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Tuesday, 13 October 2020

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held as a **Remote Meeting** on **Wednesday, 21st October, 2020**, at **2.00 pm**.

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To consider the following reports (Copies attached):
4. **FUTURE OF THE GARDEN WASTE COLLECTION SERVICE** 1 - 44

Division/Wards Affected: All

Purpose: The recycling and waste service provision across the County must continually evolve to meet challenging statutory targets, volatile markets and increasing costs. This report sets out measures that will be necessary to achieve national statutory recycling targets, minimise budget pressures and provide sustainable garden waste services going forward. Following the review commissioned by Cabinet on 20/12/19, this report has full findings of the review for consideration, including changing frequency of collection and change of container for garden waste.

Author: Dewi Lane, Senior Collections Officer, Neighbourhood services (Recycling and Waste)

Contact Details: dewilane@monmouthshire.gov.uk

5. **MEDIUM TERM FINANCIAL PLAN AND BUDGET PROCESS 2021/22 to 2024/25** 45 - 56

Division/Wards Affected: All

Purpose: To highlight the context within which the Medium Term Financial Plan (MTFP) will be developed for 2021/22 to 2024/25

To agree the assumptions to be used to update the MTFP, and provide an early indication of the level of budget savings to be found.

To agree the process and timetable for developing the MTFP and specific budget for 2021/22.

Author: Peter Davies – Chief Officer for Resources

Contact Details: peterdavies@monmouthshire.gov.uk

6. **REVENUE AND CAPITAL MONITORING 2020/21 FORECAST OUTTURN STATEMENT – Month 5**

57 - 96

Division/Wards Affected: All

Purpose: To provide Members with a forecast of the revenue and capital outturn position for the current financial year. The forecast remains heavily caveated given current uncertainty from Welsh Government on compensating payments to recognise the financial impact of COVID-19 on the Council.

Author: Peter Davies, Chief Officer for Resources

Contact Details: peterdavies@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Partnership and External Working	Ward
P.A. Fox (Leader)	<p>Whole Authority Strategy & Direction Lead Officer – Chief Executive</p> <p>CCR Joint Cabinet & Regional Development; Organisation overview; Regional working; Government relations; Public Service Board lead; WLGA lead</p>	<p>WLGA Council WLGA Coordinating Board Public Service Board</p>	Portskewett
R.J.W. Greenland (Deputy Leader)	<p>Enterprise and Land Use Planning Lead Officer – Frances O’Brien Support Officers – Mark Hand, Cath Fallon</p> <p>Local Development Plan; Strategic Development Plan; Economic Resilience and Growth; Town Centre Investment and Stewardship; Development Management and Building Control; Housing Delivery</p>	<p>WLGA Council Capital Region Tourism</p>	Devauden
P. Jordan	<p>Governance and Law Lead Officers – Matthew Gatehouse, Matthew Phillips, Ian Saunders</p> <p>Council & Executive decision making; Constitution review and implementation of change; Law, Ethics & Standards; Audit and Regulatory WAO Relations Support for Elected Members Democracy promotion & citizen engagement Whole Authority Performance; Whole Authority Service Planning & Evaluation Community Hubs and Contact Centre Community Learning Tourist Information / Museums / Theatre / Attractions</p>		Cantref
R. John	<p>Children & Young People and MonLife Lead Officers – Will McLean, Ian Saunders Support Officers – Nikki Wellington, Sharon Randall-Smith, Richard Simpkins</p> <p>Early Years Education</p>	<p>Joint Education Group (EAS) WJEC</p>	Mitchel Troy

	<p>All Age Statutory Education Additional Learning Needs; School Inclusion Post 16 entitlement / offer</p> <p>School standards and Improvement; Education Achievement Service Commissioning Coleg Gwent and University liaison. Leisure / Sport Outdoor education / Duke of Edinburgh Active Travel Countryside / Biodiversity</p>		
P. Jones	<p>Social Care, Safeguarding & Health Lead Officer – Julie Boothroyd Support Officers – Eve Parkinson, Jane Rodgers</p> <p>Children’s Services Fostering & Adoption; Youth Offending Service; Adults Services Whole Authority Safeguarding (children & adults); Disabilities; Mental Health; Health liaison.</p>		Raglan
P. Murphy	<p>Whole Authority Resources Lead Officer – Peter Davies, Frances O’Brien Support Officers – Deb Hill-Howells, Sian Hayward, Tracey Harry, Mark Howcroft</p> <p>Finance; Information technology (SRS); Digital Programme Office Human Resources; Health & Safety; Emergency Planning; Procurement; Land & Buildings (inc. Estate, Cemeteries, Allotments, Farms); Vehicle Fleet / Passenger Transport Unit Property maintenance; Facilities Management (inc. Building Cleaning and Catering all ages)</p>	Prosiect Gwrydd	Caerwent
J. Pratt	<p>Infrastructure and Neighbourhood Services Lead Officer – Frances O’Brien Support Officers – Roger Hoggins, Carl Touhig, Nigel Leaworthy, Mark Hand, Paul Keeble</p> <p>County Roads / Pavements South Wales Trunk Road Agency</p>	SEWTA Prosiect Gwrydd	Goytre Fawr

	<p>Highways Maintenance, Transport, Traffic & Network Management, Car Parks / Illegal Parking Enforcement Whole Authority De-carbonisation Plastic Free Monmouthshire Waste / Recycling / Cleansing Grounds Maintenance Parks & Open Spaces/ Public Conveniences Flood Prevention / Management / SUDs</p>		
S. Jones	<p>Social Justice & Community Development Lead Officer – Frances O’Brien Support Officers – Cath Fallon, David Jones, Ian Bakewell, Mark Hand</p> <p>Rural Deprivation / Isolation; Digital Deprivation Poverty / Disadvantage Homelessness; Supporting People Community Safety / Equality / Protected Characteristics Public Relations; / Communications / Marketing Trading Standards / Environmental Health; Licensing; Registrars</p>		Llanover

Aims and Values of Monmouthshire County Council

Our purpose

Building Sustainable and Resilient Communities

Objectives we are working towards

- Giving people the best possible start in life
- A thriving and connected county
- Maximise the Potential of the natural and built environment
- Lifelong well-being
- A future focused council

Our Values

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

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SUBJECT: FUTURE OF THE GARDEN WASTE COLLECTION SERVICE

MEETING: CABINET

DATE: 21st OCTOBER

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 The recycling and waste service provision across the County must continually evolve to meet challenging statutory targets, volatile markets and increasing costs. This reports sets out measures that will be necessary to achieve national statutory recycling targets, minimise budget pressures and provide sustainable garden waste services going forward. Following the review commissioned by Cabinet on 20/12/19, this report has full findings of the review for consideration, including changing frequency of collection and change of container for garden waste.

2. RECOMMENDATIONS:

- 2.1 The recommendations for Cabinet are:
- i) To approve the change of frequency of collection of garden waste from weekly to fortnightly.
 - ii) To approve the change of container from an 80 litre garden waste bag to a 240 litre wheeled bin.
 - iii) To approve an annual charge to customers of £35.

3. Key Issues: Delivery of garden waste service

- 3.1 The chargeable garden waste collection service has now been in operation for over 7 years. The service commenced at £8 per permit per annum and is now £18 for a nine month seasonal service. The price increases over the years have reflected a reduction in grant funding from Welsh Government that helped subsidise the scheme and also a better understanding of cost of delivering the service over several years.
- 3.2 The garden waste service is highly regarded by our 11,600 customers and provides a cost effective alternative to taking garden waste to the household waste recycling centres.
- 3.3 Prior to December 2018, garden waste was co-collected and mixed with food waste and sent to for disposal at an in-vessel composting facility. Due to co-collection, the costs were apportioned by an estimated percentage. In 2018 the council secured a long term food waste

treatment contract with a substantially lower gate fee, producing electricity at a Bridgend Anaerobic Digestion plant.

- 3.4 A separate garden waste treatment contract with a local Abergavenny based company was also secured in 2018. This means that both material streams have been collected separately in 2019 for the first time and therefore collection costs can be accurately determined.
- 3.5 This year's garden waste service collection costs have been calculated at circa £660,000 per annum against income generated at £330,000.
Subsidising garden waste collections across Wales is commonplace. For many authorities it is the only way of achieving the recycling targets and as such services are heavily subsidised. For many residents without transport it is the only way of sending garden waste for treatment.
- 3.6 Balancing the potential recycling fines against the cost of providing the service is clearly important as is providing a highly regarded service at an affordable price.
- 3.7 At a time when the Council is facing unprecedented budget pressures, the organisation needs to ensure that services are being delivered most efficiently and effectively, therefore a review of the garden waste service has taken place and an opportunity identified to reduce service delivery cost and greatly reduce or even remove the £330,000 subsidy completely.

3.8 **Options for Consideration**

Four different service model options were initially investigated:

- A) Weekly reusable bags (the current service)
- B) Fortnightly wheeled bins
- C) Fortnightly bags
- D) Weekly wheeled bins

(With options C and D being subsequently discounted on financial and health and safety grounds as set out below).

3.9 **Financial modelling**

Option A – as is - weekly reusable bags

The modelling within Appendix 1 demonstrates that if we were to remove the full level of subsidy for the current weekly reusable bag service, an annual charge of £36.28 per permit would need to be introduced to fully cover collection costs.

Option A: income required to cover cost of service delivery £660,000.

Option B – fortnightly wheeled bin

The modelling demonstrates that the introduction of a fortnightly service using wheeled bins would require an annual charge to the customer of £29.62 per bin to fully cover costs. This is achieved through a reduction in the number of collection vehicles and crew members.

Option B: income required to cover cost of service delivery £500,000.

Option C - fortnightly bags

The modelling demonstrates an annual charge of £28.82 per permit would be required.

Option C: income required to cover cost of service delivery £525,000.

Option D - weekly wheeled bins

The modelling demonstrates an annual charge of £53.63 per bin would be required.

Option D: income required to cover cost of service delivery £650,000.

The modelling above shows that option D is a particularly expensive option for the customer so was discounted at this stage.

3.10 The modelling shows that a move to a fortnightly collection decreases the cost of providing the service (by up to £160,000). This subsequently means that the charge the authority would need to levy to the customer is significantly lower.

3.11 Table 1 below shows the effect on the level of charge levied per bag/bin on the level of subsidy the council would need to continue to provide:

Potential charges invoked and the effect on covering costs

Fortnightly bins

Charge per bin	Income (based on 16850 bins)	Variation on cost of service (£500k)
£20	£337,000	Subsidise by £163,000
£25	£421,250	Subsidise by £78,750
£30	£505,500	£5,500
£35	£589,750	£89,750 (contingency allowance)

Weekly bags

Charge per bag	Income (based on 18193 bags)	Variation on cost of service (£660k)
£18	£327,474	Subsidise by £332,526
£20	£363,860	Subsidise by £296,140
£25	£454,825	Subsidise by £205,175
£30	£545,790	Subsidise by £114,210
£35	£636,755	Subsidise by £23,245
£40	£727,720	£67,720 (contingency allowance)

Table 1: Charge vs subsidy

3.12 The figures quoted above are based on retaining current customer base and sales. However, a fall in sales with any price increase is likely. A fall in sales will pose a financial risk to eliminating the subsidy as a shortfall in income compared to cost of delivery will be apparent. Therefore, for each option, an additional increase in cost needs to be considered in order to cover the shortfall.

3.13 With a fall in sales in mind, the charges the authority would need to impose to cover costs with a 15% decrease in customer numbers have been modelled. This 15% decrease is

based on the reduction in customers the council has seen with price increases over the past seven years.

These charges are shown highlighted in red within appendix 1 and for example would bring the 'Option A' weekly bag charge to just under £43 and the 'Option B' fortnightly bin option charge to £35.

3.14 The modelling demonstrates that the £35 fortnightly wheeled bin option represents significantly better value for money for our customers than the weekly bag option. The comparative cost per 80 litres for all four options has been included within Appendix 2. It shows that the fortnightly wheeled bin service represents best value for money for the customer, with a lower annual charge (£35 vs £43) and a lower price per 80 litres (59p) than the weekly reusable bag service, which as shown, costs nearly twice as much per litre in comparison. (£1.09)

3.15 Graph 1 below shows the effect on the subsidy the council would need to provide based on the price charged for a bin and the decrease in customer sales.

It shows that a wheeled bin service priced at £35 would generate enough income to cover costs at a 15% reduction in sales.

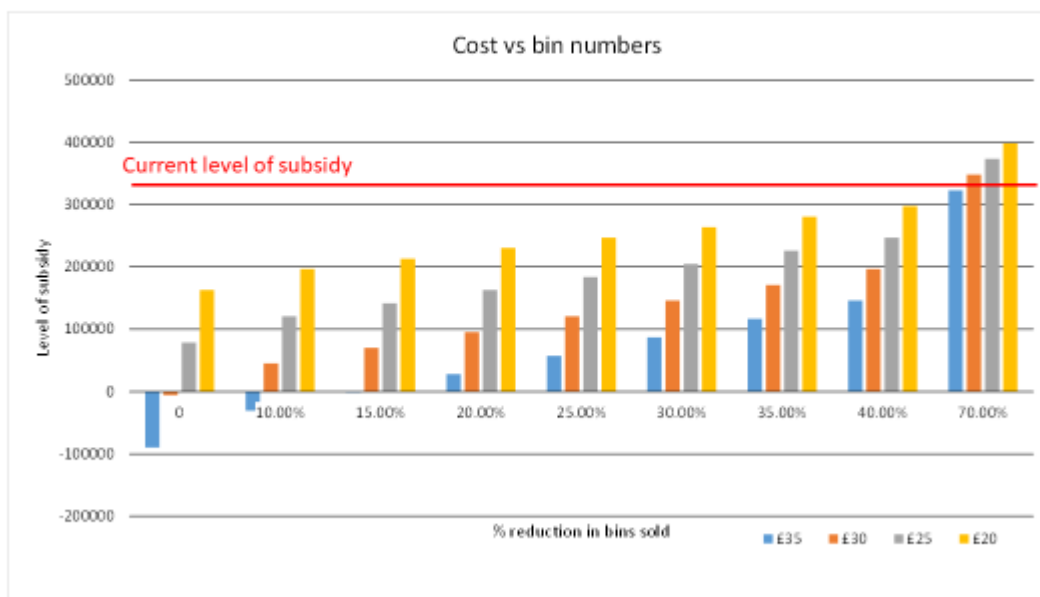
It also demonstrates the effect if the decrease in sales exceeded 15%:

- At 20% reduction, the council would need to subsidise the service by £28,000
- At 25% reduction, the subsidy would be in the region of £57,000
- At 30%, the subsidy would be £87,000

It's not until a 70% reduction is reached that the council would find itself in a similar financial position as it is today with a subsidy required of £323,000.

It should also be noted that if such a significant decrease in sales was seen then the authority wouldn't need the same level of resources to make the collections, so the £500,000 cost of service delivery would decrease therefore reducing the subsidy once more.

Fortnightly wheeled bins – effect of customer 'drop-off'



Graph 1: Effect of sales on level of subsidy required

- 3.16 Most of our neighbouring authorities already recognise that a fortnightly collection in wheeled bins are the most suitable way to collect garden waste.
The proposed £35 charge per year brings us in line with our neighbouring authorities currently charging for garden waste collection; their charges range from £30 to £44. (These charges are included for comparison in appendix 4).

Health and safety

- 3.17 It has been identified that delivering garden waste collections as a stand-alone service with reusable bags (Options A and C) requires very large rounds with increased manual handling for crews, which, could become a potential concern for their health and well-being. Prolonged exposure could bring increased risk of muscular-skeletal injury for our collection crews and we need to mitigate this as far as possible. The manual handling issue would be exacerbated even further with the fortnightly bag 'Option C' as each resident would potentially have twice the amount of bags out for collection each week, it was therefore deemed that Option C was not operationally acceptable and should not be considered further.
- 3.18 Fortnightly collections, using 240 litre wheeled bins (Option B), is best practice and would reduce manual handling for crews therefore reducing risk of injury whilst providing adequate storage for residents.

Public consultation

- 3.19 Consultation with service users in September 2020 (Appendix 5) shows that 54% of respondents stated that they would prefer a fortnightly wheeled bin service.
It also shows that with increased cost, wheeled bins are likely be more financially acceptable over the bagged service as more respondents indicated that they would be prepared to pay more for a wheeled bin service than a bagged service.
Of the 10% of respondents who are not currently a customer, 75% indicated they would prefer a wheeled bin. This may mean we appeal to a new set of customers who have not used the service before.

Environmental

- 3.20 The fortnightly wheeled bin service would mean one less large vehicle on the road and therefore a reduction in emissions and carbon footprint.
The wheeled bins have a lifespan of 10 years. We are currently replacing 12,000 reusable bags every year meaning that 70% only last one year.
Several UK wheeled bin manufacturers exist so they could be procured from within the UK. Currently, only one UK manufacturer of the reusable bags exists and they prices deem them cost prohibitive. The current bags are imported from India and the carbon footprint produced by transporting such goods are significant. A move to a UK manufacturer of wheeled bins would greatly reduce the cost to the environment and prove a more sustainable solution.

Procurement

3.21 New vehicles for the garden waste service need to be procured as soon as possible to replace our current 2012 plate Refuse Collection Vehicles (RCVs) in time for delivery March 2021 therefore a decision is pressing.

4. OPTIONS APPRAISAL - Delivery of garden waste service

4.1 Appendix 2 provides an overview of the four options modelled for the garden waste collection service. Some of the key factors included in Appendix 2 are outlined below:

- **Manual handling issues created by garden waste bags** – The garden bags have always been one of the heaviest waste streams to collect due to the composition of the garden waste, exacerbated once the waste becomes wet. When the garden waste was co-collected with food waste prior to 2018 the manual handling issues were mitigated through reduced exposure to our crews. The collection rounds were arranged so that only around a quarter of properties on each collection round were garden waste customers meaning only food boxes were collected from the majority of households. Following the change of garden waste service to a seasonal standalone service, the collection crew on those vehicles only collect garden waste which could potential contribute to an increase in muscular skeletal issues within our workforce. 2019-20 data shows that muscular-skeletal issues were the highest reason for absence within the waste collection teams. Wheelie bins will alleviate these manual handling issues and will be beneficial for our workforce in the future.
- **Cost** – As outlined above the garden waste service has traditionally been heavily subsidised by the authority but while the garden waste was co-collected with food waste it was difficult to accurately determine the cost of collection of the garden waste. Now the garden waste is collected separately the costs involved with garden waste are much clearer.
To continue the service into 2021 with all subsidy removed the cost per bag (with 15% contingency) would need to be nearly £43, this is a significant increase from the £18 that was charged in 2020.
All of the modelled options for 2021 are a significant increase in cost to the customer but moving to a wheelie bin service would offer our customers the best value for money. As outlined in Appendix 2 due to the increased capacity of a wheelie bin the cost per litre is better value for money than the bag charge.
- **Environmental impact** – The current garden waste service has many issues in terms of its environmental impact; the garden waste bags are replaced very regularly, at the moment 17,000 bags are sold per annum, and of these around 12,000 are replaced each year. That means 70% of bags only last one year.
The average lifespan of a wheelie bin is 10 years, they can be re-used and would become an asset to the authority, if a customer decided not to renew the service, the bin would be collected from them and re-issued to a new customer.
The current service also relies heavily on permits being printed and sent to each customer each year. A wheeled bin service would eliminate the need for permits to be printed as each bin will be fitted with a microchip that will be read by the collection

vehicle at point of collection. The chip reader would inform the crew if the bin should be emptied or not.

The wheeled bins will also be made from at least 90% recycled material and several UK manufacturers exist. This is beneficial from a cost, carbon footprint and future generation's wellbeing basis.

- **Receptacle size**

An identified issue with moving to a wheeled bin service is that some residents may struggle to physically manoeuvre the bin to the kerbside.

We can offer an alternative to these types of customers in the form of the equivalent litreage of reusable bags (3 per fortnight is equivalent to a wheeled bin, 240litres).

Alternatively, if more suitable, we can offer an assisted collection.

