

Overall Revenue Position

Table 1: 2022/23 Revenue budget summary forecast at Month 9

Service Area	Original Budget 2022/23	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
Social Care, Health & Safeguarding	57,877	680	58,557	64,335	5,779	5,711	67
Children & Young People	58,990	426	59,416	60,343	927	732	195
Communities & Place	23,055	962	24,017	23,410	(607)	586	(1,193)
MonLife	4,556	518	5,074	5,326	251	482	(231)
Chief Executives Unit	3,155	35	3,190	2,965	(225)	(288)	63
People & Governance	4,663	273	4,936	5,014	78	28	50
Resources	7,067	907	7,973	8,308	335	763	(428)
Corporate Costs & Levies	26,207	(2,604)	23,603	25,480	1,878	1,895	(18)
Net Cost of Services	185,570	1,196	186,766	195,181	8,415	9,909	(1,494)
Appropriations	6,652	(720)	5,932	5,486	(446)	(250)	(197)
Expenditure to be Financed	192,223	476	192,699	200,667	7,969	9,659	(1,690)
Financing	(192,223)	(476)	(192,699)	(193,136)	(437)	(503)	66
Net General Fund (Surplus) / Deficit	0	0	0	7,531	7,531	9,155	(1,624)

Table 2: 2022/23 Revenue budget detailed forecast at Month 9

Service Area	Original Budget 2022/23	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	9,548	(67)	9,481	9,178	(303)	(428)	125
Children Services	17,795	17	17,812	22,235	4,423	4,399	24
Community Care	26,111	1,007	27,118	29,144	2,026	2,069	(43)
Commissioning	1,418	(266)	1,151	1,040	(111)	(96)	(15)
Partnerships	436	5	441	441	0	0	(0)
Public Protection	1,910	(18)	1,891	1,756	(135)	(162)	27
Resources & Performance	659	2	662	541	(121)	(71)	(50)
Social Care, Health & Safeguarding	57,877	680	58,557	64,335	5,779	5,711	67
Individual Schools Budget	47,775	380	48,155	48,433	278	222	56
Resources	1,162	34	1,196	1,126	(70)	11	(81)
Standards	10,053	11	10,064	10,784	720	499	221
Children & Young People	58,990	426	59,416	60,343	927	732	195
Enterprise, Housing & Community Animation	2,795	(38)	2,757	2,620	(137)	263	(400)
Facilities & Fleet Management	6,552	4,077	10,629	10,716	87	411	(324)
Neighbourhood Services	11,944	(2,935)	9,009	8,660	(349)	(164)	(185)
Placemaking, Highways & Flood	1,765	(143)	1,622	1,414	(208)	76	(284)
Communities & Place	23,055	962	24,017	23,410	(607)	586	(1,193)
Countryside & Culture	1,101	91	1,192	1,185	(6)	(5)	(1)
Finance & Business Development	2,389	101	2,490	2,449	(41)	12	(53)
Leisure, Youth & Outdoor Adventure	1,067	327	1,393	1,692	298	475	(177)
MonLife	4,556	518	5,074	5,326	251	482	(231)
Policy, Scrutiny & Customer Service	3,155	35	3,190	2,965	(225)	(288)	63
Chief Executives	3,155	35	3,190	2,965	(225)	(288)	63
Communications	239	7	246	268	22	34	(12)
Democratic Services	1,547	142	1,690	1,712	22	22	0
Emergency Planning	158	5	163	182	19	24	(5)
Legal and Land Charges	963	31	994	1,007	13	(7)	20
People	1,756	87	1,843	1,845	2	(45)	47
People & Governance	4,663	273	4,936	5,014	78	28	50

Service Area	Original Budget 2022/23	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend M6	Forecast Variance M6 to M9
Commercial, Corporate & landlord Services	1,521	507	2,028	1,697	(331)	(44)	(287)
Finance	2,659	440	3,098	3,877	779	871	(93)
Future Monmouthshire	4	1	5	0	(5)	(5)	0
Information Communication Technology	2,883	(42)	2,842	2,734	(108)	(60)	(48)
Resources	7,067	907	7,973	8,308	335	763	(428)
Precepts & Levies	22,319	312	22,630	22,630	(0)	0	(0)
Coroner's	171	0	171	171	(0)	0	0
Archives	196	0	196	196	(0)	0	(0)
Corporate Management	385	0	385	300	(85)	(37)	(48)
Non Distributed Costs (NDC)	651	0	651	666	15	0	15
Strategic Initiatives	867	(2,917)	(2,050)	0	2,050	2,017	33
Insurance	1,619	0	1,619	1,517	(102)	(84)	(18)
Corporate Costs & Levies	26,207	(2,604)	23,603	25,480	1,878	1,896	(17)
Net Cost of Services	185,570	1,196	186,766	195,181	8,415	9,909	(1,494)
Interest & Investment Income	(100)	0	(100)	(802)	(702)	(549)	(153)
Interest Payable & Similar Charges	3,956	0	3,956	4,585	629	672	(43)
Charges Required under Regulation	6,714	0	6,714	6,667	(47)	(47)	0
Other Investment Income	0	0	0	(1)	(1)	0	(1)
Borrowing Cost Recoupment	(3,520)	0	(3,520)	(3,845)	(325)	(325)	0
Contributions to Reserves	188	0	188	188	0	0	0
Contributions from reserves	(586)	(720)	(1,306)	(1,306)	(0)	0	(0)
Appropriations	6,652	(720)	5,932	5,486	(446)	(250)	(197)
Expenditure to be Financed	192,223	476	192,699	200,667	7,969	9,660	(1,690)
General Government Grants	(77,524)	0	(77,524)	(77,524)	0	0	0
Non Domestic Rates	(34,753)	0	(34,753)	(34,753)	0	0	0
Council tax	(87,309)	(476)	(87,785)	(87,977)	(192)	(300)	108
Council Tax Benefit Support	7,363	0	7,363	7,118	(245)	(203)	(42)
Financing	(192,223)	(476)	(192,699)	(193,136)	(437)	(503)	66
Net General Fund (Surplus) / Deficit	0	0	0	7,531	7,531	9,155	(1,624)

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	5,056	5,711	5,779	0

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

Quarter 3 and 9 months into the financial year we are reporting an over spend of £5.779m based on known commitments and expectations against the directorate budget. Since month 6 the over spend has risen by £67K as a result of increasing expenditure within the Children's Services division of circa £1.1m, offset by substantial unbudgeted grants in relation to the newly issued Radical Reform grant (£527k), and Eliminate agenda (£569k).

As part of the last quarter's forecast each directorate was tasked to draw up an in-year savings plan and for this directorate we submitted a plan totalling £800K. As at month 9 the achievement against the saving plan is £467K, with Children's tasked to find £316K of savings for which they have achieved £293K. Adults were tasked to save £270K which has not been achieved, and the remainder of the savings are mostly in staffing by way of holding back vacancies. On a more positive note unmet care need currents stands at 947 weekly hours, a significant reduction on previous months.

