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## Section 1 - Overall Revenue Position

Table 1: Council Fund 2023/24 Forecast Outturn Summary Statement at Month 9

| Service Area                                      | Original Budget 2023/24 | Budget Adjustments | Revised Annual Budget | Forecast Outturn | Forecast (Under) / Overspend @ Month 9 | Forecast (Under) / Overspend @ Month 6 | Variance Month 6 to Month 9 |
|---|-------------------------|--------------------|-----------------------|------------------|--|--|-----------------------------|
|   | '000's                  | '000's             | '000's                | '000's           | '000's                                 | '000's                                 | '000's                      |
| Social Care, Health & Safeguarding                | 63,735                  | 360                | 64,094                | 67,726           | 3,631                                  | 3,190                                  | 441                         |
| Children & Young People                           | 62,420                  | 63                 | 62,482                | 62,894           | 411                                    | 340                                    | 71                          |
| Communities & Place                               | 26,427                  | (956)              | 25,470                | 26,471           | 1,001                                  | 896                                    | 104                         |
| MonLife   | 8,188                   | 165                | 8,353                 | 8,361            | 8                                      | 8                                      | 0                           |
| Chief Executives Unit                             | 3,068                   | 113                | 3,181                 | 3,135            | (46)                                   | (45)                                   | (1)                         |
| Law & Governance                                  | 2,656                   | 11                 | 2,667                 | 2,818            | 151                                    | 115                                    | 36                          |
| Resources   | 7,017                   | 1,364              | 8,381                 | 8,237            | (144)                                  | (178)                                  | 34                          |
| Corporate Costs & Levies                          | 29,344                  | 1,173              | 30,517                | 27,286           | (3,231)                                | (2,146)                                | (1,085)                     |
| <b>Net Cost of Services</b>                       | <b>202,854</b>          | <b>2,293</b>       | <b>205,147</b>        | <b>206,927</b>   | <b>1,782</b>                           | <b>2,182</b>                           | <b>(400)</b>                |
| Treasury & Reserves                               | 5,661                   | (2,293)            | 3,367                 | 2,251            | (1,118)                                | (730)                                  | (388)                       |
| <b>Expenditure to be Financed</b>                 | <b>208,514</b>          | <b>0</b>           | <b>208,514</b>        | <b>209,178</b>   | <b>664</b>                             | <b>1,452</b>                           | <b>(788)</b>                |
| Financing   | (208,515)               | 0                  | (208,515)             | (208,865)        | (350)                                  | (430)                                  | 80                          |
| <b>Net General Fund (Surplus) / Deficit</b>       | <b>(0)</b>              | <b>0</b>           | <b>0</b>              | <b>314</b>       | <b>314</b>                             | <b>1,022</b>                           | <b>(708)</b>                |
| Unbudgeted grant assumption for remainder of year |                         |                    |                       |                  | 0                                      | (737)                                  | 737                         |
| <b>Total General Fund (Surplus) / Deficit</b>     |                         |                    |                       |                  | <b>314</b>                             | <b>285</b>                             | <b>29</b>                   |

**Table 2: Council Fund 2023/24 Outturn Detailed Statement**

| Service Area                                  | Original Budget 2023/24 | Budget Adjustments | Revised Annual Budget | Forecast Outturn | Forecast (Under) / Overspend @ Month 9 | Forecast (Under) / Overspend @ Month 6 | Variance Month 6 to Month 9 |
|---|-------------------------|--------------------|-----------------------|------------------|--|--|-----------------------------|
|   | '000's                  | '000's             | '000's                | '000's           | '000's                                 | '000's                                 | '000's                      |
| Adult Services                                | 38,246                  | 120                | 38,366                | 41,469           | 3,104                                  | 3,009                                  | 95                          |
| Children Services                             | 22,209                  | (32)               | 22,177                | 22,777           | 600                                    | 207                                    | 393                         |
| Public Protection                             | 1,790                   | (3)                | 1,787                 | 1,850            | 63                                     | 63                                     | 0                           |
| SCH Support                                   | 1,489                   | 276                | 1,765                 | 1,629            | (136)                                  | (89)                                   | (47)                        |
| <b>Social Care, Health &amp; Safeguarding</b> | <b>63,735</b>           | <b>360</b>         | <b>64,094</b>         | <b>67,726</b>    | <b>3,631</b>                           | <b>3,190</b>                           | <b>441</b>                  |
| Emergency Planning                            | 170                     | (0)                | 170                   | 169              | (1)                                    | (1)                                    | 1                           |
| Individual Schools Budget                     | 50,423                  | 63                 | 50,487                | 50,711           | 224                                    | 176                                    | 49                          |
| Resources                                     | 1,140                   | (1)                | 1,139                 | 730              | (409)                                  | (400)                                  | (8)                         |
| Standards                                     | 10,686                  | 1                  | 10,687                | 11,283           | 596                                    | 566                                    | 30                          |
| <b>Children &amp; Young People</b>            | <b>62,420</b>           | <b>63</b>          | <b>62,482</b>         | <b>62,894</b>    | <b>411</b>                             | <b>340</b>                             | <b>71</b>                   |
| Enterprise, Housing & Community Animation     | 4,564                   | (1,077)            | 3,487                 | 3,863            | 376                                    | 264                                    | 112                         |
| Facilities & Fleet Management                 | 10,805                  | 217                | 11,022                | 11,089           | 67                                     | 190                                    | (123)                       |
| Neighbourhood Services                        | 9,306                   | 69                 | 9,375                 | 10,157           | 782                                    | 667                                    | 115                         |
| Placemaking, Highways & Flood                 | 1,752                   | (165)              | 1,586                 | 1,362            | (225)                                  | (224)                                  | (0)                         |
| <b>Communities &amp; Place</b>                | <b>26,427</b>           | <b>(956)</b>       | <b>25,470</b>         | <b>26,471</b>    | <b>1,001</b>                           | <b>896</b>                             | <b>104</b>                  |
| Communications                                | 203                     | (0)                | 203                   | 181              | (21)                                   | (25)                                   | 4                           |
| Countryside & Culture                         | 1,157                   | 3                  | 1,160                 | 1,077            | (83)                                   | (83)                                   | 0                           |
| Finance & Business Development                | 4,170                   | 237                | 4,407                 | 4,627            | 220                                    | 250                                    | (30)                        |
| Leisure, Youth & Outdoor Adventure            | 2,658                   | (75)               | 2,583                 | 2,475            | (108)                                  | (134)                                  | 26                          |
| <b>MonLife</b>                                | <b>8,188</b>            | <b>165</b>         | <b>8,353</b>          | <b>8,361</b>     | <b>8</b>                               | <b>8</b>                               | <b>0</b>                    |
| Policy, Scrutiny & Customer Service           | 1,236                   | 90                 | 1,326                 | 1,314            | (11)                                   | (11)                                   | 0                           |
| People  | 1,832                   | 23                 | 1,856                 | 1,820            | (35)                                   | (34)                                   | (1)                         |
| <b>Chief Executives</b>                       | <b>3,068</b>            | <b>113</b>         | <b>3,181</b>          | <b>3,135</b>     | <b>(46)</b>                            | <b>(45)</b>                            | <b>(1)</b>                  |
| Democratic Services                           | 1,634                   | 6                  | 1,640                 | 1,777            | 137                                    | 137                                    | 0                           |
| Legal and Land Charges                        | 1,022                   | 5                  | 1,028                 | 1,042            | 14                                     | (21)                                   | 35                          |
| <b>Law &amp; Governance</b>                   | <b>2,656</b>            | <b>11</b>          | <b>2,667</b>          | <b>2,818</b>     | <b>151</b>                             | <b>115</b>                             | <b>36</b>                   |
| Commercial, Corporate & landlord Services     | 1,597                   | 72                 | 1,669                 | 1,754            | 85                                     | 67                                     | 18                          |
| Corporate Health & Safety                     | 77                      | 11                 | 89                    | 83               | (6)                                    | 0                                      | (6)                         |
| Finance                                       | 2,505                   | 1,157              | 3,663                 | 3,463            | (200)                                  | (242)                                  | 42                          |

