(550)

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Financing Detailed	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
	Service Pressures not related to Covid-19 (£000)	Expenditure directly attributable to Covid- 19 (£000)	Shortfall /Loss of Income due to Covid-19 (£000)	Costs incurred due to changes in service delivery (£000)	Total
Council Tax					
Increase in base, reductions in exemptions, collection rate remaining healthy	(650)				(650)
Total Council Tax	(650)	0	0	0	(650)
Council Tax Reduction Scheme					
CTRS		100			100
Total Council Tax Reduction Scheme	0	100	0	0	100
Total	(650)	100	0	0	(550)

(SELECT)	REF.	Disinvestment 2021-22	2021/22 Budgeted Savings £000	Value of Saving forecast at Month 2 £000	Value of Saving forecast at Month 6 £000	Value of Saving forecast at Month 9 £000	Value of Saving achieved at Outturn £000	Delayed Savings £000	Savings deemed Unachievable YTD £000	% Forecast M6
		Children & Young People	(1,510)	(1,313)	(1,266)	(1,275)	0	(235)	0	83.9%
		Social Care & Health	(874)	(874)	(874)	(874)	0	0	0	100.0%
		Enterprise	(821)	(821)	(821)	(821)	0	0	0	99.9%
		MonLife	(100)	(80)	(80)	(80)	0	0	(20)	80.0%
		Resources	(165)	(165)	(117)	(123)	0	(42)	0	70.9%
		Chief Executives Units	(32)	(20)	(20)	(20)	0	(12)	0	62.5%
		Corporate Costs & Levies	(1,508)	(1,508)	(1,508)	(1,508)	0	0	0	100.0%
		Appropriations	275	275	275	275	0	0	0	100.0%
		Totals Disinvestments by Directorate	(4,734)	(4,506)	(4,411)	(4,426)	0	(289)	(20)	93.2%

		Children & Young People Select Committee	(1,510)	(1,313)	(1,266)	(1,275)	0	(235)	0	83.9%
		Adult Select Committee	(874)	(874)	(874)	(874)	0	0	0	100.0%
		Economic & Development Select Committee	(162)	(142)	(142)	(142)	0	0	(20)	87.5%
		Strong Communities Select Committee	(2,189)	(2,177)	(2,129)	(2,135)	0	(54)	0	97.3%
		Totals Disinvestments by Select	(4,734)	(4,506)	(4,411)	(4,426)	0	(289)	(20)	93.2%

Page 31	(SELECT)	REF.	Disinvestment 2021-22	2021/22 Budgeted Savings	Value of Saving forecast at Month 2	Value of Saving forecast at Month 6	Value of Saving forecast at Month 9	Value of Saving achieved at Outturn	Delayed Savings	Savings deemed Unachievable	Traffic Light based Risk Assessment	ASSESSMENT of Progress	Risk of current forecast saving NOT being achieved (High / Medium / Low)
				£000	£000	£000	£000	£000	£000	£000	£000	£000	
			Children & Young People										
	CYP	CYP 1	Mounton House closure impact on ISB	(1,258)	(1,258)	(1,258)	(1,258)	0	0	0		Achieved	Low
	CYP	CYP 2	Additional recoupment income - mainstream	(252)	(55)	(8)	(17)	0	(235)	0		Unlikely to achieve saving, as several pupils have moved into Monmouthshire, meaning we can no longer recoup from other LA's	High
			Total Children & Young People	(1,510)	(1,313)	(1,266)	(1,275)	0	(235)	0			
			Social Care & Health										
	ADULT	SCH 1	Fees & Charges 2021/22	(79)	(79)	(79)	(79)	0	0	0		Achieved	Low
	ADULT	SCH 2	Increase in Social Care Workforce Development (SCWD) grant	(247)	(247)	(247)	(247)	0	0	0		Achieved	Low
	ADULT	SCH 3	Removal of TWUD base budget	(548)	(548)	(548)	(548)	0	0	0		Achieved	Low
			Total Social Care & Health	(874)	(874)	(874)	(874)	0	0	0			
			Enterprise										
	E&D	ENT	PLANHOUS - Staff Saving - 20-21 Staff Restructure Savings (£11,950) + £50k LDP senior officer saving, frozen until 23/24.	(62)	(62)	(62)	(62)	0	0	0		Achieved	Low