The Children's budget is estimating an over spend of £4.423m, with a large proportion due to the increasing numbers and costs of high cost placements, including extremely costly emergency arrangements for children where there is no regulated placement. To quantify placements, we are predicted to spend £9.5m on 100 packages, of which 23 of those packages are individually in excess of £100k and account for 67% of the spend. Another influencing factor is the continued use of agency staffing to fill vacancies and stabilise the workforce within the division, with 14 employed as at the end of December and an additional cost of £250K. This financial year sees the full effect of costs resulting from the removal by Welsh Government of the COVID hardship fund, Social Care Recovery Fund and Social Care Pressures grants. Since month 6 we have been awarded the sum of £527K via the Radical Reform Grant and £569K via the Eliminate grant which has been adjusted for in the reported month 9 forecast, and without which the over spend would have been much higher. As at the end of December the number of Children Looked After decreased by 1 since month 6 to a total of 210, inclusive of 8 relating to Unaccompanied Asylum Seekers.

The combined Adults budget is forecast to over spend by £1.490m, which remains largely within predictions at month 6. As with month 6 the over spend has been as a result of the full year effect in costs to be borne by the budget from the loss of three vital Welsh Government funding streams. Older Adults budgets have seen a dramatic influx of clients requiring services as we move out of the pandemic, with continued pressures from hospitals to discharge patients into the social care sector, with some clients requiring more intense services due to delayed health care during the pandemic. Since the start of this financial year following removal of the COVID hardship grant we have funded an additional 47 care home placements at a net cost of £500K. With non-residential care the weekly care hours provided at the end of December stood at 15,503, of which 18 care packages are 24-hour provision. A few in house services are currently undergoing reviews, with in year savings being used to partially offset over spends. This division is currently benefitting from a number of external grant funding streams, the main one being the Social Care Workforce Sustainability Grant of £1.1m, used to offset the over spend and limit the effects of Winter Pressures.

Public Protection is at present forecasting an under spend of £135k due to savings from vacant posts, which are currently in the process of being recruited to.

Adult Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(355)	(428)	(303)	0

The under spend is largely in the My Day My Life and Budden Crescent services and a review will be commissioned to determine the delivery model moving forward as we exit the pandemic and what is required to meet the future needs of our disability clients.

Children Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	3,519	4,399	4,423	0

Due to the increasing numbers and costs of high cost placements, including extremely costly emergency arrangements for children where there is no regulated placement. There is continued use of agency staff to fill vacancies and help stabilise the workforce. This financial year sees the full effect of costs resulting from the removal by Welsh Government of the COVID hardship fund, Social Care Recovery Fund and Social Care Pressures grants.

Community Care

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,081	2,069	2,026	0

This financial year we have made 47 additional care home placements which has added £500k to the over spend. The majority of the remaining over spend is as a result of increased demand for non-residential care (15,503 weekly care hours provided at the end of December), especially for 24-hour care provision for domiciliary care (18 at the end of December) to aid hospital discharge, to meet the challenges of an ageing population and as a result of the pandemic, clients are of a higher dependency due to delayed health care. This division has benefitted from a £1.1m Social Care Workforce Sustainability grant to help offset over spends and limit the effects of Winter Pressures.

Commissioning

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(74)	(95)	(112)	0

Saving from staff vacancy which is currently planned to go out to recruitment.

Partnerships

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

No variance forecast.

Public Protection

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(61)	(163)	(134)	0

Savings from staff vacancies.

Resources & Performance

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(54)	(71)	(121)	0

Savings from vacancies which are currently out to recruitment.

CHILDREN & YOUNG PEOPLE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	741	732	927	0

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 9 position is an over spend of £927k, which is an increase of £195k on the Month 6 forecast. This increase is primarily due to increased ALN transport cost of £241k as all operators were given a % increase due to rising fuel costs. This increase in over spend has been partially offset by savings that were agreed at Month 6 through the CYP budget recovery plan.

Individual Schools Budget

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	175	222	278	0

The £56k increase in over spend compared to the Month 6 forecast is due to the following:-

- The 1.25% increase in NI finished at the end of November, so funding was reduced in the ISB Budget, but we were unable to claw this back from schools (£120k)
- Backfill costs for a Headteacher secondment (£55k)
- Staff cost savings for the EST Team, as agreed at Month 6 through CYP Recovery Plan (-£122k)

The remaining ISB over spend of £222k is due to the following, which was not included in the budget:-

- funding of two protected salaries and a Teaching & Learning Responsibility payment (TLR) which falls to the Authority to fund (£45k)
- back pay for staff, which was not included in the MTFP. This was due to the late agreement for the pay award and the budget had already been set (£100k)
- payment for a bespoke home to school transport arrangement to Caldicot School pending a final catchment area review (£20k)
- School Staff Wellbeing Project (£9k)
- back pay for staff (£26k)
- legal costs (£17k)

Resources

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	32	11	(71)	0

There have been savings of £82k since Month 6, due to the following:-

- -£89k was released as part of the recovery plan agreed at Month 6
- Pay Award (£14k)
- Capita ONE charges not being recharged to the other cost centres (£25k) – savings shown in the other cost centres
- Capital grant funding the Cloud on-boarding charges (-£30k)
- ICT saving i.e. the Cloud going live in April '23, rather than March '23 (-£5k)
- Unexpected costs regarding Mounton House, Legal Costs & an increase in ACCA course fees (£3k)

The previous £11k overspend, reported at Month 6, was due to the following:-

- several cost centres not being able to meet the 2% staff employee cost efficiency savings target fully (£32k)
- ICT saving i.e. the Cloud going live early in March 2022, rather than July 2022 (-£15k)

- vacancy saving (the position has now been filled) (-£6k)

Standards

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	533	499	720	0

The increase in over spend of £221k since Month 6, is due to the following:-

- ALN Transport – all operators have been given a % increase due to rising fuel costs (£241k)
- Vacancy Saving in the Psychology Service (-£22k) and further savings due to ELSA income being used to fund staff costs (£-14.4k) and recognising the funding for the Pay Award (-£5.8k)
- Reduction in ALN recoupment budget, which is the net effect of 1 x pupil moving to Monmouthshire at start of Sept, so unable to recoup and now being able to recoup for an existing pupil, as previously the other LA had been giving the funding to the pupils parents (£7k)
- Reduction in income for Early Years, as was not able to bid for a grant as expected (£25k)
- ALN Management vacancy saving (-£25k)
- Increase in catering costs for Breakfast Clubs (£25.3k)
- Further smaller savings across 9 cost centres amounting to -£10k

The overspend of £533k at month 4, was largely due to ALN, which had seen costs increase due to the following:

- Several pupils have either moved into Monmouthshire or have left a Monmouthshire school to attend a school in their home County, so we are no longer able to recoup the income from other LA's (£68k)
- 2 new pupils attending an independent school (£105k)
- Full year costs for 2 pupils currently at an Independent school, who decided to stay on for Year 14 (were previously leaving at the end of Year 13 / the Summer Term (£60k))
- 1 pupil accessing SALT and Seirrah Therapies (£24k)
- 1 pupil attending MonLife (£30k)
- 3 new pupils attending schools in Blaenau Gwent & increase in costs for an existing pupil (£105k)
- 2 new pupils attending schools in Newport (£17k)
- 1 new pupil moving to a Bristol school (£9k)
- 1 new pupil potentially to attend a school in Torfaen, currently going through Tribunal (£50k)
- Staff costs due to the expansion of Pembroke SNRB (£32k)
- Blaenau Gwent contacted us to advise they had been paying transport costs, that we were liable for, as the pupil is a Looked After Child (£19k)

The remainder of the overspend was due to additional staff costs in the Education Welfare Support Team (EWS) and the EWS and Psychology Service being unable to currently meet the 2% staff efficiency savings.