|   |                  |                |                  |                  |                |                |                |
|---|------------------|----------------|------------------|------------------|----------------|----------------|----------------|
| Information Communication Technology        | 2,837            | 123            | 2,961            | 2,937            | (23)           | (4)            | (19)           |
| <b>Resources</b>                            | <b>7,017</b>     | <b>1,364</b>   | <b>8,381</b>     | <b>8,237</b>     | <b>(144)</b>   | <b>(178)</b>   | <b>34</b>      |
| Precepts & Levies                           | 24,578           | 0              | 24,578           | 24,578           | 0              | (0)            | 0              |
| Coroner's                                   | 171              | 0              | 171              | 275              | 104            | 18             | 86             |
| Archives                                    | 213              | 0              | 213              | 213              | 0              | (0)            | 0              |
| Corporate Management                        | 355              | 0              | 355              | 217              | (138)          | (116)          | (22)           |
| Non Distributed Costs (NDC)                 | 757              | 0              | 757              | 375              | (382)          | 0              | (382)          |
| Strategic Initiatives                       | 1,642            | 1,173          | 2,815            | 0                | (2,815)        | (2,040)        | (775)          |
| Insurance                                   | 1,628            | 0              | 1,628            | 1,628            | (0)            | (7)            | 7              |
| <b>Corporate Costs &amp; Levies</b>         | <b>29,344</b>    | <b>1,173</b>   | <b>30,517</b>    | <b>27,286</b>    | <b>(3,231)</b> | <b>(2,146)</b> | <b>(1,085)</b> |
| <b>Net Cost of Services</b>                 | <b>202,854</b>   | <b>2,293</b>   | <b>205,147</b>   | <b>206,927</b>   | <b>1,781</b>   | <b>2,182</b>   | <b>(400)</b>   |
| Interest & Investment Income                | (925)            | 0              | (925)            | (1,501)          | (576)          | (550)          | (26)           |
| Interest Payable & Similar Charges          | 6,953            | 0              | 6,953            | 6,601            | (352)          | (8)            | (344)          |
| Charges Required under Regulation           | 6,800            | 0              | 6,800            | 7,006            | 206            | 223            | (17)           |
| Other Investment Income                     | 0                | 0              | 0                | (42)             | (42)           | (42)           | (0)            |
| Borrowing Cost Recoupment                   | (3,658)          | 0              | (3,658)          | (4,011)          | (353)          | (353)          | 0              |
| Contributions to Reserves                   | 63               | 0              | 63               | 63               | 0              | 0              | 0              |
| Contributions from reserves                 | (3,572)          | (1,109)        | (4,681)          | (4,681)          | (0)            | 0              | (0)            |
| Contribution from Council Fund              | 0                | (1,184)        | (1,184)          | (1,184)          | 0              | 0              | 0              |
| <b>Treasury &amp; Reserves</b>              | <b>5,661</b>     | <b>(2,293)</b> | <b>3,367</b>     | <b>2,251</b>     | <b>(1,118)</b> | <b>(730)</b>   | <b>(388)</b>   |
| <b>Expenditure to be Financed</b>           | <b>208,514</b>   | <b>(0)</b>     | <b>208,514</b>   | <b>209,179</b>   | <b>664</b>     | <b>1,452</b>   | <b>(788)</b>   |
| General Government Grants                   | (91,451)         | 0              | (91,451)         | (91,451)         | 0              | 0              | 0              |
| Non Domestic Rates                          | (31,224)         | 0              | (31,224)         | (31,224)         | 0              | 0              | 0              |
| Council tax                                 | (93,642)         | 0              | (93,642)         | (93,642)         | 0              | (150)          | 150            |
| Council Tax Benefit Support                 | 7,802            | 0              | 7,802            | 7,452            | (350)          | (280)          | (70)           |
| <b>Financing</b>                            | <b>(208,515)</b> | <b>0</b>       | <b>(208,515)</b> | <b>(208,865)</b> | <b>(350)</b>   | <b>(430)</b>   | <b>80</b>      |
| <b>Net General Fund (Surplus) / Deficit</b> | <b>(0)</b>       | <b>(0)</b>     | <b>0</b>         | <b>314</b>       | <b>314</b>     | <b>1,022</b>   | <b>(708)</b>   |

|   |  |  |  |  |     |       |     |
|---|--|--|--|--|-----|-------|-----|
| Unbudgeted grant assumption for remainder of year |  |  |  |  | 0   | (737) | 737 |
| Total General Fund (Surplus) / Deficit            |  |  |  |  | 314 | 285   | 29  |

## **Section 2 - Directorate – Service Variance Comments**

| <b>SOCIAL CARE, HEALTH &amp; SAFEGUARDING</b> | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|---|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b>             | <b>2,830</b>   | <b>3,190</b>   | <b>3,631</b>   | <b>0</b>       |

The Social Care directorate continues to make in-roads into its identified savings targets; however, a number of key areas, particularly within adults' services, remain challenging. The service continues to deal with high demand and complexity of people's needs making the balance between reducing costs and ensuring that people have their basic needs met a challenging one. We are continuing to experience demand led pressures following hospital discharge including new care home placements and care in the community. There is increased oversight across the system to support practice and decision-making regarding the care and support we provide.

Within adults' services effective negotiations with care providers have allowed costs associated with fees and charges to be controlled. However, we have been unable to mitigate entirely the additional cost of care this year which has created a significant pressure.

It is pleasing to note that the work within children's services placement planning is showing good outcomes, and that the overall numbers of children coming into care continues to remain stable with a slight downward trend over the last 3 years. There are a number of key risks within the service which have an impact on cost including the insufficiency of children's placements. Month 9 has seen a further increase in our cost pressure, due to new placements and additional support required for existing provisions. The numbers of Unaccompanied Asylum Seeking Children entering the county has increased significantly which whilst cost neutral in itself puts renewed pressure on placements and on wider resources.

The service is benefitting from a number of Welsh Government grants some of which are known to be short-term and others of which remain uncertain with regards to how long they might be available. Services supported by grants are deeply integrated into the core deliver of the service and contribute heavily to managing demand and supporting the delivery of savings.

| <b>ADULT SERVICES</b>             |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b> | <b>2,618</b>   | <b>3,009</b>   | <b>3,104</b>   | <b>0</b>       |

There is a £3.104m overspend in Adult Services.

Progress against savings mandates remains challenging particularly with regard to the reduction of care at home hours and care home placements. Following an initial review pilot process in the central area, initial savings associated with the reduction of care packages was identified as £80k. The work to reduce and change the care packages with individuals is underway and the review process that was established is now extending out across the service based on the work. To monitor this we are tracking the total

number of people in receipt of care at home against the total number of care hours delivered. It is also positive to note that the numbers of unmet need care at home hours have continued to show overall reductions.

We continue to show a deficit against saving mandates associated with Continuing Health Care. Some recent cases have been successfully pursued with health which has allowed us to generate £171k of savings against a target of £550k.

The main pressures are down to the £1.5M provider fees. At the beginning of the year this was calculated at £2M; however, after extensive fair fee negotiations with provider agencies we were able to reduce this by £0.5M.

A further pressure of £1.25M has arisen through continued increase in care home placements together with an increase in the average cost of care home placements. A gatekeeping panel has been established to provide oversight to all requests for high-cost care packages including residential placements. Residential placements are now used in situations where the cost of care at home would exceed the cost of a residential placement, contributing to the continued rise in residential placements.

The overspend has been assisted by £900K under spends within MDML and Care at Home vacancies, and the £1.1M Social Care Workforce and Sustainability Grant, leading to the true underlying over spend more in the region of £5M, coupled with debt for care charges still running high at £1.802M.

As a region the GWICES pool fund is overspending, of which £179K is attributable to this Authority. External funding has been granted of £500K to fund the regional overspend with £60K being provided to ourselves, leaving at this juncture a net £119K over spend.

Budget recovery measures are being enacted including increasing the oversight of all new packages of care against tightened eligibility criteria.

## CHILDREN SERVICES

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 211     | 207     | 600     | 0       |

Children's services have been able to capitalise on their progression planning activity with individual children, bringing children into placements that are closer to home and more in keeping with their care and support needs and longer-term personal outcomes. This has including supporting some children to return home, or, for older children, into more independent settings. Additional family support services have been put in place to support this endeavour – with the service benefitting from Welsh Government grants to achieve this.