SCOMM	ENT	NEIGHBOURHOOD - Waste - Service Savings	(685)	(685)	(685)	(685)	0	0	0		Achieved	Low
SCOMM	ENT	NEIGHBOURHOOD - Grounds Maintenance - Remove Sweeper & Staff savings	(65)	(65)	(65)	(65)	0	0	0		Achieved	Low
SCOMM	ENT	Increase in discretionary Fees & Charges	(9)	(9)	(9)	(9)	0	0	0		Achieved	Low
		Total Enterprise	(821)	(821)	(821)	(821)	0	0	0			
		MonLife										
E&D	MonLife	MONLIFE - Removal of Events Co-ordinator Post	(25)	(25)	(25)	(25)	0	0	0		Achieved post has not been filled.	Low
E&D	MonLife	MONLIFE - Introduce Car Parking Charges at Caldicot Castle	(20)	0	0	0	0	0	(20)		Will not be achieved this financial year as charges are not being introduced.	High
E&D	MonLife	Increase in discretionary Fees & Charges	(55)	(55)	(55)	(55)	0	0	0		Increase has been implemented, any shortfall will be claimed from WG loss of income claims.	Low
		Total MonLife	(100)	(80)	(80)	(80)	0	0	(20)			
		Chief Executive's Unit										
SCOMM	CEO	GOVDEMSUP - Members Supplies & Services	(15)	(15)	(15)	(15)	0	0	0		Achieved	Low
SCOMM	CEO	GOVDEMSUP - Staff Vacancy Saving	(17)	(5)	(5)	(5)	0	(12)	0		Increased staff hours have partly offset saving	High
		Total Chief Executive's Unit	(32)	(20)	(20)	(20)	0	(12)	0			
		Resources										
SCOMM	RES	CORPLORD - Property Accommodation Savings.	(50)	(50)	(2)	(8)	0	(42)	0		Will not be achieved in full in 21-22, maintenance costs have increased across our office sites this year.	Low
SCOMM	RES	FUTUREMON - Mileage Savings	(71)	(71)	(71)	(71)	0	0	0		Achieved	Low
SCOMM	RES	FUTUREMON - Staff Secondment Savings	(44)	(44)	(44)	(44)	0	0	0		Achieved	Low
		Total Resources	(165)	(165)	(117)	(123)	0	(42)	0			
		Corporate Costs & Levies										
SCOMM	COL001	Capitalisation directive	(1,508)	(1,508)	(1,508)	(1,508)	0	0	0		Likely to be taken in full	Low
		Total Corporate Costs & Levies	(1,508)	(1,508)	(1,508)	(1,508)	0	0	0			
		Appropriations										
SCOMM	APP001	Net Minimum Revenue Provision (MRP) increase based on additional activity	275	275	275	275	0	0	0		Included in overall MRP charge for year	Low
		Total Appropriations	275	275	275	275	0	0	0			

ECONOMIC & DEVELOPMENT SELECT Month 9 Detailed Statement

Table 1: Council Fund 2021/22 Outturn Forecast Summary Statement at Month 9

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
<u>Social Care, Health & Safeguarding</u>	52,825	(182)	52,643	52,671	28	1,181	(1,153)
<u>Children & Young People</u>	56,527	48	56,575	57,703	1,128	1,262	(134)
<u>Enterprise</u>	21,884	(468)	21,416	21,463	47	913	(866)
<u>MonLife</u>	3,951	17	3,968	4,398	430	1,228	(798)
<u>Chief Executives Unit</u>	2,912	(100)	2,812	2,652	(160)	(41)	(119)
<u>People & Governance</u>	3,383	427	3,809	3,630	(179)	(184)	5
<u>Resources</u>	7,235	(849)	6,386	6,425	38	1,504	(1,466)
<u>Corporate Costs & Levies</u>	23,414	847	24,261	23,569	(693)	705	(1,398)
Net Cost of Services	172,130	(261)	171,870	172,510	640	6,568	(5,928)
<u>Appropriations</u>	5,836	261	6,097	5,697	(400)	(93)	(307)
Expenditure to be Financed	177,966	0	177,966	178,207	240	6,475	(6,235)
<u>Financing</u>	(177,966)	0	(177,966)	(178,517)	(550)	(564)	14
Net General Fund (Surplus) / Deficit	(0)	0	0	(310)	(310)	5,911	(6,221)

Table 2: Council Fund 2021/22 Outturn Forecast Detailed Statement at Month 9

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	8,341	(81)	8,261	8,257	(4)	629	(633)
Children Services	16,147	(85)	16,061	16,458	397	695	(298)
Community Care	24,386	(43)	24,342	24,275	(67)	96	(163)
Commissioning	1,431	(37)	1,394	1,239	(155)	(162)	7
Partnerships	436	0	436	436	(0)	0	(0)
Public Protection	1,523	18	1,541	1,426	(115)	(60)	(55)
Resources & Performance	560	47	607	580	(27)	(17)	(10)
Social Care, Health & Safeguarding	52,825	(182)	52,643	52,671	28	1,181	(1,153)
Individual Schools Budget	46,488	43	46,531	46,502	(29)	166	(195)
Resources	1,167	4	1,171	1,180	8	18	(10)
Standards	8,871	1	8,872	10,021	1,149	1,078	71
Children & Young People	56,527	48	56,575	57,703	1,128	1,262	(134)
Business Growth & Enterprise	3,024	10	3,034	3,270	236	534	(298)
Facilities & Fleet Management	5,487	(54)	5,433	5,429	(4)	437	(441)
Neighbourhood Services	11,233	(180)	11,053	10,685	(368)	(185)	(183)
Placemaking, Highways & Flood	2,140	(244)	1,896	2,079	183	127	56
Enterprise	21,884	(468)	21,416	21,463	47	913	(866)
Countryside & Culture	1,422	(0)	1,422	1,514	92	72	20
Finance & Business Development	1,735	23	1,758	1,651	(107)	8	(115)
Leisure, Youth & Outdoor Adventure	794	(6)	787	1,233	446	1,148	(702)
MonLife	3,951	17	3,968	4,398	430	1,228	(798)
Policy, Scrutiny & Customer Service	2,912	(100)	2,812	2,652	(160)	(41)	(119)
Chief Executives	2,912	(100)	2,812	2,652	(160)	(41)	(119)
Democratic Services	2,424	(82)	2,342	2,257	(85)	(114)	29
Emergency Planning	152	0	152	152	(0)	0	(0)
People	807	508	1,315	1,221	(94)	(62)	(32)