The £54k reduction in overspend at Month 6 against the Month 4 Forecast, was due to the following:

- 6 pupils no longer attending out of county schools (-£129k), offset by;
- 3 further pupils have left a Monmouthshire school to attend a school in their home County, so we are no longer able to recoup the income from other LA's (£40k)
- 1 new pupil attending an independent school, which has been offset by some smaller savings regarding existing pupil placement costs (£31k)
- Backfill costs for a staff member who is supporting the Deri View Virtual School (SNRB) and Outreach (£27k).

COMMUNITIES & PLACE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	616	758	(607)	0

COMMUNITIES & PLACE DIRECTOR'S COMMENTARY:

The Directorate is forecasting a £607k underspend at Month 9.

This is an improved position since Month 6 and the details of these changes are provided within the next sections of this report. Whilst there is an improvement in the overall position of the Directorate, within this period, the costs of the provision of temporary and emergency accommodation for people presenting as homeless continues to increase, similarly, the bus transport sector remains fragile and we have seen the consequential impacts within our home to school transport service with external contracts being handed back to the Authority, increased contract costs and the impacts of inflationary rises affecting the service areas significantly.

Across all services, all eligible costs continue to be claimed against any Welsh Government funding that is made available. Since Month 6 a number of service areas have been able to report an improved position due to additional grant funds being made available e.g. Housing Prevention Grant and Bus Emergency Support funds which has significantly improved the Directorates overall position at this stage.

In addition, we will continue to closely monitor and manage all operational and financial performance to ensure that all possible action is taken to constrain any further costs.

Enterprise, Housing & Community Animation

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	337	283	(137)	0

Enterprise & Community Animation is forecasting a £137k underspend at month 9, this is mainly due to:

- **Enterprise Mgt** - £30k over spend – Due to an increase in staff costs over and above available budget and an increase in contribution to City Deal.
- **Housing** - £65k underspend, this can be broken down into these main areas: -
 - **Homelessness** – £98k underspend – Current projections for the year indicate the authority will spend circa £2.433m on B&B accommodation for our homeless (this is a £133k increase from what we thought at Month 6) and an additional £864k (up £176k from M6) on ancillary spend including security and damage repairs in our hostels and leased accommodation, which mainly relates to accommodating those with higher support needs. This cost will be offset by pre-paid Covid-19 grant (£760k), Housing Prevention grant (£1.005m) and Housing Benefit (£1.630m) creating an underspend against budget of £98k. The main reason for this underspend is the receipt of £495k of additional HPG grant in January, which was not known in September, although this has been part used up by the forecast increase in B&B and ancillary spend since Month 6. The £98k underspend will be used to offset the overspend in our Revenues budget (currently £1.236m) within the Resources Directorate caused by the Housing Benefit subsidy cap on B&B accommodation.
 - **Shared Housing & Private Leasing** – Break-even – Improvement of £29k since M6 due to receipt of WG grant that has allowed us to cover maintenance and repair costs.
 - **Strategic Services & Renovation Grants** – net £29k over spend – Mainly due to additional software and subscription costs in strategic services and increased administration costs for renovation grants.
 - **Sewage Treatment Plants** - £19k over spend - due to delays in progressing the plant replacement projects which means the plants have to be emptied until the works are completed to resolve the issues.
 - **Careline** - £13k underspend – Improvement since Month 6 as a reduction in equipment spend has pushed the service under budget.

- **Business Growth & Enterprise** – £92k under spend – Due in the main to the Strategic Operations Team forecasting a £93k under spend due to staff savings as posts have only been filled part way through the year. In addition, the decision was made to freeze the recruitment of the Strategic Operations manager until the new year as part of the M6 budget recovery plan and is the main reason for the increase in underspend since M9.
- **Community & P/Ships development** - £11k under spend – staff savings resulting from the ability to passport staff costs to UKG Ukraine funding have been part offset by the additional, running costs of the Together Works scheme, these were not known at M6 and is the reason for the £11k reduction since M6.

All other service areas are reporting a balanced budget.

Facilities & Fleet Management

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	511	564	88	0

Facilities & Fleet management are forecasting a £88k over spend, due to -

- **Schools Catering** – Break-even – We have seen an improvement in the Schools Catering position since M6 and it is no longer reporting a £128k overspend, this is due to 2 main reasons
 1) our original staff number projection to cater for the roll-out has been reduced as we have been able to gain a more accurate understanding of resource requirement as the year has progressed.
 2) We have received additional grant funding from WG to help with the administration of the UFSM roll-out and Covid FSM scheme. WG are undertaking a review of the unit price paid for the provision of UFSM, the current rate of £2.90 is likely to result in increased pressures in 23-24 when UFSM rolls out to Key Stage 2 pupils.
- **Passenger Transport** – £291k over spend – Cost of living inflation increases have had a material impact on the service, the additional burden of increased pay, fuel and repair costs have meant that operators have handed back contracts and our in-house budgets are being stretched due to :-
 - **External Commissioning** – £184k over spend due to an increase in external contract prices and contract variations from September. This figure includes the contracts that were handed back and retendered at month 04. The forecast is based on the payment figure as of January.
 - **Internal Operations** – £106k over spend – due to the need to purchase vehicles and employ extra staff to run contracts in-house as a consequence of operator hand backs. This is an £86k improvement from M6 and is due to a receipt of additional £72k BES grant that was not known at M6 plus a small decrease in external contract cost projection of £4k.
- **Car Salary Sacrifice Scheme** – £13k over spend - This is due to a reduction in the number of members of the car salary sacrifice scheme resulting in actual savings falling below budgeted levels. The proposed re-launch of the Tusker scheme will result in Corporate savings being passported to the applicant which will result in continuing permanent reduction in income levels.
- **Fleet maintenance** - £81k over spend – This is mainly due to the effect of inflation increases on fuel & spare parts, in addition employee costs have increased due to the regrading of part of the workforce as a consequence of a job evaluation exercise. This is an £18k improvement from month 6 and is due to the movement of staff costs associated with service transformation to capital as part of the capitalisation directive, this was not factored in at M6.
- **Building Cleaning & Public Conveniences (PCs)** - £95k under spend – this is due to a saving on business rates as we no longer pay them on PC's (£25k) and a £70k underspend in Building Cleaning due to improved turnover through the continuation of in-house contracts and a £25k reduction in expenditure as part of a managed one off reduction in supplies spend to aid with the authority budget recovery plan

- **Decarbonisation** - £202k under spend – due to improved income from our Solar Farm and PV installations caused by the increased market rates for energy (£175k) and staff savings within the de-carb team of £27k due to the delayed recruitment to the Energy Officer post to aid with the authorities budget recovery plan.

