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Y Rhadyr
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NP15 1GA

County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 11 February 2025

Dear Councillor

CABINET

You are requested to attend a **Cabinet** meeting to be held at **Council Chamber, County Hall, Usk** on **Wednesday, 19th February, 2025**, at **4.30 pm**.

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Feedback from Performance & Overview Scrutiny Committee - 11th August 2025 1 - 4
4. To consider the following reports (Copies attached):
 - i. **UK Shared Prosperity Fund 2025/26** 5 - 32

Wards Affected: All
Purpose: To inform Cabinet of UK Governments one-year extension to the UK Shared Prosperity Fund (UKSPF) and seek approval for the granting of investment from UKSPF for 2025/26 to projects listed in Appendix one of this report
Author: Will McLean, Chief Officer Learning, Skills and Economy
Hannah Jones, Head of Economy, Employment and Skills
Contact Details: willmclean@monmouthshire.gov.uk
hannahjones@monmouthshire.gov.uk
 - ii. **2024/25 Revenue Budget - Financial Update** 33 - 88

Division/Wards Affected: N/A
Purpose: To provide Cabinet with an update of the progress against the Councils revenue budget for the 2024/25 financial year.
Author: Jonathan Davies, Head of Finance
Contact Details: jonathandavies@monmouthshire.gov.uk

Yours sincerely,

Paul Matthews
Chief Executive

CABINET PORTFOLIOS

County Councillor	Area of Responsibility	Ward
Mary Ann Brocklesby	<p>Leader Lead Officers – Paul Matthews, Matthew Gatehouse, Peter Davies, Will Mclean</p> <p>Whole Authority Strategy and Direction Whole authority performance review and evaluation, including DDAT Relationships with Welsh Government, UK Government and local government associations Regional Relationships including CJsCs. PSBs and cross boarder Emergency Planning</p>	Llanelly
Paul Griffiths	<p>Cabinet Member for Planning and Economic Development Deputy Leader Lead Officers – Will McLean, Craig O'Connor</p> <p>Economic Strategy Skills and Employment Replacement Local Development Plan Placemaking and the development of market and affordable housing Placemaking and Transforming Towns Car parking and civil parking enforcement Development Management Building Control</p>	Chepstow Castle & Larkfield
Ben Callard	<p>Cabinet Member for Resources Lead Officers – Peter Davies, Matt Gatehouse</p> <p>Finance including MTFP and annual budget cycle Revenue and Benefits Human resources, payroll, health and safety Land and buildings Property maintenance and management Strategic procurement</p>	Llanfoist & Govilon
Martyn Groucutt	<p>Cabinet Member for Education Lead Officers – Will McLean, Ian Saunders</p> <p>Early Years Education All age statutory education Additional learning needs/inclusion Post 16 and adult education School standards and improvement</p>	Lansdown

	<p>Community learning Sustainable communities for learning Programme Youth service School transport</p>	
Ian Chandler	<p>Cabinet Member for Social Care, Safeguarding and Accessible Health Services Lead Officer – Jane Rodgers</p> <p>Children’s services Fostering & adoption Youth Offending service Adult services Whole authority safeguarding (children and adults) Disabilities Mental health Wellbeing Relationships with health providers and access to health provision</p>	Llantilio Crossenny
Catrin Maby	<p>Cabinet Member for Climate Change and the Environment Lead Officers – Debra Hill-Howells, Craig O’Connor, Ian Saunders</p> <p>Decarbonisation Transport Planning Highways and MCC Fleet Waste management, street care, litter, public spaces and parks Pavements and Back lanes Flood Alleviation Green Infrastructure, Biodiversity and River health</p>	Drybridge
Angela Sandles	<p>Cabinet Member for Equalities and Engagement Lead Officers – Matthew Gatehouse, Ian Saunders, Jane Rogers, James Williams</p> <p>Community development, inequality and poverty (health, income, nutrition, disadvantage, discrimination, isolation and cost of living crisis) Citizen engagement and democracy promotion including working with voluntary organisations Citizen experience - community hubs, contact centre, and customer service and registrars, communications, public relations and marketing Leisure centres, play and sport Public conveniences Electoral Services and constitution review Ethics and standards Welsh Language Trading Standards, Environmental Health, Public Protection, and Licencing</p>	Magor East with Undy

Sara Burch	Cabinet Member for Rural Affairs, Housing & Tourism Lead Officers – Craig O'Connor, Ian Saunders Local Food production and consumption, including agroforestry and local horticulture Homelessness, Temporary accommodation, private sector housing, (empty homes leasing schemes, home improvement loans, disabled facilities grants and adaptive technology), Allocation of social housing Broadband connectivity Active Travel Countryside Access and Rights of Way Tourism Development and Cultural Services	Cantref
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Aims and Values of Monmouthshire County Council

Our purpose

To become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life.

Objectives we are working towards

- Fair place to live where the effects of inequality and poverty have been reduced;
- Green place to live and work with reduced carbon emissions and making a positive contribution to addressing the climate and nature emergency;
- Thriving and ambitious place, where there are vibrant town centres and where businesses can grow and develop
- Safe place to live where people have a home where they feel secure in;
- Connected place where people feel part of a community and are valued;
- Learning place where everybody has the opportunity to reach their potential

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.

Kindness: We will show kindness to all those we work with putting the importance of relationships and the connections we have with one another at the heart of all interactions.

Monmouthshire Scrutiny

Performance and Overview Scrutiny Committee ~ Feedback to Cabinet of Meeting held on 11th February 2025

Report Item 5: Financial Update 3

The Committee undertook thorough scrutiny of the report, highlighting the following important issues for the Cabinet Member's consideration:

- Members asked if the savings made through vacancies in civic enforcement are offset against the income that those officers would have generated.

Officers clarified that the savings listed for Civic Enforcement officers are made through vacancies and do take into account the potential impact on income generated from fines. The service has considered the overall impact, including the enforcement action and income generation, when holding these vacancies.

- Clarity was sought about the cause in the overspend in waste and grounds maintenance, particularly related to recyclable prices and workplace recycling regulations and how we can encourage a higher recycling rate in the county.

Members were advised that the overspend is due to volatility in recyclable prices and the impact of new workplace recycling regulations. These regulations have led to reduced volumes of recyclable materials collected from businesses, as some businesses have found alternative waste disposal options. This has affected the overall recycling rates and contributed to the overspend.

Officers confirmed that the Council is reviewing the costs associated with trade waste and recyclable materials and are in the process of going through a procurement exercise to address the volatility in recyclable prices and improve the financial situation for the next financial year. Additionally, efforts are being made to encourage businesses to participate in recycling programs and comply with the new regulations to maintain high recycling rates.

- It was asked how confident the Council is in addressing the budget shortfall of £1.593m, that includes a £2.376 million shortfall in meeting savings targets relating to only 78% of the £10.9 million of savings forecast to be achieved.

The Cabinet Member advised that the Council is confident in addressing the shortfall by continuing to work with services to drive through the remaining savings

Monmouthshire Scrutiny

towards the end of the year and maintaining a focus on budget control to ensure that costs are managed effectively, and the remaining gap is closed.

- Detail was sought about recovery plans for schools ending the financial year in deficit, given that 69% of the schools (24 out of 35) are forecasted to end the financial year in a deficit.

The Chief Officer for Children and Young People responded that the Council is working with schools to support them in developing effective recovery plans, which includes providing guidance and assistance in managing their budgets, exploring opportunities for efficiency savings, and ensuring that schools have the necessary resources to address their financial challenges.

- Members asked if there has been a shift in children's social care, with providers exiting the market, reducing the number of providers offering services and impacting costs?

The Chief Officer for Social Care and Health agreed there has been a shift, which has led to increased costs due to reduced competition. The market is currently volatile, with some providers charging higher prices during this transition period, so the Council is working to increase in-house care provision to mitigate these costs.

- Whether discussions are taking place across the region with other local authorities to take collective action to resolve the issue of continuing healthcare (CHC) cost shunting from the NHS to local authorities was raised.

The Committee was advised that conversations are being held, but that progress has been slow, and the process remains challenging, with Councils seeking ways to resolve the issue collectively.

- It was asked how the £400,000 shortfall in housing and homelessness savings targets are being addressed, and what the impact of grant funding is on the shortfall.

Members heard that the shortfall has been addressed through grant funding from Welsh Government which has significantly mitigated the situation and that the Council is continuing to work on reducing high-cost bed and breakfast placements by utilizing more cost-effective temporary accommodation solutions. Whilst this is a positive outcome, the timely delivery of savings plans is important and in this instance could have led to grant funding being redirected to other priorities.

Monmouthshire Scrutiny

- A member referred to a growing trend of increased discounts, exemptions, and slower tax collection and asked how the Council is tackling it, and whether there has been an impact on the Council's income.

The Committee was advised that the level of discounts and exemptions is increasing, moving towards an all-Wales average and that the Council has been raising awareness about available discounts and exemptions to ensure eligible residents take advantage of them. Whilst the collection rate remains robust, the process is taking longer, and the Council is working closely with the shared service with Torfaen to offer support to those experiencing difficulty in paying.

- It was asked what the Council is doing to build up its reserves, and how can it work with the Welsh Government to ensure Monmouthshire is not in the position of having the least reserves.

The Cabinet Member assured that the Council is aware of its low level of reserves and is taking steps to increase financial resilience, which includes the Council tax premium to create resilience and investment in housing issues. He advised that increasing reserve cover depends on the funding settlement and the ability to generate a budget surplus and that the Council is working closely with Welsh Government to address this issue.

- It was questioned why the specific forecast deficits for King Henry School and Chepstow School are so much higher than Monmouth Comprehensive?

The Chief Officer for Children and Young People confirmed that the higher forecast deficits for King Henry School and Chepstow School are due to specific challenges, including transitional costs for King Henry and other unique issues for Chepstow and that Monmouth Comprehensive does not face the same level of challenges.

He explained that the three schools (King Henry, Chepstow, and Monmouth Comprehensive) have broadly similar in-year overspend positions, all in excess of half a million pounds. Monmouth Comprehensive had secured a higher level of brought forward balance, which has impacted their carried forward deficit.

Chepstow School has been working closely with the Council to improve their long-term deficit position, showing recent improvements. King Henry School has faced significant cost pressures due to the transition to a through school and delayed move into the new building, along with some income streams not materialising as expected.

Monmouthshire Scrutiny

He confirmed that the Council is working with these schools to ensure a recovery that does not immediately and detrimentally impact academic or support provision.

- Members asked how the deficit in schools' reserves impacts the Council's balance sheet, considering the uncertain time frame for recovery.

The explanation given was that the deficit in schools' reserves moves to the Council's balance sheet, impacting the overall financial position and resilience. The recovery plans for schools are long-term, and therefore deficits may grow before they start to reduce.

- The 3 core services of the council are forecast to overspend at year-end by £5.15 million. Last quarter the forecast was £5.3 million. This is marginal improvement, and quite a different picture to the overall council forecast overspend, as the 3 core services overspend continues to be offset by balancing finance and treasury measures. The overspend in those core services will now carry forward to next year - surely this is not sustainable.

The Cabinet Member responded that it isn't a negative to find ways to balance expenditure across the departments and that the council's budget proposals for next year include ongoing changes aimed at making services, particularly in social care, more financially sustainable. He explained that despite the forecasted overspend in the three core services, the Council has faced significant budget gaps of over £20 million annually for the past three years, which is a substantial challenge and that he was proud of the Council's efforts to address the financial pressures. The Council is working to manage costs efficiently by addressing demand within services, implementing preventative measures, and ensuring financial discipline, the focus being on maintaining service quality while managing financial pressures. He also advised that the Council had benefited from an additional £1.3 million Welsh Government grant.

Chair's Conclusion:

The Chair thanked the officers and Cabinet Member for the report and their responses to the committee's questions and said that the committee wished to recognise the work undertaken across the organisation to deliver services in a challenging financial context.

SUBJECT: UK Shared Prosperity Funding Allocation 25/26
MEETING: CABINET
DATE: 19th February 2025
DIVISION/WARDS AFFECTED: ALL

1. PURPOSE

- 1.1 To inform Cabinet of UK Governments one-year extension to the UK Shared Prosperity Fund (UKSPF) and seek approval for the granting of investment from UKSPF for 2025/26 to projects listed in Appendix one of this report.

2. RECOMMENDATIONS:

That Cabinet:

- 2.1 Approves the recommendations of the Monmouthshire People & Place partnership in relation to the investment of funds from the local authority's allocation for 2025/26.
- 2.2 Approves the draft local investment plan (appendix one) and projects contained within.
- 2.3 Authorises the commencement of activity as outlined in the draft local investment plan from 1st April 2025, ahead of the regional lead local authority (Rhondda Cynon Taf CBC) receiving an updated Memorandum of Understanding from UK Government.