These circumstances would be taken on a case-by-case basis and we would work with our residents to find the best solution to meet their needs.

A benefit to a larger storage receptacle would be increased winter storage capacity for the residents who struggle during the winter non-collection months. Residents would be able to fill their bin during the non-collection months and when the service resumed in March it would be collected.

During the Covid-19 outbreak that we have experienced this year we had to suspend the Garden Waste collection service to protect the other key services our residents rely on, if we had wheelie bins in place it may have been easier for our customers. The extra capacity means that they could have continued to fill their bin during lockdown and when services were resumed, the bin would have been emptied with less disruption for our customers.

As a non-statutory service garden waste is going to always be one of the first services to be stopped during an emergency and a wheelie bin could be helpful to our customers moving forward if we do experience additional spikes with the current pandemic or other emergencies in the future.



4.2 Attached as appendix 4 is a comparison of the proposed garden waste service offered by neighbouring authorities.

5. EVALUATION CRITERIA

- 5.1 The criteria used to evaluate the success of these proposals include: a reduced level of subsidy for the garden waste service; customer retention rate; reduction in staff sickness absence resulting from manual handling injuries; lower fuel costs and reduced CO2 emissions from less frequent collections collecting a higher volume of waste

6. REASONS

- 6.1 Long term exposure to lifting the current garden waste bags may lead to muscular skeletal issues and injuries and the transition to a wheelie bin collection service would eradicate the possible problem.
- 6.2 The increased costs associated with reducing the subsidising of the garden waste collection service can be offset by giving our customers a larger capacity for their garden waste. Wheeled bins will be a better value for money service.
- 6.3 Reducing the environmental impact of the garden waste collection service is important for working toward the Council's policy commitment to reduce its carbon emissions and the wellbeing of future generations.

7. RESOURCE IMPLICATIONS

- 7.1 If the authority proceeded with Option B, a fortnightly wheeled bin service, there would be no financial impact on the service. The cost of the wheeled bins would be spread over five years and would be paid for from savings generated from not having to provide permits or bags.
- 7.2 All other savings generated via reduced collection frequency and the unit price increase will need to be re-aligned within the recycling and waste department to offset investment in other service changes such as the roll-out of the polypropylene recycling bags and manage the existing extreme financial budget pressures.
- 7.3 These changes will be made in line with the roll out of polypropylene recycling bags approved by cabinet in 2017 meaning that any operatives affected by the reduction in staffing requirements would be retained by the recycling and waste department and simply move onto an alternative waste collection stream.

8.0 WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):

- 8.1 The changes to the services proposed or to be considered further as a consequence of this report have significant positive contributions to make to the Wellbeing Goals. In particular it has strong benefits for a Prosperous Wales, by supporting the ongoing development of a low carbon economy. There is also potential to contribute to Cohesive Communities, by working collaboratively and in partnership with our communities to reduce the impact that waste has upon our communities. There are no negative impacts on the Well-being Goals.

8.2 The potential that larger wheeled bins could be difficult for older people or those with disabilities to move was identified. An alternative option identified has been highlighted in the body of the report. There are further no significant positive or negative impacts on the protected characteristics, safeguarding or corporate parenting. The principles of Long term, Prevention, Integration, Collaboration and Involvement have been used throughout the development of these proposals (see Appendix 5).

9.0 CONSULTEES:

- Enterprise DMT 2nd Dec 2019
- Strong Communities Select Committee March 21st 2019, 15th October 2019, 28th September 2020
- Cabinet member
- Frontline collection staff
- Members of the public
- Unions

9.1 Strong Communities Select Committee meeting 28th September 2020

Pre-decision scrutiny took place at the Strong Communities Select Committee meeting on the 28th September.

At this meeting, members of the committee, other councillors and members of the public made comment.

Over 30 members of the public submitted either a written comment or a video.

Some were positive around the potential switch to wheeled bins, of these, some came from residents that had used wheeled bins previously in other authorities and were advocating their use and would welcome them in Monmouthshire.

The majority had concerns, the most frequent ones have been listed below:

- Concerns around wheeled bin capacity – too small or too big
- Street scene – appearance of bins and being left out on streets
- Uneven ground/slopes over which to wheel a bin
- Manoeuvrability/height/weight of bins
- Storage issues particularly for terraced housing
- Moving from a weekly to a fortnightly collection – waste ‘hanging’ around
- The capital cost of wheeled bins
- The increase in cost to residents leading to loss of custom and increased fly-tipping

Members of the select committee and other councillors raised some of the same concerns above and some additional ones, particularly around:

- The effect of a price increase
- Storage issues (particularly with terraced housing)
- Cleaning of receptacles
- Health and safety implications
- Uneven ground and long drives

- Street scene

The question was also raised of whether a choice between a bag and a bin could be offered to residents.

Questions/concerns were addressed at the meeting and a follow up document issued to all councillors for further clarification. This has been included as Appendix 6.

As a result of most select committee members not being in favour of moving to a wheeled bin service, more detail on the financial implications of the move to fortnightly wheeled bins has been included within this report and the significant effect it could have on the waste budget position.

Also, more emphasis on the environmental benefits and the health and safety benefits for collection crews has been included along with alternatives we can offer to those residents who cannot physically manoeuvre a bin or have no storage at the front of their property.

10.0 BACKGROUND PAPERS:

Appendix 1 - Garden waste service cost modelling

Appendix 2 - Options appraisal for garden waste service

Appendix 3 – Public consultation results (September 2020)

Appendix 4 - Garden Waste service comparison with neighbouring authorities

Appendix 5 – Equality and Future Generations Evaluation

11.0 AUTHOR:

Dewi Lane, Senior Collections Officer, Neighbourhood services (Recycling and Waste)

12.0 CONTACT DETAILS:

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E-mail: dewilane@monmouthshire.gov.uk

Appendix 1: garden waste cost modelling

Option A

Weekly bags 2021/22

No of permits	No of customers	Fortnightly Litreage	Total bags
1	7099	160	7099
2	3248	320	6496
3	784	480	2352
4	301	640	1204
5	121	800	605
6	44	960	264
7	3	1120	21
8	8	1280	64
9	2	1440	18
10	7	1600	70
	11617		18193

Option B

Fortnightly whee

Equivalent bin allocation
1.0
2.0
2.0
3.0
4.0
4.0
5.0
6.0
6.0
7.0

Annual Costs

Vehicles

Receptacles

Staff

Veh maint and fuel

system costs

Permits

TOTAL

Current
96875
20000
313095.9
200000
5000
25000
659970.9

Annual Costs

Vehicles

Receptacles

Staff

Veh maint and fu

system costs

TOTAL

Required charge to cover costs	£36.28
Required charge with 15% contingency	£42.68

led bins 2021/22

No of customers	Fortnightly Litreage	Total bins
7099	240	7099
3248	480	6496
784	480	1568
301	720	903
121	960	484
44	960	176
3	1200	15
8	1440	48
2	1440	12
7	1680	49
11617		16850

Option C

Fortnightly bags 2021/22

No of permits	No of customers	Fortnightly Litreage	Total bags
1	7099	160	7099
2	3248	320	6496
3	784	480	2352
4	301	640	1204
5	121	800	605
6	44	960	264
7	3	1120	21
8	8	1280	64
9	2	1440	18
10	7	1600	70
	11617		18193

rel

Proposed
74350
64800
249876.7
105000
5000
499026.7

Annual Costs

Vehicles
 Receptacles
 Staff
 Veh maint and fuel
 system costs
 Permits
 TOTAL

Proposed
74375
40000
249876.7
105000
5000
50000
524251.7

£29.62

£34.84

£28.82

£33.90

Option D

Weekly wheeled bins 2021/22

Equivalent bin allocation	No of customers	Fortnightly Litreage	Total bins
1.0	7099	240	7099
1.0	3248	240	3248
1.0	784	240	784
2.0	301	480	602
2.0	121	480	242
2.0	44	480	88
3.0	3	720	9
3.0	8	720	24
3.0	2	720	6
4.0	7	960	28
	11617		12130

Annual Costs	Proposed
Vehicles	96875
Receptacles	35533.33
Staff	313095.9
Veh maint and fuel	200000
system costs	5000
TOTAL	650504.2
	£53.63
	£63.09

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Appendix 2: Options Appraisal Garden Waste Collection Service

	Receptacle	Frequency of collection	Cost per container (with 15% contingency)	Annual capacity (Litres)
Option A	Bags	Weekly	£42.68	3120
Option B	Wheeled bin	Fortnightly	£34.84	4800
Option C	Bags	Fortnightly	£33.90	1600
Option D	Wheeled bin	Weekly	£63.09	9360

Comparative cost per 80 litres	Positives
£1.09	Service is familiar to our residents
£0.58	Manual handling issues are removed
	Permits no longer required due to microchips in bins
	Storage issues reduced
	Best value for money
	Increased capacity from bags
	Bins will not need to be replaced as frequently as bags
£1.70	The cost of this service is cheaper than weekly collection
£0.54	Permits no longer required due to microchips in bins
	Storage issues reduced due to needing fewer bins than bags
	Bins will not need to be replaced as frequently as bags
	Manual handling issues are removed

Negatives

Customer costs will double from the current level

No increase in capacity for the extra cost

Manual handling issues remain leading to increased risk of muscular skeletal issues within our collection team:

Increased cost to customer

Too large for some customers

A significant increase in cost to customer from current

No increase in capacity for the extra cost

Storage issues for double amount of bags

Each customer will need to double the amount of bags

Double the amount of bags replaced each year

Double amount of permits printed each year

Manual handling issues increase further

Collection rounds become very large

Extremely expensive for customer

Capacity will be too much for most customers

Too large for some customers

s

Garden Waste Survey Analysis

Garden Waste Consultation

Monmouthshire County Council has provided a chargeable kerbside garden waste collection for the past seven years and would like to thank all residents who have participated in the service.

Garden waste has always been subsidised by the council in order to keep costs low for residents. This year the service has been subsidised by £330,000. This means that for every permit currently charged at £18 per year, it costs the council just over £36 to provide the service, this leaves an £18 funding gap.

With the current financial climate, it is getting increasingly difficult to continue this level of subsidy. We want to continue providing the service as we recognise how valued it is by our customers. In order to protect it we need to look at alternative options for the provision of garden waste along with understanding how much Monmouthshire residents would be willing to pay to continue to use and protect the service.

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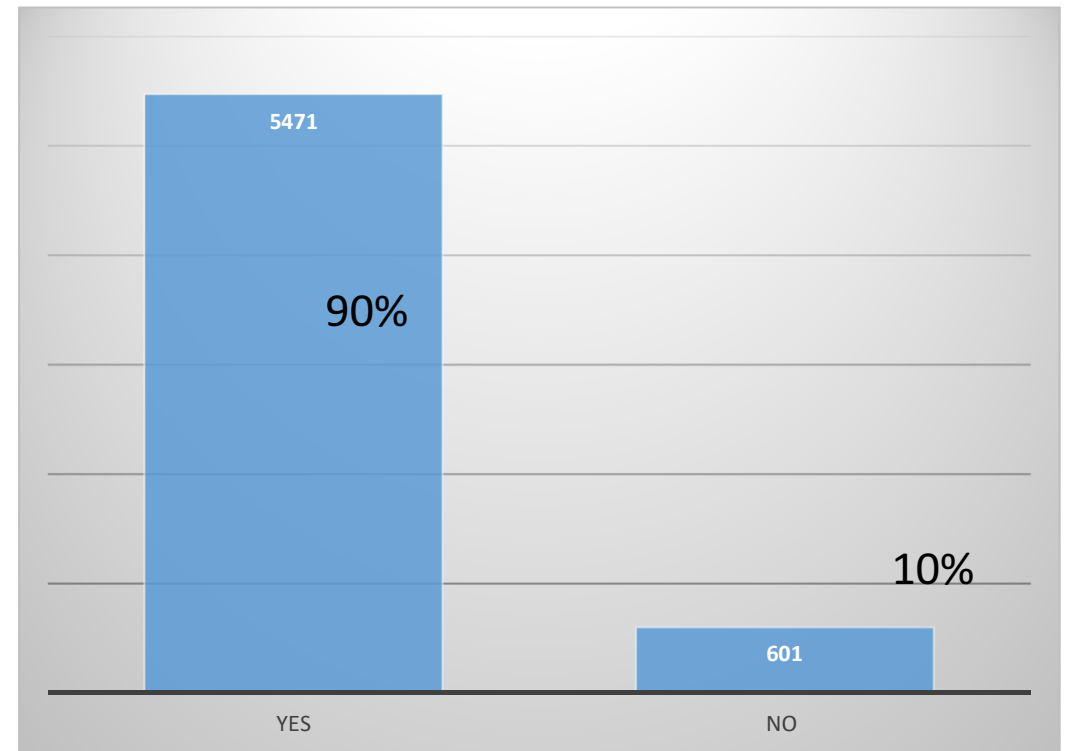
About you

1. Are you currently a Garden Waste customer?

- Yes
 No

Next

Are you a customer?



* Required

Options

2. The current service (weekly using 80 litre reusable bags) based on our existing customer numbers, costs the authority just over £36 per permit to run, with costs set to increase next year.

What is the maximum amount you would pay per permit to continue to use the current service?

*

- Current Charge £18
- £20 - £25
- £25 - £30
- £30 - £35
- £35 - £40
- £40 - £45

3. It has been identified that if the council were to change the way the service is delivered and offer a 240 litre wheeled bin on a fortnightly basis, the costs of service provision would decrease and the 'value for money' for our customers would increase.

A 240 litre wheeled bin holds at least three times the amount as a reusable bag, therefore if a resident were to sign up for one fortnightly bin compared to signing up for one weekly reusable bag, there would be a benefit in volume of 80 litres per fortnight.

A wheeled bin service of this nature (based on our current customer numbers) would cost the council £30 per bin to deliver.

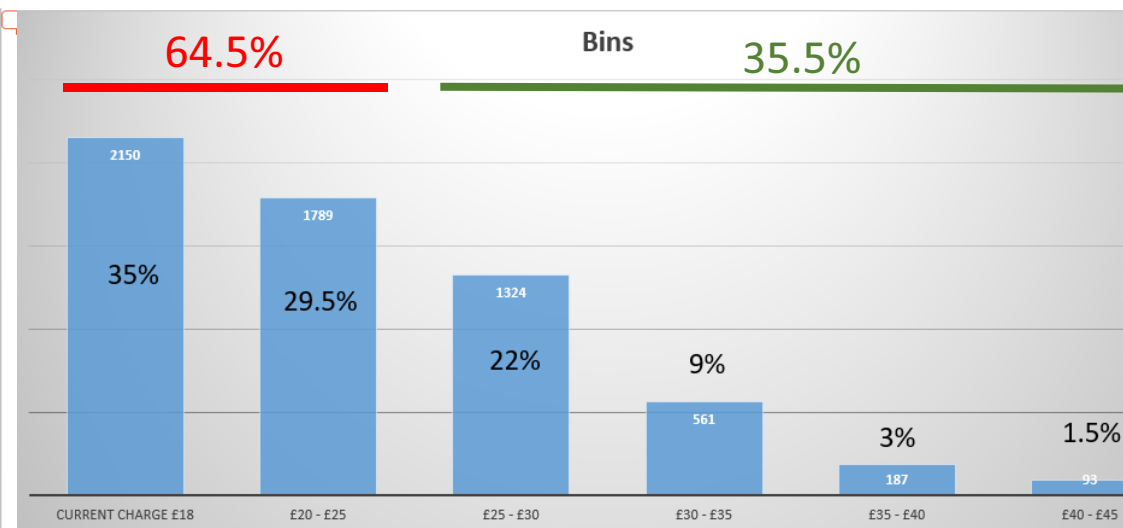
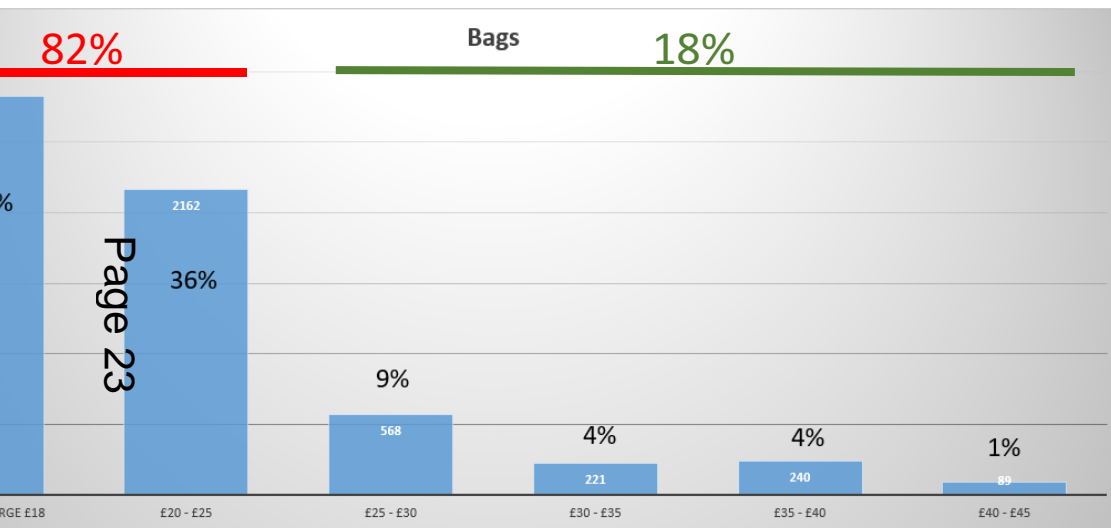
What is the maximum amount you would pay per bin to use the service? *

- Current Charge £18
- £20 - £25
- £25 - £30
- £30 - £35
- £35 - £40
- £40 - £45

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What is the maximum amount you would pay?



Which option would you prefer?

required

Preferred Option

Your Choice

Of the two options outlined above which would you prefer? *

- Weekly re-usable bags
- Fortnightly wheeled bin

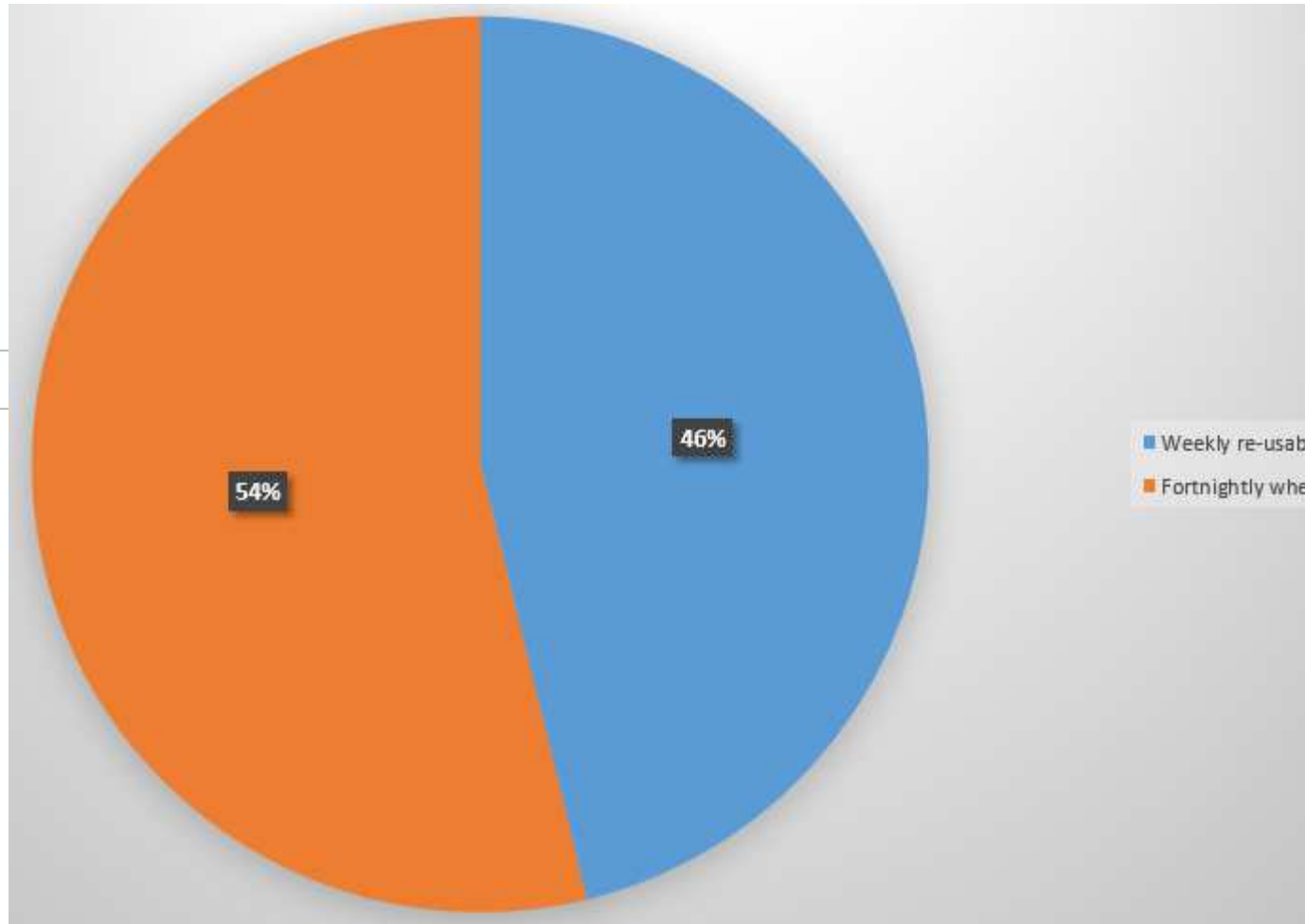
Please give reasons for your answer to question 4

Enter your answer

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Submit



Five reasons for your preference...