Neighbourhood Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(227)	(164)	(349)	0

Neighbourhood Services are forecasting to under spend by £349k, this is due to-

- **Highways, SWTRA & Streetlighting** – £202k under spend – all the underspend comes from within our Streetlighting unit and can be attributed to 1) Energy has underspent by £127k - the budget was set at 19/20 consumption levels, this has been found to be too high due to the improvement gained since then from the installation of LEDs, this has meant our actual cost of energy has fallen well below budget. 2) Staff saving of £2k due to the delay in filling a vacant post. 3) A £69k saving in maintenance as we have moved qualifying revenue spend to available capital budget as part of the authority's budget recovery plan and is the main reason for the increase in underspend since M6.
Highways Operations and SWTRA & External Clients are both forecasting a break-even budget. The final outturn for Highways Ops can be affected by adverse weather conditions such as snow events or increased gritting due to continued cold weather. The unit will endeavour to cover these costs within budget but there is a potential for a late year budget pressure.
- **Waste & Street Scene** - £147k under spend – Waste Services continues to report a break-even position, our Grounds maintenance is reporting a £147k underspend due to improved income resulting from an increased draw on commuted sum funding.

Placemaking, Highways & Flood

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(5)	76	(208)	0

Placemaking, Highways & Flood is forecasting to under spend by £208k, this is as a result of -

- **Planning & Building Control** – £44k over spend – Over spend in Planning due to the inability to make staff vacancy savings (£21k), hardware and software costs to update microfiche system (£59k) offset by a net improvement in income of £35k.
- **Planning Policy & LDP** – £94k under spend - due to staff savings from a vacant post and one retirement (£36k) and further delays in the progression of the LDP meaning spend has not occurred as planned this financial year (£58k).
- **Car Parks & Civil Parking Enforcement** - £266k over spend – due to a shortfall in parking enforcement fines of £186k coupled with over spends in expenditure primarily in transport, premises and software costs of £80k.

Highways management & flooding - £424k under spend – income is continuing to exceed budgeted target levels in relation to Road closure and SAB fees, in addition we have received WG flooding grant that is now covering core service costs. The department also has a number of vacancies that is contributing to an under spend in our employee budgets. The under spend has increased by £188k since month 6, the majority of this is due the decision to freeze all post recruitment until the new year as part of the budget recovery plan.

MONLIFE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	479	462	251	0

MonLife DIRECTOR'S COMMENTARY:

The Monlife directorate is forecasting to over spend by £251k, the two main areas of focus continue to be leisure and outdoor services, with these areas providing the most significant financial challenges in the current economy. Monlife are completing deep dives of each business unit assessing the best options for future sustainability and the tactics needed to improve performance in these areas. Future development work includes working closely with CYP and Social Services on other programs to reduce our over-spend and ensure the future sustainability of our services. MonLife have seen an improvement of £231k since month 6 this is mainly due to freezing vacant posts, a fantastic annual membership campaign and increase uptake in our residential and re-engage program at Gilwern.

(Monlife) Countryside & Culture

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(3)	(5)	(6)	0

Countryside & Culture is forecasting to under spend by £6k due to a small under spend on third party contracts.

(Monlife) Finance & Business Development

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	14	(8)	(41)	0

Finance & Business Development is forecasting to under spend by £41k the variance from month 6 to month 9 relates to freezing vacant posts and increasing project management recovery from our grants as agreed in the month 6 recovery plan.

(Monlife) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	469	475	298	0

Leisure, Youth & Outdoor Adventure is forecasting to over spend by £298k, this is mainly due to: -

Leisure Services - £198K over spend mainly due to the sections inability to generate the expected income targets. Memberships have grown significantly over the past 12 months and recovered to pre-pandemic levels; however, this still falls short of the income target set for the section built on a model pre-pandemic which looked at commercial growth over a 3-year period. Due to the impact of the cost-of-living crisis and Covid-19 this model is unachievable at present, we continue to work hard with teams to mitigate the financial loss the improvement from month 6 to 9 mainly relates to our successful annual membership campaign, which increased memberships by 256 and delivered an additional £64,951 income.

Youth & Education - £119k over spend mainly due to:-

Outdoor Adventure Service - £119k over spend. The sections current income target was derived from a pre-pandemic business model that focused on a 3-year delivery plan first focusing on MCC internal schools and then moving on to commercial focused model. The impact of the pandemic has meant that the delivery of this model has been delayed this has led to a shortfall in income due to schools being reluctant to return to residential model (this is slowly changing). A project working group is set up looking at way to mitigate the financial loss part of this work will involve working closely with schools who show massive interest in the outdoor learning as the new curriculum in Wales is adopted which looks to support creative lessons with real life meaning. The variance from month 6 to 9 mainly relates to increase income due to high engagement in our residential offer and our re-engage program.

Sports Development - £20k under spend due to higher than anticipated grant income.

**CHIEF EXECUTIVES UNIT
DIRECTORATE**

	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(288)	(225)	0

HEAD OF POLICY, PERFORMANCE AND SCRUTINY COMMENTARY:

The current under spend of £225k is being achieved by a number of posts being held vacant across the department to help contribute to the in-year budget recovery. It is also aided by some core staffing costs being funded by grant contributions from other agencies. This is not a sustainable long-term position and is dependent on key staff working above and beyond their contracted hours. The forecast is also artificially inflated by the continued delay in purchasing a new telephony system to replace the current end-of-life solution. These savings mask pressures in the Welsh language budget which is demand led and over spending due to an increase in the volume of translations required to comply with the Welsh Language Standards.

Policy, Scrutiny & Customer Experience

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(288)	(225)	0

Policy, Scrutiny & Customer Experience are forecasting a £225k under spend at Month 9, the outturn position is made up of a number of under and over spends across the directorate with the main variances being:

- **Partnerships Mgmt** - £19k under spend – The service has been able to fund core staff costs from a WHO grant resulting in an employee under spend (£37k) but this has been offset by an over spend in Community Safety due to a drop off in partner funding of £18k which was not factored in at Month6.
- **Contact Centre** - £20k under spend – the contact centre continues to see employee cost pressures through maternity cover and non-achievable vacancy factor savings, but this is currently being offset by savings due to the delay in purchasing a new telephony system.
- **Equalities & Welsh Language** - £28k under spend – Due to staff savings of £82k due to delay in employing the new Welsh language officer and Equalities post which have been partially offset by an over spend of £54k on external translation costs as demand has increased.
- **GIS Project** - £30k under spend – No change from month 6 - Mainly due to employee savings as we are able to passport core staff time spent on digital innovation to capitalisation directive.
- **Performance & Data** - £34k under spend – This is due to a saving in employee costs as we are able to move officer cost for time spent on Ukraine support against UKG grant funding and posts have been held vacant to aid budget recovery with this work being covered by other staff in the team .
- **Community Hubs & Libraries** - £60k under spend – this is due to employee savings as core staff costs have been covered by the UKG Ukraine grant. This has been part offset by a reduction in income as budget is unachievable since the removal of fines in our libraries. This is a £95k improvement from M6 and is as a result of the Ukraine funding that was not factored in at M6 but formed part of the budget recovery plan.
- **Community Education** - £29k under spend – Under spend due to core service spend being covered by zero carbon and digital grants and good performance against the targets set by Coleg Gwent as part of our franchise agreement
- **Ukraine Grant** – Break-even budget – Current projections indicate that all costs relating to Ukraine will be covered by the UK Government grant. At Month 6 we reported a £200k under spend but this

will now be reflected within other department's outturn figures as we move related costs against the grant. The budget is being spent on housing, temporary accommodation, transport, education, well-being and exercise opportunities for refugees.