The £600k overspend within children's service is largely due to the increased cost of new placements to meet demand and increase in provision for some existing packages.

The service continues to have an over-reliance on agency staff working in critical areas of the service particularly child-protection. The service is reviewing all agency assignments and accelerating agency exit plans wherever possible to contribute to budget recovery measures. The service is working in accordance with the All Wales pledge in order to control the costs associated with agency-worker fees.

## PUBLIC PROTECTION

| Outturn Forecast        | Month 5 | Month 6 | Month 9 | Outturn |
|-------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'s | 63      | 63      | 63      | 0       |

The deficit results from the staff restructuring saving mandate not being delivered, as a consequence of the Head of Public Protection post being retained. A vacant EHO post has been deleted which partly offsets this budget pressure.

### SCH SUPPORT

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | (62)    | (89)    | (136)   | 0       |

Due to vacancy savings within the directorate finance team.

### CHILDREN & YOUNG PEOPLE DIRECTORATE

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 331     | 340     | 411     | 0       |

### CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 9 position is a forecast over spend of £411k. This overspend is due to ALN Transport (£737k) and a reduction in ALN Recoupment (£451k).

We have been able to offset a large proportion of our overspend by successfully developing our in County ALN provision, which has resulted in a reduction of the number of ALN pupils attending Out of County or Independent placements.

All opportunities to make savings are being reviewed. This includes the cost of ALN Transport and any vacancies that may occur in the Directorate.

The increase in overspend of £71k, from Month 6 to Month 9, is mainly due to an increase in ALN Transport costs (which included an unexpected charge of £34k from Carmarthenshire County Council for Sept '18 - Mar '23), plus an increase in Breakfast Club staff and catering costs. However, we have been able to mitigate these additional costs following a saving on Out of County ALN costs, as we had disputed 2021-22 and 2022-23 ALN charges, as the costs of support had been increased without our knowledge.

### Emergency Planning

| Outturn Forecast        | Month 5 | Month 6 | Month 9 | Outturn |
|-------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'s | (1)     | (1)     | (1)     | 0       |

The division is reporting to budget

### Individual Schools Budget

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 134     | 176     | 224     | 0       |

The overspend is largely due to an increase in transport costs and we are working with the PTU to try and minimise these costs going forward:

- £56k Post-16 Transport
- £20k Bus to Caldicot School
- £12k Llandenny to Usk Transport

A further overspend of £46k has been due to the 2022-23 Pay Award, which has caused the SRS costs to increase for all schools. This pressure was not known at the time of agreeing the Service Level Agreements (SLA's) and so it could not be passed onto the schools, and we have also included the £38.6k Prudential Borrowing Charge and £49k of the ILW costs in our forecast.

## Resources

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | (388)   | (400)   | (409)   | 0       |

The under spend of £408,578 is due to the following:

- £270k – releasing reserve and in year income from the Photovoltaic Recharges cost centre (solar panel income)
- £45k – staff cost savings through vacancies
- £45k – grant offsetting staff costs
- £25k - savings on ICT, as budgeted costs for SIMS Centralisation costs not incurred and Address Cleaning will now take place in 24-25
- £14k – grant offsetting ALN licencing costs
- £10k - releasing remainder of 22-23 accrual for unspent School Essentials grant, as we have now paid this back to WG

## Standards

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 585     | 566     | 596     | 0       |

The overspend of £596,240 is due to the following:

- £737k ALN Transport – forecast revised based on Q1 – Q3 actuals and S and following re-tender where costs have significantly increased.
- £451k reduction in ALN Recoupment – with the recent changes in ALN formula for schools, all out of county recoupment for mainstream schools will be delegated to support pupils.
- £98k Breakfast clubs – increase in catering and staff costs and reduction in income
- £29k - ALN Administration Service – Deri View SRB costs and unable to currently make the employee related savings
- £18k ALN Management – unexpected pension costs, as a member of staff was automatically opted in and has not re-claimed their pension payments, after opting out again. An increase in staff costs and unable to make the employee related savings

Offset by:

- -£458k saving on ALN Out of County – reduction in number of pupils in out of county schools has resulted in a saving
- -£151k saving in independent schools – reduction in the number of pupils requiring places
- -£27k saving in Education Psychology – due to staff savings and additional income received
- -£98k grants used to offset staff costs

| <b>COMMUNITIES &amp; PLACE DIRECTORATE</b> | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|--|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b>          | 959            | 896            | 1,001          | 0              |

### **COMMUNITIES & PLACE DIRECTOR'S COMMENTARY:**

This is a deterioration in the position since Month 6 and the details of these changes are provided within the next sections of this report. Within this period, the noticeable key changes are within Waste Services and Housing. The placements into temporary and emergency accommodation for people presenting as homeless has increased but the notable change has been due to increased damage, repair and utility costs which have been reported across our hostels and leased accommodation. In previous years we have received some additional grant funding which has helped towards these costs, but we are not expecting any further funding in this year. In Waste Services, the recycling market has been very volatile this year and the current downturn in the market has resulted in an increase in reprocessing costs and reduction in recycling income, there have also been inflationary increases over and above what was built into the budget causing further pressures exacerbated with reductions in income and grant funding.

Across all services, all eligible costs continue to be claimed against any funding that is made available. 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**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | 524            | 264            | 376            | 0              |

Enterprise & Community Animation is forecasting a £376k overspend at month 9, this is mainly due to: -

- **Enterprise Mgt** - £48k overspend – our partner contribution towards City Deal has increased over and above available budget by £13k, on top of this senior management costs have exceeded budget due to the inability to make vacancy factor savings and an over spend in subscription and software costs. This is a £4k improvement from M6 due to some staff costs being claimed against grant.
- **Community & Partnership Development** - £33k under spend – savings generated from being able to pay for core staff costs through grant funding.
- **Housing** - £530k overspend, this can be broken down into these main areas: -
  - **Homelessness** – £199k overspend:

Since we last reported at Month 6 placements have increased from 47 to 50 but new costing projections estimate that we will spend £2.047m on B&B accommodation with a further £667k on ancillary spend including security, storage, and damage repairs. The majority of this cost will be offset by Housing Prevention grant of £472k and Housing Benefit of £1.372m but overall we are still left with a £98k shortfall against budget. We have received notice from WG that they will be providing some additional grant funding to help with housing costs, when we factor this in it turns the overspend into a £139k underspend.

There is a further overspend relating to B&B placements in our benefits service due to the funding subsidy gap between what we pay in Housing benefit and what we can claim back



from the DWP, currently this is forecast to be £338k over available budget. When you add this against the underspend in Housing the overall authority overspend related to Homelessness is £199k.

- **Shared Housing & Private Leasing** - £272k overspend – this is an increase of £87k since Month 6 and is mainly due to damage repair and increased utility costs across our hostels and leased accommodation. In previous years some of these costs were funded by additional HPG grant but we are currently not expecting any more grant this financial year.
- **Strategic Services** – £45k overspend – Service is now forecast to over spend due to the costs incurred in relation to the Gypsy & Romany Traveller surveys, the full extent of this was not known in September and is the reason for adverse variance from Month 6.
- **Business Growth & Enterprise** – £169k under spend – no change from Month 6 - this is as a result of managed staff savings due to the funding of core staff costs in Economic development (£135k) by grant as per M5 budget recovery plan and vacancy savings in the Strategic Operations Team due to the delay in the restructure that has only just been agreed (£33k).
- **Procurement** – On Budget.

