

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