

Overall Revenue Position

Table 1: Council Fund 2021/22 Outturn Forecast Summary Statement at Month 6

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M6	Forecast (Under) / Over Spend @ M2	Forecast Variance M2 to M6
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	52,825	(182)	52,643	53,825	1,181	1,665	(484)
Children & Young People	56,527	48	56,575	57,837	1,262	832	430
Enterprise	21,884	(468)	21,416	22,329	913	2,470	(1,556)
MonLife	3,951	17	3,968	5,195	1,228	3,010	(1,782)
Chief Executives Unit	2,805	(85)	2,720	2,679	(41)	53	(94)
People & Governance	3,268	(12)	3,256	3,072	(184)	(8)	(176)
Resources	7,458	(436)	7,022	8,526	1,504	1,107	397
Corporate Costs & Levies	23,414	823	24,237	24,942	705	21	684
Net Cost of Services	172,130	(294)	171,836	178,405	6,568	9,149	(2,581)
Appropriations	5,836	294	6,130	6,037	(93)	0	(93)
Expenditure to be Financed	177,966	0	177,966	184,442	6,475	9,149	(2,674)
Financing	(177,966)	0	(177,966)	(178,530)	(564)	(130)	(434)
Net General Fund (Surplus) / Deficit	(0)	0	0	5,911	5,911	9,019	(3,108)

Table 2: Council Fund 2021/22 Outturn Forecast Detailed Statement at Month 6

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M6	Forecast (Under) / Over Spend @ M2	Forecast Variance M2 to M6
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	8,341	(81)	8,261	8,890	629	289	341
Children Services	16,147	(85)	16,061	16,756	695	1,128	(433)
Community Care	24,386	(43)	24,342	24,438	96	397	(302)
Commissioning	1,431	(37)	1,394	1,232	(162)	(134)	(28)
Partnerships	436	0	436	436	0	0	0
Public Protection	1,523	18	1,541	1,481	(60)	2	(62)
Resources & Performance	560	47	607	591	(17)	(17)	(0)
Social Care, Health & Safeguarding	52,825	(182)	52,643	53,825	1,181	1,665	(484)
Individual Schools Budget	46,488	43	46,531	46,697	166	0	166
Resources	1,167	4	1,171	1,190	18	3	15
Standards	8,871	1	8,872	9,950	1,078	829	249
Children & Young People	56,527	48	56,575	57,837	1,262	832	430
Business Growth & Enterprise	3,024	10	3,034	3,568	534	1,143	(609)
Facilities & Fleet Management	5,487	(54)	5,433	5,870	437	551	(114)
Neighbourhood Services	11,233	(180)	11,053	10,868	(185)	346	(531)
Placemaking, Highways & Flood	2,140	(244)	1,896	2,023	127	430	(303)
Enterprise	21,884	(468)	21,416	22,329	913	2,470	(1,556)
Countryside & Culture	1,422	(0)	1,422	1,494	72	54	19
Finance & Business Development	1,735	23	1,758	1,766	8	0	8
Leisure, Youth & Outdoor Adventure	794	(6)	787	1,935	1,148	2,956	(1,808)
MonLife	3,951	17	3,968	5,195	1,228	3,010	(1,782)
Policy, Scrutiny & Customer Service	2,805	(85)	2,720	2,679	(41)	53	(94)
Chief Executives	2,805	(85)	2,720	2,679	(41)	53	(94)

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M6	Forecast (Under) / Over Spend @ M2	Forecast Variance M2 to M6
Democratic Services	2,308	(12)	2,297	2,175	(122)	(8)	(114)
Emergency Planning	152	0	152	152	0	0	0
People	582	0	582	520	(62)	0	(62)
Training	225	0	225	225	(0)	0	(0)
People & Governance	3,268	(12)	3,256	3,072	(184)	(8)	(176)
Finance	3,526	(107)	3,419	4,187	768	755	12
Information, Communication Technology	3,136	(392)	2,744	2,726	(17)	0	(17)
Commercial & Corporate Landlord	795	64	859	1,612	754	352	402
Resources	7,458	(436)	7,022	8,526	1,504	1,107	397
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	271	(68)	(24)	(44)
Non Distributed Costs (NDC)	643	0	643	1,542	899	32	867
Strategic Initiatives	(836)	823	(13)	(13)	(1)	0	(1)
Insurance	1,578	0	1,578	1,438	(140)	0	(140)
Corporate Costs & Levies	23,414	823	24,237	24,942	705	21	684
Net Cost of Services	172,130	(294)	171,836	178,405	6,568	9,149	(2,581)
Fixed Asset Disposal Costs	30	0	30	166	136	0	136
Interest & Investment Income	(134)	0	(134)	(123)	11	0	11
Interest Payable & Similar Charges	3,736	0	3,736	3,506	(230)	0	(230)
Charges Required under Regulation	6,404	0	6,404	6,394	(10)	0	(10)
Other Investment Income	0	0	0	0	0	0	0
Borrowing Cost Recoupment	(3,619)	0	(3,619)	(3,619)	0	0	0
Contributions to Reserves	195	0	195	195	0	0	0
Contributions from reserves	(777)	294	(482)	(483)	(0)	0	(0)
Appropriations	5,836	294	6,130	6,037	(93)	0	(93)