### Facilities & Fleet Management

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 220     | 190     | 66      | 0       |

Facilities, Fleet & De-carbonisation are forecasting a £66k overspend, due to-

- **Schools Catering** – Break-even – At Month 6 we reported that we were awaiting a decision from WG regarding the updated UFSM rate – this has now been agreed at £3.20 and will be payable from the 1<sup>st</sup> January 2024. This has helped reduce the potential in-year over spend to £96k but in addition to the fee uplift WG have also reported that they will be releasing a further £3.3m of grant funding in 23-24 to counter any additional set-up costs within councils and we are assuming that our share of this grant will be enough to cover this shortfall.
- **Passenger Transport** – £82k under spend – This is an improvement from the break-even position reported at Month 6. We are continuing to see a budget pressure within the service mainly in external commissioning where contract prices remain over and above available budget and in our internal operations where high staff sickness has meant an increase in overtime cover. These pressures have been covered by improved private hire income and bus operator support grant provided by WG. An element of the bus support grant we have received this year relates to a windfall sum owing from our previous year BES submission, WG hadn't finalised the reconciliation until this year, so we were unaware of any further funding owing and is the main reason for the improvement from M6.
- **Regional Transport Team** - £37k under spend – staff under spend as we have been able to use capitalisation directive to fund core service cost.
- **Car Salary Sacrifice Scheme** – £31k over spend – £18k adverse swing from M6, the number of members in the scheme has reduced in recent years to a point where the actual savings being made have fallen below budgeted levels.
- **Fleet maintenance** - £270k over spend – No change from M6 - fuel and parts inflation coupled with supply chain issues that are driving up external repair costs are still the main cause of the over spend. In addition hire costs for replacement vehicles have resulted in a pressure in our hire vehicle budget. The unit is still on target to meet the £185k budget recovery measures built in as

part of the authority recovery plan. Officers will continue to review our fleet requirements to mitigate spend where possible.

- **Building Cleaning & Public Conveniences** - £88k under spend – mainly down to part year staff vacancy savings, improved income, and the managed reduction in non-essential spend.
- **Solar Farm & Sustainability** - £88k under spend – due to improved income mainly from our PV installations caused by the increased market rates for energy. This is a £11k improvement from M6 and is due to maintenance costs being included in the M6 forecast that can be funded by reserve.

**De-Carbonisation Team** - £61k overspend – savings in staff costs have increased to £190k as a result of 4 vacancies within the team which will now not be recruited in the current financial year due to the vacancy freeze and difficulties attracting suitable candidates. We have also received grant funding of £26k which will help offset core costs. These underspends have been offset by the inability to achieve the full corporate energy target by £177k and the total mileage saving of £100k so even though the position has improved by £29k since M6 we still have a budget pressure to manage.

### Neighbourhood Services

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 500     | 667     | 782     | 0       |

Neighbourhood Services are forecasting to over spend by £782k, this is due to:

**Streetlighting** – £50k under spend – No change from Month 6 due to an under spend in maintenance as we have been able to fund qualifying works from our capital budget as per the M5 budget recovery plan.

- **Highways Operations & SWTRA** – £50k under spend – No change from Month 6 - £50k under spend as a result of the rationalisation of our sweeping function to reduce costs as agreed in the authority's budget recovery plan. The work undertaken for SWTRA (South Wales Trunk Road Agency) is currently on target to come in within budget.
- **Waste Services** - £882k overspend – The 23-24 budget was based on an assumption that there would be a net zero cost to the processing of our recyclates. The recycling market has been very volatile this year and the current downturn in the market has resulted in an increase in reprocessing costs and reduction in recycling income, this has meant a net increase of £650k against our zero cost assumption. There have been inflationary increases over and above what was built into the budget causing further pressures exacerbated with reductions in income and grant funding.
- **Grounds Maintenance** – Break-even.

### Placemaking, Highways & Flood

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | (286)   | (224)   | (225)   | 0       |

Placemaking, Highways & Flood is forecasting to under spend by £225k, this is as a result of -

- **Planning & Building Control** – £128k overspend – this is a £46k adverse swing from month 6 and is down to a further deterioration in income in both building control and planning due to the downturn in the economy meaning applications are reducing.
- **Planning Policy & LDP** – Reporting a balanced budget.
- **Car Parks & Civil Parking Enforcement** - £9k overspend – income has improved significantly from M6 due to a combination of more PCNs issued and MCC not offering free weekend parking during December, resulting in a £25k positive swing reducing the overspend significantly. If additional PCN

income is secured for the remainder of the year, it is likely the car parks and civil enforcement service will be on budget.

- **Highways management & flooding** - £362k under spend – Projections are still indicating that fee income across the department will exceed budgets mainly in road closure, inspection, and SABs fees. In addition, there has been an increase in staffing under spend as the part year staff vacancy savings reported at M6 have now grown as most of the posts will not be filled as part of the recruitment freeze to aid with M5 budget recovery.

| <b>MONLIFE DIRECTORATE</b>        | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | 344            | 8              | 8              | 0              |

The Directorate is forecasting an over spend of £8k at Month 9. Inflationary rises, market instability and a post-covid environment continue to impact upon the cost of delivering key services. The primary areas of pressure being the Borough Theatre, Attractions, Markets, and the Contact Centre. The Borough Theatre has only reopened this year and is still recovering from the covid pandemic. This year's adverse weather has been detrimental to income delivery at our attractions, our Markets have not returned to pre covid levels and the contact centre remains under pressure due to increased demand and software updates.

#### **(Monlife) Countryside & Culture**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | 0              | (83)           | (83)           |                |

Countryside and Culture are predicted to under spend by £83k due to higher than anticipated grant income.

#### **(MonLife) Communications**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | 5              | (25)           | (21)           | 0              |

Central communications are predicted to under spend by £21k due to the secondment of Central Communications Manager.

#### **(Monlife) Finance & Business Development**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | 339            | 250            | 220            | 0              |

Finance and Business Development are predicted to over spend by £220k, the primary areas of significant pressure are:

Borough Theatre which is predicted to over spend by £180k due to lower than anticipated income levels, the section is still recovering, and full growth is not expected for another 12months. Service improvement relates to utilisation of grants to fund core staff as agreed in the budget recovery plan.

Attractions which are predicted to over spend by £80k due to lower-than-expected income. Visitor numbers to all our attractions have been significantly impacted by the adverse weather conditions, the section will look to reduce further costs and look at any opportunities for further income generation, this is limited as the service approaches season closure.

Contact Centre and hubs which are predicted to over spend by £90k due to higher than anticipated staffing levels to cover long term sick, delays in implementing restructure which impacted forecast savings, failure to meet employee related savings along with inflation on existing essential contracts.

Markets are forecast to over spend by £17k an improvement on earlier forecast due to staff vacancies and improvement in income.

Learning is forecast to over spend by £14k due to lower than anticipated income and the sections inability to achieve staff vacancy savings.

These pressures are off set, by £40k under spend on museums which includes a one off call on reserves of £30k as per the budget recovery plan, £60k reduction in service management which aligns with delay in non-essential spend and £60k saving in community education due to the freezing of the lead tutor post as agreed in the budget recovery plan.

### (Monlife) Leisure, Youth & Outdoor Adventure

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 0       | (134)   | (108)   | 0       |

Leisure, Youth & Outdoor Adventure are predicted to under spend by £108k, with the over spend in outdoor adventure and youth being mitigated by higher than anticipated income at our Leisure Centre and higher than budgeted grant in sports development.

This remains an area of concern and requires close monitoring due to the significant income targets and the effect of the cost-of-living crisis on disposable income and future memberships.

| CHIEF EXECUTIVE'S UNIT DIRECTORATE | Month 5 | Month 6 | Month 9 | Outturn |
|------------------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s         | (52)    | (45)    | (46)    | 0       |

### HEAD OF POLICY, PERFORMANCE AND SCRUTINY COMMENTARY:

Chief Executives is forecasting to under spend by £46k. There are continued pressures in a number of areas, including the volume of Welsh translations and increases in non-pay costs driven by higher inflation. These have been managed by holding a number of posts vacant across teams. This has been possible because of the additional work carried out by other colleagues.

### Policy, Scrutiny & Customer Experience

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | (11)    | (11)    | (11)    | 0       |

Policy, Scrutiny & Customer Experience is forecasting to under spend by £11k, the outturn position is made up of a number of under and overspends across the division with the main variances being :-

- **Corporate** - £45k over spend – Same as M6 - Mainly staffing over spend due the full cost of CEO's PA which only had budget for a part time post, increase in a senior officer's banding after a realignment of responsibilities at Strategic Leadership Team which has no budget and the inability to meet vacancy factor savings.
- **Equalities & Welsh Language** – £19k under spend – No change from M6 - £69k under spend in staffing due to the delay in filling the Equalities officer post, this has been mostly offset by a £49k over spend in Welsh language costs due to the volume of external translation expected this year.