Offset by over spends in :-

- **Levies, Subscriptions & Donations** - £15k over spend – membership subscriptions to external bodies such as the WLGA and LGA have increased over and above available budget.

PEOPLE & GOVERNANCE DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	28	79	0

PEOPLE & GOVERNANCE DIRECTOR'S COMMENTARY:

People & Governance is reporting a £79k over spend at Month 9.

Where gaps can be held and recruitment frozen it is being done with a view to an end of year under spend and important systems implementation is being undertaken to derive efficiencies in the next financial year and improve whole authority efficiency.

Communications

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	26	35	22	0

- **Communications** - £22k over spend - due to staff over spends caused by maternity cover and pay band increases plus increases in software licence costs. This has been partially offset by secondment income. The improvement of £13k since M6 is mainly due to savings resulting from staff vacancies that were frozen as part of the budget recovery plan and an improvement in income projection since September.

Democratic Services

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	21	27	22	0

Democratic Services is forecasting to over spend by £22k, this is due to -

- **Members Costs** - £22k over spend – no change from month 6, over spend due to cost pressures caused by transition to new cabinet membership structure and software maintenance costs.
- All other services are forecasting on budget.

Emergency Planning

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	0	24	19	0

Emergency Planning - £19k over spend – Over spend in staffing mainly due to duty officer standby costs exceeding available budget. These have reduced since M6 and is the reason for the £5k improvement.

Legal and Land Charges

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(7)	(7)	12	0

- **Land Charges** - £13k under spend – this is as a result of improved search income and savings from a vacant post. The under spend has reduced since M6 as search fee income has dropped off towards the end of the year so we have reduced our income projections.
- **Legal Services** - £25k over spend – due to increases in legal costs and systems & software contracts (£27k), potential under recovery of fee income (£38k) offset by under spends in staffing due to delays in recruiting posts (£39k).

People

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(39)	(51)	2	0

People Services is forecasting to over spend by £2k at Month 9.

- **People Services** – net £12k over spend – mainly due to net under spends in staffing across the department, we are carrying savings as a result of a senior post retirement that will not be filled along with savings generated by the delay in filling posts when a staff member leaves. In addition we are seeing a saving in Occupational Health due to a reduction in demand. This has been offset by the projected cost of the implementation of a new recruitment system within payroll of £164k, there is a potential for this cost to be capitalised so the in-year position could improve. The adverse swing of £46k from Month 6 is due to additional employee costs where staff resource issues required temporary contracts to be extended or external support procured, this was not known at M6.
- **Organisational Development** – £1k over spend – mainly due to inability to achieve staff vacancy saving.
- **Corporate Training** – £11k under spend – mainly due to savings from staff vacancies.

RESOURCES DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	756	608	335	0

The Directorate continues to demonstrate signs of budget pressure, albeit it the month 9 forecast position is an improved one. The directorate has successfully delivered the savings required and that contribute to the in-year budget recovery plan.

Departments will continue in their efforts to reduce or contain cost or pressures where this is practicable and does not have an unacceptable impact on core service delivery.

The most significant factor driving the forecast over spend continues to be in relation to Housing benefits where national policy change has brought about increased expenditure required in relation to the housing needs of the Homeless. Whilst the housing placement cost element of this falls to the Communities & Place directorate, the shortfall in housing benefit subsidy claimable on B&B placements is a significant additional cost to the Resources directorate. There are limited options available to the Council to arrest this situation in the very near term, however the Council is currently exploring options for a more permanent and lower cost solution.

There are significant offsetting under spends within the directorate as a result of staff vacancies being held. It is recognised that some of these vacancies have been unfilled for a significant period and that this is not a sustainable or resilient position for many of the service areas in the directorate to be in, and work is now actively ongoing to rectify this with posts starting to be filled.

Finance

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	748	871	779	0

Finance is forecasting to over spend by £779k, this is mainly due to -

- **Revenues** - £1.072m over spend, this is due in the main to –
 - **Housing Benefits** - £1.236m over spend - The forecast over spend for emergency homeless B&B placements, for which we are unable to claim full housing benefit subsidy, stands at £1.374m. This has increased by £11,000 since we reported at month 6 and reflects current placement activity. This has been part offset by £137k of administrative funding from Welsh Government for the household support schemes that councils are administrating on their behalf and an anticipated under spend against MCC's contribution to the DHP budget, as we look to utilise available grant funding first. Work to find alternative accommodation options is ongoing, although there is no certainty that this will mitigate demand and reduce the pressure on the budget.
 - **Council Tax** - £56k over spend – due to a shortfall in summons income of £33k, to date, half the council tax accounts that are in arrears have been summonsed, with the other half expected before the year end. The remaining over spend is caused by a budget deficit of £23k caused by adjustments relating to the Resources restructure, this has been offset by savings listed within Finance below.
 - **Debtors and Charity relief** - £221k under spend – The forecast under spend is made up of a number of elements. A saving of £126,000 is expected as money set aside for a business rate scheme is unlikely to be utilised this year. Also £88,000 administration grant funding (net of known expenditure) is expected for the various grant support schemes that are being administered on behalf of Welsh Government. In addition, there is a small under spend in Debtors due to reduced printing & postage costs (£5k).
- **Finance** - £166k under spend – There has been a number of vacant posts during the year resulting in a saving against staffing budgets, the majority of these posts have now been filled meaning this under spend will not be repeated next year.
- **Audit** - £83k under spend – This is due to staff vacancies, the improvement since M6 relates to the decision to freeze recruitment of 1 post as part of budget recovery plan.
- **Systems & Cashiers** – £43k under spend – due to:
 - **Cashiers** - £4k over spend - The delay in fully implementing the decision to remove cheques has meant we will be unable to achieve the £20,000 staff saving that was carried over in the budget from 2020/21. This pressure has been partially offset by in year staff vacancies and reduced collection costs for our Security Carrier, bringing the over spend down to £4,000.
 - **Systems** - £45k under spend - The under spend is made up of £14,000 savings due to vacancies within the team at the start of the year, a £24,000 saving against the system programme budget as the anticipated replacement of a purchasing system has been deferred into 2023/24 and £7,000 additional income has been received for the purchase card rebate. The increase in the under spend since month 6 reflects the requirement to hold off the replacement of the purchasing system.

Future Monmouthshire

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(5)	(5)	(5)	0

Staff costs have been recovered from external partners.