KEY ISSUES:

3.1 Initial round of funding (2023-2025)

- 3.1.1 In March 2022, [Cabinet](#) received an update on the UK Government Levelling Up White Paper which contained details of the UKSPF Pre-Launch Guidance. Approval was also given to establish a citizen focussed, Local Partnership to inform the development of a Monmouthshire Investment Plan – now termed the 'Monmouthshire People and Place Partnership' to monitor progress and performance of the local investment plan over the funding period
- 3.1.2 In July 2022 [Cabinet](#) agreed that Rhondda Cynon Taff County Borough Council (RCTCBC) would act as the Lead Local Authority for UKSPF for the ten Local Authorities across the South East Wales Region, with RCTCBC holding overall accountability for the funding. Cabinet also:
- Endorsed the submission of the Regional Investment Plan by RCTCBC, which incorporated the Authority's outline local investment plan, and was submitted to UK Government on 1st August 2022.
 - Agreed to extend the contracts of NEET (Not in Education, Employment and Training) related staff who were currently at risk of redundancy in December 2022, due to the cessation of the European Social Fund programmes – Inspire2Achieve, Inspire2Work and Skills@Work. Staff to be funded via UKSPF until March 2025 by taking a locally delivered, regionally coordinated approach; and

- Agreed to utilise up to 4% of the funding for financing the administration of the Monmouthshire element of the Fund to establish a delivery team from within the Council's existing Monmouthshire Economy, Employment and Skills Team.
- 3.1.3 In [November 2022 Cabinet approved](#) the list of UKSPF projects in the local investment plan which contributed significantly to the strategic aims of the Council's Community and Corporate Plan, namely: Communities and Place, Local Business and People and Skills and Cabinet agreed to the Monmouthshire People and Place Partnership's informed decisions in the allocation of Monmouthshire's UKSPF allocation.

3.2 The UK Shared Prosperity Fund for 2025/26

- 3.2.1 The UK government's Autumn Budget announced that the UK Shared Prosperity Fund would continue at a reduced level for a transition year by providing £900 million for local authorities to invest in local growth, in advance of wider funding reforms. Individual regional and local allocations were not confirmed at this time.
- 3.2.2 The aim of the UKSPF 25/26 extension year is to provide a smooth transition from the existing UKSPF programme to a new, future funding framework. The government is committed to restoring decision making over structural funding to representatives of Scotland, Wales and Northern Ireland, and we will work closely with the devolved governments to honour this commitment.
- 3.2.3 On 13th December 2024, a letter from the Ministry of Housing, Communities and Local Government confirmed the allocations for individual local authorities in Wales, and that "to protect the most deprived communities within Wales from the impact of this reduction, [they] have agreed to limit the reductions to allocations for the 20% of local authorities in Wales with the highest levels of deprivation."
- 3.2.4 The letter also confirmed that Multiply will not continue as a specific, ringfenced programme. Adult numeracy can be funded where it is a local priority, as part of our UKSPF allocation alongside the wider suite of people and skills related activities.
- 3.2.5 A new technical note was released on this date, adding the UK Government's 5 national missions, themes, and sub-themes to the existing UKSPF investment priorities (Communities and Place, Supporting Local Business, and People and Skills)
- 3.2.6 "The Fund's mix of revenue and capital funding will ensure places deliver directly on the foremost Mission to kickstart economic growth. Alongside this, it will support the four remaining Missions"



3.2.7 The role of lead local authorities for delivery of the Fund for 2025-26 remains the same and will continue to be delivered by Rhondda Cynon Taff County Borough Council (RCTCBC). Lead local authorities will receive an area's allocation to manage, including assessing and approving applications, processing payments and day to day monitoring.

3.2.8 Lead and local authorities are not required to submit a local investment plan to UK Government with regards to plans for the extension period. These will instead be included as part of the next quarterly reporting update in April 2025.

3.2.9 UK Government have advised that they will not provide a revised Memorandum of Understanding to RCTCBC, as the regional lead, until after the start of the new financial year on 1st April 2025.

3.3 Monmouthshire Shared Prosperity Fund Allocation for 2025/26

3.3.1 UKSPF in Monmouthshire continues to be overseen by the Monmouthshire People and Place Partnership. This is chaired by Paul Griffiths – Deputy Leader and Cabinet member for Planning, and Economic Development and Strategic Director for Learning, Skills and Economy Will McLean sits on the partnership. The partnership is made up of representatives from the following organisations:

- Cardiff Capital Region/Corporate Joint Committee
- Cwmpas Digital Communities Wales
- Department of Work and Pensions
- Melin Homes
- MCC Partnerships – Link for Monmouthshire Programme Board
- MCC Regeneration

- MCC Housing, Rural Development & Strategic Partnerships
- National Resources Wales

3.3.2 On 13th December 2024 the allocation for Monmouthshire was confirmed by the Ministry of Housing, Communities and Local Government as £2,399,940. This is made up of £1,734,653 revenue funding and £665,286 capital funding. The allocation for Monmouthshire is 2.32% of the regional allocation for SE Wales (Cardiff Capital Region), and 1.14% of the total funding allocation for Wales.

3.3.3 This allocation represents a 46% decrease year-on-year when compared to the available allocation for 2024/25, presenting a significant financial challenge.

3.3.5 In the lead up to the announcement of the allocation, business cases for extension to provision were sought from within the current cohort of projects. Projects were asked to consider a variety of delivery models as part of their proposals, including a minimum viable provision offer in the event of a significant budget reduction for the authority.

3.3.6 Initial appraisals of proposals were undertaken to establish ongoing eligibility of proposals for UKSPF support, alignment with purposes set out for the fund, and the newly introduced themes and sub-themes. This process also considered the risks of cessation of each project in relation to strategic objectives, the impact of losing established teams and the associated knowledge/expertise, and the performance of projects through the original round of funding. Further review was undertaken to challenge finance and performance profiles, reducing the overall financial ask.

3.3.7 The Monmouthshire People and Place Partnership reviewed and considered the proposals for funding, including alignment to the requirements and purpose of the fund, the three UKSPF investment priorities: (Communities and Place, Supporting Local Businesses, and People and Skills), the new themes and subthemes introduced to the programme (referenced in 3.2.6), and ensuring the programme would deliver on the strategic priorities set out in the Council's Community and Corporate Plan.

3.3.8 Allocations were agreed for the proposals set out in Appendix one. £46,289 revenue funding remains unallocated to explore the viability of a transition period for the Together Works project and a future sustainable delivery model. In addition, £209,745 of capital funding remains unallocated to allow for further consideration of investment pathways by the Monmouthshire People and Place partnership. This will include potential targeted call out or small grant opportunities for commencement within 2025/26.

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

- 4.1 The Integrated Impact Assessment detailed in Appendix two, anticipates that the projects detailed within this report will have a positive impact on peoples' social, emotional, health and wellbeing, education, and skills. This will develop resident's resilience and improve their life chances.

5. **OPTIONS APPRAISAL:**

- 5.1 The aim of the UKSPF 25/26 extension year is to provide a smooth transition from the existing UKSPF programme to a new, future funding framework. It was indicated that allocations would be adjusted to prioritise areas with the highest levels of deprivation. It was therefore anticipated that this would disadvantage Monmouthshire due to its ranking on the Welsh Index of Multiple Deprivation (WIMD).
- 5.2 The announcement provided a very short timescale within which to determine allocations and within the context of a significantly reduced funding envelope.
- 5.3 The Monmouthshire People & Place Partnership agreed to consider initial plan development within the existing cohort to ensure business continuity and to avoid the cessation of all current activity on 31st March 2025.
- 5.4 Extension proposals were therefore submitted via a Single Stage Business Case template, to include an individual options appraisal of delivery models and a minimum viable provision offers. Further review was undertaken to challenge finance and performance profiles, reducing the overall financial ask to enable the partnership to consider projects for investment.
- 5.5 £46,289 revenue funding remains unallocated to explore the viability of a transition period for the Together Works project. £209,745 of capital funding remains unallocated to allow for further consideration of investment pathways by the Monmouthshire People and Place partnership.

6. **EVALUATION CRITERIA**

- 6.1 All projects approved for UKSPF extension or 25/26 will adhere to the evaluation guidelines and reporting requirements set out by UK Government and our Lead Local Authority, Rhondda Cynon Taff County Borough Council (RCTBC).
- 6.2 The Monmouthshire People and Place Partnership will continue to review and monitor the performance and financial profiles of all projects within the plan.

7. **REASONS:**

- 7.1 The draft local investment plan has been developed with consideration of the UKSPF prospectus and 2025/26 technical note, taking account of the fund's 3 investment priorities (Communities & Place, Supporting Local Business, People & Skills), the newly introduced themes and sub-themes, and the 5 Government missions (referenced in 3.2.6). The fund's themes align with objectives set out in Monmouthshire Community and Corporate Plan.

- 7.2 The draft plan is a mix of revenue and capital funded projects, contributing to the foremost Mission to kickstart economic growth. It will also support the four remaining Missions.
- 7.3 The draft plan sets out how activity will impact on the local priorities set out in the Community and Corporate Plan, identifying specific aims and actions at a project level.
- 7.4 There are clear synergies with a number of local Monmouthshire Strategies, for which the activity outlined in the draft plan will be a significant contributor. This includes but is not limited to:
- Monmouthshire Economy, Employment and Skills Strategy
 - Monmouthshire Local Food Strategy
 - Monmouthshire Heritage Strategy
 - NEET Prevention Strategy
 - Tackling Poverty and Inequality Action Plan
 - Green Infrastructure Strategy
- 7.5 An unallocated balance has been retained to allow for further consideration of investment pathways by the Monmouthshire People & Place Partnership.

8 RESOURCE IMPLICATIONS:

- 8.1 Monmouthshire County Council's UKSPF allocation for 2025/26 is £2,399,940. This is made up of £1,734,653 revenue funding and £665,286 capital funding. This is a 46% reduction from 2024/25.
- 8.2 UK Government permits 4% of the funding to be used for management and administration of the Fund. 20% of this will be allocated to the Lead Local Authority (RCTCBC), with the remainder (£76,798) retained by the local authority. This will be allocated to the Council's Economy, Employment and Skills service for local management and administration.
- 8.3 The local investment profile currently includes an earmarked amount of 1.75% for regional delivery by the Cardiff Capital Region, mirroring existing arrangement. If these arrangements are not agreed for continuation, a further £41,999 revenue funding is available for local project delivery.
- 8.4 A caveat applies to £55,000 of the allocation that requires confirmation of eligibility for capitalisation. If this is not confirmed, this will be returned to the unallocated total for further consideration.
- 8.5 £46,289 revenue funding remains unallocated to explore the viability of a transition period for the Together Works project. £209,745 of capital funding remains unallocated to allow for further consideration of investment pathways by the Monmouthshire People and Place partnership.

	Allocation (£)	Management, administration, and regional projects (£)	Local project delivery allocations (£)	Unallocated amounts (£)

Capital	665,287	26,611	428,930	209,745
Revenue	1,734,654	111,385	1,576,979	46,289

Table 1: Allocation of capital and revenue funding

9. CONSULTEES:

- Monmouthshire People & Place Partnership
- DMT – Learning, Skills and Economy
- Strategic Leadership Team
- Cabinet

10. BACKGROUND PAPERS

- Appendix one – Local Investment Plan 2025/26
- Appendix two - Integrated Impact Assessment

11. AUTHOR:

Will McLean, Chief Officer Learning Skills and Economy

Lead officer

Hannah Jones, Head of Economy Employment and Skills

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APPENDIX 1

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UK SHARED PROSPERITY FUND

LIP 25/26 PROJECTS LIST

“The UK government’s Autumn Budget announced a further £900 million of funding for local investment through the UK Shared Prosperity Fund (UKSPF) by March 2026. All areas of the UK are receiving a further allocation of UKSPF - helping places take advantage of the Fund’s flexibility for delivery from April 2025.

“The fund proactively supports Mission-delivery: with a specific focus to help kickstart economic growth and promoting opportunities in all parts of the UK.”

For 2025-26, The Ministry of Housing, Communities and Local Government (MHCLG) have mapped existing UKSPF interventions into Mission-led themes across the three priority areas:

- Communities and Place
- Supporting Local Business
- People and Skills.