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M6	Forecast (Under) / Over Spend @ M2	Forecast Variance M2 to M6
Expenditure to be Financed	177,966	0	177,966	184,442	6,475	9,149	(2,674)
General Government Grants	(69,465)	0	(69,465)	(69,465)	0	0	0
Non Domestic Rates	(32,018)	0	(32,018)	(32,018)	(0)	0	(0)
Council tax	(83,636)	0	(83,636)	(84,386)	(750)	(500)	(250)
Council Tax Benefit Support	7,152	0	7,152	7,338	186	370	(184)
Financing	(177,966)	0	(177,966)	(178,530)	(564)	(130)	(434)
Net General Fund (Surplus) / Deficit	(0)	0	0	5,911	5,911	9,019	(3,108)

DIRECTORATE – DIVISION VARIANCE COMMENTS

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

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

The month 6 directorate outturn for 2021/22 is an overspend of £1.181M. The overspend would be £2M 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 and £540K from the recently awarded Social Care Recovery and its Extension Fund.

The Adult Services division at month 6 has a predicted overspend of £547K, largely unchanged since month 2, as a result of additional recruitment to our inhouse care at home service, and increased care packages in the South of the County. This area of the directorate is benefitting from the Social Care Workforce and Sustainability (SCWS) grant of £1.242M, ICF (scheduled to terminate at 31st March 2022) and Discharge to Reassess funding from Health totalling £150K and £100K from the Social Care Recovery Fund.

Children's Services has a forecast overspend of £695K, a reduction of £433K since month 2 due to the recently announced Social Care Recovery and Extension Funds. At the end of 2019/20 CLA numbers stood at 213 but have fallen to 205 at the end of month 6. However, 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, accounting for £289K of the overspend. A recent legal case has led to the need for the directorate to pay kinship carers in line with foster carer rates, along with the increase in payment to foster carers due to increasing skills training, producing £266K of the overspend. Legal costs associated with court proceedings accounting for £238K of the overspend, with the continued use of agency staffing contributing £75K to the overspend. There are £173K of compensating savings mainly from the vacant Head of Service and reduced partner contributions. This element of the directorate has also benefitted from ICF funding of £300K, coupled with £440K from the Social Care Recovery and Extension Fund has helped to lower the overspend.

Public Protection is forecasting a small underspend of £60K due to vacancies within the service which will be maintained until the end of this financial year.

ADULT SERVICES

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	289	629	0	0

Additional recruitment of carers, over and above budget, into our in house care at home service to facility additional packages of care.

CHILDREN SERVICES

Outturn Forecast	Month 2	Month 5	Month 9	Outturn
Deficit / (Surplus) £'000s	1,127	695	0	0

Even with reducing CLA numbers, new children have required high cost residential placements as a result of increased complexity, as opposed to those leaving which have been more in the lower cost fostering/kinship/family placements, accounting for £289k of the overspend. A recent legal case has led to the need for the directorate to pay kinship carers in line with foster carer rates, along with the increase in payment to foster carers due to increasing skills training, producing £266k of the overspend. Legal

costs associated with court proceedings accounting for £238k of the overspend, with the remaining £75k due to continued use of agency staffing. There is £173K of compensating savings through the current vacant Head of Children's Services post, reduced partner contribution into the Youth Offending Service and reduced contracted transport costs achieved due to the pandemic. This service area is benefitting from one off ICF funding totalling £300K, and £440K from the Social Care Recovery and Extension Fund which has reduced the impact of the overspend.

COMMUNITY CARE

Outturn Forecast	Month 2	Month 5	Month 9	Outturn
Deficit / (Surplus) £'000s	397	95	0	0

The overspend in in the South of the County in our Chepstow Integrated team resulting from increased care packages. However one off ICF funding, the Social Care Sustainability Grant and the new Social Care Recovery fund have helped to offset the potential overspend by £2M.