Information, Communication & Technology

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(58)	(59)	(108)	0

ICT is forecasting to under spend by £108k at month 9, this is due to:

- **Digital Programme Office** - £37k under spend – due to savings in allowances and subsistence (£2k) and a managed reduction in equipment spend (£35k) as part of budget recovery plan.
- **Shared Resource Service** - £32k under spend – our contribution to the SRS service is currently projecting to be less than budget.
- **Digital Design & Innovation** - £17k under spend - mainly due to savings in staffing where a post has been replaced at a lower grade.
- **Cyber Security** - £22k under spend - due to staff savings as a post was only filled in May and savings on supplies & services.

Commercial & Corporate Landlord

Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	71	(197)	(331)	0

Commercial & Corporate Landlord is forecasting to under spend by £331k, due to:

- **Investment Properties** - £144k over spend, due to:
 - **Newport Leisure Park** - £36k over spend – we are currently projecting to generate a £76k surplus on NLP this year although this is £36k below our budgeted target. The swing from month 6 to month 9 relates to the loss of a tenant who has gone into administration. We continue to market the vacant units and are confident of re-letting in 23-24 which will see a considerable increase in income next financial year.
 - **Castlegate Business Park** - £108k over spend – Castlegate has significantly improved its position with the rental of 3 vacant units this year, which has considerably reduced our landlord liabilities, however the rent free period means we will fall short of our income target and also incur one off agency fees associated with securing these new rentals which was unbudgeted at month 6. The rent-free period is now complete and in 23-24 will see a full year of rental income increasing the income generated next year by £134k.
- **Landlord Services** - £273k under spend – rental income has increased over budget mainly as a result of the recovery of the rental of Innovation House from the Ukrainian Grant Fund (£172k), in addition there are savings from vacant posts that will now not be filled until next financial year and is the reason for the improvement from M6.
- **Cemeteries** - £34k under spend – Position has improved since month6 and is due to income projections now exceeding original forecasts.
- **County Farms** - £11k over spend – income projections are down due to a number of empty farms, but we have received some late windfall income that has helped improved the position by £24k since month 6.
- **Industrial Units** - £37k under spend – Rental income has increased above budget due to a number of new lettings.
- **Markets** - £127k over spend. This is due to the markets still recovering from Covid-19. Whilst rent prices have returned to pre Covid-19 levels we have seen a decrease in the number of traders. The new layout at Abergavenny market has now been implemented and we have seen a small rise in rental income, but we are still £97k under budgeted targets. There is also a net increase in spend of £30k mainly due to an increase on waste disposal costs.
- **Property Services** – £270k under spend – Main reason for the saving is due to a managed under spend on building maintenance as part of the Month 6 budget recovery plan. There has not been a reduction in works just a passporting of qualifying spend from revenue to available capital funding creating a £322k under spend. In addition we are forecasting a £44k saving due to staff vacancies and improved fee income. This has been part offset by a net budget pressure of £96k in

accommodation mainly due to unfunded borrowing costs relating to the refurbishment of J Block (£70k) and an increase in cleaning spend as post Covid-19 requirements have increased costs above available budget (£77k), this has been offset by a maintenance under spend across our office sites of £51k.

CORPORATE COSTS & LEVIES DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,918	1,896	1,889	0
Precepts & Levies				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	(0)	0	0
No variance forecast.				
Coroners Services				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast.				
Corporate Management				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	(37)	(84)	0
Forecast has increased following notification of the anticipated Crematorium dividend.				
Non-Distributed Costs				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	15	0
Pension Strain Costs associated with early retirements have now been notified by the Greater Gwent Pension Fund.				
Strategic Initiatives				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,017	2,017	2,049	0
The agreed pay award offer of £1,925 for non-teaching staff during 2022/23 has resulted in a pressure of £2.049m for the authority. The overall cost of pay awards are accurately shown within the various service forecasts throughout this report, however a corresponding budget has also been transferred from the Corporate section to services to reflect the pressure over and above the budgeted pay award. This ensures that services are fully funded for the additional pressure and ensure future budgets accurately reflect the expected pay bill.				
Insurance				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(95)	(84)	(91)	0
The Council has been out to tender for its insurance cover which resulted in premiums payable for 2022/23 being less than anticipated and reflective of a very competitive insurance market.				
APPROPRIATIONS DIRECTORATE	Month 4	Month 6	Month 9	Outturn

Deficit / (Surplus) £'000s	(225)	(250)	(446)	0
Fixed Asset Disposal Costs				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast.				
Interest & Investment Income				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(241)	(550)	(702)	0
Continuing Improved returns against the authority's investments due to a further increase in interest rates.				
Interest Payable & Similar Charges				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	191	672	629	0
Expected borrowing levels have reduced since month 6 and reduced overall interest payable.				
Charges Required Under Regulation				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(51)	(47)	(47)	0
This budget covers the statutory amount the Council is obliged to set aside to fund future loan repayments and the forecast is slightly lower than the £6.7m budget due to slippage in the 2021/22 capital programme that was funded from borrowing (MRP costs start the year after the corresponding expenditure).				
Borrowing Cost Recoupment				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(325)	(325)	(325)	0
This budget represents a technical accounting adjustment where borrowing costs relating to the purchase of capital assets is repatriated from service budgets to ensure that the full life cost of assets is borne by the end user. The variance to budget relates to vehicles purchased at the end of 2021/22 which were originally anticipated to be financed through a sale and leaseback arrangement, however following an options appraisal were found to be more cost effective to be purchased outright and financed from borrowing.				
Contributions to / from Reserves				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	200	0	0	0
An over spend of £200k was shown at month 4 to match 200k under spend in Planning Policy for reserves no longer required in year. A budget adjustment has since been made resulting in 200k favourable movement which will be matched by a 200k adverse movement within the planning section.				
FINANCING DIRECTORATE	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(542)	(504)	(437)	0

Council Tax Benefit Support				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(222)	(204)	(245)	0
It remains difficult to forecast the outturn position with any certainty. Caseload is now closer to pre pandemic levels. However, it does fluctuate on a monthly basis, hence the swing between month 6 and 9.				
Council Tax				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(320)	(300)	(192)	0
Continue to anticipate a surplus in income collected this year, although things have changed since month 6. Generally, the tax base remains strong. However the upward trend noted at month 6 of an increase in discounts being awarded has continued, which has reduced the amount of income likely to be collected this year.				
General Government Grants				
Outturn Forecast	Month 4	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0
Income received to budget.				

2. SCHOOL BALANCES

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.

Cluster	(A) Opening Reserves (Surplus) / Deficit Position 2022/23 £000's	(B) Draw / (Contribution) from / (to) School Balances @ Month 4 £'000	(C) Draw / (Contribution) from / (to) School Balances @ Month 6 £'000	(D) Draw / (Contribution) from / (to) School Balances @ Month 9 £'000	(A+D) Forecast Reserve Balances at 2022/23 Outturn £'000
Abergavenny	(2,145)	1,181	1,272	1,237	(908)
Caldicot	(2,165)	1,570	1,284	1,204	(961)
Chepstow	(695)	863	899	827	131
Monmouth	(1,869)	1,425	1,353	1,211	(658)
Special	(82)	106	91	174	92
Total	(6,956)	5,145	4,900	4,653	(2,304)

2.2. Collective School Balances at the beginning of the financial year amounted to £6,956,114 surplus. At Month 4, the Schools forecasted anticipated draw on reserves was £5,145,631, resulting in a forecasted surplus balance of £1,810,483 at year-end. At Month 6, the forecast anticipated draw on reserves had reduced by £246,131 to £4,899,501, resulting in a forecast surplus balance of £2,056,614 at year end. At Month 9, the forecast anticipated draw on reserves has reduced further by £247,136 to £4,652,365, resulting in a forecast surplus balance of £2,303,749 at year end.