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
People & Governance	3,383	427	3,809	3,630	(179)	(176)	(3)
Finance	3,339	(475)	2,864	2,539	(325)	760	(1,085)
Information, Communication Technology	3,029	(367)	2,662	2,641	(21)	(17)	(3)
Commercial & Corporate Landlord	868	(7)	860	1,245	384	754	(370)
Resources	7,235	(849)	6,386	6,425	38	1,496	(1,458)
Precepts & Levies	21,362	0	21,362	21,375	13	13	(0)
Coroner's	147	0	147	147	(0)	0	(0)
Archives	182	0	182	182	(0)	0	(0)
Corporate Management	339	0	339	245	(94)	(68)	(26)
Non Distributed Costs (NDC)	643	0	643	705	62	62	0
Strategic Initiatives	(836)	823	(13)	(689)	(676)	837	(1,513)
Insurance	1,578	24	1,601	1,604	3	(140)	143
Corporate Costs & Levies	23,414	847	24,261	23,569	(693)	705	(1,398)
Net Cost of Services	172,130	(261)	171,870	172,510	640	6,568	(5,928)
Fixed Asset Disposal Costs	30	0	30	201	171	136	35
Interest & Investment Income	(134)	0	(134)	(203)	(69)	11	(80)
Interest Payable & Similar Charges	3,736	0	3,736	3,333	(403)	(230)	(173)
Charges Required under Regulation	6,404	0	6,404	6,393	(11)	(10)	(1)
Other Investment Income	0	0	0	(2)	(2)	0	(2)
Borrowing Cost Recoupment	(3,619)	0	(3,619)	(3,704)	(85)	0	(85)
Contributions to Reserves	195	0	195	195	(0)	0	(0)
Contributions from reserves	(777)	261	(516)	(516)	(0)	(0)	0
Appropriations	5,836	261	6,097	5,697	(400)	(93)	(307)
Expenditure to be Financed	177,966	0	177,966	178,207	240	6,475	(6,235)
General Government Grants	(69,465)	0	(69,465)	(69,465)	0	0	(0)

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
Non Domestic Rates	(32,018)	0	(32,018)	(32,018)	0	(0)	0
Council tax	(83,636)	0	(83,636)	(84,286)	(650)	(750)	100
Council Tax Benefit Support	7,152	0	7,152	7,253	100	186	(86)
Financing	(177,966)	0	(177,966)	(178,517)	(550)	(564)	14
Net General Fund (Surplus) / Deficit	(0)	0	0	(310)	(310)	5,911	(6,221)

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,665	1,181	28	0

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

The month 9 directorate outturn for 2021/22 is a predicted overspend of £28,000. The overspend would be £3.25M higher if not assisted by the Social Care Workforce and Sustainability Grant from Welsh Government of £1.242M, £500k of Intermediate Care Funding (ICF), Discharge to Reassess monies from Health, £540K from the Social Care Recovery and its Extension Fund, and the recently announced additional financial support package from Welsh Government to fund overspends within Social Care of £1.25M.

Public Protection is anticipated to underspend by £115K due to vacancies within the service which will be maintained until the end of this financial year.

PUBLIC PROTECTION

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	2	(60)	(115)	0

Due to delayed recruitment into vacant posts.

ENTERPRISE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,470	913	47	0

ENTERPRISE DIRECTOR'S COMMENTARY:

The Enterprise Directorate is forecasting a £47k overspend at month 9.

The impacts of COVID-19 are still affecting services provided within Enterprise, WG Covid-19 funding has been guaranteed for the remainder of the year so any shortfall caused by Covid-19 will not impact the directorates outturn position at year end. We have continued to submit Covid-19 claims through the year and the receipt of funding since Qtr2 is the main reason for the £866k improvement from Month 6.

The current £47k overspend projection can be broken down between:

- **Covid-19 Related Pressures** of £958k – these are mainly found in Homelessness (B&B and Security costs), Car Parking (loss of P&D and PCN income) and Waste (Staff cover and vehicles). As mentioned above we are anticipating that all these costs will be covered.
- **Non-Covid-19 Related** underspend of £911k – main savings can be found in Waste (Contract & Recyclate savings), Streetlighting (Energy savings), PTU (Contractor savings) and staff vacancy savings across whole directorate.

Each service area sets out the detail behind these projections within the next sections of the report and the key financial issues, risks and implications are described.

Across all service areas we are looking to ensure that all eligible additional costs and income losses will be claimed against any Welsh Government funding being made available.