- **Levies, Subscriptions & Donations** - £20k over spend – membership subscriptions to external bodies such as the WLGA and LGA have increased over and above available budget.
- **Scrutiny** - £8k over spend – staffing costs are exceeding budget mainly own to inability to make vacancy factor savings.
- **Policy & Partnerships** – £65k under spend – mainly because of staff savings across the section where we have vacant posts within the community safety & CCTV teams and under spends in the GIS team as we have been able to passport core staff costs to capital.

### People (CEO)

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | (41)    | (34)    | (35)    | 0       |

People Services is forecasting to under spend by £35k, the main variances are as follows:

- **Payroll & System support** - £96k over spend – The main reason is the service is currently in the process of changing the recruitment system and have exceeded budget due to the overlap costs of changing from one system to the other, in addition staff costs are above budget due to the employment of 2 temporary staff to provide additional resource whilst the system is embedded and the inability to meet vacancy factor savings.
- **People Management** - £12k under spend – Staff over spends due to honoraria payments and the inability to meet the vacancy factor saving have been offset by an increase in income as SLA recharges have exceeded budget.
- **Occupational Health** – Break-even – £10k change from month 6 – projections are now showing that service demand will equal available budget.
- **Corporate Training** - £124k under spend – Mainly as a result of staff vacancies (3) within the unit, one of which is the Head of Workforce planning & Development has been frozen and has been put forward as a saving proposal for 24-25. Holding this post vacant has generated a sizeable in-year saving used to off-set staffing costs in other teams in the department.
- **Innovation** - £4k Overspend

| LAW & GOVERNANCE DIRECTORATE (PG) | Month 5 | Month 6 | Month 9 | Outturn |
|-----------------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s        | 119     | 115     | 151     | 0       |

**Chief Officer summary:** Law & Governance is forecasting to over spend by £151k, primarily due to an increase in members costs, alongside income shortfalls in Legal and land charges.

Every effort is being made to identify mitigating savings to recover the overall position, with £127k currently identified and forecast as part of the wider budget recovery plan. This includes looking at all uncommitted expenditure, the potential to capitalise system costs, and holding vacant posts open.

### Democratic Services

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 137     | 137     | 137     | 0       |

Democratic Services is forecasting to overspend by £137k, this is due to:

- **Members** - £124k overspend – No change from Month 6 - the cost of elected members has increased over budget this year and is down to a number of factors. The members pay award was agreed at 4.75% for 23-24, this is over the 4.25% built into the budget so has caused a small pressure. The number of co-opted members has increased and the projected cost for these is anticipated to be £28k over previous years. We have seen a higher uptake in members joining the Superannuation scheme than in previous years and this has increased staff oncosts over available budget. There is a vacancy factor saving built into the budget, this will only be partially achieved this year causing a further pressure.
- **Democratic Services** - £13k overspend – No change from Month 6 - mainly due to an increase in the cost of our ModGov support within the committee section offset by improved grant in Electoral Management

### Legal and Land Charges

| Outturn Forecast        | Month 5 | Month 6 | Month 9 | Outturn |
|-------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'s | (22)    | (22)    | 14      | 0       |

Legal and Land charges is forecasting a £14k overspend:

- **Legal** - £3k under spend – staff savings generated by the gap in filling the Head of Governance post and the decision not to fill a post in line with the freeze on recruitment has been offset by additional honoraria payments to staff covering the deputy monitoring role. In addition there is an under recovery of income due to the inability this year to charge core staff costs to capital projects. The honoraria costs were not known in September and is the main reason for the adverse swing from M6.
- **Land Charges** - £17k overspend – Search fees have been impacted by the downturn in the housing market resulting in a budget pressure in income that has increased since M6. This has been part offset by a saving in staffing due to a vacant post and an under spend in supplies & services as we have been able to fund an essential server upgrade via capital funding.

| RESOURCES DIRECTORATE      | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | (196)   | (178)   | (144)   | 0       |

**Chief Officer summary:** At month the Resources directorate is forecasting to under spend by £144k, resulting from the in-year budget recovery savings being incorporated into the forecast.

Efforts continue to ensure that the opportunity to further reduce cost or increase income and savings opportunities are taken to support the overall Council objective of ensuring a balanced budget position is achieved by year-end. To that end the need to cease non-essential spend and in holding vacancies within the protocol established will continue to be maintained throughout the year.

Notwithstanding the in-year budget recovery savings the pressures continue to be within the corporate & commercial landlord budget, which is offset by savings within finance and ICT.

Efforts continue to improve the shortfall in savings and income across Landlord Services, in relation to property rationalisation savings, continued improvement in commercial investment performance and wider income generation across the portfolio and in particular county farms, industrial units and cemeteries.

| <b>Finance</b>                    |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b> | (243)          | (242)          | (200)          | 0              |

Finance is forecasting to under spend by £200k, this is mainly due to -

- **Revenues** - £9k overspend – due to :-
  - **Benefits & Council Tax** - £45k overspend – due to a £16k residual budget pressure from the Finance restructure, reduced summons income in Council Tax and a bad debt provision top-up of £23k. This has been partially offset by one off administration grant income for Welsh Government Retail Relief scheme. This is a £37k adverse swing from M6 and is largely due to the inclusion of the bad debt provision and a reduction in summons income which was not known in September.
  - **Debtors & Charity relief** – £36k under spend – due to one off burden funding for administering the Energy schemes on behalf of UK Govt, savings from a part year vacancy and a managed under spend in supplies and services.
- **Finance** - £158k under spend – Staff savings due to vacancies as the section is awaiting a restructure.
- **Audit** – £15k under spend – this is a £6k improvement from M6 and is due to staff savings as recruitment has been frozen in line with the budget recovery plan.
- **Systems & Exchequer** – £36k under spend – there is a net under spend within the section due to a staff vacancy in Cashiers that has not been filled in line with the current recruitment freeze and a reduction in software costs as system development has been paused to help in-year budget recovery. In addition we have seen an uplift in income from school recharges, Ukraine funding and capitalisation. The under spend has increased from M6 as a vacant post in banking took longer than expected to recruit.

| <b>Future Monmouthshire</b>       |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b> | 0              | 0              | 0              | 0              |

Future Monmouthshire is forecasting to return a balanced budget.

| <b>Corporate Health &amp; Safety</b> |                |                |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
| <b>Outturn Forecast</b>              | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>    | 0              | 0              | (6)            | 0              |

Corporate Health & Safety is forecasting a £6k under spend for 23-24, this is down to a managed saving within Supplies & Services.

| <b>Information, Communication &amp; Technology</b> |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| <b>Outturn Forecast</b>                            | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>                  | (4)            | (4)            | (23)           | 0              |

- **ICT** - £23k under spend, this is due to :-
  - **Digital Programme Office** - £14k under spend - mainly due to savings in materials and

equipment purchases.

- **SRS Contribution** - £17k over spend - The latest forecast from SRS is that our contribution required for the 23-24 financial year will exceed available budget by £17k. This is due to 2 main factors - an increase in licence costs and a shortfall in SLA income.
- **Digital Design & Innovation** - £23k under spend - mainly due to staff vacancy savings due to the budget manager leaving the authority at the start of Jan and 2 further staff leaving in Feb. This would not have been known in September and is the reason for the variance from M6.
- **Cyber Security Team** - £3k under spend - due to a managed reduction in non-essential spend as per authority budget recovery plan.