Why preference towards bags?	Number
Want weekly collection	892
Lack of storage	553
Easier to use	412
Easier to move/manage	291
Don't want to pay more than £18	254
Steps at property	189
Neater, tidier	81
Capacity	54
Terraced property	53
) Environmental reasons	45
) Affordability	31

Why preference towards bins?	Number
1) Easier to use	865
2) Value for money	689
3) Fortnightly collection	534
4) Neater, tidier, don't blow away	339
5) Easier to move/manage	291
6) Better storage	264
7) Capacity	226
8) Environmental reasons	82
9) Affordability	16

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Price Comparison with neighbouring Authourities

Authourity	Recepticle	Collection Period	Cost
Forest of Dean	240l Wheeled bin	Fortnightly	£39
Hereford	Single use sacks	Weekly	£4
Gloucester	240l Wheeled bin	Fortnightly	£44
Powys	240l Wheeled bin	Fortnightly	£35
Powys	120l Wheeled bin	Fortnightly	£30
Newport	240l Wheeled bin	Fortnightly	£0
Torfaen	240l Wheeled bin	Fortnightly	£0
Monmouthshire Proposed	240l Wheeled bin	Fortnightly	£35

Comments
Discount for residents receiving housing benefit

Special Issues
50x80l White sacks can be purchase instead of a wheelie bin. This has to be applied for, currently less than 100 peop
No alternative, if resident cannot store bin they cannot have service
45l Paper sacks offered to hard to reach properties
Hessian sacks offered as alterative for hard to reach props, assisted collections must place bin as close to highway a

file using that service.

as possible and bin must be visible



<p>Name of the Officer completing the evaluation Dewi Lane</p> <p>Phone no: 01291 691309 E-mail: dewilane@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal – Garden Waste Cabinet report.</p> <p>Moving the garden waste collection service to a wheelie bin receptacle and fortnightly frequency</p>
<p>Name of Service area</p> <p>Neighbourhood Services - Waste</p>	<p>Date</p> <p>12/10/2020</p>

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Q. Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	This proposal does not have any positive impacts on older people with mobility issues.	The introduction of wheelie bins could have an adverse impact on older people in Monmouthshire with mobility issues who rely upon this service.	Any negative impacts caused to older residents with mobility issues arising from the introduction of wheelie bins will be mitigated by the offer of the continued use of the existing assisted collection process. Another mitigation that will be made available is to offer those adversely affected, the continuation of the current brown bag service.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability	The proposal does not have any positive impacts for people with disabilities.	The introduction of wheelie bins could have an adverse impact upon the people of Monmouthshire with disabilities who rely upon this service.	Any negative impacts caused to older residents with disabilities arising from the introduction of wheelie bins can be mitigated by the offer of the continuing use of the existing assisted collection process. Another mitigation that will be made available is to offer those adversely affected the continuation of the current brown bag service.
Gender reassignment	.none	none	
Marriage or civil partnership	none	none	
Pregnancy or maternity	The proposal does not have any positive impacts for pregnant women.	The bags or wheelie bins would potentially be just as awkward and heavy for pregnant women to use.	Any negative impacts caused to pregnant women arising from the introduction of wheelie bins can be mitigated by the offer of the use of the existing assisted collection process.
Race	.none	none	
Religion or Belief	.none	none	
Sex	none	none	
Sexual Orientation	.none	none	
Welsh Language	All promotional material is bi-lingual	none	

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Poverty	The proposed change to the garden waste service has increased value for money compared with current service.	The introduction of a wheelie bin will have an increased cost up from the current £18 that was charged in 19/20. People living in poverty may not be able to afford this service.	The increased cost of the wheelie bins is largely due to the removal of the £300,000 subsidy currently applied to the bags, if this subsidy continues there will be little to no increase to the cost of introducing and wheeled bin. The increased price of a wheeled bin is modelled to fully cover the collection cost of the garden waste service. We can also work with residents who may not be able to afford the service to offer other options, these can include utilizing HWRC's and home composting.



2. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!




Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	Recycling and the circular economy will help create a more prosperous Wales. More jobs, better quality exports, more wealth. The increase in cost for a wheelie bin may lead to a reduction in participation in the garden waste service leading to a lower recycling rate. The introduction of wheelie bins could also lead to an increase in participation, some residents during the consultation have indicated they currently do not use the service but a wheeled bin	This can be mitigated with an advertising campaign promoting the new bins as an asset to the resident, the increased capacity, value for money and winter storage could increase the amount of customers using the service.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	would convince them to use the service due to increased capacity	
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	Recycling is crucial in improving the environmental impact of waste. Reuse contributes to the circular economy and the reuse shops income is used to support climate change program	Providing better services at the kerbside will reduce the need for residents taking waste to sites as single car journeys
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The introduction of wheelie bins will have health benefits for our collection staff, it will improve their manual handling problems and promote health and wellbeing in the workplace.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	High quality waste services are key in reducing the impact of waste on communities	Managing waste as a resource, tackling fly tipping and litter and the environmental crimes that blight communities
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Wales is a leader in recycling. Higher quality recycling that takes account of proximity principles and encourages manufacturing places Wales at the forefront global responsibility. By reducing collections of Garden waste to fortnightly it will reduce the emissions from the collection vehicles and reduce the road risk of the collection vehicles.	Continue to investigate treatment opportunities for recycling in Wales and grow the reuse shops using waste as a resource at a local level
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	none	

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A more equal Wales People can fulfil their potential no matter what their background or circumstances	Recycling services can be used by all residents. Creation of jobs in recycling gives greater life chances to all in securing employment.	The use of assisted collections and the continuation of bags for certain residents will allow all resident who want to use the service to be able to use the service.

3. How has your proposal embedded and prioritised the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>Recycling has been identified as a national priority in Wales. Increasing recycling and reducing the use of raw material is key to one planet living. Reducing access to easy waste disposal and increasing access to easy recycling is a priority.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>We will continue to work with partners across Wales to deliver high quality recycling and promote the circular economy</p>	

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>All residents were given the opportunity to consult on the proposals in this report in 2019. The results of the report are attached in appendix 6.</p>	<p>Residents views on waste changes and full consultation on trials backed up with robust data will continue to shape decisions going forward</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>Recycling waste and increasing reuse has a quantifiable benefit on reducing carbon. Climate change is continuing and the impacts will be felt by the most disadvantaged first.</p>	<p>Improve services at the kerbside and for reprocessing in Wales to reduce waste miles and treat waste in line with the proximity principles.</p>
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>Recycling positively impacts on the environmental, social and economic wellbeing goals.</p>	<p>Improve the quality and quantity of recycling available to Wales and the UK reprocessing markets.</p>

4. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Social Justice, Corporate Parenting and Safeguarding. Are your proposals going to affect any of these responsibilities?

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?

Social Justice	Reuse supports social justice and provides low cost reusable items for all. Recycling creates wealth from waste and access to jobs across a wide range of industries.	<i>none</i>	
Safeguarding	none	.none	
Corporate Parenting	none	none	

5. What evidence and data has informed the development of your proposal?

The evidence for the proposal has been shaped by the consultation with our residents in 2019. We have also used financial and operational modelling to ensure the most efficient service possible. We have also used data of our health and safety record to inform our collection methods moving forward.

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6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

The proposals have been taken to Strong Communities Select on several occasions as part of the equality and future generations evaluation. Recycling positively impacts on social, environmental and economic future of Wales and supports long term sustainability. We understand there is a risk introducing this new service but with effective communication with our residents and customers we can mitigate these issues. We will continue to work with our customers on an individual basis to ensure the service can be accessed by all, we will do this with the use of assisted collections and the extension of the bagged service.

7. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

What are you going to do	When are you going to do it?	Who is responsible
Review success of interventions against increased recycling	Quarterly ongoing	Waste team

8. **VERSION CONTROL:** The Equality and Future Generations Evaluation should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1	Cabinet	Dec 2019	<i>Cabinets asked to review more options and carry out consultation</i>
2	Scrutiny	Sept 2020	<i>Inclusion of more financial information</i>
3	Cabinet	October 2020	



Current weekly reusable bag

- £18 per year leaving £330,000 subsidised by waste budget
- 80 litre capacity
- Value for money: 46p per 80 litres
- Imported from India (one UK manufacturer cost prohibitive)
- Large amount of manual handling of heavy waste stream for collection teams: Up to 1000 bags per day per operative which equates to 8 tonnes!
- Replace 12,000 of 17,000 per year – 70% only last one year!
- Difficult to recycle at end of life
- 46% of survey respondents said they wouldn't pay more than £18 for a bag
- 36% of survey respondents said they would pay between £20 and £25
- 11% of survey respondents said they would pay between £25 and £35

Proposed Fortnightly Bin



- £30 per year would cover cost of service delivery – would benefit the Waste budget by £330,000
- 240 litre capacity
- Value for money: 49p per 80 litres
- UK manufacturers available
- Manufactured from up to 100% recycled material and recyclable at the end of life
- H&S best practice supported by crews and Unions
- 54% of survey respondents prefer a bin
- Survey data shows people willing to pay more for a bin than a bag
- 31% of survey respondents said they would pay between £25 and

required

Preferred Option

Your Choice

Of the two options outlined above which would you prefer? *

- Weekly re-usable bags
- Fortnightly wheeled bin

Please give reasons for your answer to question 4

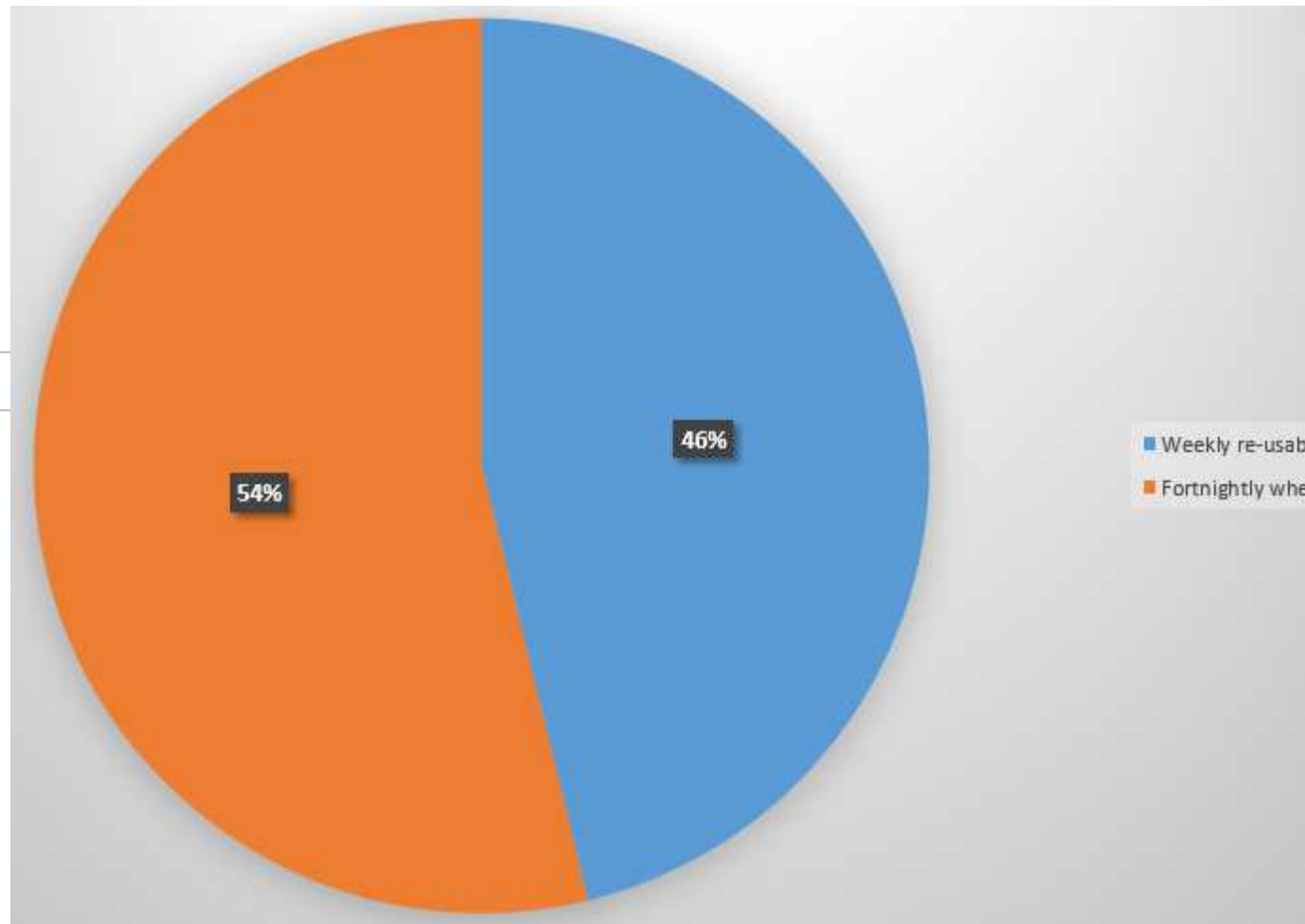
Enter your answer

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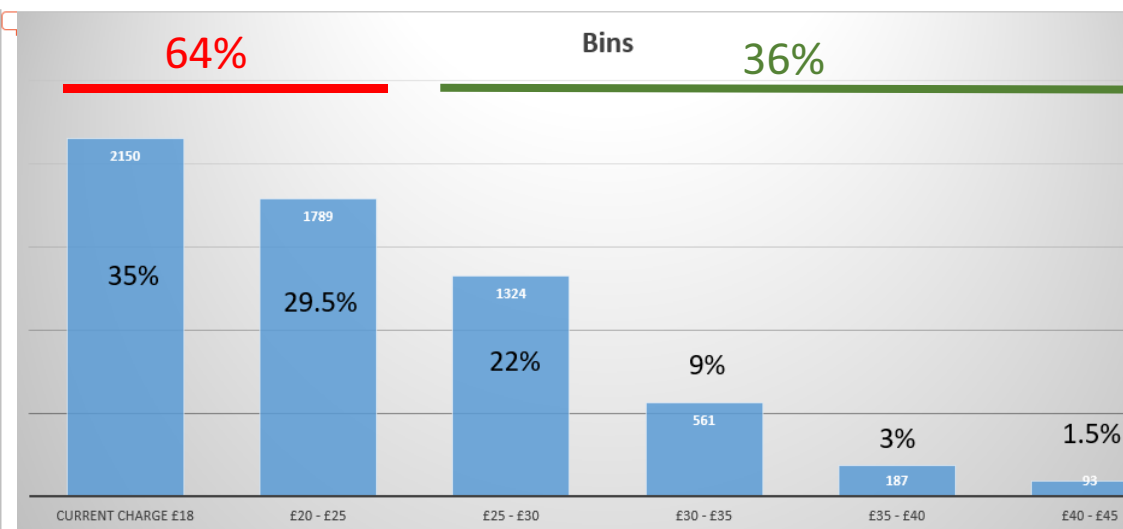
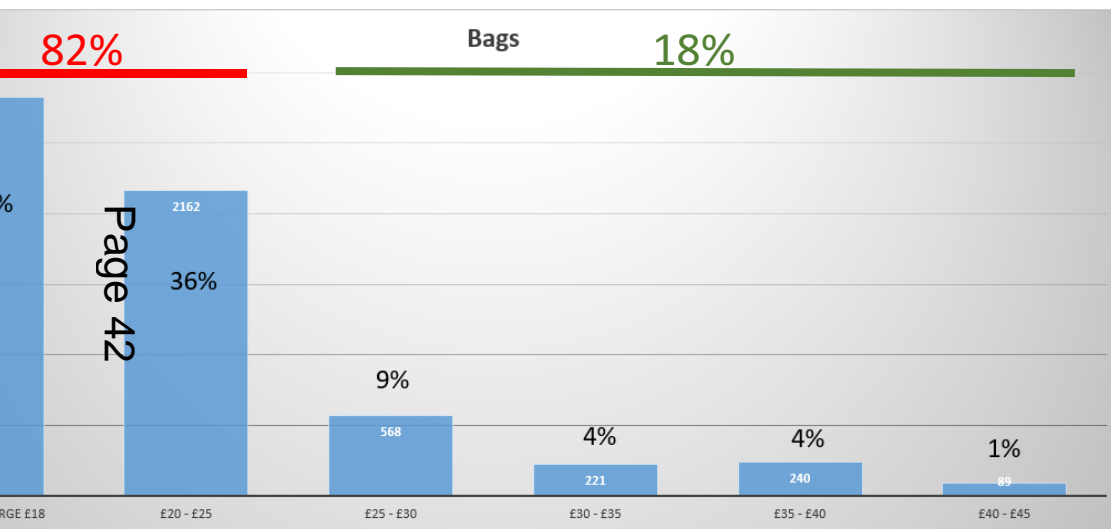
Submit

Public consultation: Which option would you prefer?



Public consultation:

What is the maximum amount you would pay?