ENTERPRISE & COMMUNITY ANIMATION

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,143	534	235	0

Enterprise & Community Animation is forecasting a £235k overspend at month 9, this is mainly due to:

- **Borough Theatre** – Break-even – Covid-19 funding in Qtr. 1 & Qtr. 2 has helped offset income losses. The theatre is now closed for refurbishment, but it is anticipated that the cost of this will be covered within existing core budget.
- **Business Growth & Enterprise** – Reporting a break-even position
- **Communications** – £6k overspend – driven by on-going COVID-19 response comms requirements, an increase in photography, film and software costs, and a cost for recruitment, some training and freelance support driven by some team changes.
- **Community & P/Ships development** - £34k underspend - due to the capitalisation of staff costs linked to innovation & service transformation (£28k) and a decrease in travel costs and course fees (£5k).
- **Enterprise Management** - £12k underspend – Staff vacancy savings due to a post only being filled part way through the year.
 - **Sewage Treatment Plants** - £24k overspend – Delays in NRW decision to approve a replacement system at Shirenewton has meant that the plant still needs to be emptied on a regular basis to avoid leaks.
- **Procurement** - £33k underspend – Employee saving due to a member of staff retiring.

The reduction in overspend from Month 6 of £299k can mainly be attributed to the receipt of Covid-19 funding in the 3rd quarter of the year.

PLACEMAKING, HIGHWAYS & FLOOD

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	430	127	182	0

Placemaking, Highways & Flood is forecasting to overspend by £182k, this is because of:

Planning & Building Control – £108k overspend – Income in Building Control has dropped due to the impact of Covid-19, current predictions estimate we will be £73k below budget by year end. Pre-application income is also down in Planning by £35k due to reduced volume. The Building control income loss will be claimed back for the WG Covid-19 grant.

Planning Policy & LDP – Break-even.

MONLIFE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	3,010	1,228	430	

MonLife DIRECTOR'S COMMENTARY:

The MonLife Directorate is forecasting an overspend of £430k at month 9, a significant reduction from month 6 which is due to the receipt of Welsh Government hardship funding of £793k to cover income losses in quarter 2.

The current £430k overspend projection can be broken down between:

- **Covid-19 Related Pressures** - £558k – this relates to income pressures in Leisure services, Outdoor Adventure and Attractions. The WG Covid-19 grant will continue to fund these losses through to March 2022 so this should have no impact on year end outturn.
- **Non-Covid-19 Related** - underspend of £128k – mainly due to staff savings throughout the service due to delays in filling vacant posts

(MONLIFE) Countryside & Culture

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	54	72	92	0

Countryside & Culture is forecasting an overspend of £92k at month 9, this is due to: -

- **Museums** - £64k overspend – our sites have had limited opening this year due to the pandemic resulting in a loss of income from retail sales and event income.
- **Learning** - £8k overspend – reduced income as the service hasn't been able to fully deliver programmes and events as planned due to pandemic.
- **Countryside** - £21k overspend – due to a £15k contribution to the "Living Levels" and additional cost for a compound in Gilwern and reduced income due to Covid-19.
- **Tourism** – Break-even – this is an improvement of £21k from Month 6 as IT system costs can be capitalised.

Of the reported overspend, £78k is Covid-19 related and will be recovered via the WG Covid-19 grant.

(MONLIFE) Finance & Business Development

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	8	(107)	0

Finance & Business Development is forecasting to underspend by £107k at month 9, this is due to:

- **Attractions** - £58k underspend – due to senior staff savings in attractions management and overtime savings in our TICs, this has been offset by a net income shortfall at the Old Station in Tintern and Caldicot Castle.
- **Leisure Services Management** - £58k underspend – due to savings from staff vacancies due to delays in filling posts.
- **Business Support, Sales & Marketing** - £9k overspend – mainly due to a reduction in grant funding.

(MONLIFE) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,956	1,148	445	0

Leisure, Youth & Outdoor Adventure is forecasting a £445k overspend, this is due to:

- **Leisure Services** - £427k overspend - Leisure Centres have re-opened but income levels have been affected by the pandemic. Throughout the year we have seen high levels of membership cancellations and reductions in general bookings with some memberships still frozen. We have recently seen a much needed uplift due to the re-opening of the Abergavenny fitness suite, although the benefits of this have been slightly impaired by a short term issue with the pool, so although the net income position is improving as we go through the year we will still need to draw on the WG Covid-19 grant to cover the remaining shortfall.
- **The Outdoor Adventure Service** - £19k overspend - Covid-19 Restrictions on residential visits for schools have had significant impact on income with no visits between April and August and limited bookings for the rest of the year as customers continue to be hesitant about returning, although the service is hopeful that as confidence returns that income levels will improve through to year end. As with above income shortfalls have been covered by the WG Covid-19 grant.

RESOURCES	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,107	1,504	38	

RESOURCES DIRECTOR'S COMMENTARY:

The directorate has seen a considerable improvement in forecast since month 6 of £1,466k, of which £576k can be attributed to core service delivery, with a further £885k representing continued recoupment of Covid-19 related costs from the WG hardship fund.

Of the total forecast, a £217k surplus relates to core service delivery, with much of this relating to continued staff vacancies which does not represent a sustainable position moving forward and will need further consideration as we move into 2022/23.

The remaining £256k forecast pressure is specifically related to additional Covid related expenditure or income losses and is expected to be funded in full from the Welsh Government hardship fund during the course of the year. Officers will continue to work with Welsh Government colleagues to ensure that legitimate costs and income losses are recovered where they are as a direct result of the impact of the pandemic on services.

INFORMATION, COMMUNICATION & TECHNOLOGY

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(17)	(21)	0

ICT is forecasting to underspend by £21k as our SRS contribution for 2021-22 is below available budget. All other services are reporting break-even.