COMMISSIONING

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(134)	(162)	0	0

Ongoing vacant Commissioning Officer post and due to the continued closure of day facilities transport, costs are lower than budget.

PARTNERSHIPS

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

No variances

PUBLIC PROTECTION

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

Due to delayed recruitment into vacant posts.

RESOURCES & PERFORMANCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(16)	(16)	0	0

Vacant posts within the Finance team.

CHILDREN & YOUNG PEOPLE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	832	1,262	0	0

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 6 position is an over spend of £1,262k, which is due to additional ALN expenditure and an increase in rates for Monmouth Comprehensive School, due to the new build.

NB: A 1% pay award was budgeted for teaching and non-teaching staff. The pay award for Teachers was 1.75%, resulting in an estimated pressure of £151k for the ISB.

INDIVIDUAL SCHOOLS BUDGET

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
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Deficit / (Surplus) £'000s	0	166	0	0
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The overspend is due to an increase in rates for Monmouth Comprehensive School, due to the new build.

RESOURCES

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	3	18	0	0

The increase in overspend is due to increased staff costs.

STANDARDS

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	829	1,078	0	0

- Recoupment decreased by (income received from other LA's) £244,000
- Independent placement costs overspent by £262,000
- Other LA placement costs overspent by £198,000
- Additional support for pupils attending our schools overspent by £278,000
- Breakfast Club reduction in income & increased costs £59,000
- Deri View SNRB/Virtual School Staff (less other staff cost savings) £28,000

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

ENTERPRISE DIRECTOR'S COMMENTARY:

The Enterprise Directorate is forecasting a £913k adverse variance at month 6.

The impacts of COVID are still having a pronounced effect upon the services provided within Enterprise although the receipt of WG Covid hardship funding for the first part of the year has helped reduce the in-year budget pressure and is the main reason for the £1.557m improvement from Month 2.

The current £953k overspend projection can be broken down between :-

- **Covid Related Pressures** of £1.433m – these are mainly found in Homelessness, Car Parking and Schools Catering. WG have now confirmed that they will continue the Covid grant funding through to March 2022 so we are anticipating that all these costs will be covered.
- **Non-Covid Related** underspend of £440k.

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	0	0

Enterprise & Community Animation is forecasting a £534k overspend at month 6, this is mainly due to :-

- **Borough Theatre** - £53k overspend – Covid rules have affected the ability to re-open in the first half of the year and we are expecting net turnover to be affected by £53k, this will be claimed back via the WG grant. The theatre is now closed for refurbishment but it is now anticipated that

the net loss will be covered within existing core budget so there is a £30k positive swing from Month 2.

- **Business Growth & Enterprise** – Reporting a break-even position
- **Communications** – Break-even – improvement from month 2 of £7k due to increased income.
- **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). Both were not known at month 2 and is the reason for £32k positive swing.
- **Enterprise Mgt** - £10k underspend – Staff vacancy savings due to a post only being filled part way through the year.
- **Housing** - £559k overspend, this can be broken down into 4 main areas :-
 - **Homelessness** – If levels remain the same for the remainder of the year then we are expecting a pressure of £558k split between B&B costs of £196k and hostel security costs of £362k. The first 6 months have been covered by the WG Covid-19 grant and we are anticipating the same for the second half of the year so there will be no adverse impact on revenue budget.
 - **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.
 - **Social Housing Grant** - £63k overspend – Change in grant T&Cs has meant that core staff costs are no longer claimable causing a budget pressure.
 - **Shared Housing & Private Leasing** - £94k underspend - Rental income within Shared housing and Private leasing are currently exceeding budget creating a bottom line underspend. The receipt of rental payments can be volatile so this figure could change between now and year end.
- **Procurement** - £33k underspend – Employee saving due to a member of staff retiring.

The improvement of £569k from month 2 is mainly down to the receipt of Covid funding.

FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	551	437	0	0

Facilities & Fleet management are forecasting a £437k overspend, due to :-

- **Schools Catering** - £334k overspend due to :-
 - Covid restrictions have impacted on turnover where we are expecting a £150k net shortfall in income due to a drop-off in meal uptake
 - Covid is also affecting employee spend where costs have increased to cover staff absences and also packaging costs where we have to serve meals differently to adhere to distancing guidelines. We anticipate that the above will cost an additional £184k.
 - This is a £252k increase in overspend since we reported at month 2, this is due to the full extent of covid costs not being known in May. We are anticipating that all Covid related costs will be covered by WG grant so there will be no adverse impact on the revenue budget.
- **Building Cleaning** - £12k overspend – the requirement to replace and repair essential equipment has pushed the supplies budget overspent. This is an improvement of £13k since month 2 as replacement costs were not as high as originally anticipated.
- **Passenger Transport** – £145k underspend :-
 - **Home to School Transport** - The section is forecasting to underspend by £33k due to employee savings from the delayed implementation of a staff restructure and a reduction in external vehicle maintenance costs.