(The majority of the surplus balance brought forward into 2022-23 was due to several grants being awarded to schools at 2021-22 year end; Revenue Maintenance, Winter of Wellbeing, ALN New System, Recruit Recover & Raise Standards, Attendance Support & Community Schools, RISG and LA Education Grant).

2.3. The Local Authority budget for 2022/23 made allowance for a pay award for school staff up to a threshold of a 3%, with any award agreed above this level to be funded from school balances. This accounts for £1.2m of the overall £4.6m forecast draw upon school balances this year.

2.4. The movement of individual schools forecast to be in deficit at the end of the year is shown below:

Start of year	Month 4	Month 6	Month 9
Total: 1	Total: 7	Total: 8	Total: 9
Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive
	Ysgol Y Fenni	Ysgol Y Fenni	Ysgol Y Fenni
	Archbishop Rowan Williams (CIW)		
	Cross Ash	Cross Ash	
	Kymin View		
	Llandogo	Llandogo	Llandogo
	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service
		Deri View	Deri View
		Rogiet	
		Thornwell	Thornwell
			Llantillio Pertholey
			The Dell
			Overmonnow

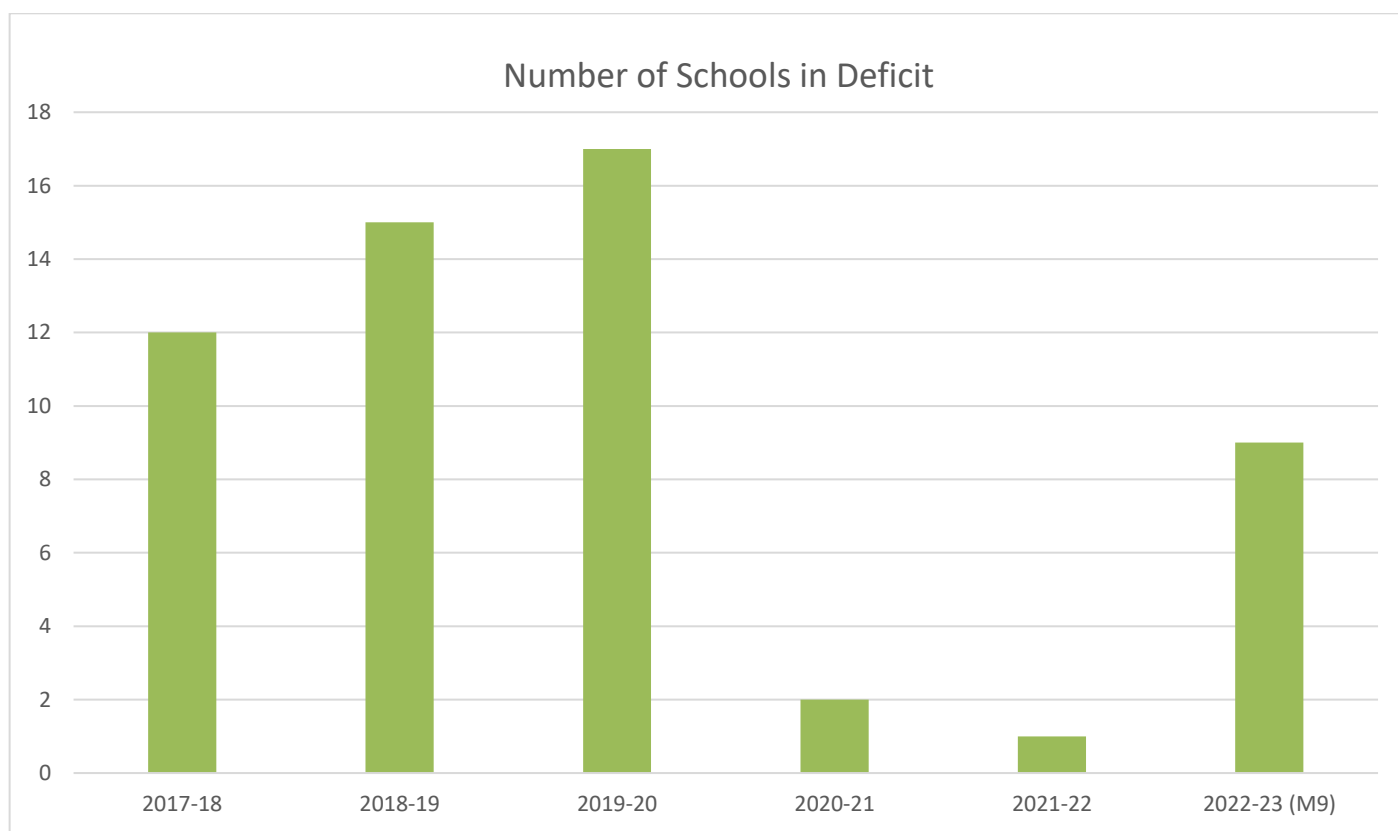
2.5. There isn't a consistent picture of schools' balances. There has been a fluctuating trend for some time with some schools showing a continuing reduction in schools balances, which is of concern, and others a more stable trend. However, as previously advised, grants awarded to schools at 2020/21 and 2021/22 year-ends have resulted in a large increase in overall school balances. Schools have developed grant investment plans in line with the terms and conditions of these grants which informed their 2022/23 budgets.

2.6. The projected return of nine schools into deficit balance by the end of the year is disappointing and points to inherent structural budget deficits remaining in some cases, or a lack of planning for budgetary risks in the current economic environment. Finance officers will continue to work closely with those schools of concern and look to aid the return to a more sustainable budget plan over the medium term.

- 2.7. All schools that do register a deficit balance at the end of a financial year are required to bring forward budget 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 both Children and Young People and Resources on a termly basis.