COMMUNITIES & PLACE

Healthy, Safe and Inclusive Communities

- Improve health & wellbeing
- Reduce crime & the fear of crime
- Bringing communities together, tackling homelessness

Thriving Places

- Development of the visitor economy
- High streets and town centres improvements



SUPPORTING LOCAL BUSINESS

Support for Business

- Advice and support to business
- Enterprise culture and start up support
- Business sites and premises



PEOPLE & SKILLS

Employability

- Supporting people to progress towards and into employment
- Support for young people who are or at risk of being NEET

Skills

- Essential skills (including numeracy, literacy, ESOL and digital)
- Employment related skills

Appendix One: UK Shared Prosperity Fund – Monmouthshire projects for Local Investment Plan 2025/26

Investment Priority: **Communities and Place**

Theme: Healthy, Safe and Inclusive Communities

Sub-Themes: Improve health and wellbeing; Reduce crime and the fear of crime; Bringing communities together, tackling homelessness

Project / Description of Activity	C&C Plan ¹	Aims / Indicators	Project Lead	Financial Investment
<p>BeCommunity Extend the Be Community provision, continuing to equip volunteers across Monmouthshire's civil society with the skills and knowledge needed to grow sustainable, inclusive, and thriving community projects. Be Community will continue to deliver a comprehensive training program combining face-to-face sessions, online modules, distance learning, and mentoring.</p>	A Fair place	<ul style="list-style-type: none"> • Increase and support the number of people who volunteer • Increased number of people attending training sessions 	MCC (Customer, Culture and Wellbeing)	Revenue: £15,000
<p>Gwent Green Grid Partnership Green infrastructure improvement projects to foster nature and climate resilience, provide impactful community engagement with under-served groups, to support community involvement in decision making for local green and blue spaces, green skills training to support volunteers and community groups for people to gain a qualification. Supports active travel capital improvement works as part of the Multi-User Route project in Caldicot.</p>	A Green Place	<ul style="list-style-type: none"> • Work with public sector partners across Gwent to improve the social determinants of health such as [...] access to green spaces • Improve walking and cycle routes and integrate these with the public transport network • Increase and support the number of people who volunteer 	MCC (Customer, Culture and Wellbeing)	Capital: £200,000 Revenue: £40,000
<p>Creative Futures Creative Futures allows time and space to develop creative work and creative practice with young people. It consists of Bespoke Youth Arts sessions/Interventions, supporting delivery of a county wide youth arts initiative based on the collaborative vision of partners to 'give the young people of Monmouthshire a voice in the Creative arts'.</p>	A Fair Place	<ul style="list-style-type: none"> • Provide a varied range of activities in a safe environment [...] for residents to] participate in a wide range of activities that contribute to health and well-being • Community led arts, cultural, heritage and creative programmes • Support local events/activities 	MCC (Customer, Culture and Wellbeing)	Capital: £12,830 Revenue: £85,007
<p>Circular Economy Project Increase and nurture repair and ReUse skills through training and small-scale capital investment, and establish additional Benthylg operations. Arrange community workshops to promote and encourage repair, active travel and circular economy such as simple DIY, Use of Thermal Imaging cameras and energy efficiency measures and cycle repair and maintenance.</p>	A Green Place	<ul style="list-style-type: none"> • Support communities to reuse and repair items through initiatives such as re-use shops, Benthylg and Repair Cafes • Number of people attending training/workshop sessions • Amenities created or improved • Increase users of facilities/amenities 	MCC (Place)	Capital: £20,600 Revenue: £51,940
<p>Tackling Poverty & Inequality Re-establish a County-Wide Tackling Poverty and Inequality Network and ensure that citizens have access to advice services so that people get the maximum financial support they are entitled to, including: Cost of Living Campaign, Weekly Drop-in sessions in hubs, Information Events, and a Fuel Poverty Campaign.</p>	A Fair Place	<ul style="list-style-type: none"> • Work with partners to reduce food insecurity • Ensure access to advice services so that people get the maximum financial support they are entitled to • Increase take-up of energy efficiency measures • Improved engagement numbers/people reached 	MCC (Customer, Culture and Wellbeing)	Revenue: £92,235
<p>Granicus – Communication & Engagement Oversee and resolve any issues with the 'Lets Talk Monmouthshire' platform, a single digital platform that all consultation and engagement pieces of work can be hosted so residents can see what is happening on an organisational wide basis or on a local community level.</p>	A Fair Place	<ul style="list-style-type: none"> • Citizens are able to participate in council and community decision-making and take actions which enable them to shape their own futures • Number of people reached / improved engagement numbers 	MCC (Customer, Culture and Wellbeing)	Capital: £10,000 Revenue: £10,000

Appendix One: UK Shared Prosperity Fund – Monmouthshire projects for Local Investment Plan 2025/26

<p>Abergavenny LC Warm Water Recovery System Adopting new energy efficient and low carbon technologies and work practices, the learning from which will be shared through our regional networks to further stimulate innovation in our sector. The pool water recovery system will make significant improvements to the procedures by; reducing water consumption for pool top up, reducing energy consumption associated with heating; reducing volume of sewage discharged.</p>	A Green Place	<ul style="list-style-type: none"> • Reduce the carbon emissions generated from the council’s properties and vehicles • Estimated Carbon dioxide equivalent reductions as a result of support (Tonnes of CO2e) • Number of organisations engaged in knowledge transfer activity following support 	MCC (Customer, Culture and Wellbeing)	Capital: £50,000
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Investment Priority: **Communities and Place**

Theme: Thriving Places

Sub-Themes: Development of the visitor economy; High streets and town centres improvements

Project / Description of Activity	C&C Plan	Aims / Indicators	Project Lead	Financial Investment
<p>Destination for All Bringing accessible tourism to Monmouthshire, project will be a mixture of capital and revenue grant scheme to organisations to deliver improvements to visitor experience at key attractions, destinations, and events, and provide accessibility advice.</p>	A Fair place	<ul style="list-style-type: none"> • Continue to support the tourism sector and enhance the experience for visitors to our county • Provide grants for physical adaptations at local cultural and heritage sites to improve accessibility • Develop and deliver tailored support to visitor economy businesses 	MCC (Customer, Culture and Wellbeing)	Capital: £54,000 Revenue: £76,000
<p>Today's Heritage Tomorrow Safeguard, preserve, and promote Monmouthshire’s heritage sites, further enhancing them with digital interpretation presence to engage visitors. An extension of exhibitions and improved interpretation in museums and heritage sites to better engage visitors.</p>	A Thriving Place	<ul style="list-style-type: none"> • Support the amenities, events and experiences that attract people to our towns • Connect visitors with new gallery experiences and a new programme of exhibitions and events (capital). 	MCC (Customer, Culture and Wellbeing)	Capital: £26,500 Revenue: £83,000
<p>Destination Policy Impact Assessment Assessing the impact of Government policy changes on the Monmouthshire visitor economy. Manage and share destination intelligence to inform destination management strategy.</p>	A Thriving Place	<ul style="list-style-type: none"> • Continue to support the tourism sector and enhance the experience for visitors to our county • Findings will help to inform future decision making and align with the Destination for All project 	MCC (Customer, Culture and Wellbeing)	Capital: £55,000

Appendix One: UK Shared Prosperity Fund – Monmouthshire projects for Local Investment Plan 2025/26

Investment Priority: **Supporting Local Business**

Theme: Support for Business

Sub-Themes: Advice and support to business; Enterprise culture and start up support; Business sites and premises

Project / Description of Activity	C&C Plan	Aims / Indicators	Project Lead	Financial Investment
<p>Food Resilience Project Support for local food businesses through training, networking, and investment to develop infrastructure and local supply chains from primary producers to retailer. Hosts and grows the Monmouthshire Food Partnership and strategy. Promote the adoption of sustainable and regenerative farming practices. Will offer signposting and, where appropriate, grant funding opportunities to support local food and drink businesses and entrepreneurs.</p>	A Green Place	<ul style="list-style-type: none"> • Foster a thriving local food economy • Work with key supply chain partners to increase the amount of local or UK produce available to MCC settings • Reduce our reliance on imported food • Encourage innovation and clustering in the local food sector • Encourage new trading relationships between local food enterprises 	MCC (Place)	Revenue: £87,352
<p>Business Monmouthshire Ensure business support is targeted to meet the needs of start-ups, existing, and larger businesses, helping to connect them to wider support. Increased levels of business advice, guidance, and events. Develop use of the Evolutive CRM system to enhance engagement and communication with businesses.</p>	A Thriving Place	<ul style="list-style-type: none"> • Provide support to those exploring self-employment and business growth to enable them to progress their aspirations • Ensure Business support is targeted to meet the needs of existing and larger businesses • Contribute to effective delivery of the Monmouthshire Economy, Employment and Skills Strategy 	MCC (Learning, Skills, and Economy)	Revenue: £114,467
<p>Technology and Local Knowledge (TaLK) Conduct knowledge transfer activities that link Monmouthshire farmers to Hartpury Agri-tech Centre. Business outreach to review existing technologies and potentially adopt new ones to increase competitiveness and improve productivity. Support and train farm shops, farm business diversification, and similar enterprises to reach a wider audience. Collaborating with partners, facilitate knowledge exchange to increase local understanding and adoption of sustainable and regenerative farming practices.</p>	A Green Place	<ul style="list-style-type: none"> • Work with Hartpury University's Agri Tech Centre to support existing and new entrant farmers to review existing technologies and adopt new innovations to increase productivity and competitiveness • Offer networking, signposting and, where appropriate, grant funding opportunities to support rural diversification 	Hartpury University (Agri-Tech Centre)	Revenue: £146,381

Appendix One: UK Shared Prosperity Fund – Monmouthshire projects for Local Investment Plan 2025/26

Investment Priority: **People and Skills**

Theme: Employability

Sub-Themes: Supporting people to progress towards and into employment; Support for young people who are or at risk of being NEET

Project / Description of Activity	C&C Plan	Aims / Indicators	Project Lead	Financial Investment
<p>Connect, Engage, Listen, Transform + (CELT+) A core part of Monmouthshire’s employability offer, complimenting the Communities For Work+ programme. It includes intensive support for Economically Inactive, in-work mentoring and upskilling and sector specific focus. Supports participants regardless of where they are on their employment journey. This includes supporting residents on Universal Credit into employment, or employment with more hours, reducing residents’ reliance on the benefits system.</p>	A Thriving Place	<ul style="list-style-type: none"> Provide employment support advice to help people find jobs Improve the affordability and accessibility of adult education courses Enhance delivery of employability programmes and build partnership with employers and local businesses. Provide support to move economically inactive residents closer to the labour market. Number of people gaining qualifications, licenses and skills 	MCC (Learning, Skills, and Economy)	Revenue: £248,200
<p>Inspire Inspire is the key to successfully achieving the actions identified in the Monmouthshire NEET Prevention Strategy. The programme seeks to engage young people from year 8 to identify, support and engage with our most at risk and vulnerable learners, so they can access and maintain education, provide valuable opportunities to develop life skills and achieve additional qualifications so that they have the best opportunities to progress successfully into education, employment and training beyond year 11.</p>	A Learning Place	<ul style="list-style-type: none"> Develop more support, such as coaching and mentoring for pupils Develop new approaches to improving attendance focusing on early identification of need to address all barriers to school attendance Monitor, develop and improve the Early Identification process in Monmouthshire Facilitate coordination of support Provide a coordinated approach to support transition 	MCC (Learning, Skills, and Economy)	Revenue: £357,243

Investment Priority: **People and Skills**

Theme: Skills

Sub-Themes: Essential skills (including numeracy, literacy, ESOL and digital); Employment related skills

Project / Description of Activity	C&C Plan	Aims / Indicators	Project Lead	Financial Investment
<p>Multiply The benefits of the Multiply programme vary from gaining accredited qualifications, better understanding of the curriculum for parents, upskilling in soft life skills around cooking and budgeting and a general increase in confidence with numeracy. The programme has intertwined successfully with the local authority’s employability offer. The project will build on its foundations and upskill adults within Monmouthshire who are hard to reach and where opportunities to upskill numeracy are not available elsewhere in the County.</p>	A Learning Place	<ul style="list-style-type: none"> Improve the affordability and accessibility of adult education courses Provision of personal budgeting [...] advice Provide support to move economically inactive residents closer to the labour market. 	MCC (Learning, Skills, and Economy)	Revenue: £170,155

Appendix One: UK Shared Prosperity Fund – Monmouthshire projects for Local Investment Plan 2025/26

Unallocated Funding:

13% of the local funding remains unallocated for further consideration of investment pathways. This may include call out opportunities targeting identified areas of need or small grant opportunities for direct support, amongst other considerations. The local investment profile currently includes an earmarked amount of 1.75% for regional delivery by the Cardiff Capital Region, mirroring existing arrangements. If these arrangements are not agreed for continuation, a further £41,999 revenue funding would be available for this process. The timescales for scoping and implementing these opportunities will likely run into the new financial year. Deliverable short-term projects would therefore be required.

Capital Funding: £209,745

Revenue Funding: £46,289

¹ [Community and Corporate \(C&C\) Plan 2022-2028](#) - Objective

Appendix Two



Integrated Impact Assessment document (incorporating Equalities, Future Generations, Welsh Language and Socio-Economic Duty)

<p>Name of the Officer Hannah Jones</p> <p>Phone no: 01633 748316 E-mail: hannahjones@monmouthshire.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <ul style="list-style-type: none"> To approve the list of projects and activity for UKSPF investment for the Monmouthshire funding allocation for 2025 -2026
<p>Name of Service area: Economy, Employment and Skills</p>	<p>Date 21st January 2025</p>

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1. 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	Yes: All SPF projects have been assessed against the list of themes and subthemes and provide opportunities for participation and support for all ages	None identified	

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	Yes: All SPF projects have been assessed against the themes and subthemes and provide opportunities for participation, support and are accessible for those with disabilities.	None identified	
Gender reassignment	Yes: All SPF projects have been assessed against the themes and subthemes and provide opportunities for participation, support and are accessible for all.	None identified	
Marriage or civil partnership	Yes: All SPF projects will ensure fairness and equity	None identified	
Pregnancy or maternity	Yes: All SPF projects for will help to address any perceived barriers that might impact on residents' participation in their community and routes into employment.	None identified	
Race	Yes: All SPF projects will to ensue equity of opportunity regardless of race	None identified	

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?
Religion or Belief	Yes: All SPF projects will to offer opportunities that will consider peoples' religion and religious beliefs	None identified	
Sex	Yes: All SPF projects will to offer opportunities that will consider individual needs regardless of sex.	None identified	
Sexual Orientation	Yes: All SPF projects will to offer opportunities that will consider individual needs regardless of sexual orientation.	None identified	

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2. The Socio-economic Duty and Social Justice

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions This duty aligns with our commitment as an authority to Social Justice.