- **External Commissioning** - The section is forecasting to underspend by £234k, this is due underspends in contractor payments and staff vacancies totalling £184k and a £50k saving from the capitalisation of route optimisation software costs.
- **Private Hire** - The section is forecasting a deficit in private hire income of £121k, this is due to a continued downturn in vehicle hire by external organisations attributed to Covid (£76k) and the loss of external school contracts from September (£45k). It is anticipated that the income loss from Covid will be covered by WG grant.
- **Fleet Maintenance** - £236k overspend – The cost of maintaining the authority’s fleet has exceeded available budget, current forecasts predict a £210k shortfall. In addition the number of members of the car salary sacrifice scheme have reduced meaning savings are below budgeted levels by £26k.

The outturn position has improved by £114k from month 2 and this is mainly down to savings in our PTU section that were not known in May and also receipt of part year Covid funding.

NEIGHBOURHOOD SERVICES

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	346	(185)	0	0

Neighbourhood Services are forecasting to underspend by £185k, this is due to :-

- **Highways, Swtra & Streetlighting** – £109k underspend - This is due to Streetlighting, the LED replacement programme is now complete and the resultant reduction in KWH output means our energy costs have reduced below budget. We are also seeing a saving in our maintenance budget as our Havard monitoring costs have gone down. Highways Operations and SWTRA & External Clients are both forecasting a break-even budget.
- **Waste & Street Scene** - £75k underspend – this is due to dry recycle & contract management savings of £157k that have been offset by a reduction in Trade Waste income of £82k. It is anticipated that the income loss will be funded by WG Covid grant. Grounds Maintenance & Street Scene are forecasting a break-even budget.

The £531k improvement from Month 2 is due to the level of savings in streetlighting and waste not being fully known in May and also due to the receipt of Covid 19 funding from WG.

PLACEMAKING, HIGHWAYS & FLOOD

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

Placemaking, Highways & Flood is forecasting to overspend by £127k, this is as a result of :-

- **Planning & Building Control** – Break-even - this is an improvement of £54k since month 2 and is due to an increase in planning income that has offset overspends in staffing and software costs.
- **Planning Policy & LDP** – Break-even – this is an adverse swing of £200k from month 2 as unspent budget has now been returned to reserves.
- **Car Parks** - £285k overspend – Covid restrictions are impacting on parking and enforcement income and even though we have seen an improvement in levels since Month 2 indications are that we will still see a pressure of £236k this year - in addition there are overspends in expenditure primarily transport, premises & software costs (£49k). We will be claiming back the lost income from the WG Covid grant as the funding has been extended to end of March.
- **Highways management & flooding** - £158k underspend – Staffing underspend due to delays in filling vacant posts and improved income.

The positive swing from month 2 can be attributed to the receipt of Covid income funding.

MonLife	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	3,010	1,228	0	

MonLife DIRECTOR'S COMMENTARY:

The MonLife Directorate is forecasting an overspend of £1.228m, a significant reduction from month 2, which is due to Welsh Government hardship funding of 933k to cover income losses in quarter 1 and increasing Leisure Centre income levels, which are continuing to improve. The previous leisure forecast assumed income to be at 50% of prior years but in fact we have seen an increase above this, and the trend looks to be improving as customer confidence returns. The Outdoor Adventure Service continues to be badly impacted by the pandemic with limited residential visits and bookings for the remainder of the year are at an all-time low, with late cancellations and visits being postponed to the next financial year. Claims will continue to be submitted to Welsh Government for income shortfalls.

(MONLIFE) Countryside & Culture

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

The service is currently predicting a loss for the year of some 72k. The Museum Service has partially reopened but has seen a loss in retail sales as well as a loss in event income. The Learning Office is predicted to be overspent due to the service not been able to fully deliver programmes and events as planned. There is an over spend in the Destination Management Service as a result of replacing the website and these are additional one-off development costs.