3 CAPITAL OUTTURN

3.1 The summary forecast Capital position at Month 9 is as follows:

Forecast Capital Outturn Position 2021/22 at Month 9							
Select Portfolio	Slippage B/F	Original Budget	Budget Adjustments	Provisional Slippage	Revised Budget 2021/22	Forecast	Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Children & Young People	15,381	14,423	1,261	(27,478)	3,587	3,587	0
Economic & Development	19,244	546	606	(18,143)	2,253	2,253	0
Adult	5,964	0	0	(5,964)	0	0	0
Strong Communities	8,554	11,545	8,349	(2,768)	25,680	25,680	0
Total Expenditure	49,143	26,514	10,216	(54,353)	31,520	31,520	0
Financing							
Supported Borrowing	0	(2,431)	0	0	(2,431)	(2,431)	0
General Capital Grant	0	(2,438)	0	0	(2,438)	(2,438)	0
Grants and Contributions	(19,096)	(13,160)	(7,685)	29,132	(10,809)	(10,809)	0
S106 Contributions	(711)	0	(331)	170	(872)	(872)	0
Unsupported Borrowing	(27,031)	(4,094)	0	23,686	(7,439)	(7,439)	0
Earmarked Reserve & Revenue Funding	(241)	0	0	0	(241)	(241)	0
Capital Receipts	(2,064)	(2,891)	(2,200)	1,365	(5,790)	(5,790)	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
Total Financing	(49,143)	(26,514)	(10,216)	54,353	(31,520)	(31,520)	0

3.2 The capital expenditure forecast outturn at month 9 shows a balanced outturn position as capital budget holders are forecasting a full spend on schemes that are not being slipped.

3.3 Forecast Capital Slippage at month 9 is £54.353m (£51.772m at Month 6) as major schemes are impacted by delays.

- Abergavenny King Henry VIII replacement (£26.399m), where the original budget schedule for the project has changed considerably since the inception of the project.
- Asset Investment Fund (£18.092m), on hold due to an asset investment priority review;
- Crick Road Care Home (£5.964m), delays in building schedule;
- £813k for a backlog in disabled facility grant implementations;
- £516k for modifications to County Hall 'J' block, delayed due to a 'SUDS' consent being required;
- £489k for Match Funded Capital schemes due to the dependency on external funding contributions;
- £280k on the Highways Re-Fit programme

3.4 Useable Capital Receipts Available

3.5 In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments are illustrated.

	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Balance as at 1st April	9,581	13,503	11,108	10,311	8,714
Capital receipts used for financing	(3,582)	(2,311)	(1,294)	(1,194)	(1,094)
Capital receipts used to support capitalisation direction	(2,208)	(2,650)	(507)	(507)	(507)
Capital receipts Received or Forecast	9,712	2,565	1,004	104	104
Forecast Balance as at 31st March	13,503	11,108	10,311	8,714	7,217

Monmouthshire Select Committee Minutes

**Meeting of Economy and Development Select Committee
County Hall, Usk - Remote Attendance
Thursday, 3rd February, 2022 at 10.00 am**

Councillors Present

County Councillor P.Jordan (Chairman)
County Councillors: J. Becker, D. Evans, R. Roden, F. Taylor, P. Murphy and V. Smith

Officers in Attendance

Frances O'Brien, Chief Officer, Enterprise
Cath Fallon, Head of Economy and Enterprise
Hazel Ilett, Scrutiny Manager
Robert McGowan, Policy and Scrutiny Officer
Mark Hand, Head of Place-making, Housing, Highways and Flood
Matthew Lewis (Countryside), Interim Performance, Evaluation and Programme Development Lead for MonLife
Ian Saunders, Chief Operating Officer, MonLife
Jonathan Davies, Acting Assistant Head of Finance
Dave Loder, Finance Manager

APOLOGIES: County Councillors: A. Davies, M. Feakins, G. Howard and B. Strong

1. Declarations of Interest

There were no declarations of interest.

2. Public Open Forum

No public submissions were received.

3. Budget Scrutiny: Scrutiny of the budget proposals for 2022/23

Cabinet Member Phil Murphy delivered the presentation and answered the members' questions with Ian Saunders, Jonathan Davies, Frances O'Brien, Mark Hand and Cath Fallon.

Challenge:

Could we have an overview of the status of our reserves and how to potentially increase them in the future?

We managed to increase our reserves over the last two years. They are approximately £7m. This administration has managed to stay within its budget throughout, and we hope to have a surplus by 31st March – if that is the case then we will be able to

continue supporting our reserves. The big VAT return a few years ago did that, and there was a substantial surplus on the budget last year, putting in £4.6m. So, the reserves are holding up well, but it doesn't take much to put a large dent in them.

Is MonLife providing an appropriate return on investment? Is it a sound financial decision?

The problem with MonLife at the moment is that with Covid restrictions they are not able to get the normal footfall. With the improvements we are making to our leisure centres we're finding that memberships are going up substantially; Monmouth was already doing very well, Abergavenny is getting good reviews and Caldicot will have a substantial increase if the levelling up bid is successful in the second round. If we maintain those increases in footfall, they will cover themselves, which should provide comfort in terms of the long-term picture.