Potential charges invoked and the effect on covering costs

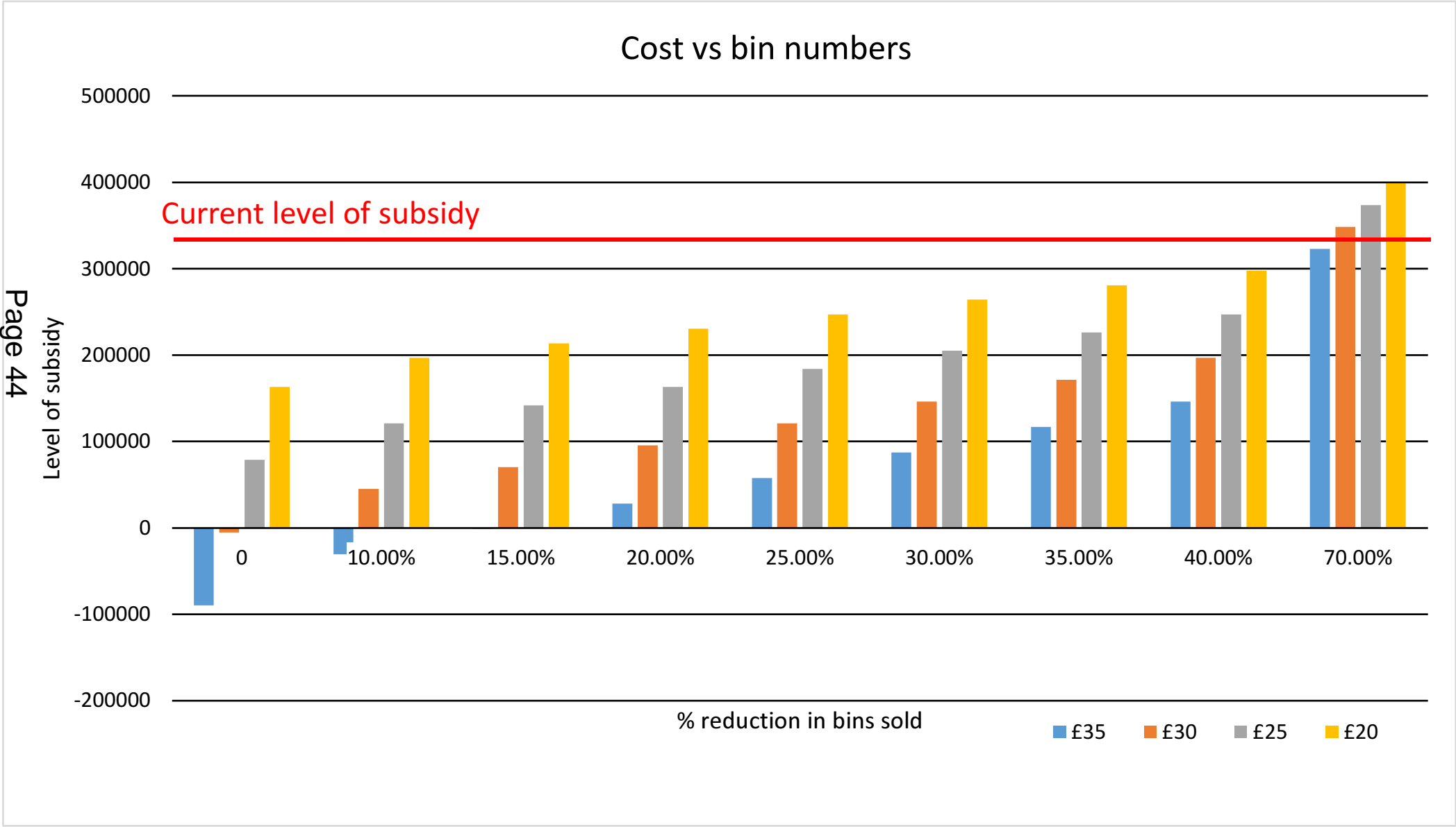
Fortnightly bins

Charge per bin	Income (based on 16850 bins)	Variation on cost of service (£500k)
£20	£337,000	Subsidise by £163,000
£25	£421,250	Subsidise by £78,750
£30	£505,500	£5,500
£35	£589,750	£89,750 (contingency allowance)

Weekly bags

Charge per bag	Income (based on 18193 bags)	Variation on cost of service (£660k)
£18	£327,474	Subsidise by £332,526
£20	£363,860	Subsidise by £296,140
£25	£454,825	Subsidise by £205,175
£30	£545,790	Subsidise by £114,210
£35	£636,755	Subsidise by £23,245
£40	£727,720	£67,720 (contingency allowance)

Fortnightly wheeled bins – effect of customer ‘drop-off’





SUBJECT:	REVENUE MEDIUM TERM FINANCIAL PLAN and BUDGET PROCESS 2021/22 to 2024/25
MEETING:	CABINET
DATE:	21st October 2020
DIVISION/WARDS AFFECTED:	WHOLE AUTHORITY

1. PURPOSE:

- 1.1 To highlight the context within which the Medium Term Financial Plan (MTFP) will be developed for 2021/22 to 2024/25
- 1.2 To agree the assumptions to be used to update the MTFP, and provide an early indication of the level of budget savings to be found.
- 1.3 To agree the process and timetable for developing the MTFP and specific budget for 2021/22.

2. RECOMMENDATIONS:

- 2.1 That the budget assumptions outlined in paragraphs 3.15 to 3.21 in the report are agreed and updated during the budget process should better information become available.
- 2.2 That the budget process and timetable as outlined in paragraph 3.29 is adopted and that includes member budget scrutiny and consultation conducted through all-member seminars, Member and Officer Working Groups, Community Engagement, Select, and Consultation meetings (for Business Rate purposes).

3. KEY ISSUES:

Background

- 3.1 Members will know that the budget and Medium Term Financial planning process has had a consistent theme over recent years. Since the financial crisis in 2008 the level of resources available to public services has been under pressure and over the last 4 years the Council has adopted savings proposals totaling £22.0 million.
- 3.2 The process that has been adopted has sought to maintain a medium term view on the financial position and plan savings targets over a 4-year period. This is essential given the lead in time for making some of the changes required. In March Cabinet approved the budget for 2020/21 and acknowledged in the medium term financial plan, based on consistent modelling assumptions, an indicative gap in resourcing of circa £13.9m million to meet that gap over the following 3 years of the plan.
- 3.3 Since entering 2020 the Council has faced significant and unprecedented challenges notably the flood response and recovery resulting from Storms Ciara and Dennis in February 2020 and the subsequent COVID-19 pandemic and the impact of the lockdown restrictions that were put into effect on 23rd March 2020.

- 3.4 Each of these draws significantly on the Council's resources, both in terms capacity and finances and continues to place an unprecedented strain on the Council.
- 3.5 Putting the Council's finances into context, pre COVID-19 pandemic, the Council had:
- Brought forward budget savings proposals for 2020/21 of £8.5m to manage budget pressures of £9.5m and alongside a disappointing Welsh Government settlement where the extent of pressures on services was not recognised;
 - Benefitted from a significant one-off VAT receipt and flexible use of capital receipts to arrest a £3.76m net over spend against services in 2019/20; and
 - Finalised its draft accounts for 19/20 with useable capital receipts of only £3.2m, a Council Fund balance of £8.5m and useable earmarked reserves of £6.4m (of which there is planned use that will reduce earmarked reserves to £5.4m at the end of 2020/21).
- 3.6 The Council had tactically generated headroom of £1.8m in its Council Fund balance as part of the outturn strategy for 2019/20. This will at least enable the Authority to mitigate in part the risk of any under recovery in COVID-19 funding from Welsh Government as well as allowing the Authority the flexibility to respond to the potential significant financial pressures brought about by the pandemic or otherwise in the current year or over the medium term. However, this only provides a finite and limited level of reserve cover.
- 3.7 The Council continues to deal with unprecedented amounts of uncertainty with its finances, both in terms of the current year as the pandemic response and recovery continues, as well as next year and over the medium term where there remains significant uncertainty as to the funding outlook for local authorities in Wales.
- 3.8 The month 5 forecast separately reported on this agenda displays a significant overall over spend of £7.42m, with some £6.19m of the deficit directly associated with the extraordinary financial pressures attached to COVID-19. Cabinet continues to make strong representations to Welsh Government for full reimbursement for these additional COVID-19 costs and income losses.
- 3.9 Whilst the Council is taking recovery action and bearing down on non-essential expenditure in the current year the inherent pressures, estimated in excess of £3m, will clearly have a bearing on the budget for 2021/22 and over the medium term unless suitably mitigated through much needed additional funding from Welsh Government.

Funding context

- 3.10 The overall picture in public sector resourcing is an uncertain one. Before the pandemic the Council was awaiting the UK Government's Comprehensive Spending Review and to understand the opportunities that this might present Welsh Government to provide a fairer settlement for local government in Wales and one which enabled the Council to have greater certainty on its modelling assumptions for the next three years.
- 3.11 However, the pandemic had very much put things on hold as UK Government and Welsh Government have had to focus on responding to the pandemic and with unprecedented levels of government support and funding. The pandemic continues to bear down

significantly on public finances and it remains unclear as to the knock-on consequences for public funding over medium term.

- 3.12 It appears that there will be no formal Autumn Budget from the Chancellor this year but there will be a Spending Review announcement that is likely to have a one year planning horizon given the current and ongoing state of uncertainty with the impact of the pandemic on UK Government finances.
- 3.13 Welsh Government themselves await clarification on the funding it will receive next year and to that extent and given the funding decisions that will subsequently need to be made this leaves it very difficult to accurately make settlement predictions for next year. Discussions with Welsh Government officials have suggested a 0% cash flat-line would be a sensible and prudent modelling assumption at this time for Aggregate External Financing (AEF). AEF represents the core funding that Local Authorities receive from Welsh Government every year. In addition, it is as yet unclear as to the continued impact of the pandemic beyond this financial year and the level of any additional funding that Welsh Government might provide to local authorities to mitigate such additional costs or continued income losses.
- 3.14 The further challenge amidst this uncertainty is one of timing. The provisional settlement is expected in the week commencing 14th December. The same week that draft budget proposals will be released on consultation by Cabinet. This follows the Welsh Government's draft budget which is anticipated to be published on 8th December. Welsh Government's final budget is then anticipated to be published on 2nd March 2021 and the final local government settlement the day following. Again in the same week that the Council will be looking to set its budget for 2021/22. Furthermore, all settlement dates are dependent on the UK Government's Spending Review and subject to potential change.

Assumptions for developing the Medium Term Financial Plan (MTFP)

- 3.15 The Authority has developed a MTFP model which is reviewed annually and is continually updated through the budget process. The financial model contains the base budgets of the Authority. This is updated each year in the light of a review of assumptions and known sensible changes to enable the gap between resources and expenditure to be highlighted.
- 3.16 The revenue financial planning assumptions in the roll over MTFP from 2020/21 were as follows:

BUDGET ASSUMPTIONS - INCREMENT FACTORS	2021/22	2022/23	2023/24	2024/25
Expenditure:				
Pay award (non-teaching staff)	1.00%	1.00%	1.00%	1.00%
Pay award (teaching staff)	1.00%	1.00%	1.00%	1.00%
Superannuation rates	23.10%	24.10%	25.10%	26.10%
Non-pay inflation	0.00%	0.00%	0.00%	0.00%
ADM	0.00%	0.00%	0.00%	0.00%
Income and Efficiencies:				
Staff vacancy factor (non-schools)	(2.00)%	(2.00)%	(2.00)%	(2.00)%
Staff vacancy factor (schools)	0.00%	0.00%	0.00%	0.00%
Funding:				
WG Aggregate External Funding (AEF) RSG/NDR	0.00%	0.00%	0.00%	0.00%
Council Tax (MCC) - Band D increase	(3.95)%	(3.95)%	(3.95)%	(3.95)%
Council Tax Collection Rate	99.00%	99.00%	99.00%	99.00%

3.17 A first review of the assumptions contained in the MTFP has been undertaken and a number of prudent and proposed changes are advocated:

- Maintain core Welsh Government funding (AEF) at 0% - as highlighted in paragraph 3.13 above it is proposed that AEF is maintained at a cash flat-line through the MTFP and until further information is forthcoming and that might suggest further amendment. A 1% change in AEF has a £978k impact on the budget model and this illustrates the impact that an improved funding settlement can have in addressing the budget shortfalls and pressures facing the Council.
- Increase pay award assumption for non-teaching staff to 2.75% - Pay awards for non-teaching staff have most recently moved from a 2% pay award for each of the two preceding years (2018/19 and 2019/20) to 2.75% for the current year. There are no current indications that pay awards will reduce and therefore it is prudent to make provision based on current pay award levels across the MTFP. The previous modelling assumption had been for the pay award to revert to 1%. However, most recent pay negotiations have not suggested that levels will revert back to these levels.

It is also worth noting that UK Government have not passed any consequential funding through to Welsh Government in recent times to enable them to fund these pay award increases though it remains a Welsh Government decision to consider and adequately fund the pressures facing local government in Wales.

- Increase pay award assumption for teaching staff to 3.1% - Pay awards for teaching staff have similarly seen increases in recent years and the current expectation is that such pay award levels will continue. Welsh Government do have delegated responsibility for setting pay levels for teachers, unlike with non-teaching (LGE) staff. Welsh Government has funded pay award increases in recent years but there is no guarantee that this will continue and therefore the prudent assumption taken is that this remains unfunded or is incorporated into the settlement assumption.
- Superannuation rate change – no change advocated but to note that 2021/22 represents the second year of the freeze in the employer's pension contribution rate of 23.1% for staff in the Local Government Pension Scheme (LGPS). Subsequently this reverts to a 1% year-on-year increase in the contribution rate from 2022/23 and in line with most recent actuarial assessments.
- Council tax – the council tax rises built into the MTFP and solely for modelling purposed was 3.95% over the MTFP period. However, as a result of the challenging funding settlements and budget shortfalls in recent years, council tax rises in recent years have been 4.95% in 2018/19, 5.95% in 2019/20 and 4.95% in 2020/21. Whilst council tax rises are a matter for Cabinet to preside over, for modelling purposes and given the continued financial challenges over the medium term have been increased to 4.95% for each year of the MTFP.
- Maintain staff vacancy factor – the vacancy factor was initially removed but then re-introduced as part of the budget proposals for 2020-21 in order to contribute to

overall budget savings. The budget assumption will require further review as part of the budget process as the month 5 budget monitoring forecasts suggests that certain frontline service areas are not generating the vacancy saving as vacancies are being immediately filled to maintain priority front line services.

- 3.18 Contingency for evidence based pressures - Historically pressures tend to be volunteered by services through the budget process. Last year provision was made in the MTFP, for modelling purposes, for “unidentified pressures” of £5m in each of the 4 years of the MTFP and based on the level of pressures that have historically presented themselves and been accommodated as part of the budget process. Upon undertaking an initial review of recurrent budget pressures contained within the most recent month 5 forecast a £4.7m remaining contingency for 2021/22 has been reduced to £3.5m. This will evolve as the budget process progresses with the contingency being replaced with actual pressures needing to be accommodated in the budget proposals.
- 3.19 The effect of these changes on the deficit balance are anticipated to adjust illustrative shortfall requiring financing/savings to £5.3m in 2021-22, and culminating in a need to delivered a mixture of cost efficiencies and savings totaling £22.5m in aggregate by the end of the 4-year MTFP period.

Rollover MTFP Cumulative Deficit Balance	Full cost adjustments	Reduction in 21/22 Unidentified Pressures	LGE Pay Award at 2.75% in each of 4 years	Teachers Pay award at average 3.1% in each of 4 years	Council Tax at 4.95% in each of 4 years	Revised Cumulative Deficit Balance to manage	Year specific savings to fund
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5,085	(40)	(1,166)	1,344	644	(573)	5,294	5,294
9,655	(73)	(1,166)	2,754	1,314	(1,198)	11,286	5,992
13,838	(127)	(1,166)	4,234	2,011	(1,877)	16,913	5,627
17,779		(1,166)	5,786	2,736	(2,614)	22,521	5,608

- 3.20 So following the described revisions above, the medium term financial plan at this early stage of the budget process is built upon the following assumptions for modelling purposes:

- 2.75% pay award for non-teaching staff
- 3.1% pay award for teaching staff
- 0% non-pay expenditure inflation
- 0% income inflation – to be considered by service managers through the budget process
- 2% staff vacancy factor for services and a 0% staff vacancy factor for schools
- A freeze in the employer’s superannuation contribution for 2021/22 followed by 1% increases for the remainder of the MTFP period
- 0% cash flat-line in Welsh Government settlement (AEF)
- 4.95% increase in Council tax receipts

- 3.21 The Council also receives specific grant funding in the provision of services and beyond the core funding it receives from Welsh Government via the local government settlement.

The level of these can be difficult to predict, and are not always even available/apparent by the start of the forthcoming financial year, which will always tend to undermine accurate financial planning and therefore presents a further ongoing financial and budgetary risk.

- 3.22 Additionally, Welsh Government also considers at times the transfer of specific grants into core settlement funding. Core funding via the settlement is traditionally unhypothecated meaning that it is allocated without restrictions on how it should be spent.

Financial Planning Methodology

- 3.14 Pragmatically in terms of financial planning, the basic premise is to assume that existing grants will continue at levels as currently, unless notified explicitly otherwise. If grants are transferred into core funding and Aggregate External Financing (AEF) then these will not be automatically hypothecated to the purpose for which the grant was given. If specific grants cease, it is expected that the activity will cease. Continuance of an activity following grant funding ceasing, would require the service providing a business case to assess each case on its merits.
- 3.15 As highlighted above there are significant and ongoing financial challenges facing the Council in the current year, next year and over the medium term. There is also an additional level of complexity brought about by the pandemic and its continued impact as well as the resultant uncertainty that this has on Welsh Government funding for local authorities in Wales.
- 3.16 It is anticipated given the level of both the challenge and uncertainty that the budgets for 2021/22 and over the medium term may need to draw on a planned and managed contribution from reserves and capital receipts. The outturn position for 2019/20 tactically enabled a sum of £1.8m to be contributed to the Council Fund and that is now held as headroom above the minimum prudent balance. It is planned for a revised reserves and capital receipts protocol to be produced as part of the budget process and to ensure that earmarked reserves and capital receipts can also adequately support financial planning over the medium and long term.
- 3.17 Services are expected to manage their own pressures in the first instance, ensuring that any significant impact on the public, council policy or performance is explicitly identified and approved. Pressures that are introduced into the budget process will undergo a rigorous challenge process consistent with that for any savings proposals introduced.
- 3.18 The assumptions highlighted above are based on the best information available at the current time, however they could be subject to variation as new information comes to light.
- 3.19 There are a myriad of other potential pressures which have not been factored in due to the difficulty in estimating the impact. Notwithstanding the continued impact of the pandemic these include further changes in demand for services, legislation changes, the impact of Brexit, WG requirements to protect schools or social care budgets, review of the structure of local government across Wales, changes to specific grant funding streams and welfare reform. This list is not intended to be exhaustive.
- 3.20 The month 5 budget monitoring report separately considered by Cabinet on this agenda introduces considerable financial challenge to achieve a balanced position by the end of

financial year, and where not resolved potentially adds a volatility consideration to the 2020/21 process.

How we take this forward

- 3.21 Schools and frontline social care, have traditionally remained and continue to be of primary importance to Members through the budget process, but even then resourcing is not sufficient for them to have been unaffected/protected in full. Savings and alternate ways of working within Adults Social Care has provided a benefit both in addressing budget gap previously but also importantly in addressing cost avoidance caused by an increasingly elderly demographic.
- 3.22 In the last three financial years schools have seen growth in their budgets and in affording them full funding of pay and pension increases. Whilst the general effect of such hasn't resulted in reduced budgets this has still resulted in a larger call on their school reserves.
- 3.23 In terms of how we take the budget process forward this year, it is important to understand the scale of the challenge being faced. The Council's current 2020/21 net budget is around the £171 million level, however part of this budget is 'fixed', such as the precepts for other organisations including the Police, Fire Authorities, costs of servicing debt, payments to those in receipt of Council Tax Reduction support, the cost of levies etc. Therefore, the influenceable part of the budget is much more like £142 million. A pressure of £22.5 million over the next 4 years year illustratively would mean:
- Reductions of around 15.9% if spread across all services
 - Reductions of around 25.1% if full protection is applied to school budgets
 - Reductions of around 57.5% if full protection is applied to schools and social services budgets
- 3.24 Given the scale of the financial challenges faced Cabinet and Council will need to pay particular regard to the affordability considerations of future decisions. The scale of this challenge in terms of the capacity of the organisation to deliver and the difficult choices that may have to be made are also important considerations.
- 3.25 Services will need to consider year on year budget reductions, alongside the need to deliver remedial savings in 2020/21 to address the current predicted over spend against services reported for month 5.
- 3.26 The traditional and very successful approach of relying primarily on service managers volunteering savings is having a diminishing contribution.
- 3.27 The process of delivering necessary savings is an increasing challenging one. Work is continuing to develop budget proposals and given the capacity constraints on staff and leadership the focus is on developing a smaller number of substantive proposals that collectively have the potential to deliver the required savings. To that end senior officers will continue to work closely with Cabinet to ensure that budget proposals being developed are palatable, achievable and well considered, and are aligned with the aims and aspirations of the Corporate Plan.