### Commercial & Corporate Landlord

| Outturn Forecast           | Month 5 | Month 6 | Month 9 | Outturn |
|----------------------------|---------|---------|---------|---------|
| Deficit / (Surplus) £'000s | 51      | 67      | 85      | 0       |

Commercial & Corporate Landlord services is forecasting to over spend by £85k, due to :-

- **Investment Properties** - £143k over spend, due to –
  - **Newport Leisure Park** - £47k over spend – NLP is expected to generate a £290k surplus after loan repayments, however this falls short of the £337k budget target for 23-24. The £47K shortfall relates to unbudgeted rates on vacant units and rent-free periods for new tenants reducing turnover in 23-24. In 24-25 we will see these unexpected expenses reduce and income increase as the rent-free period ends.
  - **Castlegate Business Park** - £96k over spend – Castlegate is forecasting to over spend by £96k, this relates to the unbudgeted utility costs associated with our vacant units, the section continues to work on improving the vacancy rate which will help reduce this over spend by year end.
- **Landlord Services** - £66k over spend – The budget includes a £215k saving from the rationalisation of our property portfolio – currently we are only estimating to find £50k this financial year. This over spend has been part offset by improved rental income, a salary saving due to the freezing of a vacant post and a one-off grant to cover the Ukrainian welcome centre.
- **Shared Accommodation** - £2k under spend – this is a £19k adverse swing from what was reported at M6. Staff savings are still achievable due to a vacant cleaner post, but premises costs have increased, and income is now not expected to achieve earlier projections by £8k.
- **County Farms** - £17k under spend – Lettings have improved, resulting in increased rental income but we still have some vacant properties that are yet to be filled and is the reason for the £15k adverse swing from M6.
- **Industrial Units** - £37k under spend – Rental income has increased above budget due to a number of new lettings.
- **Cemeteries** - £58k under spend. Burial income is projected to come in higher than budget.
- **Property Services** - £10k under spend – same as Month 6 - under spend as a result of a vacant



post in office services that will now not be filled in line with the M5 recruitment freeze.

| <b>CORPORATE COSTS &amp; LEVIES DIRECTORATE</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|--|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b>  | (2,139)        | (2,146)        | (3,231)        | 0              |
| <b>Precepts &amp; Levies</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | 0              | 0              | 0              | 0              |
| No variance forecast at month 6.   |                |                |                |                |
| <b>Coroners Services</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | 18             | 18             | 104            | 0              |
| Coroner's Service are forecasting an over spend due to the urgent restructuring of the service as required by the Chief Coroner of England and Wales.  |                |                |                |                |
| <b>Corporate Management</b>  |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | (116)          | (116)          | (138)          | 0              |
| Increased income due to favourable rateable value adjustments on Council owned properties.   |                |                |                |                |
| <b>Non-Distributed Costs</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | 0              | 0              | (382)          | 0              |
| Forecast saving against budget for pension strain costs due to costs of reorganisation being met from capitalisation direction.  |                |                |                |                |
| <b>Strategic Initiatives</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | (2,040)        | (2,040)        | (2,815)        | 0              |
| Unallocated reserve funded budgets that are mitigating the overall over spend within the Authority.  |                |                |                |                |
| <b>Insurance</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | 0              | (7)            | 0              | 0              |
| The Council has been out to tender for its insurance cover which resulted in premiums payable for 2023/24 being slightly less than anticipated at this stage in the year and reflective of a very competitive insurance market. Additional premiums arise during the year if further assets are acquired by the authority and require insurance cover. |                |                |                |                |

| <b>TREASURY &amp; RESERVES</b>   | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|--|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b>  | (251)          | (730)          | (1,118)        | 0              |
| <b>Interest &amp; Investment Income</b>  |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | (111)          | (550)          | (576)          | 0              |
| <p>The performance of investments in money market funds and DMO deposits continue to improve with raising interest rates. Since Month 6 there have been further improvement in rates and larger invested balances have significantly improved the position.</p> <p>The net costs of investments and borrowing has been reduced by arranging short term borrowing in advance. In a rising interest rate environment interest available on investments can be higher than borrowing rates by the time the forward starting loans commence.</p>             |                |                |                |                |
| <b>Interest Payable &amp; Similar Charges</b>  |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | 12             | (8)            | (352)          | 0              |
| <p>The interest payable position has improved due to lower-than-expected temporary loan requirements combined with forward starting loans locking into beneficial rates. Interest rates have reduced from their peak lowering the costs of borrowing even further.</p> <p>It should be noted that the authority has been able to achieve lower short-term borrowing rates by arranging forward starting loans in a rising interest rate environment. As we have reached a peak interest rate there is no longer a benefit in forward starting loans.</p> |                |                |                |                |
| <b>Charges Required Under Regulation</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | 124            | 223            | 206            | 0              |
| <p>This budget covers the statutory amount the Council is obliged to set aside to fund future loan repayments (Minimum revenue provision – MRP) and the forecast is slightly higher than the £6.7m budget due to higher spend than anticipated in the 2022/23 capital programme that was funded from borrowing (MRP costs start the year after the corresponding expenditure). Additional charges have been made for vehicles disposed/written off. This movement is matched by and under spend in Borrowing Cost Recoupment.</p>                        |                |                |                |                |
| <b>Other Investment Income</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | (24)           | (42)           | (42)           | 0              |
| <p>Unexpected income related to discharge of SRS business capital advance and interest relating to the late payment on the balance of Hilston Park disposal.</p>   |                |                |                |                |
| <b>Borrowing Cost Recoupment</b>   |                |                |                |                |
| <b>Outturn Forecast</b>  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
| <b>Deficit / (Surplus) £'000s</b>  | (252)          | (353)          | (353)          | 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 2022/23 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. No change since M6

| <b>FINANCING</b>                  | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | (460)          | (430)          | (350)          | 0              |

### **Council Tax Benefit Support**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | (260)          | (280)          | (350)          | 0              |

Case load for the scheme appears to be stabilising at around 5,530 cases. As a result an under spend is expected against this budget.

### **Council Tax**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | (200)          | (150)          | 0              | 0              |

Generally the tax base remains strong. We continue to see the base grow as new properties come into the council tax list. However at the same time we are also seeing an increase in the number of discounts and exemptions awarded which has both a negative impact on the tax base and on the forecast outturn position. We are also seeing a slowing down in collection rates as households struggle with the cost of living crisis. Combined, this has eroded any anticipated surplus this year and it is possible that by year end income collected fails to meet the budget set for the year.

### **General Government Grants**

| <b>Outturn Forecast</b>           | <b>Month 5</b> | <b>Month 6</b> | <b>Month 9</b> | <b>Outturn</b> |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Deficit / (Surplus) £'000s</b> | 0              | 0              | 0              | 0              |

Income received to budget.

## 2. Section 3 – 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 forecast Schools' balances position based on month 9 projections for each Educational Cluster.
- 2.2. The LA and Governing Body have not formally agreed a 2023-24 budget for Chepstow Comprehensive. This will be agreed at the Governing Body Meeting in October.

| Council Fund<br>Outturn 2023/24 –<br>School Balances<br>Summary outturn<br>position | (A)<br>Opening<br>Reserves<br>(Surplus) /<br>Deficit<br>Position<br>2023/24 | (B)<br>Draw /<br>(Contribution)<br>from / (to)<br>School<br>Balances<br>@ Month 5 | (C)<br>Draw /<br>(Contribution)<br>from / (to)<br>School<br>Balances<br>@ Month 6 | (D)<br>Draw /<br>(Contribution)<br>from / (to)<br>School<br>Balances<br>@ Month 9 | (E)<br>Draw/<br>(Contribution)<br>to Reserves at<br>Outturn | (A+D)<br>Forecast<br>2023/24<br>Reserves |
|---|---|---|---|---|---|--|
|   | £000's  | £'000   | £'000   | £'000   | £'000   | £'000                                    |
| <b>Cluster</b>  |   |   |   |   |   |  |
| Abergavenny   | (1,598)   | 1,059   | 1,119   | 1,776   | 0   | 177                                      |
| Caldicot  | (1,151)   | 915   | 991   | 1,559   | 0   | 408                                      |
| Chepstow  | (112)   | 180   | 159   | 383   | 0   | 271                                      |
| Monmouth  | (1,425)   | 1,032   | 1,016   | 1,317   | 0   | (108)                                    |
| Special   | 29  | 478   | 478   | 572   | 0   | 602                                      |
| <b>Total</b>  | <b>(4,257)</b>  | <b>3,663</b>  | <b>3,763</b>  | <b>5,607</b>  | <b>0</b>  | <b>1,350</b>                             |

- 2.3. Collective School Balances at the beginning of the Financial Year amounted to £4,257,124 surplus. At Month 5, the forecast anticipated draw on reserves was £3,663,351, against a budgeted draw on reserves of £3,344,722, resulting in a forecast surplus balance of £593,885 at year-end. At month 6, the forecast draw on reserves increased by a further £123,714, resulting in a forecast surplus balance

of £494,159 at year end. At month 9, there is a further forecasted draw on reserves of £1,844,040, resulting in a forecast deficit balance of £1,349,880 at year end.