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	(6,956)
2022-23 (Forecast)	(2,304)

- 2.8. The increase in school balances during 2020/21 and 2021/22 resulted in a reduction in the number of schools in deficit, as illustrated in the following table. Unfortunately, the current projection is a return of nine schools into deficit balance by the end of the year:-



3. CAPITAL OUTTURN

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

Select Portfolio	Slippage B/F	Original Budget	Budget Adjustments	Provisional Slippage	Revised Budget 2022/23	Forecast Month 9	Variance to Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Capitalisation Directive	0	2,650	0	0	2,650	3,410	760
Development Schemes Over £250k	13,873	330	3,151	(4,089)	13,266	13,610	344
Development Schemes Under £250k	605	2,360	853	(2,213)	1,605	1,424	(181)
Schools & Education	637	13,681	1,666	0	15,984	15,984	0
Infrastructure	1,357	5,593	30	(262)	6,717	6,785	67
ICT Schemes	552	882	0	(307)	1,127	1,128	1
Property Maintenance	2,686	2,190	0	(245)	4,632	4,304	(328)
Renovation Grants	912	900	0	0	1,812	1,373	(439)
Section 106	1,147	0	0	(733)	414	414	0
Specific Grant Funded	3,679	1,000	8,342	(1,072)	11,949	11,650	(299)
Vehicle Leasing	0	1,500	0	0	1,500	1,758	258
Total Expenditure	25,448	31,086	14,042	(8,920)	61,656	61,839	183
Financing							
Supported Borrowing	0	(2,431)	0	0	(2,431)	(2,431)	0
General Capital Grant	0	(3,593)	0	0	(3,593)	(3,593)	0
Grants and Contributions	(5,494)	0	(21,713)	1,788	(25,419)	(25,684)	(265)
S106 Contributions	(1,854)	0	0	702	(1,152)	(1,152)	0
Unsupported Borrowing	(14,590)	(19,967)	7,671	5,980	(20,906)	(19,658)	1,248
Earmarked Reserve & Revenue Funding	(192)	0	0	13	(179)	(179)	0
Capital Receipts	(3,318)	(3,596)	0	437	(6,477)	(7,385)	(908)
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	(258)
Total Financing	(25,448)	(31,086)	(14,042)	8,920	(61,656)	(61,839)	(183)

3.2 The capital expenditure forecast outturn at month 9 is demonstrating a net over spend £183k, due to the following variances identified:

Scheme Category	Scheme	Over / (Under) spend £000's	Comment
Capitalisation directive	Capitalisation directive	760	Identification of further revenue costs, over and above the £2.65m already budgeted, that can be categorised as enabling service transformation,

Scheme Category	Scheme	Over / (Under) spend £000's	Comment
			and that can be legitimately funded from capital receipts under regulations.
Development Schemes Over £250k	Crick Road Care Home	151	Additional costs in fitting-out equipment required for resident's privacy. An additional bid has been submitted to ABuHB for additional RIF funding to offset the overspend.
Development Schemes Over £250k	Property Acquisition for Children and Young People with Complex Needs	114	Additional refurbishment costs over and above original cost projection. A bid has been made to the Regional Integration Fund and we are waiting for a decision to offset the forecasted overspend.
Development Schemes Over £250k	Abergavenny borough theatre refurbishment	390	Increase over and above original construction cost projection due to unforeseen lighting costs and over-run charges from contractor. If funding cannot be found within programme, the service will borrow as per Cabinet report.
Infrastructure	Tintern Wireworks Bridge	148	The refurbishment of the Tintern Wireworks Bridge at Tintern in conjunction with Gloucestershire County Council is currently forecast to overspend by £148k, due to the complexity of restoring this listed structure and the increased cost of materials.
Specific Grant Funded	Siltbuster	76	The Siltbuster project is forecast to be £76k overspent due to increased costs. This will be funded from additional borrowing which will be funded by the Highways revenue budget.
Leasing	Leasing	258	Vehicle requirements are above the budget set and will be financed via leasing or borrowing dependent upon the options appraisal towards year end.
Development Schemes Over £250k	Usk County Hall J Block Major Refurb	(759)	The scheme of works originally planned has changed following evolving accommodation needs in a post pandemic era.
Disabled Facilities grants	Disabled Facilities grants	(439)	An under spend due to a delay in works over the pandemic period that means the overall budget available is more than can be reasonably carried out given capacity. The increase in referrals since Month 6 has reduced the projected under spend, including a £96k vat adjustment.
Specific Grant Funded	Grant –Match Funding Support Allocation	(300)	A lower than expected requirement to match fund grant bids.
Infrastructure	Penyrhiw Sewage Treatment Works	(100)	Scheme not proceeding in current form.
Development Schemes Under £250k	Access for All	(61)	Under spend - current projections are showing a spend of £200k on access schemes for this year.
Maintenance Schemes - General	School Refurbishment Grant	(55)	Funding to be earmarked for upgrade of Capita One system in 2023/24.

3.2 Capital Slippage of £8.920m is forecast at month 9, as numerous schemes have advised of delays within their project timescales. Previous years trends indicate that slippage will be much higher than this at year-end, especially against a £61.6m overall budget.

- £2.2m for the Asset investment fund as this has been put on hold awaiting a new strategic direction of investments by the Cabinet.
- £2m for Housing homeless provision due to the complex lead time of acquiring properties.
- £1.062m for Match Funding of externally financed Grant schemes which is dependent upon grant availability and timescales
- £670k Trellech Primary Nursery Childcare Scheme delay to start of scheme.
- £640k Archbishop Rowan Williams Primary School Nursery, delay to start of scheme.
- £478k Welsh Medium Seedling Nursery, delay to start of scheme.
- £213k Shire Hall / Museum move as awaiting grant approvals from third parties.
- £188k Wye Bridge Chepstow works - Delay in site works
- £170k SRS Data Hall migration due to delays involving commercial providers
- £124k ICT Desktop replacement budget, delay due to implementation of replacement programme
- £74k Wye Bridge Monmouth works - Delay to final repair works
- £58k Caerwent House Major Repairs - delay in legal process
- £50k Chepstow Leisure Centre – Delay to upgrade to Fitness equipment and Centre alterations.
- £13k Provision of online facilities Revenue's section - Delay in development works
- £10k for Castle Dell Play Area in Chepstow upgrade

Section 106 Schemes

- £366k for Abergavenny Velo Park awaiting planning consent for project delivery
- £102k for Kingswood Gate - Williams Field Lane - Active Travel Path delay to scheme
- £80k for Goytre Playing Field Recreational & Play Facilities upgrade delays around SUDs planning
- £30k for Clydach Ironworks Enhancement Scheme delays in procurement and land transfer
- £28k for Little Mill Trail due to land ownership delays.
- £25k for the Abergavenny Skate Park as delay in appointment of contractors
- £26k for Chippenham Mead Play Area delay to appointment of contractor
- £25k for Children's Voices in Play project has been delayed due to third party issues.
- £20k for Llantilio Pertholey Primary School Pedestrian Access due to contractor delays
- £15k for Off Road Cycling Feasibility Study delayed by planning issues
- £14k for Wyesham Highways Road Safety Improvements due to contractor delays
- £3k for Sudbrook Play Park Equipment due to contractor delays

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.

Month 9 update	2022/23	2023/24	2024/25	2025/26	2026/27
	£000's	£000's	£000's	£000's	£000's
Balance as at 1st April	8,773	9,891	7,106	6,009	4,511
Capital receipts used for financing	(3,975)	(1,731)	(1,194)	(1,094)	(1,094)
Capital receipts used to support capitalisation direction	(3,410)	(3,008)	(508)	(508)	(508)
Capital receipts for redundancies	0	(1,000)	0	0	0
Capital receipts received	7,072	0	0	0	0

Capital receipts forecast	1,430	2,954	604	104	104
Forecast Balance as at 31st March	9,891	7,106	6,009	4,511	3,014