Process

- 3.28 There is a both a requirement and a pressing need to manage this issue, given the scale of the funding gap which is potentially emerging in addition to the in-year forecast overspend position being managed. It is clear in modelling the extent of savings into the

medium term that members may value an early understanding that the existing traditional operating models operating within the Council would need evolve so that services operate with circa £22.5m less funding or be contracted by 15.9%.

3.29 Setting a sustainable path for the Council into the future with a much reduced and further reducing resource base will need to be identified. This is not going to be an easy task and will involve difficult decisions that allows Cabinet to continue to deliver the aims and aspirations set out in the Corporate Plan whilst ensuring that services can sustain themselves into the future. The work required needs to involve Members and Monmouthshire communities as early in the process as possible. It is therefore suggested that the process for developing proposals for the MTFP run in parallel to budget proposals for 2021/22, and would follow the steps outlined below:

- The initial catalyst for savings development will result from the MTFP budget assumptions in this report along with provision being made for identified and unidentified pressures being agreed by Cabinet. And that in turn informs the level of savings to be identified to manage the budget shortfall in 2021/22 and over the medium.
- The process for developing ideas into active projects (through structured steps, including an early assessment of wellbeing and future generation and equality impacts) will take place over the coming weeks. Where necessary this will involve necessary up front engagement with key stakeholders ahead of draft budget proposals being released for consultation.
- Whilst proposals for next year are key deliverables in a shorter timescale, a longer term horizon is also advocated, as savings can often be dismissed where they can't be practically delivered to benefit the next budget period.
- The Council should also take advantage of any tangible proposals that have been or are being explored outside of the usual annual budget setting process, including positive and effective changes to service provision that have been made in responding to the pandemic.
- Building upon the success of the most recent budget processes equal rigor and process will be applied to any new pressure that is added into the MTFP and budget process, as it is anticipated it may in fact be easier to avoid or mitigate a pressure than it is to find an equivalent saving.
- The ideas that are sufficiently developed during this process will continue to be developed to contribute to the MTFP gap. Draft budget proposals for the 2021/22 budget will be presented to a Special Cabinet meeting on 16th December.
- The underlying MTFP model will also be updated to include new information as it becomes available, specifically information from Welsh Government on the settlement.
- Formal consultation on the draft budget proposals will then take place through the normal Select committee cycle in January, including one overall scrutiny meeting to consider the budget proposals as a whole.
- Public consultation will also take place subsequent to the Special Cabinet meeting on 14th December and will run until the end of January. This will present some unique challenges as it is as yet unclear as to level of restrictions in place due to

the pandemic and the extent of any social distancing requirements. To that end more significant consideration is likely to have to be given to virtual and online consultation. Though accessibility options will also need to be explored to ensure that nobody is disproportionately disadvantaged in their ability to respond during the budget consultation period.

- Final budget proposals will be presented back to Cabinet on 17th February 2021 after consideration of consultation feedback. The budget will then go to Council on March 4th to meet the statutory requirement to set a Council Tax for the following year. This presents a challenge for setting next year's budget, as Welsh Government intends to only release final settlement information shortly before this date. As stated that may change, but where necessary may involve the final budget proposals containing potential options to mitigate the potential for any adverse final settlement revision.

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

- 4.1 There is a requirement placed on Local Authorities to comply with the general equality duties set out in the Equality Act 2010 and the specific equality duties such as the statutory responsibilities to assess the equality impacts of their budgetary decisions. The Equality Act 2010 places a General Duty on Monmouthshire County Council to eliminate discrimination according to nine "protected characteristics" (age, belief and non-belief, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, and sexual orientation). Also we need to comply with the Welsh Language Act 1993 and the Welsh Language Measure 2011 through which the Welsh Language Commissioner has shaped the Welsh Standards which will come into force from 30th March 2016.
- 4.2 The Wellbeing of Future Generations Act requires public bodies to improve social, economic, environmental and cultural wellbeing, by taking action in accordance with the sustainable development principle aimed at achieving the Wellbeing Goals. The authority was an early adopter of The Act and re-shaped its pre-decision evaluation tool to reflect the well-being goals and the principles which it sets out.
- 4.3 Whilst there are no significant impacts identified at this stage it is important to outline the process by which the Council intends to respond to these issues by building considerations of equality, diversity and sustainability into the planning and delivery of its budget process by:
- Requiring Chief Officers to undertake a Future Generation evaluation of all savings proposals that are offered for their service area to contribute towards the Council's overall savings target.
 - Producing an overall FGE assessment of the revenue budget proposals and publishing this as part of the revenue budget proposals for consultation.
 - Undertaking a FGE assessment of the capital budget proposals and publishing this as part of the capital budget proposals for consultation.
 - Enabling the Council's Cabinet Members to consider initial savings proposals with the benefit of the FGEs, and to make initial decisions based on this information.

- Deciding that once the final shape of the budget is agreed by Council in March 2021, Council service areas carry out more detailed work to mitigate and manage any equalities or Future Generation issues that have been identified.
 - Including the FGEs as part of both draft and final budget proposal reports and published on the Council's website so that residents can understand the factors that went into the planning of the 2021/22 budget.
 - Ensuring that where proposals will be the subject of further reports it is expected that further FGEs will be undertaken at that time and where savings are being made from decisions already taken then those implementing those decisions should consider mitigating any negative impacts where necessary.
- 4.3 There is an intention to enhance the impact assessment process going forward with profiles of typical Monmouthshire residents being used to better anticipate the compounded effect of multiple proposals.

5. OPTIONS APPRAISAL

- 5.1 This report looks to provide an overview of the process for the budget setting and MTFP process. When budget proposals are developed and brought forward for consultation an option appraisal will be completed for each substantive saving and pressure.

6. EVALUATION CRITERIA

- 6.1 Whilst the nature of this report does not require any evaluation, the annual budget process is reviewed on an ongoing basis and based on feedback received from the public, members and officers. Cabinet and the Strategic Leadership Team review the process and feedback and recommendations for improvement.
- 6.2 The changes incorporated as a result of this year's approach are referenced throughout the report and significantly include the updating of the budget modelling assumptions and the approach being taken to develop savings proposals over the medium term.

7. REASONS:

- 7.1 To ensure that short and medium term budgets are constructed to maximize available resources in favour of the Council's priorities and based on the best available knowledge of local and national funding and expenditure pressures.
- 7.2 To provide the opportunity for full and informed engagement, consultation on and scrutiny of budget proposals and processes.

8. RESOURCE IMPLICATIONS:

- 8.1 This report aims to ensure that the medium term outlook is assessed and the financial implications modelled and assessed for financial planning purposes. Based on the revised assumptions now applied the report illustrates a budget shortfall of £5.3m for 2020/21 and £22.5m over the four years of the medium term financial planning period.
- 8.2 As described above the budget process will see draft budget proposals developed and brought forward to Cabinet for consideration and ahead of release on consultation and to ensure that feedback is sought and appropriately reflected in final budget proposals

considered by Cabinet next February. Council tax and the final budget proposals will be approved by Council next March.

9. CONSULTEES:

Strategic Leadership Team
All Cabinet Members

10. BACKGROUND PAPERS:

Nil

11. AUTHOR:

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SUBJECT:	REVENUE & CAPITAL MONITORING 2020/21 FORECAST OUTTURN STATEMENT – MONTH 5
MEETING:	CABINET
DATE:	21st OCTOBER 2020
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To provide Members with a forecast of the revenue and capital outturn position for the current financial year. The forecast remains heavily caveated given current uncertainty from Welsh Government on compensating payments to recognise the financial impact of COVID-19 on the Council.
- 1.2 To provide an update on the financial impact of COVID-19 on the Council.

2. RECOMMENDATIONS:

- 2.1 Cabinet recognise a net revenue forecast deficit at month 5 of £7.42m, an improvement of £2.95m from month 2, with some £6.19m of the deficit directly associated with the extraordinary financial pressures attached to COVID-19.
- 2.2 Cabinet continue to make strong representations to Welsh Government for full reimbursement of £6.19m leaving Council with a reduced sum of £1.23m to address as a true in-year pressure and resulting from in-year savings secured to date.
- 2.3 That an additional £675k of identified expenditure currently within the month 5 revenue forecast is recognised as eligible expenditure to be funded from capital receipts under the flexible use of capital receipts directive, reducing the £1.23m in year pressure to £555k.
- 2.4 That the remaining forecast deficit of £555k is managed through cost reduction and in taking immediate steps to curtail non-essential expenditure, recognising the risk that targeted and planned cost reductions will be challenging in the current operating environment and given that the Council will as always look to minimise impact on service delivery.
- 2.5 Cabinet agrees that the 2019/20 year-end one-off headroom added to the Council Fund of £1.8m is used to mitigate any under recovery of the £6.19m COVID-19 pressures from Welsh Government alongside responding to the potential significant financial pressures brought about by the pandemic or otherwise in the current year or over the medium term.
- 2.6 In taking the approach set out above, Cabinet recognises the extraordinary nature of the current year and accepts that significant pressures will need to be incorporated into the budget setting process for financial year 2021/22 unless otherwise mitigated.

- 2.7 Cabinet notes the extent of movements in reserve usage contained in **appendix 1**.
- 2.8 That the intended budget recovery plan signalled following the early month 2 forecast deficit against budget of £3.54m relating to non-COVID-19 items is suspended given the £2.31m improvement in the non-COVID-19 pressures identified in the interim period and outlined in this report.
- 2.9 Cabinet considers the forecast capital outturn spend of £34.95m alongside significant slippage of £26.3m, and the presumptions made around the financing consequences, as outlined in **appendix 1**.
- 2.10 Cabinet recognises that these numbers will have to be reconsidered in the event that Welsh Government falls short of expectation in compensating the Council.

3. KEY ISSUES:

- 3.1 Since entering 2020 the Council has faced significant and unprecedented challenges notably the flood response and recovery resulting from Storms Ciara and Dennis in February 2020 and the subsequent COVID-19 pandemic and the impact of the lockdown restrictions that were put into effect on 23rd March 2020.
- 3.2 Each of these draws significantly on the Council's resources, both in terms capacity and finances and continues to place an unprecedented strain on the Council. This is exhibited below in table 1 and 2 demonstrating an overspend forecast at year end of £7.42m.
- 3.3 This forecast comprises COVID-19 income losses of £4.83m and additional costs of £1.36m alongside non-COVID-19 pressures of £1.23m. Non-COVID-19 pressures have in part resulted from the implementation of budget savings proposals for 20/21 being delayed.
- 3.4 It is important to note that forecast overspend of £7.42m presents a worst case scenario in that it does not take into account any of the further Welsh Government funding anticipated to meet the additional costs of the COVID-19 emergency response or reimbursement of income losses that have equally resulted. The Council is calling for Welsh Government to reimburse all such COVID-19 related costs and income losses. The Council is more optimistic than was the case at month 2 and since Welsh Government announced significant further funding for local authorities in August to supplement funding that had already been provided to assist with meeting income losses and additional costs brought about by the pandemic.
- 3.5 The Council tactically generated headroom of £1.8m in its Council Fund balance as part of the outturn strategy for 2019/20. This will enable the Authority to mitigate the risk of under recovery in funding from Welsh Government as well as allowing the Authority the flexibility to respond to the potential significant financial pressures brought about by the pandemic whether in the current year or over the medium term.

- 3.6 The immediate focus for the Council whilst it awaits absolute clarification on the level of compensating funding from Welsh Government is to manage the non-COVID-19 pressures of £1.23m. An additional £675k of identified expenditure currently within £1.23m pressure is eligible to be funded from capital receipts under the flexible use of capital receipts directive, which would reduce the in-year pressure to £555k.
- 3.7 The remaining forecast deficit of £555k is required to be managed through cost reduction and in taking immediate steps to curtail non-essential expenditure, recognising the risk that targeted and planned cost reductions will be challenging in the current operating environment and given that the Council will as always look to minimise impact on service delivery.

3.8 Overall Revenue Position

Table 1: Council Fund 2020/21 Outturn Forecast Summary Statement at Month 5

Service Area	Original Budget 2020/21	Budget Adjustments Month 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	50,685	(182)	50,503	51,951	1,448	1,630	(182)
Children & Young People	55,539	526	56,065	56,085	19	84	(65)
Enterprise	24,133	(1,243)	22,890	28,003	5,113	5,950	(837)
Chief Executives Unit	4,745	4	4,749	4,893	144	187	(43)
Resources	7,746	30	7,776	8,469	694	782	(88)
Corporate Costs & Levies	22,743	229	22,972	23,038	66	1,480	(1,414)
Net Cost of Services	165,591	(636)	164,955	172,439	7,484	10,113	(2,628)
Appropriations	4,856	895	5,751	5,668	(83)	(78)	(5)
Expenditure to be Financed	170,447	259	170,706	178,107	7,401	10,035	(2,634)
Financing	(170,447)	(259)	(170,706)	(170,686)	20	336	(316)
Net General Fund (Surplus) / Deficit	(0)	0	(0)	7,421	7,421	10,371	(2,950)

Table 2: Council Fund 2020/21 Outturn Forecast Detailed Statement at Month 5

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	7,877	(55)	7,822	7,979	156	24	132
Children Services	14,428	(75)	14,353	15,812	1,459	1,575	(116)
Community Care	24,434	30	24,464	24,255	(209)	(63)	(146)
Commissioning	1,483	(65)	1,418	1,355	(63)	(118)	55
Partnerships	436	0	436	436	0	0	0
Public Protection	1,481	(14)	1,467	1,576	109	211	(102)
Resources & Performance	546	(3)	543	538	(5)	1	(6)
Social Care, Health & Safeguarding	50,685	(182)	50,503	51,951	1,448	1,630	(182)
Individual Schools Budget	47,420	(350)	47,070	46,806	(264)	0	(264)
Resources	1,234	(3)	1,231	1,252	22	37	(15)
Standards	6,885	880	7,765	8,026	261	47	214
Children & Young People	55,539	526	56,065	56,085	19	84	(65)
Business Growth and Enterprise	2,468	(168)	2,300	2,328	29	46	(17)
Facilities & Fleet Management	5,665	(1,266)	4,399	5,496	1,097	1,339	(242)
Neighbourhood Services	10,483	(57)	10,426	11,579	1,153	1,456	(303)
Planning & Housing	1,951	167	2,118	3,186	1,067	1,011	56
Countryside & Culture (MonLife)	1,348	(8)	1,341	1,380	40	42	(2)
Finance & Business Development (MonLife)	1,507	116	1,623	1,473	(150)	(118)	(32)
Leisure, Youth & Outdoor Adventure (MonLife)	710	(26)	684	2,561	1,877	2,173	(296)
Enterprise	24,133	(1,243)	22,890	28,003	5,113	5,950	(837)
Legal & Land Charges	839	(6)	833	925	92	78	14

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
Governance, Democracy & Support	3,906	10	3,916	3,968	52	109	(57)
Chief Executives Unit	4,745	4	4,749	4,893	144	187	(43)
Finance	2,597	(63)	2,534	2,723	189	137	52
Information, Communication Technology	2,803	135	2,938	2,810	(128)	40	(168)
People	1,725	50	1,775	1,781	6	(2)	8
Future Monmouthshire	(46)	(25)	(71)	41	112	112	(0)
Commercial & Corporate Landlord	667	(67)	600	1,115	515	495	20
Resources	7,746	30	7,776	8,469	694	782	(88)
Precepts & Levies	20,379	1	20,380	20,382	2	2	0
Coroner's	117	0	117	140	23	23	0
Archives	182	0	182	182	0	0	0
Corporate Management	293	0	293	179	(114)	0	(114)
Non Distributed Costs (NDC)	492	0	492	600	108	108	0
Strategic Initiatives	(167)	228	61	61	0	1,300	(1,300)
Insurance	1,447	0	1,447	1,493	46	47	(1)
Corporate Costs & Levies	22,743	229	22,972	23,038	66	1,480	(1,414)
Net Cost of Services	165,591	(636)	164,955	172,439	7,484	10,113	(2,628)
Fixed Asset Disposal Costs	20	46	65	90	25	0	25
Interest & Investment Income	(252)	0	(252)	(71)	181	163	18
Interest Payable & Similar Charges	4,020	27	4,046	3,882	(164)	(126)	(38)
Charges Required under Regulation	6,251	(76)	6,175	6,062	(113)	(113)	(0)
Other Investment Income	(1,153)	1,153	0	(12)	(12)	(1)	(11)

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
Borrowing Cost Recoupment	(3,425)	50	(3,376)	(3,376)	(0)	0	(0)
Contributions to Reserves	143	0	143	143	0	0	0
Contributions from reserves	(747)	(304)	(1,051)	(1,051)	0	(1)	1
Appropriations	4,856	895	5,751	5,668	(83)	(78)	(5)
Expenditure to be Financed	170,447	259	170,706	178,107	7,401	10,035	(2,634)
General Government Grants	(64,823)	0	(64,823)	(64,823)	0	0	0
Non Domestic Rates	(32,937)	0	(32,937)	(32,937)	0	0	0
Council tax	(79,572)	(259)	(79,831)	(80,136)	(305)	0	(305)
Council Tax Benefit Support	6,885	0	6,885	7,209	324	336	(12)
Financing	(170,447)	(259)	(170,706)	(170,686)	20	336	(316)
Net General Fund (Surplus) / Deficit	(0)	0	(0)	7,421	7,421	10,371	(2,950)

3.9 As the Council continues to transition from the response phase of the pandemic it is important that Cabinet is kept informed as impacts are being assessed.

3.10 Putting the Council's finances into context, pre COVID-19 pandemic, the Council had:

- Brought forward budget savings proposals for 2020/21 of £8.5m to manage budget pressures of £9.5m and alongside a disappointing Welsh Government settlement where the extent of pressures on services were not recognised;
- Benefitted from a significant one-off VAT receipt and flexible use of capital receipts to arrest a £3.76m net over spend against services in 2019/20; and
- Finalised its draft accounts for 19/20 with useable capital receipts of only £3.2m, a Council Fund balance of £8.5m and useable earmarked reserves of £6.4m (of which there is planned use that will reduce earmarked reserves to £5.4m at the end of 2020/21).

3.11 The Council was already facing financial challenges pre-COVID-19. The pandemic has accentuated the challenge:

- Services and existing capacity has been redirected and redeployed to ensure that the Council met its core purpose of protecting life. This has seen additional unbudgeted costs being incurred.
- Many income generating services have had to stop in order to comply with UK and Welsh Government guidance. The income loss and shortfall is significant and ongoing.
- There is delay in the implementation of some budget savings proposals for 2020/21 as a result of staff resources being diverted to respond to the pandemic.

3.12 This report provides a 'point in time' assessment and forecast for 2020/21. The revenue and capital annual forecast at month 5 is shown in **appendix 1**. The forecasts have been prepared on assumptions that remain uncertain. The forecasts have been supplemented by an analysis of pressures including those that are thought without suitable mitigation to impact on 2021/22. This is shown in **appendix 2** and will inform the budget setting process for 2021/22.

3.13 The table below provides a high level analysis of how the £7.42m reasonable worst case forecast outturn is broken down. This shows that whilst there are significant in-year pressures resulting from the COVID-19 pandemic there is also a set of significant in-year pressures that are unrelated or that result from a delay in budget savings proposals being implemented.

	Month 5 Forecast	Variance to Month 2	Due to Covid 19 Expenditure Increase	Variance to Month 2	Due to Covid 19 Income Loss	Variance to Month 2	Due to Non-Covid 19	Variance to Month 2
Social Care, Health & Safeguarding	1,447	(183)	0	0	168	(329)	1,279	146
Children & Young People	19	(65)	8	0	70	24	(59)	(89)
Enterprise	5,116	(1,061)	1,034	57	3,591	(928)	491	(190)
Chief Executives Unit	145	(42)	31	(26)	63	(27)	51	11
Resources	691	(91)	286	(21)	615	392	(210)	(462)
Corporate Costs & Levies	67	(1,414)	0	0	0	0	67	(1,414)
Appropriations	(83)	(5)	0	0	0	0	(83)	(5)
Financing	19	(317)	0	0	324	(12)	(305)	(305)
Total	7,421	(3,178)	1,359	10	4,831	(880)	1,231	(2,308)

3.14 The principal pressures are:

- A significant pressure within Children's Services relating to a continued increase in the number of looked after children (LAC) cases carrying over 2019/20 and after the budget was approved.