2.4. Grants awarded to schools at 2020/21 and 2021/22 year-ends resulted in a large increase in overall school balances and schools developed grant investment plans in line with the terms and conditions of these grants, hence the large draw on reserves during 2022/23 and 2023/24.

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

| Start of year                                  | Month 5                   | Month 6  | Month 9  | End of year     |
|--|---------------------------|--|--|-----------------|
| <b>Total: 5</b>                                | <b>Total: 11</b>          | <b>Total: 15</b>                               | <b>Total: 16</b>                               | <b>Total: 0</b> |
| Chepstow Comprehensive                         | Chepstow Comprehensive    | Chepstow Comprehensive                         | Chepstow Comprehensive                         |                 |
| Llandogo                                       | Llandogo                  | Llandogo                                       | Llandogo                                       |                 |
| Pupil Referral Service                         | Pupil Referral Service    | Pupil Referral Service                         | Pupil Referral Service                         |                 |
| The Dell                                       | The Dell                  | The Dell                                       | The Dell                                       |                 |
| Our Lady & St Michael's RC Primary School (VA) |                           | Our Lady & St Michael's RC Primary School (VA) | Our Lady & St Michael's RC Primary School (VA) |                 |
|  | Deri View                 | Deri View                                      | Deri View                                      |                 |
|  | Ysgol y Fenni             | Ysgol y Fenni                                  | Ysgol y Fenni                                  |                 |
|  | Caldicot School           | Caldicot School                                | Caldicot School                                |                 |
|  | Archbishop Rowan Williams | Archbishop Rowan Williams                      | Archbishop Rowan Williams                      |                 |
|  | Ysgol Y Ffin              | Ysgol Y Ffin                                   | Ysgol Y Ffin                                   |                 |
|  | Osbaston                  | Osbaston                                       | Osbaston                                       |                 |
|  | Overmonnow                | Overmonnow                                     | Overmonnow                                     |                 |
|  |                           | Gilwern  | Gilwern  |                 |
|  |                           | Rogiet   | Rogiet   |                 |
|  |                           | Thornwell                                      | Thornwell                                      |                 |
|  |                           |  | King Henry V111 3-19 School                    |                 |

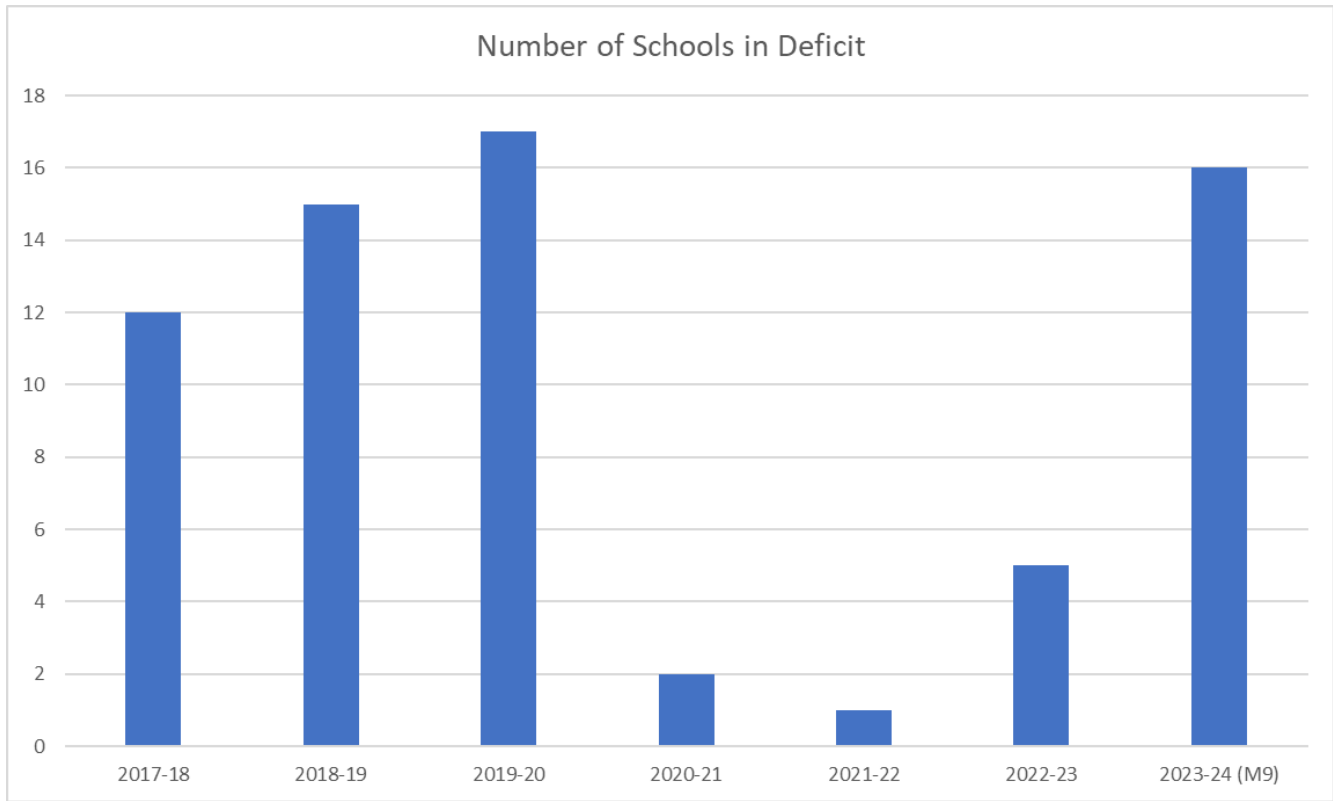
2.6. There is a significant movement in cumulative School balances forecast for the year, moving from a surplus of £4.25m to a forecast deficit of £1.35m at year-end. Sixteen schools are currently forecast to be in deficit by year-end.

2.7. 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.

- 2.8. Grants awarded to schools at 2020/21 and 2021/22 year-ends to manage the impact of the pandemic on education resulted in a large increase in overall school balances, which has somewhat masked inherent structural budget deficits across some schools.
- 2.9. The legacy impact of the pandemic continues within the school environment, particularly in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased overall costs of provision. Higher than budgeted pay awards have also impacted upon budgets.
- 2.10. Finance teams will continue to support schools to closely monitor and manage expenditure through to the financial year-end in order to mitigate the impact on closing balances.
- 2.11. 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.

| <b>Financial Year-end</b> | <b>Net level of School Balances<br/>(Surplus) / Deficit in £000's</b> |
|---------------------------|---|
| 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                   | (4,257)   |
| 2023-24 (forecast)        | 1,350   |

- 2.12. 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 sixteen schools into deficit balance by the end of the year:



### 3. Section 4 – Capital budget update

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

| Select Portfolio                | Slippage B/F | Original Budget | Budget Adjustments | Provisional Slippage | Revised Budget 2023/24 | Forecast Outturn | Variance to Budget |
|---------------------------------|--------------|-----------------|--------------------|----------------------|------------------------|------------------|--------------------|
|                                 | £000's       | £000's          | £000's             | £000's               | £000's                 | £000's           | £000's             |
| <b>Expenditure</b>              |              |                 |                    |                      |                        |                  |                    |
| Capitalisation Directive        | 0            | 3,008           | 0                  | 0                    | 3,008                  | 4,008            | 1,000              |
| Development Schemes Over £250k  | 12,042       | 603             | 1,027              | (5,518)              | 8,155                  | 5,769            | (2,386)            |
| Development Schemes Under £250k | 2,527        | 360             | (10)               | (1,846)              | 1,031                  | 1,031            | 0                  |
| Schools & Education             | 6,265        | 29,375          | (63)               | 0                    | 35,576                 | 35,576           | 0                  |
| Infrastructure                  | 2,455        | 6,823           | 0                  | (3,227)              | 6,050                  | 6,050            | 0                  |
| ICT Schemes                     | 866          | 413             | 0                  | (312)                | 966                    | 736              | (230)              |
| Property Maintenance            | 2,027        | 2,190           | 122                | (86)                 | 4,254                  | 4,254            | 0                  |