The purpose of MonLife is wider than leisure centres, and the aspirations of health, well-being, mental wellness, etc. The future of these services was decided less than two years ago, the result of which was that the Council wanted an in-house model – examining the various models was a 4-year process. The return on investment from MonLife is notable, given the huge benefits it brings. Other councils that have outsourced have lost control of pricing options, whereas we are mostly able to keep our prices attainable for Monmouthshire families.

Which fees are being increased and by how much?

It is a huge list. Fees have been increased by as little as possible, where possible; 2.5% is the average. But some are set externally, so we have no choice regarding them. The full list is in the Cabinet papers linked on the agenda. The only areas where we are looking to increase fees are in Enterprise and Social Care.

The commitment to climate emergency and environmental issues was mentioned – can we have details as to what that covers?

There is a wide range of things, such as electric cars, trials with hydrogen, the possibility of a second solar farm, the profits from reuse shops going to planting trees, etc. Over the next few years, we aim to transition our fleet – this is one of the key things – but also things like investments in grounds and biodiversity. Promoting and encouraging walking and cycling as part of Active Travel is also very important. Promotion is particularly important in this area, especially in schools and throughout communities, so that's where some of the funding needs to go, in order to reduce non-essential car journeys.

One specific budget mandate proposal is for an additional post within the traffic and road safety team, to work closely with the highways side of the traffic and road safety and the active travel team, to look at improving safer routes to schools – hopefully that will provide alternative ways for children to get to school. We already offer a comprehensive programme within schools to encourage other modes of transport – that continues, and there is additional funding secured this year for adults’ cycle training. Linked to the active travel work is town centre regeneration work, supporting outdoor trading and making them more people-friendly and less car-dominated.

Is the £1.22m Recycling and Waste budget pressure due to an increased number of residents using services? There is an £860k saving from retendering contracts – does that saving add to or offset that budget pressure?

Recycling rates have gone up substantially (particularly since the introduction of the booking system), which costs a lot more. The increased recycling and increased material that’s being collected at the kerbside means that additional resources are needed i.e. vehicles and staff. There are also additional disposal costs. The saving is through the reprocurement of the household recycling contract from Viridor to Suez.

I’ve never had so many missed collection queries as in the last few months. Is there a reason? Did we not procure additional vehicles recently because the contract was running out or we needed different ones? Was this because of the increased rate of recycling?

Increased volumes of material being collected at the kerbside drive the requirement for additional staffing and vehicles. There have been missed collections as new staff become familiar with their rounds. We are conducting a system review to understand why we have such a high volume of demand coming in with regard to missed collections.

We have £781k pressures from investments not being realised. What are we doing to mitigate that? Is our investment strategy no longer fit for purpose, post-Covid? Do the pressures include Spytty Retail Park and the potential loss of income at the Mitel building?

It does include both. The answer to this must be very guarded as a lot of commercially sensitive work is taking place. We are almost certainly going to be awarding companies space, particularly in Castlegate. A lot of work looks to be coming to fruition, but no more information can be given at this time.

There are pressures resulting from the incremental impact of treasury and borrowing costs – have we changed our strategy? What is the forecast? What is our future approach to borrowing and treasury management?

The treasury strategy for the next financial year is going to Governance and Audit committee on 28th February, which will explain much of our approach to borrowing for next year and will be received by full council on 3rd March. For 2-3 years we have been at the bottom of the treasury cost curve and in an incredibly low interest cost environment. Although that has helped us to maintain low treasury costs and benefitted the revenue budget, we also have to balance that position with having an eye on the medium term – we need to lock certainty into the revenue budget. Sometimes that comes at a short-term cost; for example, our borrowing over the last 12 months has been short-term in nature but there was an opportunity in December to take some 50-year borrowing with the Public Works Loan Board. We did so, borrowing at historically low rates which enabled us to lock in certainty for 50 years. We have commitments such as the Abergavenny 3-19 school, for which we will have to borrow to meet our share of the cost. We need to have a balanced strategy.

At the moment we have borrowing, which is slightly lower than our need, so we're using internal resources to fund an element of that, which continues to keep treasury costs low. The incremental borrowing cost is purely down to fund that capital expenditure that we're incurring in the medium term. While we are at the bottom of the treasury cost curve, we are taking steps to put in place some certainty, so that we aren't exposed to rising interest rates that could be on the horizon.

But £1.3m is over what we forecast – why is that?

It's not that it's £1.3m more than we forecast but the treasury budget is a full-cost budget, so one year is never going to be the same as another. What we see is that changing cost from one year to the next, because we've had to borrow for certain schemes, rates have changed, etc. It was always a known factor; our capital plans haven't changed significantly over the last few years.

The report says we are going to pay our care staff more. How much has changed since the motion was brought forward in November to increase the pay of our social care staff? Does it apply to those with whom we contract i.e. private care agencies? It's a relevant question for this committee because the care sector is the largest growing sector of employment.

We are facing unprecedented increases from our care providers due to their requirement to pay at least the real living wage – in fact, they are having to pay more

than that to attract and retain staff. It is generally pay-related pressures coming through the system. Eve Parkinson or Jane Rodgers would be best placed to provide any further detail.

A number of officers are funded by EU funding, which comes to an end in October. What is the risk that substitute funding won't become available?