- The anticipated 2.75% pay award now being much higher than the original 1% budget assumption built into the budget and where it had been expected that Welsh Government funding would be forthcoming.
- Pressures remaining within the Passenger Transport Unit (PTU) and that continue to be worked on as part of the PTU review and where implementation has been impacted by the pandemic.
- Pressures in waste & recycling as a result of delays in the rollout of waste reconfiguration and changes.
- Income pressures relating to Civil parking enforcement where savings targets cannot be met.
- A shortfall against additional commercial income targets as a consequence of the impact of COVID-19 and the current level of market and economic uncertainty which may not be funded by Welsh Government.
- As result of the late receipt of the final settlement from Welsh Government and the disappointment of there being no funding floor introduced remaining efficiency savings that were left to be identified during the financial year.

- 3.15 The key risk and uncertainty continues to be the amount of compensatory Welsh Government funding that the Council will receive. Announcements by both Welsh Government and UK Government have been made and have confirmed levels of commitment to support local authorities.
- 3.16 We are grateful to Welsh Government for the funding that has been provided to Welsh Councils to cover costs to date and that we anticipate could potentially meet the income shortfalls forecast for the remainder of the year.
- 3.17 However it would be imprudent to assume that the Council will have all costs and income pressures met by Welsh Government. There is a constrained Welsh Government fund set aside to meet such pressures and the question therefore becomes one of how significant is the shortfall that needs to be managed in year and will Welsh local authorities obtain any flexibilities to spread the burden over more than one financial year.
- 3.18 Beyond Welsh Government funding of in year pressures, assessment will also need to be undertaken of reserve balances and available capital receipts. Clearly this will require a review of the Council's existing reserve strategy and regard will not only need to be given to the current year situation but also to the medium and long term. Reserve balances are finite and act as only a limited buffer to fund one-off costs.
- 3.19 At month 2, given the significant early year forecast deficit against budget of £3.54m in relation to non-COVID-19 items, Cabinet had asked officers to bring forward a budget recovery plan together with a proposed set of budget savings proposals to October Cabinet.

3.20 In the interim period significant savings and reductions in forecast pressures not previously forecast at month 2 have been identified and added to the month 5 forecast and are principally made up of:

Mounton House balance repatriated to CYP budget	395	Saving
Not progressing the Turning the World Upside Down initiative and costs being diverted to Social Care Workforce and Sustainability grant	440	Saving
Capita Gwent dissolution	109	Saving
Additional Council tax receipts	305	Saving
Staff vacancies in Resources	129	Saving
One off return of SRS reserve	168	Saving
One off loan repayment windfall relating to Commercial property	113	Saving
Utilities & maintenance savings	74	Saving
Waste & Grounds - improvement in disposal costs due to reduction in tonnages	169	Reduction in pressure
Pressures now eligible to be claimed against WG Covid-19 hardship fund	341	Reduction in pressure
Other net movements	65	Saving
Total	2,308	

3.21 Given the forecast £2.31m improvement in the net non-COVID-19 pressures since month 2 and the further benefit of £675k that the one-off funding of eligible expenditure from capital receipts would generate, it recommended that a budget recovery plan together with a proposed set of further budget savings proposals is not required at this time.

3.22 It is important to note that the majority of the savings highlighted above are one off savings and will not bring any further benefit to future years budgets. Conversely, the majority of those pressures highlighted in 3.14 above are recurrent pressures and will need to be considered as part of the wider budget process for 2021/22 and beyond.

4. OPTIONS APPRAISAL

4.1 This report provides an update on the current financial situation and the challenges facing the Council now and over the medium term. It has been prepared at a time of great uncertainty as the Council still transitions from the emergency response phase of the COVID-19 pandemic towards a period of recovery.

4.2 The outturn forecast that has been prepared for consideration is predicated on assumptions that have been independently assessed by budget holders and subsequently reviewed as part of the budget monitoring process. These assumptions don't look to represent a policy position that Cabinet is looking to take on when services are re-opening.

Rather they represent a reasoned assessment of the impact on services in year based on known information, anticipated future changes and estimates.

- 4.3 **Appendix 2** provides an analysis of the significant forecast pressures and summarises the assumptions upon which they are based as well as the risks and sensitivities that apply. This has been produced to aid understanding of the forecast and assumptions upon which it has been based.
- 4.4 By far the greatest uncertainty that exists is the level of Welsh Government funding to be received to offset additional costs incurred in responding to the COVID-19 emergency response and the significant income losses that have resulted where services have ceased as a result of the lockdown restrictions in place.
- 4.5 Options will be considered when determining the appropriate response to addressing the budget shortfalls contained in the report as we move throughout the year.

5. EVALUATION CRITERIA

- 5.1 This forecast outturn report represents an assessment of the forecast for the 2020/21 financial year based on five months of data. More so than ever the combination of the impact of the COVID-19 pandemic and the fact that it is still early in the financial year, and combined with the uncertainties on the level of Welsh Government funding support, means that a level of risk uncertainty should be attributed to the forecast.
- 5.2 There is no reasonable expectation that Welsh Government funding will meet all additional costs and losses of income brought about by the response to and the impact of the pandemic. And furthermore and beyond those impacts resulting from COVID-19 there exists a number of significant cost pressures that would need to be managed regardless.
- 5.3 The Council has recently maintained formal reporting to Cabinet at month 2 (period 1), month 5 (period 2) and outturn, with more frequent budget monitoring information being undertaken at a departmental level and reported to management and the Strategic Leadership Team. Only where circumstances necessitate it is more frequent formal reporting to Cabinet required.
- 5.4 As a result of the significant financial challenges facing the Council there will be a more frequent reporting of the in-year revenue and capital outturn forecast. Formal reporting will take place at months 2, 5, 7, 9 and outturn. There will be no formal reporting of the month 11 outturn forecast as the financial year-end will have already taken place by the time the report has been prepared.
- 5.5 The update of the Medium Term Financial Plan (MTFP) and the development of the budget proposals for 2021/22 and the medium term will again be challenging as it is anticipated that local authorities will receive late clarification of the funding settlement, the provisional settlement again being anticipated in December 2020 ahead of the final settlement in March 2021.
- 5.6 There is further uncertainty as to whether UK Government will, as part of the autumn budget announcement and the Comprehensive Spending Review, provide sufficient clarification to enable Welsh Government to provide greater certainty around indicative budget settlements for Welsh local authorities in future years.

6. REASONS:

- 6.1 To ensure that the gravity of the financial challenges facing the Council are understood and that reasonable actions are being taken to safeguard the ongoing financial sustainability of the Council.
- 6.2 To provide a timely update on the current financial circumstances and challenges resulting from the COVID-19 pandemic and that will in turn lead to the Council needing to plan and plot a revised course to ensure it remains financially sustainable into the future.

7. RESOURCE IMPLICATIONS:

- 7.1 The resource implications of the current in-year forecast outturn are contained in this report and the attached appendices. At its worst the forecast outturn exhibits an over spend of £7.42m. However, Welsh Government funding will mitigate part of this though it remains unclear as to how far that will extend.
- 7.2 The financial challenges facing the Council and resulting from the COVID-19 pandemic are significant in the current year and over the next 4 years of the MTFP. Not just for this Council but all councils across Wales and the UK. The Council is having to incur significant costs in its response effort and this will continue as it transitions towards recovery. Furthermore and resulting from the restrictions that UK Government and Welsh Government have had to put in place to contain the spread of the virus we are suffering significant shortfalls in our income levels. Some of these will return more quickly than others as services are able to be safely turned back on.
- 7.3 In terms of how the Council will respond to the challenges faced in the current year and over the medium term this will very much depend on the level of compensating funding received from Welsh Government and the flexibilities afforded to Welsh local authorities to spread the impact over more than one financial year. We are grateful to Welsh Government for the funding that has been provided to Welsh Councils to cover costs to date and that we anticipate could potentially meet the income shortfalls forecast for the remainder of the year.
- 7.4 The Council is working on the basis that it will be fully funded by Welsh Government. However, there is clearly a risk that this will not happen and beyond this there are £1.23m of non-COVID pressures to be managed. Options to mitigate these risks are limited but use of the £1.8m headroom specifically set aside within the Council fund at the end of 2019/20 will be the first recourse. Beyond this useable reserves, both in terms of the remainder of the Council Fund, specific earmarked reserves and useable capital receipts will be considered, however each of these are at historically low levels and only just above prudent minimum levels.
- 7.5 The more immediate steps have been to curtail non-essential expenditure. Going forward more targeted and planned cost reductions will be challenging and the Council will always look to minimise impact on service delivery. Though this cannot be guaranteed and is expected if Welsh Government funding falls short of expectations.

7.6 There are resultant consequences for the MTFP and the budget process for 2021/22 and these will be developed in parallel in the coming months and to feed into the normal budget cycle and process.

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

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

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

9. CONSULTEES:

Senior Leadership Team
Cabinet

10. BACKGROUND PAPERS:

Appendix 1 – Revenue and capital forecast Outturn report – month 5
Appendix 2 – Pressure analysis – assumptions, sensitivities and risks

11. AUTHOR: Peter Davies, Chief Officer for Resources

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Overall Revenue Position

Table 1: Council Fund 2020/21 Outturn Forecast Summary Statement at Month 5

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	50,685	(182)	50,503	51,951	1,448	1,630	(182)
Children & Young People	55,539	526	56,065	56,085	19	84	(65)
Enterprise	24,133	(1,243)	22,890	28,003	5,113	5,950	(837)
Chief Executives Unit	4,745	4	4,749	4,893	144	187	(43)
Resources	7,746	30	7,776	8,469	694	782	(88)
Corporate Costs & Levies	22,743	229	22,972	23,038	66	1,480	(1,414)
Net Cost of Services	165,591	(636)	164,955	172,439	7,484	10,113	(2,628)
Appropriations	4,856	895	5,751	5,668	(83)	(78)	(5)
Expenditure to be Financed	170,447	259	170,706	178,107	7,401	10,035	(2,634)
Financing	(170,447)	(259)	(170,706)	(170,686)	20	336	(316)
Net General Fund (Surplus) / Deficit	(0)	0	(0)	7,421	7,421	10,371	(2,950)

Table 2: Council Fund 2020/21 Outturn Forecast Detailed Statement at Month 5

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / (Over) Spend @ M5	Forecast (Under) / (Over) Spend @ M2	Variance from M2 to M5
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	7,877	(55)	7,822	7,979	156	24	132
Children Services	14,428	(75)	14,353	15,812	1,459	1,575	(116)
Community Care	24,434	30	24,464	24,255	(209)	(63)	(146)
Commissioning	1,483	(65)	1,418	1,355	(63)	(118)	55
Partnerships	436	0	436	436	0	0	0
Public Protection	1,481	(14)	1,467	1,576	109	211	(102)
Resources & Performance	546	(3)	543	538	(5)	1	(6)
Social Care, Health & Safeguarding	50,685	(182)	50,503	51,951	1,448	1,630	(182)
Individual Schools Budget	47,420	(350)	47,070	46,806	(264)	0	(264)
Resources	1,234	(3)	1,231	1,252	22	37	(15)
Standards	6,885	880	7,765	8,026	261	47	214
Children & Young People	55,539	526	56,065	56,085	19	84	(65)
Business Growth and Enterprise	2,468	(168)	2,300	2,328	29	46	(17)
Facilities & Fleet Management	5,665	(1,266)	4,399	5,496	1,097	1,339	(242)
Neighbourhood Services	10,483	(57)	10,426	11,579	1,153	1,456	(303)
Planning & Housing	1,951	167	2,118	3,186	1,067	1,011	56
Countryside & Culture (MonLife)	1,348	(8)	1,341	1,380	40	42	(2)
Finance & Business Development (MonLife)	1,507	116	1,623	1,473	(150)	(118)	(32)
Leisure, Youth & Outdoor Adventure (MonLife)	710	(26)	684	2,561	1,877	2,173	(296)
Enterprise	24,133	(1,243)	22,890	28,003	5,113	5,950	(837)
Legal & Land Charges	839	(6)	833	925	92	78	14
Governance, Democracy & Support	3,906		3,916	3,968	52	109	(57)

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
Chief Executives Unit	4,745	4	4,749	4,893	144	187	(43)
Finance	2,597	(63)	2,534	2,723	189	137	52
Information, Communication Technology	2,803	135	2,938	2,810	(128)	40	(168)
People	1,725	50	1,775	1,781	6	(2)	8
Future Monmouthshire	(46)	(25)	(71)	41	112	112	(0)
Commercial & Corporate Landlord	667	(67)	600	1,115	515	495	20
Resources	7,746	30	7,776	8,469	694	782	(88)
Precepts & Levies	20,379	1	20,380	20,382	2	2	0
Coroner's	117	0	117	140	23	23	0
Archives	182	0	182	182	0	0	0
Corporate Management	293	0	293	179	(114)	0	(114)
Non Distributed Costs (NDC)	492	0	492	600	108	108	0
Strategic Initiatives	(167)	228	61	61	0	1,300	(1,300)
Insurance	1,447	0	1,447	1,493	46	47	(1)
Corporate Costs & Levies	22,743	229	22,972	23,038	66	1,480	(1,414)
Net Cost of Services	165,591	(636)	164,955	172,439	7,484	10,113	(2,628)
Fixed Asset Disposal Costs	20	46	65	90	25	0	25
Interest & Investment Income	(252)	0	(252)	(71)	181	163	18
Interest Payable & Similar Charges	4,020	27	4,046	3,882	(164)	(126)	(38)
Charges Required under Regulation	6,251	(76)	6,175	6,062	(113)	(113)	(0)
Other Investment Income	(1,153)	1,153	0	(12)	(12)	(1)	(11)
Borrowing Cost Recoupment	(3,425)	50	(3,376)	(3,376)	(0)	0	(0)
Contributions to Reserves	143	0	143	143	0	0	0

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-5	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M5	Forecast (Under) / Over Spend @ M2	Variance from M2 to M5
Contributions from reserves	(747)	(304)	(1,051)	(1,051)	0	(1)	1
Appropriations	4,856	895	5,751	5,668	(83)	(78)	(5)
Expenditure to be Financed	170,447	259	170,706	178,107	7,401	10,035	(2,634)
General Government Grants	(64,823)	0	(64,823)	(64,823)	0	0	0
Non Domestic Rates	(32,937)	0	(32,937)	(32,937)	0	0	0
Council tax	(79,572)	(259)	(79,831)	(80,136)	(305)	0	(305)
Council Tax Benefit Support	6,885	0	6,885	7,209	324	336	(12)
Financing	(170,447)	(259)	(170,706)	(170,686)	20	336	(316)
Net General Fund (Surplus) / Deficit	(0)	0	(0)	7,421	7,421	10,371	(2,950)

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,630	1,448			
SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:					
<p>The month 5 directorate forecast outturn for 2020 shows an overspend of £1.448M, after accounting for the Social Care Workforce and Sustainability Grant from Welsh Government of £984K. The overall overspend is mainly around the care costs for our 222 Looked After Children (an increase of 5 since month 2) and the income lost resulting from the COVID 19 pandemic in non- residential adult care charges and Registrars from cancelled and lack of pre booking wedding ceremonies. Of the overspend, £346K is as a result of the pressure from the additional 1.75% unfunded staff pay award.</p> <p>The Adult Services division is forecasting an underspend of £121K which is after accounting for lost income from non-residential care charges. The main reason for the underspend is reduced activity resulting from COVID 19 with the closure of day centres and our in house respite facilities.</p> <p>Children's Services has a predicted overspend of £1.459M, a decrease of £116K despite an increase in LAC population, as a result of care costs to service our Looked After Children population, legal costs at £238K over budget and employing 8 agency staff as part of workforce planning mainly within the Family Support and Protection team. This element of the directorate greatly benefitted from a significant injection as part of the 2020/21 budget allocation, however, this was based on LAC numbers at that time being 197. Since the budget for 2020/21 was set, the service had a further influx of children to 219 at the end of 2019/20, and present count LAC stands at 222.</p> <p>Public Protection continues to strive to remain within its budget allocation, but the COVID 19 pandemic has hit this small service hard and is estimating an overspend of £109K. This is £98k less than reported at month 2 due to notification that WG will meet part of the income loss incurred in relation to registrars. The main affected area is Registrars, with wedding ceremonies cancelled or delayed, and a significant drop in people pre booking ceremonies income levels are showing a £98K loss.</p>					
ADULT SERVICES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	24	157	0	0	0
Mainly due to not meeting the 2% staff efficiency saving plus the increased staff pay award.					
CHILDREN SERVICES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,575	1,459	0	0	0
£1M overspend in providing care and placements for our 222 Looked After Children, £238K overspend in legal costs and the remaining overspend as a result of continued use of agency staffing which currently stands at 8 being employed plus the increased staff pay award.					
COMMUNITY CARE					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(63)	(209)	0	0	0

The underspend is as a result of not progressing the Turning the World initiative and some care packages being diverted to the Social Care Workforce and Sustainability grant, however the net benefit has been reduced due to increase care costs and the increased staff pay award.

COMMISSIONING

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'s	(118)	(64)	0	0	0

Ongoing vacant Commissioning Officer post and realignment of Service Level Agreements and Contracts, but reduced by increased staff pay award.

PARTNERSHIPS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	0

No variances

PUBLIC PROTECTION

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'s	211	109	0	0	0

Largely due to a loss in Registrars income of £98K resulting from cancelled marriages and people not pre booking ceremonies as a result of COVID 19.

RESOURCES & PERFORMANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1	(5)	0	0	0

As a result of previous vacant posts within the Finance team, diluted slightly by the increased staff pay award.

CHILDREN & YOUNG PEOPLE	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	84	19			

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 5 position is a forecasted overspend of £19,000 against the budget. The majority of this is due to an overspend in the Additional Learning Needs budget (£329,000) which is being closely monitored. Part of this pressure relates to support for pupils starting school in September and this will be reviewed with schools over the next few months.

Following the closure of Mounton House Special School the surplus balance of £502,000 has been transferred to CYP central budgets, with £107,000 of this used to support the placement costs of the three remaining MCC pupils and the remainder has been used to offset the overspend. Breakfast clubs are seeing a particular pressure due to Covid, the clubs were closed for the summer term and only partially open for the first few weeks of the autumn term and numbers still remain low. The income loss of £90,000 offset by saving of £20,000 will be claimed from Welsh Government, this forecast is based on this being recovered.

INDIVIDUAL SCHOOLS BUDGET

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(264)	0	0	0

Following the closure of Mounton House part of the surplus balance (£395k) has been transferred to the central CYP budgets to support the wider education budgets.

RESOURCES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	37	22	0	0	0

Additional IT Licence costs including system upgrade costs, partially offset by vacancy savings.

STANDARDS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	47	261	0	0	0

- Recoupment increased by (income received from other LA's) (£235,000)
- Independent placement costs overspent by £72,000
- Other LA placement costs overspent by £51,000
- Additional support for pupils attending our schools overspent by £442,000
- Underspend on early years (rising 3's) due to school closure (£99,000)
- Overspend on breakfast clubs £30,000

Within the overspend of £442,000 relating to the additional support for pupils attending our own schools £200,000 relates to additional funding for the additional learning needs units in Overmonnow (£100k) and Monmouth Comprehensive (£100k). Both these units are able to accommodate more MCC pupils resulting in less pupils needing to be educated either in independent or other LA schools. While this has resulted in an overspend the fees paid for the other schools would have resulted in the overspend being higher.

Included in the independent placement costs is £108,000 relating to the three remaining pupils at Mounton House, this cost has been transferred from Mounton House to support this.

Breakfast clubs include a net claim to Welsh Government of £70k for loss of income over the summer term.

ENTERPRISE	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	5,950	5,113			

ENTERPRISE DIRECTOR'S COMMENTARY:

The Enterprise and Monlife Directorate is forecasting an outturn position of £5.113m adverse at month 5. The impact of COVID-19 has been significant across all of the services with both a loss of income and additional costs incurred to operate critical front line services during the pandemic. In addition to the direct impacts of the pandemic service areas have identified pressures where budget savings have not been implemented or ongoing pressures continue to affect services.