(MONLIFE) Finance & Business Development

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

Minor variations

(MONLIFE) Leisure, Youth & Outdoor Adventure

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

Leisure Centres have re-opened with income levels currently at 65% of what we would normally expect. There have been high levels of membership cancellations and reductions in general bookings and some members are continuing to freeze their memberships. The Outdoor Adventure Service had been unable to offer any residential visits until September when restrictions have been eased. Only limited bookings for the remainder of the year have been made with customers continuing to be hesitant about returning although as customers have increased confidence in the service, the expectation for the remainder of the year is that activity should return to at least 80% of previous income levels.

CHIEF EXECUTIVES UNIT	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	53	(41)	0	

HEAD OF POLICY, PERFORMANCE AND SCRUTINY COMMENTARY:

The Chief Executive's department is currently forecasting a £41K under spend.

We have seen a continuation of the high levels of demand faced by customer services teams. The number of phone calls into the contact centre is 42% higher than pre-pandemic levels. This led to increased wait times and understandable dissatisfaction amongst callers. Additional staff have been recruited to cope with the demand. Community Hubs have struggled to achieve income targets as reduced footfall and community activity has impacted on library income, room hire and a downturn in revenue from the Post Office in Usk.

Other areas of overspend are largely attributed to difficulties achieving staff vacancy savings as set out in the section below.

POLICY, SCRUTINY & CUSTOMER EXPERIENCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	53	(41)	0	0

Policy, Scrutiny & Customer service is forecasting a £41k underspend at month 6, this is due to:

- **Community Education** - £100k underspend – this is due to a grant windfall carried forward from 20-21 that has helped offset core service costs.

Offset by:

- **Community Hubs** - £29k overspend – shortfall in income due to unachievable income budgets.
- **Contact Centre** - £18k overspend – increase in staff costs to help meet increased demand.
- **Corporate CEO** - £9k overspend – due to inability to meet staff vacancy factor saving and an increase in license costs.
- **Policy & Partnerships** – £1k - Small net overspend mainly due to an increase in Welsh Language translation costs (£4k) offset by a saving of £3k in third party contributions. It is anticipated that the Welsh Language translation increase will be claimed back via the WG Covid-19 fund as the increase in volume of translation can be attributed to Covid-19 guidance.

PEOPLE & GOVERNANCE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(8)	(184)	0	

People & Governance DIRECTOR'S COMMENTARY:

People & Governance is reporting a £184k under spend. The time lags involved in elections-related income/costs made it difficult to accurately predict the year end in M2 so hopefully the picture is becoming clearer with this report. The ability to reduce other costs related to digital upgrading and changed working practices throughout CV is represented in some figures also. Elsewhere, the saving is primarily the result of holding gaps in different roles across the Directorate.

Planned systemic change in training delivery and recruitment software has the potential to retain a degree of volatility through to year end.

Governance

Outturn Forecast	Month 2	Month 5	Month 9	Outturn
Deficit / (Surplus) £'000s	(8)	(122)	0	0

Democratic Services is forecasting to underspend by £122k, this is due to :-

- **Members Costs** - underspending by £51k due to a reduction in IT replacement costs (£35k) and savings in mileage and allowance claims (£15k) due to more agile attendance of meetings.
- **Electoral Management** – underspending by £30k due to a reduction in canvassing costs as that role will not be undertaken this year offset by increased staff costs due to a post regrading.
- **Committee Section** – overspending by £8k due to increased staff hours and a small overspend on software costs.
- **Legal Services** - £26k underspend – staff savings resulting from the delay of the employment lawyer.
- **Land Charges** - £23k underspend – this is as a result of increased search income and savings from a staff vacancy.

The outturn has improved by £114k since month 2, the savings in Members and Elections were not fully known in May so could not be factored in and are the main reason for the positive swing.

Emergency Planning

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

Emergency Planning are forecasting a balanced budget.

People

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(62)	0	0

- **People Services** is forecasting to underspend by £62k due to senior staff vacancy savings of £51k and a £11k underspend in Occupational Health due to a reduction in demand. These underspends were not factored in at month 2 and are the reason for the positive swing.
- **Corporate Training** – Forecasting a Break-even budget

Training

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

No Variances at Month 6

RESOURCES

	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,107	1,504	0	

RESOURCES DIRECTOR'S COMMENTARY:

The Resources Directorate continues to show signs of budget pressure at month 6.

£363k of the pressure relates to core service delivery which is a deterioration since month 2 of a further £155k. Efforts continue to reduce or contain pressures and to identify cost savings that can be achieved by ceasing non-essential spend and where this is practicable and does not have an unacceptable impact on core service delivery. It is accepted that budget pressures are being mitigated substantially by staff vacancy savings during the year and clearly this is not a sustainable position moving forward and will need further consideration as we move into the budget strategy for 2022/23.

The remaining £1,141k 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.

FINANCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	756	768	0	0

Finance is forecasting to overspend by £768k, this is mainly due to :-

- **Revenues** - £1,009k overspend, this is due in the main to :-

- **Housing Benefits** - £881k overspend - This budget remains under significant pressure largely as a result of Covid 19. There are currently around 150 temporary accommodation placements for which we are unable to claim full Housing Benefit subsidy. The cost of which is currently estimated to be circa £708,000. We are hoping to reclaim these costs through Welsh Government's Covid hardship scheme. The remaining £173,000 over spend is a real cost to Monmouthshire and is a combination of factors. These include ongoing placements costs which don't attract subsidy, a shift in caseload patterns (e.g. over payments) which contribute to the amount of subsidy that can be claimed and a deterioration in the bad debt provision following the Governments decision to halt debt recovery for Universal Credit claimants. Work is ongoing to check and assess the accuracy of the Housing Benefit Subsidy data which may lead to adjustments to future forecast.
- **Council Tax** - £138k overspend – The main items contributing to this are : a £60k over spend against salary costs, as staff budget was moved as part of a Finance restructure and is offset by a corresponding underspend in that section. Plus a £79k estimated shortfall in summons income. Courts have now started up again and full recovery is underway. However summons income is still running well behind normal activity. The over spend has reduced by £8k since month 2 as we received some funding from Welsh Government for the administration of the Retail Relief Scheme.
- **Debtors and Charity relief** - £10k underspend – mainly due to postage savings in debtors as more invoices are sent electronically and grant income from Welsh Government for the administration of Business Support Grants.
- **Finance** - £219k underspend – This is a result of senior management vacancies, we are anticipating that these positions will be filled from January.
- **Audit** - £12 underspend – This is due to staff vacancy savings
- **Systems & Cashiers** – £1k overspend – overspend in Cashiers (£50k), our budget includes a £20k saving that was brought in for the implementation of a scheme to remove cheques from the authority's day –to--day business. The roll-out of the new system has been delayed due to the covid-19 pandemic so we have incurred a budget pressure. In addition, we have seen an increase in card handling fees as more people are paying online for services and an increase in system costs as new systems are brought online (£30k). This has been offset by a £49k underspend in Revenues & Systems Support due to staff vacancies and savings in systems development.
- **Payroll, Innovation** – £11k underspend – Staff savings of £24k part offset by increases in software and licence costs.

INFORMATION, COMMUNICATION & TECHNOLOGY

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

ICT is forecasting to underspend by £17k due to a saving against our contribution to SRS as licence and PBSA costs have come in below budget.

COMMERCIAL & CORPORATE LANDLORD

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	352	754	0	0

Commercial & Corporate Landlord is forecasting to overspend by £754k :-

- **Investment Properties** - £387k overspend, due to :-
 - **Newport Leisure Park** - Forecasting to return a £263k surplus but this is £137k below budgeted level, the shortfall can be attributed to the effects of the Covid-19 pandemic and will be reclaimed from WG grant.

- **Castlegate Business Park** - The forecast has changed since month 2 from a break-even position to a £250k overspend. Rental income forecasts for this year are still projecting to cover outgoings but a budget pressure has been caused by an in-year adjustment to correct a control account in-balance due to the mis-posting of income in previous years.
- **Landlord Services** - £39k overspend. This is due to an estimated £121k shortfall in income as we have lost rental income of £56k from the vacant spaces in our Magor office and a £65k loss of service charge. This has been off-set by a £77k saving in staff costs due to vacant posts only being filled part way through the year. We are anticipating that all of the lost rental income can be claimed back from the WG Covid grant.
- **County Farms** - £21k overspend – due to additional consultant costs associated with dilapidation surveys and a reduction in rental income due to a reduction in tenants.
- **Solar Farm** - £40k underspend – income is currently projected to be above budget, this is mainly due to improved ROC prices.
- **Markets** - £121k overspend. This is due to an estimated shortfall in income of £85k due to the disruption caused by Covid, it is anticipated that this will be claimed back from WG Covid grant , and a net increase in spend of £35k mainly due to an overspend on waste disposal costs.
- **Property Services** - £227k overspend. This can be split into 2 main areas :-
 - **Accommodation** - £48k overspend due to an increase in repair and maintenance costs across council offices.
 - **Property** - £179k overspend. The service budget is heavily reliant on income from the capital programme, current projections estimate a £370k shortfall against budget as the number (and size) of projects that staff can be recharged to have reduced this year. This has been offset by £191k of staff vacancy savings. The service will be looking to address this shortfall between now and year end.