The end of European funding will have an implication for a number of officers across the authority, at different stages over the next few financial years. We are doing a lot of work to map our staff, to understand their skills and see where they can be redeployed. But we are currently waiting to find out what is happening with the Shared Prosperity Fund and exploring what might be done with additional funding. A full response to this question will be sought from the relevant officers and circulated.

How many officers are affected by this?

In excess of 20 in Employment and Skills, as well as the Rural Development Programme team. It is hard to give definite numbers because some will move on to alternatively funded programmes.

4. Confirmation of Minutes:

Economy and Development Select Committee dated 9th December 2021

The minutes were confirmed and signed as an accurate record.

Special Meeting - Economy and Development Select Committee dated 14th December 2021

The minutes were confirmed and signed as an accurate record.

5. Economy and Development Select Committee Work Programme.

6. Council and Cabinet Forward Work Plan.

7. Next Meeting

Tuesday 15th March 2022 at 10.00am.

The meeting ended at **11.06 am**.

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Monmouthshire's Scrutiny Forward Work Programme 2021

Economy Select Committee				
Meeting Date	Subject	Purpose of Scrutiny	Responsibility	Type of Scrutiny
15 th March 2022	Budget Monitoring Report	To scrutinise the budget report for month 9.	Jonathon Davies	Budget Monitoring
28 th April 2022	CANCELLED			
June 2022 TBC	Impact of loss of EU Funding Streams	To be confirmed	Cath Fallon	

Future Meeting Items: Agreed Scrutiny Focus

- Affordable housing, transport and the LDP
- Tourism and enterprise
- Business and Enterprise Strategy
- Town plans, strategic plans

Items to diarise:

- Supplementary Planning Guidance on S106 Agreements
- Car Parking Review
- MonLife
- Post EU funding ~ shared prosperity funding

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Cabinet, Council and Individual Cabinet Member Decisions (ICMD) Forward Plan

Monmouthshire County Council is required to publish a forward plan of all key decisions to be taken. Council and Cabinet items will only be considered for decision if they have been included on the planner no later than the month preceding the meeting, unless the item is considered urgent.

Committee / Decision Maker	Meeting date / Decision due	Subject	Purpose	Author	Date item added to the planner	Date item originally scheduled for decision
Council	04/11//2021	Final Statement of Accounts		Peter Davies	07/05/21	
Council	01/12/2022	RLDP Deposit Plan for submission to WG for examination	Approval of Deposit Plan post-consultation for submission to WG for independent examination	Mark Hand / Craig O'Connor	30/07/21	
Council	01/10/23	RLDP for Adoption		Mark Hand	23/01/20	
Council	01/02/23	LDP submission for examination		Mark Hand	23/01/20	
ICMD	14/07/22	MonLife Heritage Strategy (or cabinet)		Matthew Lewis	10/02/22	
Cabinet	07/07/22	MonLife Heritage Strategy (or ICMD)		Matthew Lewis	10/02/22	
Cabinet	06/07/22	Monmouthshire Destination Management Plan		Matthew Lewis	10/02/22	
Cabinet	06/07/22	Play Sufficiency Assessment and Action Plan 22/23		Matthew Lewis	10/02/22	

Council	01/07/22	RLDP Deposit Plan endorsement for consultation	Endorsement of Deposit Plan	Mark Hand	23/01/20	
ICMD	15/06/22	Non-Moving Orders (outside 20s tiles)		Paul Keeble/Cllr J Pratt	21/01/22	
ICMD	15/06/22	Non-moving Traffic Regulation Orders (Amendment No. 4)		Paul Keeble/Cllr J Pratt	17/12/21	
Cabinet	08/06/22	Review of Monmouthshire's Destination Management Plan 2017-2020	Purpose: to approve the revised Destination Development Plan	Matthew Lewis	22/09/20	
Council	07/06/22	RLDP Preferred Strategy endorsement post consultation	Endorsement of preferred strategy to inform deposit plan	Mark Hand / Craig O'Connor	20/05/20	
Council	19/05/22	SACRE Restructure		John Pearson/ Sharon Randall Sm	08/02/22	
Cabinet	06/04/22	Welsh Church Fund Working Group - meeting 9 held on 10th March 2022		Dave Jarrett	27/04/21	
IMCD	23/03/22	Results of insurance Tender		Jon Davies	03/03/22	
ICMD	09/03/22	Removal of Means Testsing for Small and Medium Sized DFGs		Ian Bakewell	21/02/22	
ICMD	09/03/22	EAS CAM Arrangements		Will Mclean	16/02/22	

ICMD	09/03/22	PROPOSED MCC 20, 30, 40 &50 MPH SPEED LIMIT		Paul Keeble/Cllr J Pratt	17/12/21	
ICMD	09/03/22	Non-moving Traffic Regulation Orders (Amendment No. 3)	DEFERRED TO 9/3/22	Paul Keeble/Cllr J Pratt	17/12/21	
Council	23/06/22	21st Century Schools Band B Programme		Cath Saunders	08/02/22	
Council	03/03/22	Pay Policy		Sally Thomas	08/02/22	
Council	03/03/22	Standards Committee Report		Matt Phillips	08/02/22	
Council	03/03/22	SACRE - terms of reference		John Pearson/ Sharon Randall Sm	07/02/22	
Council	03/03/22	2022/23 Treasury Policy		Jon Davies	07/05/21	
Council	03/03/22	2022/23 Capital Strategy & Treasury Management Strategy		Jon Davies	20/05/21	
Council	03/03/22	2022/23 Final Budget sign off including Council Tax Resolution		Peter Davies	07/05/21	
Council	03/03/22	Population Needs Assessment	To seek approval of assessment of the care and support needs of the population carried out jointly by the Local Authority and Local Health Board as required by The Social Services and Well-being (Wales) Act 2014.	Jane Rodgers / Phil Diamond	07/12/21	