	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?

Socio-economic Duty and Social Justice	<p>The UK government has set out an ambitious plan for change, focused on 5 national Missions: ambitious, measurable, long-term objectives that provide a driving sense of purpose for the country. All SPF projects in this report will maintain this purpose and deliver the measures set out in the Council's Community and Corporate Plan.</p>	<p>Not applicable</p>	<p>Not applicable</p>
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How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
Policy Making Effects on the use of the Welsh language, Promoting Welsh language Treating the Welsh language, no less favourably	<p>The use of the Welsh language has been taken into consideration in delivery of all SPF projects. The promotion of Welsh language will be monitored.</p> <p>MCC SPF team will continue to ensure that all SPF projects adhere to the Council's Welsh Language Standards.</p>	<p>None identified</p>	<p>n/a</p>

Operational Recruitment & Training of workforce	Where new posts are required, the need to communicate through Welsh and English as part of the recruitment process and any necessary training offered as needed.	None identified	n/a
Service delivery Use of Welsh language in service delivery Promoting use of the language	Any advertising about the projects will promote the fact that people can deal with the Council in Welsh by phone, email, twitter, Facebook, letters, forms, website transactions etc.	None identified	n/a

4. 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	The People and Skills Projects and Supporting Local Business Projects strongly supports the Prosperous Wales wellbeing goal: - People and Skills Project- CELT + provides skills and education support enabling residents to secure sustainable employment. This leads to improved labour market positions for those in employment;	There is a strategic imperative to maximise our economic growth and wealth creation capability and increase our productivity to increase the GVA for the county and the country. The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.

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?
	<p>and increased income for those who are currently seeking work.</p> <ul style="list-style-type: none"> - Inspire supports young people to transition into education, employment or training, supporting them to overcome barriers and reach their full potential. - Supporting local businesses Projects – Business Monmouthshire, Food Resilience Programme and TaLK(Technology and Local Knowledge) supports local productivity, local business development alongside sector specific support. 	<p>Communities and Place – destination policy project within the Visitor Economy sub-theme enables the authority to understand the potential impacts of policy changes in the sector. This can inform decision making that may positively impact the economy, or mitigate negative impacts.</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g., climate change)</p>	<p>The proposal strongly supports the Resilient Wales wellbeing goal:</p> <ul style="list-style-type: none"> - Communities and Place project- Gwent Green Grid focuses on maintaining and improving biodiversity and ecosystems that support community resilience and climate change. - Supporting Local Business- Food Resilience Project includes workstreams focussing on the promotion of regenerative farming practices in Monmouthshire. 	<p>The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.</p>



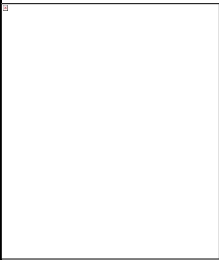
Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
<p>A healthier Wales People's physical and mental wellbeing is maximised, and health impacts are understood</p>	<p>People and Skills project – CELT + contributes towards citizens health and wellbeing at a grass roots level to improve their resilience and ability to take part in their community and work life.</p> <p>Communities & Place – Gwent Green Grid aims to improve green spaces, access to which holds a positive wellbeing impact for residents.</p> <p>BeCommunity supports and promotes involvement in community volunteering, supporting physical and mental wellbeing.</p> <p>Destination for All supports making the destination 'accessible' for residents and visitors, whether they are here for a day or a lifetime. Enabling users to access and enjoy destinations across the county.</p>	<p>The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.</p>
<p>A Wales of cohesive communities Communities are attractive, viable, safe, and well connected</p>	<p>Supporting Local Businesses projects – Business Monmouthshire, Food Resilience Programme and Destination Monmouthshire improves the landscape and connectivity of Monmouthshire making it a more attractive, safe, and viable place to live and work.</p>	<p>The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.</p>

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?
	<p>BeCommunity supports and promotes participation in civil society, bringing supportive communities together.</p> <p>Granicus – Communication and Engagement enables digital participation and involvement in engagement and decision making.</p>	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 26</p> <p>A globally responsible Wales Taking account of impact on global well-being when considering local social, economic, and environmental wellbeing</p>	<p>Support Local Business – Business Monmouthshire works closely with priority industries to help steer the labour market towards those growing industries. Many of these industries focus on developing products that will support global health (MedTech, life science etc) or reduce greenhouse gas emissions e.g., e-mobility. TaLK and Food Resilience Project support efforts to decarbonise through technology solutions and regenerative farming practices.</p> <p>Communities and Place – Abergavenny LC Warm Water Recovery System overhauls existing procedures to produce environmental benefits, including reduced sewage discharge, decreased water requirements and reduced water heating needs. The Circular Economy projects promotes the circular economy, repair, reuse, energy efficiency, libraries of things, and repair cafes. Reducing waste and supporting communities to be more environmentally friendly.</p>	<p>The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.</p>

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?
<p>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</p>	<p>Communities and Place projects – Today’s Heritage Tomorrow and Creative Futures creates a sense of pride and community cohesion. Promoting and encouraging people to take part in heritage, Cultural, arts and recreation activities and events.</p>	<p>The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.</p>
<p>more equal Wales People can fulfil their potential no matter what their background or circumstances</p>	<p>SPF projects support people, communities and businesses to fulfil their potential regardless of circumstances, supporting wellbeing, sustainable employment and reducing inequalities within our communities.</p> <p>Tackling Poverty and Inequality is aiming to have a county where the effects of inequality and poverty have been reduced. Their key priorities are to prevent people from falling into poverty, to provide targeted support for people already in poverty and to prevent the impact and effects of inequality.</p> <p>Multiply supports individuals with basic skills (numeracy), breaking down barriers to engagement, participation and progressing.</p>	<p>The People and Place Partnership will support the SPF management team to monitor project delivery measuring impact and performance.</p>

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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>Balancing short term need with long term and planning for the future</p> <p>Long Term</p>	<p>The List of projects for Monmouthshire SPF investment well-align to a long-term way of working:</p> <ul style="list-style-type: none"> - By supporting households and young people into employment and helping to sustain and improve the quality of that employment, employability activity is a key part of the suite of early intervention & prevention activities. This reduces the likelihood of long-term challenges resulting from deprivation, adverse childhood experiences, and unemployment. 	<p>None identified</p>
 <p>Working together with other partners to deliver objectives</p> <p>collaboration</p>	<p>The People and Place Partnership is a range of partners that work and will continue to work collaboratively to the benefit of communities, local business, local employment, and skills opportunities at a local and regional level.</p>	<p>None identified</p>
 <p>Involving those with an interest and seeking their views</p>	<p>The fund reporting framework includes measures of improved perception of various items (e.g. a facility, amenity, event, project). This enables projects to gather feedback from users. Projects proactively engage with participants or end-users to improve service delivery. Cabinet and Elected members are keep informed of SPF projects through reports, case studies and visits and SPF projects events.</p>	<p>The central SPF team will continue to encourage and promote user feedback as an essential asset with project delivery, design and continuous improvement.</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?
<div data-bbox="100 331 315 587" style="border: 1px solid black; width: 96px; height: 160px; margin-bottom: 5px;"></div> <div data-bbox="327 308 521 611">Putting resources into preventing problems occurring or getting worse</div>	<div data-bbox="533 308 1339 611">The purpose of the UK SPF funding is to empower each place to have healthy, safe and inclusive communities and thriving places.</div>	<div data-bbox="1350 308 2139 611">None identified</div>
<div data-bbox="100 643 315 898" style="border: 1px solid black; width: 96px; height: 160px; margin-bottom: 5px;"></div> <div data-bbox="327 619 521 951">Considering impact on all wellbeing goals together and on other bodies</div>	<div data-bbox="533 619 1339 951">As part of the local engagement process all aspects of the Well-Being of Future Generations Act are embedded in our local investment plan</div>	<div data-bbox="1350 619 2139 951">None identified</div>

5. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: 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?
Safeguarding	<p>Internal SPF projects all follow MCC policies and procedures in relation to safeguarding.</p> <p>MCC Economy, Employment and Skills review their SAFE audit annually to ensure all projects complete and comply.</p> <p>We will ensure that all external SPF projects have safeguarding policies and procedures in place on commencement on the project.</p>	Non applicable	Non applicable
Corporate Parenting	Non applicable		

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

This proposal is informed by the evidence and data in the following strategies and plans

- Monmouthshire Economy, Employment and Skills Strategy
- Monmouthshire Local Food Strategy
- Monmouthshire Heritage Strategy
- NEET Prevention Strategy
- Tackling Poverty and Inequality Action Plan
- Green Infrastructure Strategy

7. 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?

This section should summarise the key issues arising from the evaluation. This summary must be included in the Committee report template

Page 31
 It is anticipated that all SPF Projects outlined in our Local Investment Plan 2025 -26 in Communities and Place and will have a positive impact on peoples' social, emotional, health and wellbeing, education, and skills. This will develop resident's resilience and improve their life chances.

8. 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
Cabinet	19 th February 2025	Will McLean – Strategic Director Learning Skills and Economy

9. 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	Learning Skills and Economy DMT	3rd February 2025	
2	Senior Leadership Team	4 th February 2025	

SUBJECT: 2024/25 REVENUE BUDGET – FINANCIAL UPDATE
MEETING: CABINET
DATE: 19th February 2025
DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

1.1 To provide Cabinet with an update of the progress against the Councils revenue budget for the 2024/25 financial year.

2. RECOMMENDATIONS:

3.1 That Cabinet note the forecast revenue budget deficit of £1,593,000 (0.7% of total budget) which is a significant improvement of £2,760,000 since the previous update.

3.2 That Cabinet requires budget recovery action to continue for the remainder of the year to ensure all services to bear down on avoidable cost and identify further income opportunities wherever possible in order to bring the budget back to a balanced position.

3.3 That Cabinet note a forecast 78.3% delivery of the £10,940,000 budgeted service savings required for the year. This results in a shortfall in savings of £2,376,000 that is included in the above deficit.

3.4 That Cabinet note that funding to meet the increase in the rate of the employers contribution to the teacher's pension scheme has been fully received since the previous financial update, and that this no longer represents a budget risk.

3.5 That Cabinet note the budgetary risks that are inbuilt into the forecast, namely;

- The volatility of demand for high-cost services, particularly within Adults & Children's Social Care and in Additional learning needs;

- The potential impact upon the Council's financial resilience from the forecast increase in the cumulative schools reserves deficit that is being carried on the Council's balance sheet;
- The risk of further non-delivery of the £10,940,000 of budgeted savings targets;
- The trend of reducing debt recovery, particularly within Council tax where there is a significant increase in the number of discounts and exemptions awarded, and a slowing down in collection rates;
- The limited reserve cover available to the Council.

3.6 That Cabinet note the forecast increase in the deficit on cumulative schools reserves as outlined in **Appendix 3** of this report of £5,240,000. This would result in school balances ending the financial year in a deficit of £6,144,000, with twenty-four (69%) of thirty-five schools forecast to be in a deficit balance.

3.7 That Cabinet note that schools which are forecasting to end the 2024/25 financial year in a deficit balance have brought forward recovery plans outlining the proposed actions to address their budget shortfalls, however the current budget circumstances indicate that it will take schools a considerable amount of time to fully recover deficit balances.

3.8 That Cabinet note a forecast Capital budget underspend of £243,000, alongside an indication of slippage in capital schemes of £13,199,000.

4 KEY ISSUES:

Context

4.1 The 2024/25 financial year has seen the continuation of financial headwinds which are impacting upon the Council's service operating environment:

- The wider socio-economic landscape and cost of living challenges continue to have an impact on our communities, with a consequential increase in demand for Council services, and impact upon income generating services. This particularly impacts the service areas of Children's Social care, Adult social care, Homelessness, and Children's additional learning needs.
- Wider public sector challenges continue to impact upon Council services, notably within Health where efforts to improve patient pathways impact upon the level and complexity of demand for Social care;

- Whilst headline inflation has fallen, some discrete areas of Council services continue to experience cost pressures on supplies and services, alongside supply chain issues.
- In continuing efforts to combat inflation, interest rates have remained high, with revised forecasts suggesting that they will remain higher for longer than anticipated at the time of setting the budget;
- The Council continues to deal with a shortage of staff resources in some areas;

4.2 In December 2024, Cabinet received a financial update reporting a forecast budget deficit of £4,353,000 alongside budget recovery action of just over £1 million, that if delivered successfully would reduce the deficit to £3,334,000.

4.3 The updated forecast budget deficit now stands at £1,593,000 and is reflective of favourable movements within the majority of service budget areas, reflective of successful budget recovery action and additional grant income received at the end of the 2024 calendar year.