CORPORATE COSTS & LEVIES	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	21	(132)	0	
PRECEPTS & LEVIES				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	13	13	0	
National parks levy notified after budget produced - increase in levy of circa 10% based on increased staff and project work required				
CORONERS SERVICES				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	
No variance at month 6				
CORPORATE MANAGEMENT				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(24)	(68)	0	
Primarily due to the release of a bad debt provision in relation to the SRS financial administration whereby it was originally estimated that there may be a bad debt burden upon transfer of the administration to TCBC.				
NON DISTRIBUTED COSTS				

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	32	62	0	
Additional pension strain costs notified since the budget has been set. These costs reflect the additional payment the Council has to make to the pension fund when an employee is permitted to leave employment prior to their normal pensionable age and wishes to immediately draw on their pension.				
STRATEGIC INITIATIVES				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	837	0	
Allowance for expected non-teaching pay award of £837k across services.				
INSURANCE				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(140)	0	
Primarily due to savings in premium costs for the year of £35k, savings in professional fees of £34k, and the forecast saving in settlement expenditure based on current trends. In terms of settlement expenditure it should be noted that this area of the business can be highly volatile and a significant number of, or complex claims can lead to high value settlements in terms of the excesses payable on our insurance policies.				
APPROPRIATIONS				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(93)	0	
FIXED ASSET DISPOSAL COSTS				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	136	0	
Overspend due to £136k of additional security costs related to the sale of the Hilston Park Site.				
INTEREST & INVESTMENT INCOME				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	11	0	
£11k overspend due to adverse (negative) interest rates available on investments, particularly Money Market Funds.				
INTEREST PAYABLE & SIMILAR CHARGES				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(230)	0	
Low Interest Rates have led to historically low borrowing rates between local authorities leading to a £230k underspend on temporary borrowing costs.				
CHARGES REQUIRED UNDER REGULATION				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(10)	0	

10k underspend against MRP due reduced capital spend in the previous financial year than budgeted.

OTHER INVESTMENT INCOME

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

No variance at month 6

BORROWING COST RECOUPMENT

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

No variance at month 6

FINANCING

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(130)	(564)	0	

COUNCIL TAX BENEFIT SUPPORT

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	370	186	0	

This budget continues to be under pressure as a direct result of Covid-19. However, we have started to see some easing of demand since month 2. It remains to be seen if this downward trend continues once the furlough scheme ends and changes to Universal Credit come in. We also, haven't received any confirmation from Welsh Government about whether similar support funding to last year will be put in place.

COUNCIL TAX

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(500)	(750)	0	

The latest council tax data shows an increasingly healthy position. We continue to see new properties being added to the tax base, with 300 new properties added since the base was calculated last October. We have also seen an increase in the number of accounts paying a full charge, up by 265 properties. Another significant factor is that the overall collection rate remains strong averaging 99.6%, compared to a target of 99.3%.

2. SCHOOLS

- 2.1. A Board of Governors who are responsible for managing the school's finances directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 6 projections for each Educational Cluster.

Draft Council Fund Outturn 2021/22 – School Balances Summary outturn position at Month 6	(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+C) Forecast Reserve Balances at 2021/22 Outturn	Variance Draw on School Balances Month 2 to Month 6
Cluster	£000's	£'000	£'000	£'000	£'000	£'000
Abergavenny	(1,158)	309	426		(732)	117
Caldicot	(1,091)	539	372		(719)	(167)
Chepstow	(349)	516	417		68	(99)
Monmouth	(794)	457	354		(440)	(103)
Special	(26)	(39)	(11)		(37)	28
Total	(3,418)	1,782	1,558		(1,860)	(224)

- 2.2. Collective School Balances at the beginning of the financial year amounted to a £3,418,120 surplus. (The majority of the surplus balance brought forward is due to two grants being awarded to schools at 2020/21 year end; the Schools Revenue Maintenance Grant and Recruit, Recover and Raise Standards).
- 2.3. The Schools month 2 forecast anticipated draw on reserves was £1,781,648, which resulted in a forecast surplus balance of £1,636,472. At month 6, the forecast anticipated draw on reserves has reduced by £223,938, to a forecast surplus balance of £1,860,410.
- 2.4. The movement of individual schools forecast to be in deficit since the start of the financial year is shown below:

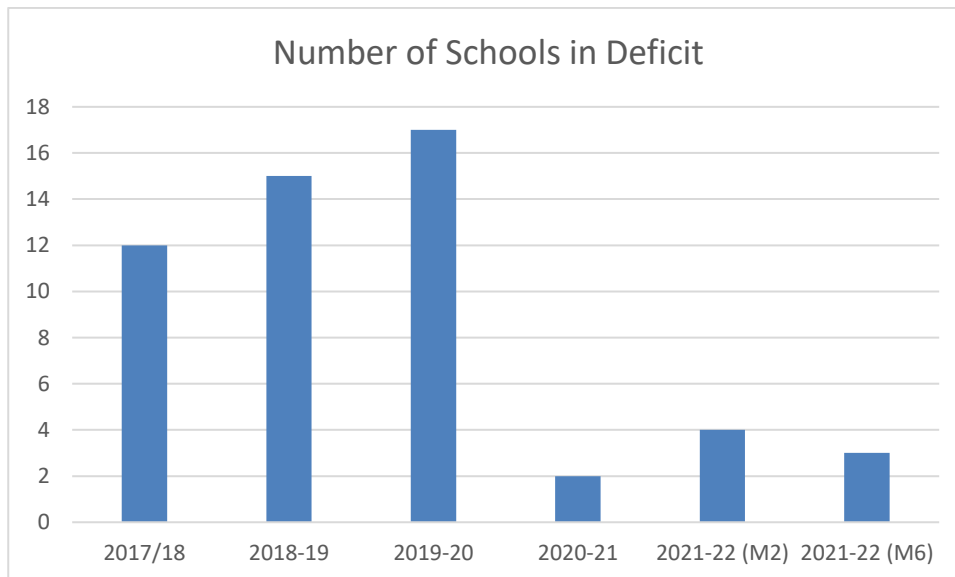
Start of year	Month 2 (Forecast)	Month 6 (Forecast)
2	4	3
Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive
Llandogo Primary	Llandogo Primary	Llandogo Primary
	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni
	Ysgol Gymraeg Y Ffin	

- 2.5. All schools in a deficit budget have, or are in the process of agreeing recovery plans. These recovery plans will be confirmed with both the Local Education Authority and each School's Governing Body. Once finalised the schools with significant deficits will be monitored by the Cabinet member for Children and Young People and Resources on a termly basis.

2.6. Total schools balances have been exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances, which is of concern, and others a more balanced trend. However, as previously advised, grants awarded to schools at 2020/21 year end has resulted in a large increase in overall school balances.

Financial Year-end	Net level of School Balances
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232
2019-20	435
2020-21	(3,418)
2021-22 (Forecast)	(1,860)

2.7. The increase in school balances has resulted in a reduction in the number of schools in deficit, as illustrated in the following table:-



3 CAPITAL OUTTURN

3.1 The summary forecast Capital position at Month 6 is as follows:

Forecast Capital Outturn Position 2021/22 at Month 6

Select Portfolio	Slippage B/F	Original Budget	Budget Adjustments	Provisional Slippage	Revised Budget 2021/22	Forecast Expenditure	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	(26,399)	4,666	4,666	0
Economic & Development	19,244	546	606	(18,067)	2,329	2,328	0
Adult	5,964	0	0	(5,964)	0	0	0
Strong Communities	8,554	10,046	3,366	(1,342)	20,624	20,624	0
Total Expenditure	49,143	25,015	5,233	(51,772)	27,618	27,618	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)	(5,228)	29,068	(8,416)	(8,416)	0
S106 Contributions	(711)	0	0	14	(697)	(697)	0
Unsupported Borrowing	(27,031)	(4,094)	0	21,480	(9,645)	(9,645)	0
Earmarked Reserve & Revenue Funding	(241)	0	(5)	0	(246)	(246)	0
Capital Receipts	(2,064)	(2,891)	0	1,210	(3,745)	(3,745)	0
Total Financing	(49,143)	(25,015)	(5,233)	51,772	(27,618)	(27,618)	0

3.2 The capital expenditure forecast outturn at month 6 shows 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.

3.3 Forecast Capital Slippage at month 6 is £51.772m as major schemes are 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.
- Asset Investment Fund (£18.067m) where further expenditure is dependent on appropriate schemes coming forward that meet the Authorities 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 and £516k for modifications to County Hall 'J' block, delayed due to a 'SUDS' consent being required.

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	13,872	12,523	11,436	10,349
Capital receipts used for financing	(3,737)	(1,895)	(684)	(684)	(684)
Capital receipts used to support capitalisation direction	(2,208)	(2,208)	(507)	(507)	(507)
Capital receipts Received or Forecast	10,236	2,754	104	104	104
Forecast Balance as at 31st March	13,872	12,523	11,436	10,349	9,262