Cabinet	02/03/22	Cardiff Capital Region Funding for housing development site SAH6- Land at Vinegar Hill, Undy		Craig O'Connor	07/02/22	
Cabinet	02/03/22	EAS Business Plan		Joanne Hughes - EAS	15/02/22	
Cabinet	02/03/22	•UK Government Funding – including launch of Shared Prosperity Fund guidance, Levelling up white paper, CRF update and LUF round 2		Frances O'Brien	09/02/22	
Cabinet	02/03/22	2021/2 Revenue and Capital Monitoring report - month 9		Jon Davies	27/04/21	
Cabinet	02/03/22	Chepstow Astro and MUGA (multi use games area)		Nick John / Ian Saunders	07/02/22	
Cabinet	02/03/22	2022/23 Final Revenue and Capital Budget Proposals		Peter Davies	27/04/21	
Cabinet	02/03/22	2022/23 WCF/Treasury Fund Investments		Dave Jarrett	27/04/21	
Cabinet	02/03/22	Welsh Church Fund Working Group - meeting 8 held on 27th January 2022		Dave Jarrett	27/04/21	
Cabinet	02/03/22	Changes to the School Funding Formula for pupils with Additional Learning Needs	following a recommendation of the School Budget Forum a review has taken place with schools of the formula for pupils with additional learning needs. This will be consulted on during January and February 2022 with the final recommendations being presented to	Nikki Wellington	16/12/21	
Cabinet	02/03/22	Childcare Sufficiency Assessment		Susan Hall	07/12/21	

Cabinet	02/03/22	Active Travel Funding Overview		Ian Saunders/Paul Sullivan	01/02/22	
Cabinet	02/03/22	Castle Dell Playpark, Chepstow.		Mike Moran	25/01/22	
Cabinet	02/03/22	Abergavenny Velo Park	CM	Mike Moran	14/10/20	
ICMD	23/02/22	Non-moving Traffic Regulation Orders (Amendment No. 3)	DEFERRED TO 9/3/22	Paul Keeble/Cllr J Pratt	17/12/21	
Cabinet	16/02/22	Cabinet approval of the evidence based three year highway maintenance forward programme		Mark Hand	07/10/21	
ICMD	09/02/22	20mph Speed Limit Traffic Regulation Order (Pilot) (Amendment No. 1)	Deferred to 9/2/22	Paul Keeble/Cllr J Pratt	17/12/21	
ICMD	09/02/22	20mph Speed Limits Traffic Regulation Order (Additional sites) (Amendment No. 2)	DEFERRED TO 9/3/22	Paul Keeble/Cllr J Pratt	17/12/21	
Council	27/01/22	Council Tax Reduction Scheme		Ruth Donovan	07/05/21	
Council	27/01/22	Corporate Parenting Strategy		Jane Rodgers		
Council	27/01/22	CJCs		Frances O'Brien	16/12/21	

ICMD	26/01/22	Interim Pavement Café Policy	Deferred from 26/1/21/moved to 9/2	Paul Keeble/Pratt	26/01/21	
ICMD	26/01/22	20mph Speed Limit Traffic Regulation Order (Pilot) (Amendment No. 1)	Deferred to 9/2/22	Paul Keeble/Cllr J Pratt	17/12/21	
ICMD	26/01/22	2022/23 Community Council and Police Precepts - final	Deferred from 12 Jan 2022	Jon Davies	07/05/21	
Cabinet	19/01/22	Draft Budget Proposals and Medium Term Financial Strategy		Jon Davies		
Cabinet	19/01/22	UK COMMUNITY RENEWAL FUND OUTCOME/UPDATE ON THE RURAL DEVELOPMENT PROGRAMME/FUTURE FUNDING OPPORTUNITIES		Cath Fallon	15/12/21	
Cabinet	19/01/22	WESP		Sharon Randall Smith	23/12/21	
Cabinet	19/01/22	Welsh Government Business Development Grant		Hannah Jones	23/11/21	
Cabinet	19/01/22	Welsh Church Fund Working Group - meeting 7 held on 16th December 2021		Dave Jarrett	27/04/21	
Cabinet	19/01/22	Consultation on the proposals to establish an all-through school, Abergavenny.	Cabinet to receive objection report and decide whether to proceed with the proposal.	Debbie Graves	26/05/21	
ICMD	12/01/22	Interim Pavement café Policy	Deferred to 26th Jan	Paul Keeble/Cllr J Pratt	17/12/21	

ICMD	12/01/22	Living Levels Partnership	to consider continued involvement in the partnership as it enters a transition stage	Matthew Lewis Lisa Dymock	13/11/21	
IMCD	12/01/22	2022/23 Community Council and Police Precepts - final	DEFERRED TO 26 JAN 2022	Jon Davies	07/05/21	

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