Current revenue budget forecast position

Page 35 **Table 1: Revenue budget forecast summary**

Directorate	In-year budget Pressures / (Savings) £000's	Shortfall in saving target £000's	Total budget deficit / (surplus) forecast £000's	% Variance to budget
Social Care & Health	2,840	1,371	4,211	6.2%
Learning, Skills and Economy	(88)	360	272	0.4%
Infrastructure & Place	211	460	671	2.5%
Customer, Culture and Wellbeing	(454)	118	(336)	-4.1%
People, Performance and Partnerships	(6)	0	(6)	-0.2%
Law & Governance	2	0	2	0.1%
Resources	(497)	67	(430)	-4.9%
Corporate, Treasury & Financing	(2,789)	0	(2,789)	-7.5%
Forecast budget deficit	(782)	2,376	1,593	0.7%

4.4 The overall deficit is primarily due to a forecast shortfall in meeting required budgeted savings targets of £2,376,000, alongside significant in-year budget pressures of £2,840,000 within Social Care that have developed since the budget was set in February 2024.

- 4.5 These have been significantly offset by favourable positions within some of our income generating services, and in savings in capital financing costs.
- 4.6 In December 2024 Welsh Government notified of additional grant funding of £1.3m to manage Local Government pay pressures which has significantly improved the overall forecast. This funding has been reflected within the Corporate, Treasury, and Financing section above given the timing of receipt, and the non-specific nature of the funding.
- 4.7 **Appendix 1** to this report outlines the service variances in detail. At a summary level these primarily relate to the following areas:

Service	(Surplus) / Deficit £000's	Summary
Adults care services	2,040	<ul style="list-style-type: none"> • Improvement of £464k. • External residential care home placements have increased by 30 since the budget was set, causing £620K of cost pressures. • A shortfall of £1.25m against budgeted savings targets is currently forecast. • Domiciliary care demand increased significantly in July and August, at an additional cost of £500k. Whilst no further sustained increase in demand has been seen, the usual cycle of winter pressures are yet to conclude. • Improvement is due to the under spend in the Care at Home service from staff vacancies whilst the reablement project is underway (re-design the workforce).
Children's care services	2,468	<ul style="list-style-type: none"> • Deterioration of £932k. • At the end of December, although the numbers of children being looked after has remained stable, the degree of change and movement in placements has continued to impact costs. This has included one high cost residential placement, a further 6 parent and child placements and extensions to 2 others, which has increased the over spend.
Additional learning needs	348	<ul style="list-style-type: none"> • Improvement of £266k. • An improvement in the net overall cost of ALN independent placements of £117k due to movements in placements; alongside additional grant funding to support the service of £134k
Neighbourhood Services	459	<ul style="list-style-type: none"> • Deterioration of £222k. • Waste & Grounds Maintenance over spend of £678k– Volatility and reduced values of our recyclate continues; income has been affected by the introduction of Workplace recycling regulations

		<p>resulting in reduced volumes. These coupled with the volatility of end market values has resulted in an increasing pressure.</p> <ul style="list-style-type: none"> • Offset by Highways under spend of £220k - income from external works will exceed budget; staff vacancies being held.
Home to School & Passenger & transport	505	<ul style="list-style-type: none"> • Improvement of £77k. • Home to school - Increased demand (a 10% increase since 3 years ago) has resulted in additional contracts. A scarcity of operators in this area is resulting in contract premiums or the Council undertaking contracts ourselves. • Passenger transport - A reduction in grant and public service bus funding for some routes has added to overall pressures. • Improvement as part of overall budget recovery action to maximise income and passport qualifying costs to grant or capital.
Fleet Maintenance	44	<ul style="list-style-type: none"> • Improvement of £64k. • Inflation, supply chain issues, vehicle hire growth and increased borrowing rates have driven operating costs over and above available budget. • Additional requirements for EV charging points and a new vehicle management system. • Improvement as part of overall budget recovery action to passport qualifying costs to grant or capital.
Housing & Homelessness	150	<ul style="list-style-type: none"> • Improvement of £72k. • £400k shortfall in the rapid rehousing transition saving due to a delay in occupancy of new accommodation; additional damage and maintenance costs; offset by one-off grant income. • Improvement due to reduced impact on Housing benefit subsidy penalty.
People	22	<ul style="list-style-type: none"> • Improvement of £53k. • People Management & occupational health pressures from additional employee costs, and lower SLA income. This has been offset by staff and system cost reductions in payroll. • Improvement due to reducing temporary support hours and the team are covering maternity leave in-house rather than backfilling the post to contribute to the recovery effort
Legal	21	<ul style="list-style-type: none"> • Improvement of £46k. A projected shortfall in rechargeable income, and an over spend in staffing due to some regrading and temporary cover arrangements. • Budget recovery action has resulted in improvement from holding staff vacancies and in supplies and services.
Commercial & Corporate Landlord	(39)	<ul style="list-style-type: none"> • Improvement of £50k. • Rental income from commercial, industrial & county farms is lower than budgeted due to some staggering of rent increases, and some vacant units remaining to be filled (£181k).

		<ul style="list-style-type: none"> • There is a shortfall of £58k in the asset rationalisation savings target due to delays in progressing some of the required changes to accommodation. • This has been offset by staff savings and one-off income totalling £278k.
Placemaking, Highways & Flooding	(223)	<ul style="list-style-type: none"> • Improvement of £113k. • £140k over spend in Building control and Planning where fee income has been impacted by economic conditions resulting in reduced applications • £60k under spend in Car Parks & Civil Parking Enforcement as pay & display income is currently exceeding budget, and aided by employee savings due to some vacancies. • £170k under spend in Highways Development & flooding from full and part year vacancies coupled with improved income mainly from additional Highways development fees and capital programme fees. • £133k underspend in Schools Catering from in-year staff savings and capitalisation of qualifying IT costs.
Public protection	(279)	Improvement of £132k. Staff vacancies, 2 posts having external funding and expected income is above budget
Enterprise management	(255)	Improvement of £125k. Senior staff vacancies and additional grant funding
Customer, Culture & Wellbeing	(336)	Improvement of £170k. Delayed implementation of the area management restructure, delayed staffing savings in museums service and reduced income at our attractions has been more than offset by increased income from our leisure services and markets following successful marketing campaigns.
Finance	(351)	Improvement of £154k. Continued staff savings and the ability to passport core service costs into grants
Capital financing costs	(565)	Improvement of £85k. Savings in interest payable due to slightly lower rates than estimated, coupled with unbudgeted recoupment of borrowing costs from services for vehicle purchases at the end of the 2023/24 financial year.
Council Tax	(617)	<ul style="list-style-type: none"> • Improvement of £267k. • CTRS caseloads are running slightly below historical levels generating budget savings of £525k • Council tax income is expected to be £125k less than budgeted as discounts and exemptions continue to rise which have a negative impact on the overall position • Council Tax Premium: An additional £217k will be collected this year compared to budget and will be transferred to the Council tax premium reserve.
Corporate & Central costs	(1,639)	Improvement of £1,639k. Additional Welsh Government grant funding, final pay award costs slightly below budget.

Other variances	(87)	Other smaller net variances.
Total	1,593	

Budgeted savings targets

4.8 Services are currently forecasting a shortfall of £2,376,000 or 21.7% in meeting the service savings targets that were set as part of the original budget for 2024/25 (£2,176,000 or 19.9% at previous update). Full details can be found at **Appendix 2** to this report, however the main variances are as follows:

Table 2: Progress against budgeted savings targets

Savings proposals by Directorate	Budgeted Saving	Current Forecast	Variance	Percentage met	Comment
	£000	£000	£000	%	
Social Care & Health	(4,972)	(3,601)	1,371	72.4%	Adult's services - £1,268k shortfall against £3,159k target due to the complexity and level of demand for care needs restricting progress, some savings being dependent upon third party negotiation, and challenges resourcing some of the service change required. The Welsh Government review of the legal non-residential weekly charge cap is not currently being progressed and £375k of savings will therefore not be generated. Children's service placement and practice changes are forecast to deliver £103k less than anticipated due to changes in the complexity of demand.
Learning, Skills and Economy	(3,172)	(2,812)	360	88.7%	ALN placements - Unexpected increase in new starters at Independent Schools, and additional support for existing pupils
Infrastructure & Place	(927)	(467)	460	50.4%	£400k delay in savings relating to rapid rehousing transition as occupancy of new accommodation has been pushed back. £50k shortfall in planning income saving target as early indications show lower levels of activity than expected.

Customer, Culture and Wellbeing	(1,079)	(961)	118	89.1%	A delay in progressing some staff restructuring means that savings will not be fully met in year
People, Performance and Partnerships	(86)	(86)	0	100.0%	To be fully met
People & Governance	(33)	(33)	0	100.0%	To be fully met
Resources	(595)	(528)	67	88.7%	Increased rental income is currently below targets following some staggering of rent increases, and some vacant units remaining to be filled
Corporate Costs & Levies	(77)	(77)	0	100.0%	To be fully met
Totals	(10,940)	(8,565)	2,376	78.3%	

Budget recovery action

- 4.9 The budget planning framework for 2024/25 was clear that there is a need to progress the Council on a path towards financial sustainability including conserving an appropriate and prudent level of financial resilience, of which the Council's reserves are a key component. As a consequence, the final revenue budget proposals for 2024/25 did not include any use of reserves to meet recurrent revenue expenditure.
- 4.10 The delivery of a balanced budget position for 2024/25, alongside substantial budget recovery action within schools remains fundamental in maintaining financial stability and limiting any further impact upon the Council's reserves.
- 4.11 This third financial update for the year represents a move on a positive trajectory towards delivering a balanced year-end budget position. The actions of services to engage in budget recovery action and to maintain financial discipline is positive and is to be commended. It is essential that this path continues through to year-end and that all possible opportunities to mitigate further cost and maximise income are taken.
- 4.12 The ongoing financial position of the Social Care & Health directorate remains the key risk within this forecast. The level and complexity of demand for both Adult's and Children's care continues to trend upwards and is outstripping the progress being made in the preventative agenda and through placement and practice change. The ongoing programme of reviewing existing Adults care provision

remains challenging because of the pressure of managing new referrals and assessments. Equally, as the NHS re-trench around their own cost pressures, there has been little progress in successfully pursuing Continuing Health Care costs.

- 4.13 The positive Autumn budget statement delivered by the Chancellor resulted in significant support for the Welsh Government budget and consequently further funding being made available to Councils to support in-year budgetary pressures. Continuing representations for further funding will be made to Welsh Government, both directly through the WLGA and via other Council networks that aims to recognise the unsustainable pressures upon Social care within the Local Government sector in Wales.
- 4.14 Given the significance of the adverse Social Care & Health budget position, and the impact this has on the Council's overall financial position, it is essential that this service maintains financial discipline and mitigates further cost wherever possible, despite the challenging operating environment. This will include continuing to deliver upon the placement and practice change and reform that was fundamental within the services agreed budget savings.
- 4.15 Despite the overall improvement in budget deficit since the previous update, there remains a significant task to close out the remaining deficit of £1,593,000 to end the year in a balanced position. It therefore remains essential that all Council services maintain the current financial discipline and continue to engage in mitigation measures including:
- Maximising all grant and income opportunities, including the transfer of core costs into grant where conditions allow;
 - Vacancy management with a targeted freeze on filling vacant posts;
 - Bearing down on all non-essential expenditure;
 - Service reduction and efficiency;
 - Maximising the opportunity to meet the costs of organisational reform from capital receipts where regulations allow;
 - A review of the capital budget with a view to repurposing budgets or pausing some capital investment.

School budgets and reserves

- 4.16 The overall level of school reserves are currently forecast to move further into deficit by £5,240,000 by the end of the 2024/25 financial year, to an overall deficit balance of £6,144,000. This is a deterioration of £353,000 since the previous update and is of disappointment given the need for collective financial discipline to stem the burden on the Council's reserve.

School reserve balances at 31 st March (Surplus) / Deficit	2022 £000	2023 £000	2024 £000	2025 (Forecast) £000
Comprehensive schools	(2,253)	(1,259)	976	2,306
Middle schools	0	0	329	1,385
Primary schools	(4,622)	(3,027)	(1,142)	823
Special schools	(79)	31	742	1,630
Total	(6,955)	(4,255)	905	6,144

4.17 Demands within the school environment remain particularly challenging, notably in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased overall costs of provision. Higher than budgeted pay awards for both teaching and non-teaching staff have also impacted upon budgets.

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4.18 It is currently anticipated that twenty-four (69%) of the Council's thirty-five schools will be in a deficit balance by the year-end. Those schools forecasting to end the 2024/25 financial year in deficit balance have brought forward recovery plans that are being considered by officers and Cabinet. It is clear from these budget recovery plans that it will take schools a considerable amount of time to fully recover deficit balances, and the Council will need to take assessment of this financial risk within medium term financial planning.

4.19 Close monitoring and support will continue to be given to these schools, as well as those at risk of entering a deficit position over the medium term, to ensure that the proposed actions to address the budget challenges are instigated.

Remaining budgetary risks

4.20 There remain key specific budgetary risks that have the ability to further impact upon the revenue budget during 2024/25:

- **Increasing demand for services** – particularly around Social care through the winter period, and with pressure on the NHS to improve patient pathways and the consequential impact on discharge into social care settings.
- **Further non-delivery of budget savings**, especially where these involve income generation, changes to structures, alternative delivery models or those involving community or other partners.
- The trend of **reducing debt recovery**, particularly within Council tax where there is a significant increase in the number of discounts and exemptions awarded which has a negative impact on overall income. There is also a slowing down in collection

rates as households continue to struggle with the cost of living crisis. Social services debt recovery remains challenging and is being monitored closely.