|                                     |                 |                 |                 |                 |                 |                 |                |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| Renovation Grants                   | 0               | 900             | 158             | 0               | 1,058           | 1,058           | 0              |
| Section 106                         | 828             | 0               | 0               | (732)           | 96              | 96              | 0              |
| Specific Grant Funded               | 6,089           | 500             | 10,728          | (172)           | 17,145          | 15,272          | (1,873)        |
| <b>Total Expenditure</b>            | <b>33,098</b>   | <b>44,171</b>   | <b>11,964</b>   | <b>(11,893)</b> | <b>77,339</b>   | <b>73,850</b>   | <b>(3,489)</b> |
| <b>Financing</b>                    |                 |                 |                 |                 |                 |                 |                |
| Supported Borrowing                 | 0               | (2,430)         | 0               | 0               | (2,430)         | (2,430)         | 0              |
| General Capital Grant               | 0               | (2,495)         | 0               | 0               | (2,495)         | (2,495)         | (0)            |
| Grants and Contributions            | (8,446)         | (19,061)        | (11,704)        | 1,789           | (37,422)        | (35,948)        | 1,474          |
| S106 Contributions                  | (917)           | 0               | 0               | 732             | (185)           | (185)           | (0)            |
| Unsupported Borrowing               | (20,864)        | (15,787)        | (70)            | 8,334           | (28,386)        | (25,601)        | 2,785          |
| Earmarked Reserve & Revenue Funding | (305)           | (103)           | 0               | 13              | (395)           | (395)           | 0              |
| Capital Receipts                    | (2,565)         | (4,295)         | (191)           | 1,025           | (6,026)         | (6,796)         | (770)          |
| <b>Total Financing</b>              | <b>(33,098)</b> | <b>(44,171)</b> | <b>(11,964)</b> | <b>11,893</b>   | <b>(77,339)</b> | <b>(73,850)</b> | <b>3,489</b>   |

3.2 The capital expenditure at outturn demonstrating a net underspend £3.489m due to the following variances identified:

| Scheme                                  | Budget<br>£000's | Over /<br>(Under)<br>spend<br>£000's | Comment   |
|---|------------------|--------------------------------------|---|
| Asset Investment Fund                   | 2,200            | (2,200)                              | Underspend due to Investment window expiring at end 2022/23 so no further investments proposed. This does not realise a usable budget for the Council as the budget was financed from borrowing that was to be met from service income. |
| Active Travel Schemes                   | 7,560            | (1,474)                              | Under spend due to delays in planning and the time restraints of the development window in Abergavenny. This does not realise a usable budget for the Council as the budget is grant funded.  |
| Capitalisation directive                | 3,007            | 1,000                                | A call on a further £1m headroom that was built into the revenue budget to fund the cost of redundancy and associated pension costs upon reorganisation.  |
| Grant –Match Funding Support Allocation | 1,262            | (400)                                | Underspend as no further match funded schemes currently in approved pipeline for 2023/24.   |
| Safer Route to Schools Investment       | 185              | (185)                                | Underspend as schemes have not been able to be developed in line with approved levels of funding.   |
| ICT Desktop replacement budget          | 394              | (230)                                | Laptops replacements have been lower than forecast in this financial year.  |



### 3.3 Capital Slippage

3.4 Capital slippage forecast at Month 9 is £11.893m. The principal schemes reporting slippage are:

| Scheme Category      | Scheme Name   | Slippage £000's | Comment   |
|----------------------|---|-----------------|---|
| Infrastructure       | Wye Bridge Monmouth   | 2,170           | Scheme delayed to 2024/25 because there are environmental constraints due to Licences / permits and working with NRW. Costs currently estimated to remain as budgeted.  |
| Economic Development | Capital Region City Deal  | 1,948           | Re-profiling of contributions required by the Cardiff Capital Region board  |
| Children's Services  | Property Acquisition for Children and Young People with Complex Needs | 1,875           | Delays to the acquisition of suitable properties identified   |
| Housing              | Housing Provision Borrowing Headroom                                  | 1,653           | Delayed due to lead times on acquisition of suitable properties   |
| Schools & Education  | Archbishop Rowan Williams Nursery                                     | 640             | In addition to this funding there is further S106 funding to improve / expand classrooms. The project is delayed so both projects can be completed at the same time to minimise the disruption to the school.         |
| Schools & Education  | Trellech Primary Nursery Childcare Scheme                             | 620             | Completion of Nursery scheme to be completed in 2024, additional funding has been requested from WG as the construction costs have increased and until confirmation has been received the project is unable to start. |
| Infrastructure       | Reconstruction of Bridges and walls                                   | 480             | Re-surfacing works delayed on Wye Bridge project. No compliant bids were received in the first tender process so have to go back out to tender and this will take us into the 2024/25 financial year.                 |
| Schools & Education  | Welsh Medium School and Nursery                                       | 435             | Project start has been delayed to Summer Term   |
| Infrastructure       | Wye Bridge Chepstow   | 375             | Scheme delayed to 2024/25 – Investigatory works are being completed (traffic data etc), which have been commissioned to support the remedial decisions before the employment of a contractor.                         |
| Infrastructure       | Ash Dieback/Dangerous Trees works                                     | 203             | This 3 year scheme will be completed in 2024-25 as affected woodland is identified  |
| IT Schemes           | Network Estate replacement budget                                     | 150             | Awaiting infrastructure implementation programme from our Network Provider  |

|                      |   |     |  |
|----------------------|---|-----|--|
| IT Schemes           | SRS Data Hall Migration                 | 149 | Decommissioning costs will now arise in 24/25 as advised by our Network provider   |
| Economic Development | Shire Hall/Monmouth Museum Move         | 148 | This is a multi-year project that involves considerable planning and logistical complexities   |
| Adult Services       | Mardy Park Minor Works - ABUHB          | 94  | Awaiting authorisation in regard to progressing the scheme with a partner organisation   |
| Maintenance Schemes  | Property Maintenance                    | 86  | Required for essential schemes delayed by contractor engagement  |
| Economic Development | Grant –Match Funding Support Allocation | 77  | Progress dependent upon identifying suitable grant streams, so reliant upon third parties.   |
| Economic Development | Fixed Asset disposal costs              | 45  | Reflects slight delay in progressing some asset disposals  |
| IT Schemes           | Revenue Systems update                  | 13  | Delay in updating system as exact requirements have not yet been identified that enables an integrated solution  |
| S106                 | S106 Schemes                            | 732 | Delays in planning / public consultations and contractor engagement, have led to delays on schemes at Abergavenny Velo Park; Off Road Cycling Feasibility Study; Goytre Recreational Play Facilities; Abergavenny Skate Park; Overmonnow Primary, Clydach Ironworks, Monmouth Allotments, Chippenham Mead Play Area, Rockfield Community Nature Spaces, Little Mill active travel and a small play scheme in Chepstow. |

### 3.5 Useable Capital Receipts Available

3.6 The table below outlines the latest forecast of capital receipts balances available to meet future capital commitments. Whilst overall balances remain healthy, it should be noted that all banked capital receipts have been committed to funding the indicative forward capital programme. Therefore any further use will be dependent upon forecast capital receipts being realised.

| <b>Month 9 Capital receipts forecast</b>                  | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> |
|---|----------------|----------------|----------------|----------------|----------------|
|   | <b>£000's</b>  | <b>£000's</b>  | <b>£000's</b>  | <b>£000's</b>  | <b>£000's</b>  |
| Balance as at 1st April                                   | 12,446         | 8,785          | 7,004          | 6,700          | 5,835          |
| Capital receipts used for financing                       | (2,788)        | (1,815)        | (460)          | (460)          | (460)          |
| Capital receipts used to support capitalisation direction | (3,008)        | (3,358)        | (508)          | (508)          | (508)          |
| Capital receipts for Redundancies                         | (1,000)        |                |                |                |                |
| Capital receipts Received                                 | 1,043          |                |                |                |                |
| Capital receipts Forecast                                 | 2,092          | 3,393          | 663            | 103            | 103            |
| <b>Forecast Balance as at 31st March</b>                  | <b>8,785</b>   | <b>7,004</b>   | <b>6,700</b>   | <b>5,835</b>   | <b>4,970</b>   |