Each service area sets out the detail behind these projections in the next sections of this report and the key financial issues and implications that have arisen since COVID and lockdown commenced. The loss of income for Monlife, grounds maintenance, private hire in home to school transport, car parking, the Borough Theatre and trade waste is significant. It is not anticipated that these income streams will be restored fully within this financial year and assumptions have been built into the forecast to account for when the services reopen and recommenced.

Due to the school closures there has been a direct impact upon the income within schools catering, home to school transport and outdoor education and with ongoing social distancing, bubble and COVID requirements this will have a long term impact on these services. There are also significant increased costs across the directorate for example a downturn in the recycling market had increased the costs for disposal of recycling materials, in addition there are additional resource requirements to operate services whilst complying with social distancing within building cleaning, highways, waste services and grounds maintenance as examples.

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

BUSINESS GROWTH & ENTERPRISE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	46	29	0	0	0

Business Growth & Enterprise is forecasting a £29k overspend, this can be split down to the following :-

- Abergavenny Borough Theatre - £56k overspend. This is due to the impact of the Covid 19 lockdown where it is anticipated that the theatre will not re-open until January. The loss of turnover has been part offset by Staff Furlough credits.
- Community & Pship Development - £43k underspend, this is mainly due to staff savings as we have been able to passport core costs to grant funding.
- Enterprise Mgt - £16k overspend due to unfunded pay award.

FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,339	1,097	0	0	0

Facilities & Fleet Management is forecasting to overspend by £1,097k – the services within this area have been heavily impacted by the Covid 19 outbreak.

- **Catering** - £409k overspend, this is due to:-
 - A £353k net overspend in schools catering, this is due to a £596k shortfall in school meal income due to the effect of Covid19. Schools were closed until mid-July and we are only forecasting meal uptake to be 40% of normal levels for the rest of the year now that pupils have returned. This has been part offset by a reduction in supplies and services due to the reduced meal numbers and staff furlough credits.
 - We are also experiencing pressure on our free school meal budget, the number of pupils entitled to FSM have risen from 1,390 to 1,640. There is no additional budget provision for this and if we have 100% uptake between now and year end then we will incur £56k more in cost. We are hopeful that this additional cost will be funded by WG.

- **Building Cleaning** - £20k underspend. Forecasted income levels remain similar to last year so we are anticipating an underspend against budget. The level of cleaning within our buildings and schools has had to be increased due to Covid requirements, the extra cleaning hours will be covered by the WG hardship fund so the additional cost has not been included in the forecast. In addition the service has received a schools cleaning grant which has helped cover the increased costs linked to the more expensive chemicals needed to kill COVID.

- **Passenger Transport** - £636k overspend, due in the main :-
 - Private Hire - £228k loss of private hire income as we anticipate no private hires, school trips etc... for the rest of the year.
 - School Transport Operations - £426k overspent:-
 - £351k additional staff costs – combination of historic staff pressure c/fwd from 19-20 and estimated additional hours required to cover new covid transport arrangements.
 - £50k new software packages & support costs, this has been offset by staff savings in commissioning.
 - Grass Routes - £21k overspent – loss of income due to covid 19 and social distancing requirements, offset by Bus Emergency Scheme grant funding £71k.
 - Commissioning - £52k underspend, due to :-
 - Staff vacancies.
 - A 25% reduction in contractor payments for Apr-Aug during Covid lockdown.
 - Offset by, the cost of covering contract hand backs - due to the low number of available operators within the surrounding area we are finding that replacing contracts are coming at price premium, due to Covid 19 contracts have had to be split and additional vehicles put on to cover, this has increased cost and is the reason for the £169k adverse swing from Month 2.

- **Fleet Maintenance** - £72k overspend, due to:-
 - The unit is incurring additional vehicle maintenance costs due to the authority's fleet increasing in number (150) due in the main to Covid requirements.
 - Increased depot maintenance.
 - A reduction in members of the Green Car scheme has hit savings (£6k).

NEIGHBOURHOOD SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,456	1,153	0	0	0

Neighbourhood services is forecasting to overspend by £1,153k – the services within this area have been heavily impacted by the Covid 19 outbreak.

- **Highways & Street Lighting** - Forecasting a £72k underspend. This is due to a saving in Street Lighting as electricity price increases were less than budgeted and due to KWH savings from energy efficient lamp replacement, there is also a one-off saving as we will only see a part year loan repayment in 20-21, this is the main reason for the £47k variance from M2. Highways Operations and Swtra are currently forecasting to Break-Even.
- **Waste & Street Scene** - £1,225k overspend – This can be broken down into 2 main areas:-
 - Waste Services - £908k overspend due to:-
 - Staff Costs overspending by £220k due to the need to bring in more resource to cope with the impact of Covid19. This forecast assumes social distancing measures will continue until financial year end.
 - Vehicle Hire & running costs increasing by £184k – extra vehicles have been brought in to help with social distancing of workforce, as above we expect this to continue until year end.
 - Additional recycling costs increasing by £79k – the recycling market was in decline entering 20/21 and has continued to fall due to Covid. Reduced recycling rebates plus increased tonnage of material collected at kerbside equals increased treatment costs. Additional bags, boxes etc. for increased collections at kerbside.
 - External Income reducing by £104k – The lockdown has meant that trade income and re-use shop income will not hit budget.
 - Non-Covid related pressures - £320k – budget pressures include abeyance of Usk CA site closure £30k, no budget pressure increases included for contracts, fuel etc., delayed roll out of polyprop bags budget reduced 19/20 (Actual 20/21 budget pressures of £540k to be managed as invest to save in year with roll out of polyprop bags, black bag sorting) enforcement etc. have been partly netted off with savings in project staff vacancies).
 - Grounds Maintenance – £317k overspend – the service has been greatly affected by the Covid outbreak, grounds staff and vehicles were initially redeployed to help in the waste service so external income generation has been affected.

Both services have benefitted in quarter 1 from the WG covid funding to cover lost income and additional spend and we are hopeful that this will continue for the remainder of the year. The forecast above assumes no further grant so if we do receive more then the position will improve.

PLANNING & HOUSING

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,011	1,067	0	0	0

Planning & Housing is forecasting to overspend by £1,067k.

- **Planning & Building Control** - £220k net overspend mainly due to shortfalls in planning income and building control fees as a result of Covid lockdown.
- **Housing** is forecasting a £387k overspend, this is due to:-
 - A £339k overspend relating to housing our homeless in line with WG policy:-
 - B&B costs are expected to overspend by £146k.
 - We are estimating Emergency hostel increases of £117k due to additional security measures.
 - We are forecasting homeless meal provision will cost £76k.
 - It is anticipated that all of the above will be covered by the WG Covid Hardship fund.
 - Reduced income in Renovation grants as covid lockdown has impacted fees (£40k).
 - £10k overspend in software costs.

- **Car Parking, Highways Development & Flooding** - £461k overspend. Main areas:-
 - Car Parks overspending by £642k – Forecast income overall is expected to be £589k below budget. Pay & display income has been affected by the Covid lockdown and we are still anticipating that we will see a 30% reduction from September through to year end. This leaves us with a £282k pressure on the pay & display budget, but this includes a WG income loss grant for Qtr 1 of £277k - we are also expecting our season ticket and permit income to be £40k down. Civil Parking Enforcement income is expected to be below budget by £289k, this reduction can in part be attributed to the Covid impact but PCN issues were already anticipated to be below budget so there is an income pressure in this area.
 - Highways Development & flooding underspending by £181k – this is mainly due to staff vacancies across the department where the decision has been made to freeze vacant posts to help with recovery of car park overspend.

(MONLIFE) Countryside & Culture

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	42	40	0	0	0

Countryside & Culture is forecasting a £40k overspend. This is predominately down to lost income from event cancellations, postponement of workshops and shop closures in Museums and Learning due to the impact of closing sites due to Covid

(MONLIFE) Finance & Business Development

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(118)	(150)	0	0	0

Finance & Business development is forecasting to underspend by £150k. There has been lost income due to covid closures at Tintern Station and Caldicot Castle (£30k) but this has been offset by staff underspends across the services as posts have been purposely held vacant.

(MONLIFE) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2,173	1,877	0	0	0

Leisure, Youth & Outdoor Adventure is forecasting a £1,877k overspend.

Leisure Centres are reporting a combined overspend of £1,679k. Even though our 4 centres re-opened earlier than expected we have not been able to fully open all facilities and as a result of social distancing have introduced restrictions on numbers. Significant numbers of people are continuing to freeze their memberships but we have seen a large number of cancellations (1,000 to date) resulting in a big hit on income generation. Outdoor Adventure is forecasting a £214k overspend. Both sites have been closed since March and we do not expect them to re-open for residential accommodation visits until January with anticipated income at a fraction of original budget. The overspend has reduced from M2 as we have received qtr1 income loss grant from WG

The **Youth & Community Team** are reporting a £12k underspend due to staff vacancies.

The department has benefitted in quarter 1 from WG covid funding to cover lost income and additional spend and we are hopeful that this will continue for the remainder of the year. The forecast above assumes no further grant so if we do receive more then the position will improve.

CHIEF EXECUTIVES UNIT	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	187	144			

LEGAL & LAND CHARGES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	78	92	0	0	0

Land Charges is forecasting to overspending by £63k due to a reduction in income as a result of the impact Covid 19 has had on the Housing market.

Legal is forecasting to overspend by £28k mainly due to a shortfall in fee income, this has been offset by savings in employee costs due to the delay in filling a post.

GOVERNANCE, DEMOCRACY & SUPPORT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	109	52	0	0	0

Community Education is forecasting to overspend by £3k, a reduction in fees due to Covid has been part offset by grant funding and is the reason for the £27k improvement from Month 2.

Community Hubs is forecasting a £3k overspend mainly due to running costs outstripping budgets in Gilwern Library and Usk Post Office. This has been offset by savings in staff vacancies and book purchases and is the reason for the £21k improvement from Month 2.

The **Contact Centre** is reporting a £31k overspend, this is down to staff costs exceeding budget as restructure savings are put on hold whilst we deal with Covid 19 issues. This is a £25k improvement from our Month 2 position as agency costs have come in less than originally anticipated.

The **Corporate** Section is forecasting to overspend by £12,000, this is due to an overspend relating to supplies and services and a copyright licencing fee, these were not factored in at Month 2.

Democratic Services Section is forecasting to underspend by £14k, this is due to underspends in supplies and services. The £15k improvement from month 2 is due to budget realignments to offset an additional post and a further reduction in supplies and services costs.

Policy and Partnerships is forecasting to overspend by £17k, this is mainly due to an increase in Welsh Language Translation costs. The £26k adverse swing from month 2 is due to budget realignments to offset an additional post.

RESOURCES	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	782	694			

RESOURCES DIRECTORS COMMENTARY:

Whilst the COVID-19 pandemic has adversely impacted front line services the directorate has equally suffered significantly but in different ways. The forecast over spend of £694k is in part offset by vacancy savings and notably where senior finance posts and property posts are not being filled. This is not a sustainable position and will not be a permanent feature.

There is a significant pressure of £395k that centres itself on forecast increases in housing benefit claims, and that includes B&B claims for homeless people, and which doesn't attract full subsidy from DWP. Funding is being sought from Welsh Government's COVID-19 Hardship Fund to meet this pressure.

The directorate is also suffering income shortfalls as a consequence of the COVID-19 pandemic, with shortfalls in summons income, in Raglan training centre, Markets and with shortfalls in budgeted commercial income.

There have been some significant positive variances identified since month 2, notably accommodation cost reductions (£74k), the one-off return of an SRS reserve balance and in-year forecast under spend (£168k) and one-off recoupment of loan repayments in respect of commercial properties (£113k).

This remains an evolving and dynamic situation that is under constant review and every effort is being made to curtail non-essential spend in recognition of the directorate and whole authority forecast over spend.

FINANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	137	189	0	0	0

Finance - £263k underspend - as a result of senior Finance staff vacancies and maternity leave. This forecast currently assumes these posts will remain vacant for rest of year.

Revenues - £509k overspend. The outturn has been heavily impacted by Covid:

- Benefits is forecasting a £395k overspend. The Covid 19 pandemic continues to put this budget under considerable pressure. Welsh Government guidance requires councils to ensure that no one is sleeping rough. As a consequence the number of B&B claims for housing benefit continue to rise (although we are starting to see some levelling off) Not all this expenditure qualifies for housing benefit subsidy, which is resulting in a budget pressure. The month 2 forecast was modelled on the B&B expenditure continuing through to December. However this now looks likely to continue through to the end of the financial year. There are also concerns of a future wave of homelessness from private sector tenants and/or families as the furlough scheme comes to an end. Something that will be closely monitored over the coming months.

- Council Tax is forecasting a £133k overspend, £86k of this relates to an anticipated shortfall in summons income, following the closure of courts and the decision to temporarily halt recovery for unpaid council tax and business rates, as a result of COVID 19. The remaining balance relates to a staffing overspend as budget has been moved as part of the Resources restructure, this has been offset by underspends within Finance above.

- Debtors is underspending by £18k due to a staff vacancy saving, due to the financial impact of covid19 the decision has been made not to fill this post.

Systems & Cashiers - £57k underspend – main reasons relate to software and system development savings and security carrier costs as activity is down due to Covid shutdown.

INFORMATION, COMMUNICATION & TECHNOLOGY

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	40	(128)	0	0	0
The ICT section is forecasting a £128k underspend. This is due to savings within SRS, they are currently predicting a £58k underspend on our contribution for 20-21 and are also holding MCC specific reserves totalling £70k and we have requested that these be passed back to us this year. This information was not available at M2 and is the reason for the positive swing.					
PEOPLE					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	6	0	0	0
The department is forecasting a £6k overspend but there are variations amongst sections, the main being:-					
<ul style="list-style-type: none"> • Payroll, Systems & Support - The payroll section is forecasting to break-even, current spend profile includes £118k for payroll system development and migration to the cloud, it is anticipated that these costs will be charged against the IT reserve as there is no revenue budget provision so they have been removed from the outturn figure. • Corporate Training - £49k overspend as income projections are down due to centre shutdown as a result of Covid. • People Mgt - £33k underspend due to staff savings and increased SLA income. This is a £31k adverse swing from Month 2 as staffing budget has been moved to cover a corporate saving. • Customer Relations - £14k underspend due to a reduction in professional fees. 					
FUTURE MONMOUTHSHIRE					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	112	112	0	0	0
Future Monmouthshire is forecasting to overspend by £112k. Corporate Agency and travel savings have been built into the budget for 20-21 – currently these are deemed unachievable or are being achieved within directorate budgets and are thus contained in their respective forecasts.					
COMMERCIAL & CORPORATE LANDLORD					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	495	515	0	0	0
Commercial & Corporate Landlord is forecasting a £515k overspend:-					
<ul style="list-style-type: none"> • Investment Properties is forecasting a combined overspend of £389k, this can be split into 2 areas:- <ul style="list-style-type: none"> ➤ Investment Assets other - £200k overspend, our MTFP for 20-21 included a £200k saving to reflect additional income from the purchase of more investment properties. Currently (and in part due to Covid) there are no further purchases in the pipeline this year so this saving is unachievable. ➤ Castlegate and Newport Leisure Park's combined surplus for 20-21 is estimated to be £420,000, although we are more than covering costs this is short on our budgeted target of £609k and we are forecasting a £189k overspend for this year. This is mainly down to a rental income reduction at our NLP site of £265k as we have seen another unit closure and are anticipating a hit on rentals due to the impact Covid is having on the Leisure & Retail sector, this is the reason for the £277k adverse swing from Month 2. Castlegate is forecasting to underspend by £77k, we have benefitted from a one-off windfall of £117k as Alder King have paid over tenant loan repayments that they were holding on our behalf, this has been offset by a £40k anticipated 					

overspend on consultant and maintenance costs. The loan repayment was not known at M2 and is the reason for the £125k positive swing.

- **Estates** - £156k over spend. This is mainly due to income not reaching budgeted levels due to 3 issues 1) vacant space in Magor means rental income is down, 2) the budget assumed income from the creation of a development company, this has not happened yet 3) our service charge income is down as we are yet to come to an agreement with BAM. All 3 total a shortfall of £245k. This is currently being offset by staffing savings of £89k due to vacant posts only being filled part way through the year.
- **Solar Farm** - £49k underspend, this is a £20k adverse swing from Month 2 as ROC unit prices have fallen due to the drop-off in demand due to Covid lockdown.
- **Cemeteries** - £38k overspend mainly due to increased maintenance work on trees and boundary walls. We have seen less burials due to COVID rules but we are confident that income will remain at 19/20 levels.
- **Markets** - £118k overspend. This is mainly due to an income loss where there has been no income due to the Covid shutdown but is offset by staff savings of £35k due to the delayed appointment of the Deputy Markets manager and other smaller staffing savings.
- **Industrial units** - £14k overspend mainly due to the cost of EPC surveys and a reduction in rental income.
- **Property Services & Facilities Mgt** is forecasting a £157k underspend, made up as follows:-
 - Property & Office Services are forecasting a combined underspend of £63k, this is mainly due to staff savings as some vacant posts will not be filled until later than originally anticipated or frozen until start of next year and a reduction in supplies & Services.
 - Property Accommodation is forecasting to underspend by £74,000. The main reason for the underspend is due to savings in maintenance and utilities costs as offices have been closed or in limited operation due to Covid19.
 - Telephony is forecasting to underspend by £20k as contracted call charges are expected to come in below budget.

This is a £157k positive swing from Month 2 as the extent of savings was not known until after M2 reporting.

CORPORATE COSTS & LEVIES	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,480	66			
PRECEPTS & LEVIES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2	2	0	0	0
Small overspend on National parks levy of £2k due to notification of levy late in the budget process.					
CORONERS SERVICES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	23	23	0	0	0

An increase in workload and staffing requirements along with DDA compliance works will lead to a forecast £23k overspend against budget.

CORPORATE MANAGEMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(114)	0	0	0

Primarily due to the forecast receipt receivable on the final dissolution of Capita Gwent Consultancy which has materialised since month 2.

NON DISTRIBUTED COSTS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	108	108	0	0	0

Additional pension strain costs relating to redundancies. Strain costs relate to staff who retire before their normal pension age and where the employer is required to top up the pension fund to cover the shortfall in contributions. The majority of these costs would not have been known about at budget setting stage due to the uncertainty over the timing, value and individual pension implications of redundancies.

STRATEGIC INITIATIVES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,300	0	0	0	0

At month 2 the Local Government Employers pay offer of an increase of 2.75% created a forecast pressure of £1.3m over and above the budgeted 1% increase across all service areas. At month 5 services have included this pressure within their forecasts and as such this corporate pressure is removed.

INSURANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	47	46	0	0	0

An overspend is currently forecast against the premium budget based on the potential for costs to increase for the period Oct 2020 to April 2021 due to the worsening of claims experience. The flooding events led to a significant property claim at Monmouth LC and Covid19 has led to significant travel claims relating to cancelled school trips. It should be noted that 2021/22 will see a full year impact of these events which will need to be taken account of in budget setting.

APPROPRIATIONS	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(77)	(83)			

FIXED ASSET DISPOSAL COSTS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	25	0	0	0

Costs forecast over and above the current budget due to unforeseen surveys and studies relating to disposal sites.

INTEREST & INVESTMENT INCOME					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	163	181	0	0	0
The forecast rate of return achievable following the Covid19 pandemic has reduced significantly from budgeted levels as the UK Government refines its economic response. This has also impacted forecast returns on Property and combined funds.					
INTEREST PAYABLE & SIMILAR CHARGES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(126)	(164)	0	0	0
In October 2019 the PWLB took the unprecedented step of increasing its borrowing margin across the board by 1% in reaction to increased levels of borrowing by Local Authorities to fund commercial investments. This has resulted in PWLB borrowing being uneconomic when compared to short term borrowing sourced from other public bodies and consequently the Authority's approach has been modified resulting in lower borrowing costs in the short term.					
CHARGES REQUIRED UNDER REGULATION					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(113)	(113)	0	0	0
A high level of slippage in the capital programme has resulted in some assets not being operational by 31/03/2020 and consequently the MRP charge for those assets being deferred by at least one year.					
OTHER INVESTMENT INCOME					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(1)	(12)	0	0	0
Unexpected recoupment following the final winding up of Heritable bank which had previously defaulted.					