- **Schools reserve balances** – a further in-year deficit will significantly increase the cumulative reserve deficit that is being carried on the Council's balance sheet. This consequently impacts upon the Council's overall financial resilience and increases its risk exposure by reducing available balance sheet resources.

Financial implications and future focus

- 4.21 The continuing financial headwinds, increasing demand for services, funding uncertainty, and the need for £10.94m of service savings to be delivered within a challenging operating environment present tangible ongoing budget risks for the remainder of the year.
- 4.22 When this is considered alongside a challenging and uncertain funding outlook over the medium term, and coupled with limited levels of reserves, it presents a significant challenge to the financial resilience of the Council. There therefore remains a requirement for all services to bear down on avoidable cost and identify further income opportunities wherever possible for the remainder of the year.
- 4.23 A targeted vacancy freeze continues, and enhanced financial monitoring arrangements remain in place. The Financial Management Board arrangements continue to focus on high budget risk areas and in regularly assessing the progress being made against budgeted service savings, as well as additional budget recovery action.
- 4.24 As we move towards the financial year-end, work will continue to deliver on the structured approach to tackling the underlying budget pressures, with particular importance assigned to tackling costs which have the ability to be recurrent for 2025/26 and beyond.
- 4.25 Further funding clarification will be sought, and this remains vital in being able to manage significant upward trends in the demand for Council services, but also in being able to adequately plan for service delivery over the medium term with a reduced emphasis on more costly short-term reactive solutions.

5 RESOURCE IMPLICATIONS:

- 5.1 The report itself covers the resource implications of the entirety of the revenue budget activity during the year. There are no further resource implications as a result of the recommendations in this report.

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

6.1 This report provides Members with an update on the progress being made against the revenue budget of the Authority and carries no decisions. There are therefore no equality and future generations' implications directly arising from this report.

CONSULTEES:

Senior Leadership Team
Cabinet

BACKGROUND PAPERS:

Appendix 1 – Detailed service commentaries
Appendix 2 – Progress against budgeted savings
Appendix 3 – Individual school balance forecasts

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Section 1	Revenue budget summary forecast
Section 2	Detailed service commentary
Section 3	School balances update
Section 4	Capital programme update

Section 1 - Overall Revenue Position (Update 3)

Table 1: 2024/25 Revenue budget forecast by directorate

Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Update 3	Forecast (Under) / Over Spend @ Update 2	Variance
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	68,410	(214)	68,196	72,407	4,211	3,897	314
Learning, Skills and Economy	65,152	(34)	65,118	65,390	272	524	(252)
Infrastructure & Place	26,187	126	26,313	26,983	671	955	(284)
Customer, Culture and Wellbeing	8,304	(99)	8,205	7,869	(336)	(165)	(170)
People, Performance and Partnerships	3,288	(29)	3,259	3,253	(6)	94	(100)
Law & Governance	2,894	(19)	2,875	2,877	2	48	(46)
Resources	8,891	(49)	8,842	8,412	(430)	(201)	(230)
Corporate Costs & Levies	29,476	287	29,763	28,156	(1,607)	32	(1,639)
Net Cost of Services	212,603	(32)	212,571	215,347	2,776	5,183	(2,407)
Appropriations	7,301	32	7,333	6,768	(565)	(480)	(85)
Expenditure to be Financed	219,904	0	219,904	222,115	2,210	4,703	(2,492)
Financing	(219,904)	0	(219,904)	(220,521)	(617)	(350)	(267)
Net General Fund (Surplus) / Deficit	0	0	0	1,593	1,593	4,353	(2,760)

Table 2: 2024/25 Revenue budget forecast by service

Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Update 3	Forecast (Under) / Over Spend @ Update 2	Variance
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	42,816	(62)	42,754	44,794	2,040	2,505	(464)
Children Services	22,450	(137)	22,313	24,781	2,468	1,536	932
Public Protection	1,982	(32)	1,950	1,671	(279)	(147)	(132)
SCH Support	1,162	17	1,179	1,161	(18)	3	(21)
Social Care, Health & Safeguarding	68,410	(214)	68,196	72,407	4,211	3,897	314
Economy, Employment & Skills	299	(4)	295	136	(159)	(149)	(10)
Emergency Planning	170	0	170	195	25	16	9
Individual Schools Budget	52,459	0	52,459	52,500	41	0	41
Resources	1,032	(12)	1,020	1,037	17	43	(26)
Standards	11,192	(18)	11,174	11,522	348	614	(266)
Learning, Skills and Economy	65,152	(34)	65,118	65,390	272	524	(252)
Enterprise, Housing & Community Animation	2,735	(126)	2,609	2,505	(104)	54	(158)
Facilities & Fleet Management	10,123	401	10,524	11,063	539	774	(235)
Neighbourhood Services	11,305	72	11,377	11,836	459	237	222
Placemaking, Highways & Flood	2,024	(221)	1,803	1,579	(223)	(110)	(113)
Infrastructure & Place	26,187	126	26,313	26,983	671	955	(284)
Communications	434	(9)	425	387	(38)	(43)	5
Countryside & Culture	1,141	(9)	1,132	1,067	(65)	(39)	(26)
Finance & Business Development	4,336	44	4,380	4,424	44	174	(130)
Leisure, Youth & Outdoor Adventure	2,393	(125)	2,268	1,991	(277)	(257)	(20)
Customer, Culture and Wellbeing	8,304	(99)	8,205	7,869	(336)	(165)	(170)
Policy, Scrutiny & Customer Service	1,415	(3)	1,412	1,384	(28)	18	(46)
People	1,873	(26)	1,847	1,869	22	75	(53)
People, Performance and Partnerships	3,288	(29)	3,259	3,253	(6)	94	(100)
Democratic Services	1,847	(2)	1,845	1,825	(20)	(19)	(1)
Legal and Land Charges	1,047	(17)	1,030	1,051	21	67	(46)

Law & Governance	2,894	(19)	2,875	2,877	2		48	(46)
Commercial, Corporate & landlord Services	1,867	(118)	1,749	1,710	(39)		11	(50)
Corporate Health & Safety	92	63	155	155	(0)		0	(0)
Finance	3,936	4	3,940	3,589	(351)		(197)	(154)
Information Communication Technology	2,996	2	2,998	2,958	(40)		(15)	(25)
Resources	8,891	(49)	8,842	8,412	(430)		(201)	(230)
Precepts & Levies	26,532	0	26,532	26,535	3		3	0
Coroner's	278	0	278	278	0		(0)	0
Archives	213	0	213	219	6		6	0
Corporate Management	398	0	398	407	9		23	(14)
Non Distributed Costs (NDC)	577	0	577	759	182		(0)	182
Strategic Initiatives	(350)	287	(63)	(1,829)	(1,766)		0	(1,766)
Insurance	1,828	0	1,828	1,787	(41)		0	(42)
Corporate Costs & Levies	29,476	287	29,763	28,156	(1,607)		32	(1,639)
Net Cost of Services	212,603	(32)	212,571	215,347	2,776		5,183	(2,407)
Interest & Investment Income	(1,176)	0	(1,176)	(1,142)	34		(15)	49
Interest Payable & Similar Charges	7,252	0	7,252	6,913	(339)		(175)	(164)
Charges Required under Regulation	6,230	0	6,230	6,398	168		(41)	209
Other Investment Income	0	0	0	0	0		(1)	1
Borrowing Cost Recoupment	(3,883)	0	(3,883)	(4,347)	(464)		(248)	(216)
Contributions to Reserves	833	0	833	1,050	217		0	217
Contributions from reserves	(1,955)	32	(1,923)	(2,104)	(181)		(0)	(181)
Appropriations	7,301	32	7,333	6,768	(565)		(480)	(85)
Expenditure to be Financed	219,904	0	219,904	222,115	2,210		4,703	(2,492)
General Government Grants	(91,149)	0	(91,149)	(91,149)	0		0	(0)
Non Domestic Rates	(34,871)	0	(34,871)	(34,871)	0		0	(0)
Council tax	(102,295)	0	(102,295)	(102,387)	(92)		0	(92)

Council Tax Benefit Support	8,410	0	8,410	7,885	(525)	(350)	(175)
Financing	(219,904)	0	(219,904)	(220,521)	(617)	(350)	(267)
Net General Fund (Surplus) / Deficit	0	0	0	1,593	1,593	4,353	(2,759)

SOCIAL CARE & HEALTH	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	2,494	3,897	4,211	

The directorate projected overspend position at Update 2 saw a deterioration of £1.403M, which was largely attributable to new demand pressures within both Adults and Children's services. Update 3 has seen a further deterioration of £314K.

Adult division is forecast to overspend at Update 3 by £2.040M representing an improvement of £465k from update 2.

At update 2 pressure had arisen through a £230K shortfall against the budgeted cost of in-year fee increases for provider services (including domiciliary care, residential care and support service contracts). This pressure has remained.

External residential care home placements in Adult services have increased by 30 to 338 since the budget was set (including 11 new placements since update 2) causing a £620K pressure on the budget. Care at home placements are not made without management oversight and where all other options for care provision have been explored. Nevertheless the needs of our residents are such that the increase in requirements for care home placements remains on an upward trajectory (between 1 and 1.5 new placements weekly over the year to date). It is hard to predict at what rate care home placements will continue to increase particularly as we remain in the winter period with pressure being exerted on speeding up hospital discharge. The service will continue to monitor the net effects of movement within the care home population over the rest of the year.

Leading up to update 2 there was a significant increase in non-residential (care at home) with a sharp uptake since July adding a further £500K of overspend. The rate of increasing demand for care at home has stabilised at update 3, with the caveat that the full impact of winter pressures may not yet be fully known.

The service is finding it challenging to achieve savings set out within the practice change and partnerships mandates resulting in £838K of pressure. The service has put in additional controls around how new care services are provided, which is helping to ensure that care is provided with parity across the area and allocated according to the most pressing needs. As and when opportunities arise, care at home is being re-brokered to ensure that costs are minimised as far as possible without compromising people's care and support needs. However, where reviews result in a reduction of services delivered in-house, this does not result in a case saving. The ongoing programme of reviewing existing care remains challenging because of the pressure of managing new referrals and assessments; however additional resource has now been turned to reviewing care arrangements using some external funding. As health are re-trenching around their own cost pressures, we have been unable to make progress in successfully pursuing Continuing Health Care costs; however individual cases remain under regular review.

A further pressure of £375K has arisen as contrary to previous indications, WG have confirmed that any potential increase to the non-residential weekly care charging cap will not go ahead. A small amount of grant totalling £70K has been awarded to offset this.

A workforce pressure of £112K has arisen within our Frailty service (which falls under a Section 33 arrangement with health). The frailty service supports frail older people in the community and avoids unnecessary hospital admissions.

Debt due to non-payment of adult care charges stands at £2.5M, an increase of £200K since update 2, which in turn has increased the bad debt provision by £40K.

The improved position within adults services has arisen because of vacancies being carried within domiciliary care, and care being purchased through the external market. This represents an in-year saving which we will be utilising moving forward into 25/26 to allow us to re-launch an enhanced reablement (in-house) service.

With Children's service the Head of Service commentary sets out the challenges arising from the number of children entering the care system and the pressure on the service, placements and costs this creates. There is a comprehensive suite of family support services in place that helps to mitigate risks, and to ensure that children come into care only when there is absolutely no alternative. Equally work continues around supporting children to return to family care or move to semi-independence at the earliest opportunity (where is safe and, in the child's best interests). The progression planning for children takes dedicated resource and a carefully implemented multi-agency approach. This period has included the step down of 2 children from residential care which is to be commended. Nevertheless, despite achieving £1M against the saving mandate, with another £197K being projected, the pressure of new referrals has generated a £2.5M projected overspend. Equally it is hard to predict whether the current rate of children entering care or requiring intensive services in the community will continue during the final quarter of the year.

As in previous years, the directorate bottom line, continues to benefit from a number of Welsh Government grants at approximately £3M including Workforce grant, Regional Integration Fund and the Radical/Eliminate grants, which are used to bolster core service provision. This creates an additional risk and potential pressure for the service in that there is little certainty over the extent to which these grant streams will be maintained in the medium term. The directorate has additionally benefited from some forecast savings in public protection largely as a result of savings against posts.

ADULT SERVICES

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1,534	2,505	2,040	

There are ongoing risks around increased costs of care, and the complex needs of an ageing population and processes are in place to manage new demand. There is a general trend being experienced not only by this Authority but across the region on the uptake in demand for care, both residential and non-residential.

Residential placements, on average, have net increased by 4 per month, with the numbers at the end of Update 3 closing at 338, an increase of 11 since update 2.

For non-residential care, since the significant uptake in July and August detailed in update 2, at the close of update 3 we have not experienced any further significant increases, but the usual pressures of winter are yet to conclude.

The Frailty regional pooled fund is projected to overspend, for our contribution into the pool fund, by £112K due to the 10% saving target as part of the regional pooled fund for this year, which for MCC equates to £160K. The majority of the spend is staff related which has given us little opportunity to mitigate the full savings without a negative impact on operational delivery for this most vulnerable group. It has been agreed that a regional review will take place to determine the benefits / dis-benefits of retaining regional pooled funding arrangements.

The improving picture in adult social care is due to an £800k underspend in the Care at Home service as we are currently carrying a large number of staff vacancies, whilst the reablement project is underway (re-design the workforce). Whilst currently a fortuitous underspend, vacancies also present an opportunity to redesign the specialist reablement provision which will allow the service the potential to deliver longer - term savings in a more sustainable way. We have been able to offset the impact on service delivery through increased ability to commission from the external market.

The new commissioning arrangements for domiciliary care in the South from April will offer better opportunities to accurately forecast spend as hours are purchased in blocks and premium rates eliminated from the pricing structure.

Additional hours have been allocated to staff to conduct reviews, for which external funding has been secured in order to offset the staff costs over the 3 month period until 31st March 2025.

CHILDREN SERVICES

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1,134	1,536	2,468	

The first quarter of this year saw an increase in the population of Children Looked After (CLA) which rose from 199 at 2023/24 year end to 208 at the end of July including an increase in the number of residential placements from 21 to 23. This created creating a pressure of £1M.

As at end of Sept the number of children looked after was 205 a reduction of 3. During this period 30 children became looked after and 24 children ceased to be looked after. The new entrants included a family of 5 siblings, a family of 3 siblings and 5 families of 2 siblings. The needs of the children and the lack of suitable alternative in house placement options has resulted in 2 new entrant children being placed in residential care and 5 in For Profit Foster care. In addition, 8 children have entered "Parent and Child" assessment placements which includes a parent with 4 siblings and 3 individual children with their respective parents. Whilst such placements are time limited (approx. 12 weeks) they are high cost with each placement mandated by Family Court during proceedings. A further net pressure of £403K has arisen due to the needs of these children.

At the end of Dec although the numbers of children being looked after has remained stable, the degree of change and movement underneath the headline figure has continued to impact the in-year forecast. This has included one high cost residential placements, a further 6 parent and child placements and extensions to 2 others. This has created a further in-year pressure of £932K.

Some anticipated movements in placements were delayed in accordance with the needs of the children thereby reducing the amount of savings that could be achieved. In addition, this year has seen a higher than usual number of children's placements breaking down, such that there is then no option but to place in a higher-cost placement.

Lack of placements for children remain a significant challenge within the service with ongoing instability and uncertainty within external providers of both residential and IFA placements, resulting in increased costs for external placements, more competition for placements and less movement. The recruitment of in house foster carers also remains a challenge. The service is continuing to develop its own provision including a step-down provision for

young people aged 16+ expected to be operational from November and a children's residential home expected to be operational by the end of this financial year.

The service continues to review all CLA children's placements with a focus on high-cost placements. The service is able to utilise the suite of family support services that are in place to ensure that all opportunities for children to remain in family care or return to family care are maximised.

In this way, £1M saving target has already been achieved with a further projected saving of £197K profiled into the rest of the year. This does present some ongoing risk of achievability, in that the current cohort of children looked after having longer standing histories of being in care and more complex trauma presentations, making it harder to achieve step down placements.

Alongside the pressure arising from children's placements, there is a further pressure of approximately £200K within the Family Time team out of hours service. The establishment of the out of hours service in 2023 was in response to the significant costs of using private nursing agencies to manage risk in the community (keeping children at home or under supervision in a hospital whilst safeguarding investigations are ongoing). This is a cost avoidance (overspend management) strategy which has seen a reduction of up to 60% in the use of external agencies despite the service supporting 2 children to step down from residential care placements.

PUBLIC PROTECTION

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	(175)	(147)	(279)	

The underspend is mainly as a result of staff vacancies, including the head of service role. 2 posts having external funding and expected income above budget.

SCH SUPPORT

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1	2	(18)	

This budget area is broadly in line with budget, with a small under spend currently forecast.

LEARNING, SKILLS & ECONOMY DIRECTORATE

Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	468	523	272

The Directorate's current position is a forecasted overspend of £272,000.

This is largely due to additional learning needs (ALN), with an unexpected increase in ALN placements at both Independent and Out of County Schools. Since Update 2, we have been able to mitigate the additional costs following receipt of an ALN Grant.

There has also been a large increase of ALN pupils receiving EOTAS (Education Other Than At School) Bespoke packages. However, this is considerably more cost effective than the pupils attending Independent Schools. The directorate have also been liable for £56k of the Post-16 Specialist Placement Costs for 23-24, as the Joint Contribution was not funded, as previously anticipated.

Further additional costs across the Directorate have been offset with additional grant funding, holding vacancies and through income generation.

Economy, Employment & Skills

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	0	(149)	(159)	

An ability to passport core costs to grant funding, and a reduction in supplies and services.

Emergency Planning

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	16	16	25	

The overspend is due to employee related savings not being met.

Individual Schools Budget

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(4)	0	41	

The overspend is due to additional funding of £16k agreed for Gwent Music relating the top up of hardship funding for eligible pupils, and £20k funding for Transport (Bus to Caldicot School), along with several smaller costs relating to schools, such as licences, Welsh Translations etc

Resources

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	17	43	17	

The overspend is due to receiving a revised estimate for the Premature Retirement contributions, and a reduction in income against the Photovoltaic Grids.

We have generated income to offset this through a member of staff conducting Estyn visits.

Standards				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	440	614	348	

The overspend of £613,655 at Update 2 was largely due to an increase in new starters at Independent and Out of County Schools. However, we have recently received additional ALN Grant Funding, which we have been able to use to offset costs. Therefore, the current forecasted overspend of £347,684 is due to the following:

- £286k ALN – Independents (new starters at Independent Schools, pupils staying on for Year 14 and additional support for existing pupils. We are also liable for £56k of Post-16 Specialist Placement Costs for 23-24 (as we had thought the Joint Contribution was being funded) + an increase in the number of pupils receiving EOTAS (Education Other Than At School) Bespoke packages. Costs have reduced since Update 2 due to receiving additional ALN Grant Funding)
- £54k ALN – OOC (new starters in out of county schools, reduced by estimated costs for a pupil being less than expected)
- £16k ALN – Recoupment (unable to meet expected recoupment, due to out of county pupils leaving Monmouthshire schools)
- £51k ALN Transport - £12k invoice received regarding 23-24, 2% increase in external contracts from September and an increase in personal travel budgets
- £31k Expansion of Early Years Grant – an increase in the number of nursery places being taken up, particularly in non-maintained settings
- £39k Primary Breakfast Initiative Grant – an increase in catering and staff costs
- £5k ALN Equipment Budget – additional funding required for ALN Equipment
- -£134k of grant funding able to offset existing costs

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INFRASTRUCTURE & PLACE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	963	955	671	

COMMUNITIES & PLACE DIRECTOR'S COMMENTARY:

The directorate is forecasting to overspend by £671k, an improvement of £285k since Update 2. A detailed explanation for each service area is provided below but we are continuing to see budget strain in our demand led services with the main pressures falling within School & Passenger Transport, Housing, Fleet Maintenance and Waste services. We have seen slight improvements in the overspend positions for Fleet, Homelessness and PTU but this has been offset by an adverse swing in waste where our recycle contract renewal has been delayed resulting in our costs remaining higher than forecast, although officers are currently looking at options to mitigate.

We are currently on course to make £467k (50.4%) of our £927k saving target. As at Update 2 the main reason for this shortfall is due to the delay in the relocation of tenants into Severn View resulting in all of the £400k saving not being met this year, although this has mostly been offset by unbudgeted discretionary housing grant.

Enterprise, Housing & Community Animation

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(107)	54	(104)	

Enterprise & Community Animation is forecasting to under spend by £104k, this is mainly due to: -

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- **Enterprise Mgt** - £255k underspend – Employee savings due to vacant senior management posts that have been frozen as part of the recent SLT restructure (£154k), further staff savings within our Strategic Operations team from not backfilling a senior officer post whilst on maternity leave and a vacant IT officer post that will not be filled (£39k) and a £62k saving on our City Deal contribution as this has been moved to capital as part of the authority's in-year budget recovery plan.
 - **Housing** - £150k over spend, this can be broken down into these main areas: -
 - **Housing** - £197k net overspend – an improvement of £73k since Update 2 – pressure continues across our B&B and leased accommodation portfolio where annual operating costs are projected to exceed available budget. The relocation of tenants to Severn View is now expected to start at the end of March and this delay has meant we will not make any of the £400k saving built into the budget this year. We have been fortunate that this pressure has been mostly covered by the receipt of a one-off WG discretionary homelessness grant, in addition, due to the ongoing work to replace B&Bs with alternative accommodation we are now seeing a reduction in our Housing Benefit subsidy penalty, revised projections are estimating a £114k saving against budget which is a £24k improvement from Update 2. On top of this we have been able to passport £39k of staff costs against the HSG grant reducing the overall net budget pressure to £197k.
 - **Careline** – £47k under spent – no change from Update 2 - due to the ability to offset staff costs against grant funding and in the reduction in equipment spend as stocks were replenished last year (via grant) reducing the need for in-year spending this year.

Facilities & Fleet Management

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	867	773	539	

Facilities, Fleet & De-carbonisation are forecasting a £539k overspend, this is due to :-

- **Decarbonisation** - £11k net underspend – this can be attributed to the following factors :-
 - Corporate Mileage Saving - £100k over spend – the required changes to the current corporate travel and disbursement policy will not be made this year so we won't be able to implement the roll-out of the Pool car scheme and other initiatives resulting in all of the £100k budget saving not being achieved.
 - Solar Farm - £79k deficit – an improvement of £35k since update 2 – income has improved in the latter half of the year but poor weather and grid outages earlier in the year have impacted on the budget, the solar farm is forecasting to make a surplus of £323k this year but this is £79k less than the budgeted surplus of £403k.
 - De-Carbonisation Team - £146k under spend – due to staff vacancy savings, only 2 (Decarbonisation Mgr and 1 Project Officer) of the 5 posts within the team are currently filled and out of the remaining 3 vacant posts 2 are forecast to be filled in March and the remaining energy officer vacancy frozen until April to aid with in-year budget recovery.
 - Sustainability - £45k underspend – due to energy savings generated from our renewable energy portfolio that is installed throughout our buildings.
- **Passenger Transport** – £505k net over spend– improvement of £77k since Update 2 – overspend is due to increased service demand as pupil numbers have increased resulting in additional contract costs coupled with a shortfall in public bus service funding. These have been part offset by the receipt of funding linked to the administration of the regional Bus Network Grant plus a one-off windfall payment relating to a balance owing from last financial year. We have also received income from the sale of 2 coaches and been able to passport £50k of qualifying spend to capital as part of the in-year budget recovery plan resulting in an overall improvement in position since September.
- **Fleet Maintenance** - £44k overspend – an improvement of £64k since update 2 – we have been able to move qualifying ICT, EV and maintenance costs to capital (as per budget recovery plan) which has helped in reducing the overspend. The budget has been impacted this year with the rising cost of parts, supply chain delays, the growth in hire vehicles and increased borrowing spend as we transition to fleet to EV.

Neighbourhood Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	263	237	459	

Neighbourhood Services is forecasting to overspend by £459k, due to :-

- **Streetlighting** – On Budget – an improvement of £20k since Update 2, this is due to maintenance costs being passported to capital as part of in-year budget recovery.
- **Highways Operations** – On Budget – No change from Update 2 - current projections indicate that our 24-25 programme of works will come in within budget, a bad winter will potentially impact on costs, but officers will look to mitigate this through adjusting the programme accordingly.

- **Highways External** - £100k underspend – as per update 2 – income projections for external works will exceed original targets. The partnership works we do for SWTRA (South Wales Trunk Road Agency) will be on budget as per the cost recovery arrangement.
- **Highways Design & Road Safety** - £119k underspend – underspend mainly as a result of 4 staff vacancies that will now not be filled until the new financial year to aid with in-year budget recovery.
- **Waste & Grounds Maintenance** - £678k overspend – a £293k adverse swing from Update 2 – as reported last time out we are still experiencing volatility and reduced values of our recycle, our early year forecasts assumed that the new contract would be in place for January generating savings but this has been delayed causing further pressure to the budget. Income has been affected by the introduction of Workplace recycling regulations, the changes we have made to charging structures to accommodate this has resulted in a large reduction in trade waste collection income plus additional recycling collection costs. These coupled with the volatility of end market values has resulted in an increasing pressure on the bottom line. In addition, the 24/25 budget was built on the premise that our polyprop service would be fully operational from the 1st April, delays in vehicle delivery have meant that the service did not start in full until November resulting in our early year disposal costs being higher than originally anticipated. Officers are currently working to mitigate this pressure and are looking into options to reduce contract and supplies and services spend but we will not know until update 4 on the level of reduction. Grounds service is currently forecasting a break even budget.