FINANCING	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	336	20			
COUNCIL TAX BENEFIT SUPPORT					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	336	324	0	0	0
This budget is under particular pressure, as a direct result of Covid 19. Since the beginning of the year caseload has increased and now stands at around 6070 cases (caseload at the end of March 2019 was 5,721). Cases are slowly beginning to level off, although it is possible that these will increase further when the Furlough Scheme comes to an end later in the year and the recession starts to bite. Welsh Government has recently announced £2.85m funding for Wales to help with these pressures. We await confirmation of MCC's share of this funding, which will go some way to reduce the overspend.					
COUNCIL TAX					

Dell Primary School, Thornwell Primary School, Monmouth Comprehensive, Llandogo Primary School, Osbaston CIW Primary School and the Pupil Referral Service.

2.5. 14 schools exhibited a deficit position at month 2; this is a net decrease of three from the 2019/20 financial year. The schools in a deficit at the start of the financial year are:

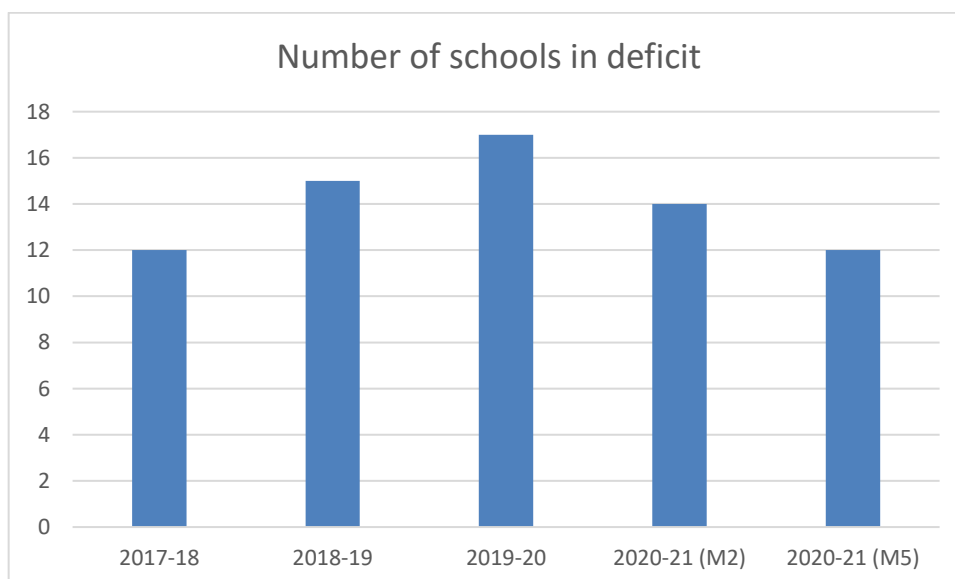
King Henry VIII Comprehensive; Llantillio Pertholey CIW Primary; Ysgol Gymraeg Y Fenni; Caldicot Comprehensive; Magor CIW Primary; Rogiet Primary; Undy Primary; Ysgol Gymraeg Y Ffin; Chepstow Comprehensive; St Mary's RC Primary, Thornwell Primary; Monmouth Comprehensive; Llandogo Primary; Osbaston CIW Primary; Overmonnow Primary; Raglan CIW Primary and the Pupil Referral Service.

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

2.7. Schools balances are exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances which is of concern and others a more balanced trend.

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 (Forecast)	517

2.8. However, set against this and as referenced above the number of schools in deficit is forecasting to reduce as the financial year progresses illustrated by the following table. This provides some overall comfort that recovery plans are taking effect.



- 2.9. There has been a significant reliance on reserve balances to supplement school spending plans in the last 4 years across individual schools with a certain amount of replenishment. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to no more than £50,000 for a primary school and £100,000 for a secondary school. Members may wish to seek a comfort that balances are not being used to subsidise and sustain core costs such as staffing.

3. CAPITAL OUTTURN

3.1. The summary forecast Capital position at Month 5 is as follows:

Forecast Capital Outturn Position 2020/21 at Month 5

Select Portfolio	Slippage B/F	Original Budget	Budget movements	Forecast Slippage	Revised Budget 2020/21	Forecast at M5	Variance	Variance at M2
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure								
Children & Young People	1,245	14,423	10	0	15,678	15,678	0	(134)
Economic & Development	17,496	3,068	30	(19,252)	1,342	1,342	0	0
Adult	300	5,678	0	(5,978)	0	0	0	0
Strong Communities	5,801	10,139	3,098	(1,104)	17,934	17,934	0	0
Total Expenditure	24,842	33,308	3,138	(26,334)	34,954	34,954	0	(134)
Financing								
Supported Borrowing	0	(2,417)	0	169	(2,248)	(2,248)	0	46
General Capital Grant	0	(2,423)	0	0	(2,423)	(2,423)	0	0
Grants and Contributions	(393)	(18,229)	(3,108)	3,205	(18,525)	(18,525)	0	0
S106 Contributions	(1,052)	0	0	331	(721)	(721)	0	42
Unsupported Borrowing	(22,546)	(5,275)	0	21,629	(6,192)	(6,192)	0	46
Reserve & Revenue Funding	(239)	(2)	0	0	(241)	(241)	0	0
Capital Receipts	(612)	(3,462)	(30)	1,000	(3,104)	(3,104)	0	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0	0
Total Financing	(24,842)	(33,308)	(3,138)	26,334	(34,954)	(34,954)	0	134

3.2. The capital expenditure forecast outturn at month 5 shows no variance due to a forecasted full spend against the revised budget net of forecast slippage.

3.3. The outbreak of the COVID-19 pandemic has caused significant disruption to the progress of budgeted capital schemes with forecast slippage at month 5 totalling £26.334m (£5.978m at month 2). The impact is felt both internally and externally, with disruption to external supply chains, increased contract risk and potential inflationary cost pressures sitting alongside internal resourcing pressures.

3.4. The forecast slippage is broken down as follows:

Scheme	Forecast Slippage M2 (000's)	Forecast Slippage M2 (000's)
Asset Investment fund		19,252
Crick Road Care Home	5,978	5,978
County Hall 'J' block		544
IT upgrade and refurbishment for the Council Chamber		200
Section 106 schemes		131
Property schemes		229

3.5. Useable Capital Receipts Available

3.6. 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. There is also a comparison to the balances forecast within the 2020/24 MTFP capital budget proposals.

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Balance as at 1st April	3,207	4,906	9,235	9,676	8,921
Capital receipts used for financing	(1,688)	(859)	(859)	(859)	(859)
Capital receipts used to support capitalisation direction	(2,091)	0	0	0	0
Capital receipts Received or Forecast	5,478	5,188	1,300	104	104
Forecast Balance as at 31st March	4,906	9,235	9,676	8,921	8,166
Forecast Balance 2020/24 MTFP	9,904	10,245	10,791	10,136	10,136
Variance compared to 2020/24 MTFP	(4,998)	(1,010)	(1,115)	(1,215)	(1,970)

3.7. Forecasted capital receipts of £4.1m are delayed from 2020/21 to 2021/22 in regard to sales of land at Rockfield Farm, Undy, Chepstow Road, Raglan and Penarth Farm due to the delay in receiving offers because of the Covid-19 pandemic and site constraints concerning Penarth Farm.

3.8. Forecasted balances held at the end of each financial year are lower than forecast in the 2020/24 MTFP. Ignoring timing differences in the realisation of capital receipts, this is largely attributable to the use of unbudgeted receipts under the capitalisation direction in 2019/20 and 2020/21 reflected in the balance brought forward for subsequent years.

Social Care, Health & Safeguarding	Non Covid-19 Pressures	COVID- 19 Specific			Total
		Net Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	
Adult Services	156	0	0	0	156
Children Services	1,459	0	0	0	1,459
Community Care	-267	0	58	0	-209
Commissioning	-63	0	0	0	-63
Partnerships	0	0	0	0	0
Public Protection	-1	0	110	0	109
Resources & Performance	-5	0	0	0	-5
	1,279	0	168	0	1,447

Social Care, Health & Safeguarding	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			HEADLINE PRESSURE ANALYSIS			20-21 Sensitivity			MTFP Risk 21-22			
		Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Core assumptions used to calculate forecast pressure*	Factors that are attributable / can alter forecast pressure figure / Sensitivity Value (£0,000) ~	Risk Factor (%) / Future Impact Pressures on Service where no value offered /Other factors	Sensitivity: Worst £'000	Sensitivity: Medium £'000	Sensitivity: Best £'000	£'000	High / Medium / Low	Notes
Adult Services														
Not achieving income target and the 2% staff efficiency saving, coupled with the increased staff pay award	156	0	0	0				0	0	0	156			
Total Adult Services	156	0	0	0				0	0	0	156			
Children Services														
Placement costs for LAC and non LAC population	984	0	0	0	2019/20 M5 forecast			0	0	1,100	984	High	Dependant on how the LAC and non LAC population changes and any intervention action that can be taken such as MyST	
Legal costs	238	0	0	0	2019/20 M5 forecast			0	0	238	238	High		
Agency staffing	237	0	0	0	2019/20 M5 forecast	237		237	0	0	237	High	Dependant on workforce planning and how quickly the service can pull away from reliance on agency staffing and move into a permanent Authority employed staffing structure that is stable	
Total Children's Services	1,459	0	0	0				237	0	1,338	1,459			
Community Care														
Loss of non residential income	0	0	58	0	Drop in actual charging income for period 1 and period 2 4 weekly invoicing runs			58	0	0	0	High	The impact on the bottom line will depend on if Welsh Government reimburse the Authority for this lost income	
TWUD SCWS Grant	-440	0	0	0				0	0	0	-440			
Increase in care packages	173										173			
Total Community Care	-267	0	58	0				58	0	0	-267			
Commissioning														
Vacancy	-63	0	0	0				0	0	0	0			
Total Commissioning	-63	0	0	0				0	0	0	0			
Partnerships														
Pressure Here	0	0	0	0				0	0	0	0			
Total Partnerships	0	0	0	0				0	0	0	0			
Public Protection														
Lost income for Registrars mainly due to cancelled/reduced weddings and ceremonies	0	0	98	0	Based on 5 months lost income since lockdown on 20th March to 20th June			98	0	0	0	High	Dependant on 1) if Welsh Government reimburse the Authority for this lost income, 2) how quickly lockdown measures are eased on weddings and ceremonies, 3) the current resurgence and how this will be managed with various local lockdowns	
Lost income in Licensing	0	0	6	0				0	0	6	0	Low	From street trading and entertainment but with lockdown easing this may only be short term	
Lost income in Environmental Services	-1	0	6	0				0	0	6	0	Low	Minimal loss from food safety and water sampling assume pick up once lockdown eases and being offset by savings on expenditure in not undertaking the work	
Total Public Protection	-1	0	110	0				98	0	12	0			
Resources & Performance														
Other	-5	0	0	0				0	0	0	0			
Total Resources & Performance	-5	0	0	0				0	0	0	0			
Total Social Care, Health & Safeguarding	1,279	0	168	0				393	0	1,350	1,348			

Children & Young People	Non Covid-19 Pressures	COVID- 19 Specific			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Individual Schools Budgets	-272	8	0	0	-264
Resources	22	0	0	0	22
Standards	191	0	70	0	261
	-59	8	70	0	19

Children & Young People	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			HEADLINE PRESSURE ANALYSIS			20-21 Sensitivity			MTFP Risk 21-22			
		Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Core assumptions used to calculate forecast pressure	Factors that are attributable / can alter forecast pressure figure / Sensitivity Value (£0,000)	Risk Factor (%)/ Future Impact Pressures on Service where no value offered /Other factors	Worst	Medium	Best	Pressure	Risk	Notes
Individual Schools Budgets														
Supply Compensation Scheme		8	0	0	The staff costs as a result of the delay in being able to implement the supply compensation scheme for schools.	This covers the summer term and the member of staff left in July as the take up from schools was very low.	No risk going forward.	8			0			
	-272													
Resources	-272	8	0	0				8	0	0	0			
ICT cost	30	0	0	0	Total costs for the year to ensure all the essential upgrades are completed.	0	0	30			0	0		
	-8	0	0	0										
	0	0	0	0										
Standards	22	0	0	0				30	0	0	0			
Loss of income for breakfast club for the summer term			70	0	This is the loss of income from breakfast clubs for the summer term and the initial two weeks at the start of September. The loss of income is £90,000 with a cost saving of £20,000. It is anticipated that this can be reclaimed from Welsh Government	£4,000 per week	50% - waiting for guidance from WG	£156	£104	£70	0	Low	The risk for 21-22 is that no breakfast clubs operate during the 20-21 academic year	
ALN	191	0	0	0							529			
	191	0	70	0				156	104	70	529			
CYP	-59	8	70	0				194	104	70	529			

MONTH 5

Chief Executive	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Legal & Land Charges	28	0	63	0	91
Governance, Democracy & Support	21	0	0	31	52
	49	0	63	31	143

Chief Executive	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			MTFP Risk 21-22		
Division / Description of Pressure	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Pressure	Risk	Notes
Legal & Land Charges							
Reduction in Land Charges Income due to 1) Recurrent budget pressure 2) impact of Covid on Housing market.	0	0	63	0			
Legal - Increased staff Costs and unachievable income target.	28						
Total Legal & Land Charges	28	0	63	0	0		
Governance, Democracy & Support							
Community Education - Loss of income due to closures of sites due to Covid.	3	0	0	0			
Contact Centre - Staff Overspend		0	0	31			
Corporate - unbudgeted licensing cost, supplies & Serv	12						
Democratic Services - underspend in Supplies & Services, One off election reform grant windfall	-14						
Policy & Pships - Welsh Translation Costs	17						
Community Hubs	3						
Total Governance, Democracy & Support	21	0	0	31	0		
TOTAL CEO's	49	0	63	31	0		

RESOURCES	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Commercial, Corporate & landlord Services	32	0	480	0	512
Finance	-183	286	86	0	189
Future Monmouthshire	112	0	0	0	112
Information Communication Technology	-128	0	0	0	-128
People	-43	0	49	0	6
	-210	286	615	0	691

RESOURCES	Non Covid-19 Pressures	COVID- 19 Specific PRESSURES			MTFP Risk 21-22		
Division / Description of Pressure	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid- 19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Pressure	Risk	Notes
Commercial, Corporate & landlord Services							
Estates - Income Pressure	77	0	79	0	179		Development company £100k, magor rental £79k.
Sustainability & Solar Farm	-49		0				
Commercial Investments	-76		265		0		One-off windfall
Investment Income Pressure	200	0	0	0	200		
MCC Markets - Income Loss	-18		136				
Industrial Units	14						
Cemeteries	38						
County Farms	3						
Property & Office Services	-83						
Property Accommodation	-74				-50		Rates saving, recurring maint saving
Total Commercial, Corporate & landlord Services	32	0	480	0	329		
Finance							
Benefits - B&B HB claims increasing due to Covid, not all can be claimed against Housing benefit subsidy so pressure on budget.	109	286	0	0			
Council Tax & NNDR - Shortfall in Summons income due to courts being closed and decision to halt recovery of Unpaid Council Tax & Business Rates	47	0	86	0			
Debtors	-19						
Finance & Imp	-263						posts will be filled April
Systems & Exchequer	-57						
Total Finance	-183	286	86	0	0		
Future Monmouthshire							
Future Monmouthshire - Unachievable 20-21 Savings relating to Authority Wide Agency (£80k) and Fuel reductions (£34k).	112	0	0	0	112		
Total Future Monmouthshire	112	0	0	0	112		
ICT							
ICT	-128				0		one off windfall
Total ICT	-128	0	0	0	0		
People							
Corporate Training - Reduced Income	0	0	49	0	0		
Customer Relations	-14				0		
Innovation	4				0		
People Services	-33				0		
Total People	-43	0	49	0	0		
TOTAL RESOURCES	-210	286	615	0	441		

ENTERPRISE	Non Covid-19 Pressures	COVID-19 Specific PRESSURES			
DIVISION	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid-19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Total
Business Growth & Enterprise	-27	0	56	0	29
Facilities & Fleet	216	291	593	0	1,100
Neighbourhood Services	427	404	321	0	1,152
Planning & Housing	58	0	672	339	1,069
MonLife	-183	0	1,949	0	1,766
	491	695	3,591	339	5,116

ENTERPRISE	Non Covid-19 Pressures	COVID-19 Specific PRESSURES			MTFP Risk 21-22		
Division / Description of Pressure	Service Pressures not related to Covid-19 (£,000)	Expenditure directly attributable to Covid-19 (£,000)	Shortfall /Loss of Income due to Covid-19 (£,000)	Costs incurred due to changes in service delivery (£,000)	Pressure	Risk	Notes
Business Growth & Enterprise							
Borough Theatre - Loss of income.	0	0	56	0	0		
Community & Pship Dev	-43				0		
Events - budget realignment	0				0		
Cooperations - budget realignment	0				0		
Enterprise Mgt	16				0		
Total Business Growth & Enterprise	-27	0	56	0	0		
Facilities & Fleet							
Schools Catering - Loss of income	0	0	353	0	0		
Schools Catering - Increase in FSM	4	56			50		
Building Cleaning - Covid cleaning grant, assumes school cleaning funded by grant.	-20	0	0	0			
PTU - Staffing Pressure	376	0	0	0	376		
PTU - Loss of Private Hire Income due to Covid			228		0		
PTU - Service 65 income loss due to Covid			12				
PTU - Grass Routes	21		0		21		
PTU - Public Tpt Subsidy	0						
PTU - Additional costs covid relates	-221	169					
PTU - Vehicle Purchase	0						
PTU - New Software Package	50	0	0	0			
Transport - Green car scheme loss £6k, increased repair costs for additional vehicles taken on for covid.	6	66					
Total Facilities & Fleet	216	291	593	0	447		
Neighbourhood Services							
Highways & Streetlighting	-72				0		
Waste - Increased Staff Costs due to Covid social distancing requirements.		220		0	0		
Waste - Increased vehicle Hire & Running Costs due to Covid social distancing requirements.		184		0	0		
Waste - additional recycling Costs	79			0	0		
Waste - External Trade Income			104		0		
Waste - Existing budget Pressures	320				0		Should be offset by savings from green waste change
Grounds Maintenance - Reduction in external trade income as a result of Covid. £100k vehicles pressure non covid.	100	0	217	0	100		
Total Neighbourhood Services	427	404	321	0	100		
Planning & Housing							
Planning - Reduction in planning & Building/Control Fees.	-73	0	293	0			
LDP - Consultant Uspend	0						
Civil Parking Enforcement - Income Pressure	302		39		250		
Car Parking Income down due to Covid Restrictions.	0	0	260	0			
Car Parking - Season Tickets & Permits			40				
Highway Dev & Flooding	-181				-100		If posts are kept vacant
Housing - Renovation grants - Loss of fee income due to covid restrictions.			40				
Housing - Software Costs	10						
Homelessness - Increase in B&B costs, security costs and meals due to Covid				339	0		
Total Planning & Housing	58	0	672	339	150		
MONLIFE							
Loss of Leisure Centre Income due to sites being closed for Covid.	0	0	1,679	0			
Outdoor Education - Loss of income as centres closed due to Covid.	0	0	210	0			
Countryside & Culture - income loss due to event cancellation			30				
Countryside & Culture - Software O spend	8						
Active Travel	0						
Youth & Community - staff saving	-12						
Museums & Attractions- Loss of income as sites closed due to Covid. Staff savings	-179	0	30	0			
TOTAL MONLIFE	-183	0	1,949	0	0		
TOTAL ENTERPRISE & MONLIFE	491	695	3,591	339	697		

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