Placemaking, Highways & Flood

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(58)	(110)	(223)	

Placemaking, Highways & Flooding is forecasting to under spend by £223k, due to :-

- **Building Control** – £61k over spend – a £12k improvement from Update 2 - forecasts continue to indicate a similar position to last year where fee income was impacted by the economy resulting in reduced applications. In addition, the introduction of the Building Safety Act 2022 has increased the amount of statutory non-chargeable works having to be undertaken adversely affecting staff and income budgets. The improvement since update 2 is because we have managed to move qualifying expenditure to capital as part of the in-year budget recovery plan.
- **Planning & Development Control** - £80k overspend – as per update 2 application fee income projections are indicating that we will not meet our budgeted targets this year as well as our Fast Track application targets. As stated previously councils are lobbying WG to increase the planning fee rate given that they have not risen with inflation and have remained fixed since 2020. WG are currently reviewing this matter.
- **Car Parks & Civil Parking Enforcement** - £60k under spent – no change from Update 2 - Underspend is due to improved income as our annual pay & display projection is currently exceeding budget, in addition the position has been helped by employee savings due to full year vacant posts.
- **Highways Development & flooding** - £170k under spent – an improvement of £67k from Update 2 - Employee under spend in Flooding due to full and part year vacancies coupled with improved income mainly from additional Highways development fees and capital programme fees, we now have a better understanding of the level of development fees that we will be receiving this year and this has been reflected in the forecast and is the main reason for the improvement in position since update 2.
- **Schools Catering** - £133k underspend – an improvement of £42k since Update 2 – mainly because of in-year staff savings due to the delay between a staff member leaving and appointing someone into the post, in addition we have moved £30k of qualifying IT costs against capital as per the budget recovery plan.

CUSTOMER, CULTURE & WELLBEING DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(46)	(165)	(336)	

The directorate is forecasted to underspend by £336k, representing an improvement of £171k compared to financial update 2.

The delays in the implementation of the area management restructure, alongside deferred staff savings within the museum service and reduced income at our attractions, have been offset by the increased revenues from our leisure services, markets, and countryside departments. This improvement in income is attributable to our marketing campaigns and the diligent efforts of our sections to enhance customer experiences. Consequently, these efforts have resulted in the addition of new members and improved membership retention. Notably, this year's annual campaign has already generated 274 new memberships, translating to an income of £73k, with three weeks remaining.

There remains a significant risk around income predictions in both the leisure services, outdoor adventure centre, and Borough Theatre. Update 3 forecast relies on £5.3m of income generation from these three services alone. We will continue to monitor income closely as the year progresses.

(Monlife) Countryside & Culture

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(6)	(39)	(66)	

Countryside & Culture section is forecast to underspend by £66k an improvement of £27k from update 2 this is due to additional grant income and confirmed income that has previously been unknown.

(MonLife) Communications

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	(44)	(38)	

Central Communications is projected to achieve a significant underspend of £38k. This financial efficiency has been realised through strategic allocation of staffing costs to individual grants within the community and partnership division, thereby reducing our reliance on core funding.

(Monlife) Finance & Business Development

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
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Deficit / (Surplus) £'000s	62	174	44	
<p>The Finance, Business and Development section is forecast to overspend by £44k. There continue to be income pressures in some service areas, but significant improvements have been observed in key areas of risk, such as The Borough Theatre, Attractions, and Management.</p> <p>Attraction sites are forecast to overspend by £51k due to lower than expected visitor numbers, which were affected by adverse weather during the summer. Efforts are being made to offset the reduction in income through one-off events and grant opportunities.</p> <p>The Borough Theatre is expected to overspend by £30k due to lower than anticipated income. The section is still recovering post-pandemic and from site closures. Additionally, there has been a reduction of 50 seats, limiting opportunities for larger performances. However, there has been an improvement in the third quarter of 24-25, which is hoped to continue into the next financial year, reducing reliance on core funding.</p> <p>Learning is forecast to overspend by £16k due to reduced income.</p> <p>Museums are expected to overspend by £40k due to delayed staff savings and higher than anticipated expenditure. The section will seek to use any available grant opportunities or reserve balance to mitigate this where possible.</p> <p>Management is forecast to overspend by £19k due to delayed implementation of the area management structure. This process is underway, and the changed structure is likely to be implemented in the final quarter of 24-25.</p> <p>These overspends have been offset by underspends in other areas: markets (£32k), business support (£22k), hubs (£7k), and the contact centre (£50k) due to increased income, reduced overheads, and staff vacancies.</p>				
(Monlife) Leisure, Youth & Outdoor Adventure				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(102)	(257)	(276)	
<p>Leisure, Youth and Outdoor Adventure are forecast to underspend by £276k, this is due to increase income at our four leisure facilities, we have seen continued growth in our monthly Direct Debit memberships, improved membership retention due to improving our customers journey and investing in digital and site improvements. Along with additional grants which have been used where applicable to offset core staffing costs whilst still delivering the outcome of the grant.</p> <p>The Outdoor Adventure Centre has improved its residential income position on 23-24.</p>				
PEOPLE, PERFORMANCE & PARTNERSHIP DIRECTORATE	Update 1	Update 2	Update 3	Update 4

Deficit / (Surplus) £'000s	68	94	(6)	
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Chief Executives is forecasting to underspend by £6k.

The People function is in the middle of a period of change following the approval of the People Strategy and appointment of our new Head of HR. We are introducing automation into recruitment and payroll. There have been some teething problems but this will ultimately improve customer experience and back-office efficiency. This is taking longer than anticipated due to challenges with system integration and as a result savings will not be realised until 2025-26. We have reduced staffing levels to contribute to the budget recovery. We have taken to lower costs, including entering a collaborative arrangement with other authorities for our new training system which has reduced license costs. However, there have been some one-off costs attached to entering the collaboration meaning the financial benefits of collaboration will not be seen until next year.

The biggest financial pressure in Policy, Scrutiny and Customer Relations is for Welsh language translations. This is a statutory obligation. While we can do little about demand, a business case has been developed to provide the service in a different way which would help reduce supply side costs from 2025-26 onwards. We have seen a small reduction in demand above forecast levels in the second half of the year, which along with not back-filling a temporary vacancy in the Performance team, has helped improve the forecast between update 2 and 3.

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Policy, Scrutiny & Customer Relations

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	19	(27)	

Policy, Scrutiny & Customer is forecasting to underspend by £27k, this is due to :-

- **Corporate** - £29k under spent – due to core staff management costs being partially covered by Ukraine grant funding as capacity is diverted to manage this project.
- **Customer Relations** - £32k over spent – the volume and cost of undertaking independent investigations continues to rise with a further increase of £7k over and above our projections in September.
- **Scrutiny** - £5 over spent – due to the inability to make staff vacancy factor savings and a small overspend in supplies and services.
- **Policy & Partnerships** – £35k underspend – an improvement of £47k since update 2 - Equalities and Welsh Language is forecasting to overspend by £36k due to translation demand outstripping available budget although projected activity has decreased since Update 2 by £29k and is the main reason for the improvement in outturn position. Our corporate subscriptions costs are expected to exceed budget by £20k but these overspends have been offset by underspends in GIS (£26k) and Community Safety (£14k) due to part year vacant posts and a £53k staff saving in Performance & Data as we have passported core staff costs to capital along with in year staff vacancy savings due to a career break.

People				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	68	75	22	

People Services is forecasting to overspend by £22k, the main variances are as follows:

- **Payroll & People Management** - £14k net underspend – a £52k improvement since update 2 – underspend is mainly due to staff savings where structures have now been realigned to fit resource requirements, and we have been able to reduce temporary support hours and the team are covering maternity leave in-house rather than backfilling the post to contribute to the recovery effort.
- **Occupational Health** - £31k overspend – no change from Update 2 - forecasts are indicating that occupational health appointment costs will exceed available budget mainly due to an increase in activity.
- **Corporate Training** – On Budget.
- **Organisational Development** - £4k over spent – Inability to meet staff vacancy savings.

LAW & GOVERNANCE DIRECTORATE (PG)	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	51	48	2	

The outturn has improved significantly to a predicted overspend of £2k, which is a £46k improvement from what was reported at Update 2. This is largely as a result of a reduction in expected licensing costs and improved income. The position will continue to be monitored to ensure that we recoup further income where possible.

Democratic Services	Update 1	Update 2	Update 3	Update 4
Outturn Forecast				
Deficit / (Surplus) £'000s	(22)	(19)	(19)	

Democratic Services is forecasting to underspend by £19k, this is due to :-

- **Members** - £21k under spend – no change from update 2 – due to a reduction in payroll costs because of savings from a part-year vacant position due to a councillor becoming an MP and a reduction in co-opted member costs.
- **Committee & Elections** – £2k overspend – due to an overspend in supplies and printing costs.

Legal and Land Charges	Update 1	Update 2	Update 3	Update 4
Outturn Forecast				
Deficit / (Surplus) £'s	73	67	21	

Legal and Land charges is forecasting to overspend by £21k, this is due to :-

Legal Services - £26k overspend – a £41k improvement from Update 2 – overspend is due to a shortfall in rechargeable income and court fees, this has been offset by a part year staff saving and an underspend in supplies and services.

Land Charges – £5k underspend - as a result of moving IT server costs to capital.

RESOURCES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	18	(201)	(430)	

The Resources directorate is forecasting an underspend of £430k, which is a significant improvement of £229k compared to Update 2 and reflective of the budget recovery efforts to support the wider budget position.

Corporate & Commercial Landlord services is now forecasting an overall under spend for the year reflective of significant savings within Landlord services, notably driven by staff vacancy savings. There continues to be an upward trajectory in rental income which is reflective of the ongoing work to maximise the potential of our asset base.

Commercial investments continue to fall short of budgeted net income targets though this is expected to improve slightly as lettings are secured through the remainder of the financial year.

Work continues into the review and rationalisation of our buildings portfolio, but this has been slower than originally anticipated and we are projecting a shortfall of £58k against the previous year's £215k budget saving requirement. Officers continue to proactively work in this area to establish further opportunities.

Across the wider directorate work continues to support the wider budget recovery action and is exploring all opportunities of limiting expenditure, holding vacancies, and maximising all avenues of income and grants. However the scope to now introduce any significant further levels of savings within the Resources budget at this stage of the year is very constrained, given the limited amount of controllable budget.

Finance				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(199)	(197)	(351)	

Finance is forecasting to return a £351k underspend, this is mainly due to -

- **Revenues** - £57k net underspend:-
 - Benefits - £68k underspend – an improvement of £82k since update 2 - Housing benefit subsidy spend is now forecast to be £36k under budget and is the main cause of the improvement since update 2, this reflects the current subsidy and debt position and may change again in future forecasts as benefits applications change. In addition, there is a further £32k saving which is a combination of additional one-off grant income and managed service savings.
 - Council Tax - £23k overspend – there are a number of factors that make up this position. There is a £16k residual staff budget pressure,

the current debt profile for council tax and business rates indicates that the bad debt provision for court costs will need to be topped up by £21k (a £4k uplift from update 2). There is also a £2k overspend against unmet staff vacancy savings. However, these additional costs have been part offset by one off admin grant of £17k from WG.

- Charity Relief & Debtors - £12k underspend – due to staff vacancy savings in debtors and charity relief payments coming in under budget.
- **Systems & Exchequer** – £49k under spend – an increase in annual contract costs and essential system developments for the revenue and benefits system have been offset by managed staff vacancies, holding system development in cashiers and systems support and an increase in in-year recharge income. The £18k improvement from Update 2 is a mixture of additional managed staff and supplies and services savings to aid with in-year budget recovery.
- **Finance** - £222k under spend – an increase of £41k since update 2 – it is now anticipated that only 1 of the 4 vacant posts will be appointed before the start of the new financial year so the savings from staff vacancies has increased and is the reason for the improvement from Update 2, in addition the service has been able to recharge core staff costs to other sources of funding which has increased the underspend further.
- **Audit** – £22k underspend – staff savings due to part year vacancies that were filled later than originally thought and is the reason for the increase in underspend since Update 2.

Future Monmouthshire

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	

Future Monmouthshire is forecasting to return a balanced budget.

Corporate Health & Safety

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	

Corporate Health & Safety is forecasting to return a balanced budget.

Information, Communication & Technology

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(15)	(15)	(41)	

The ICT division is forecasting a £41k under spend, this is due to:-

- **Digital Programme Office** – £19k underspend – due to managed savings in supplies and services.

- **SRS Contribution** – £9k overspend – Overspend in our contribution to the Shared Resource Service, this is because of increases in Firewall costs and PSBA line costs.
- **Digital Design & Innovation** - £24k under spend - due to savings from managed staff vacancies.
- **Cyber Security Team** - £4k under spend – Due to staff savings through part year vacancy and a managed reduction in non-essential spend.
- **Telephony** – £4k underspend – due to a reduction in our call charges for 24-25.

Commercial & Corporate Landlord

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	232	11	(38)	

Commercial & Corporate Landlord services is forecasting to under spend by £38k, due to :

- **Investment Properties** - £142k over spend, due to –
 - **Newport Leisure Park** - £112k over spent – No change from Update 2 - NLP is forecasting to achieve a surplus position of £234k after borrowing costs (an improvement of £143k on 23-24 outturn) but a variance of £112k on the budgeted target due to changes in some of the existing tenancy agreements reducing the expected annual rental and increased electricity standing charges following the surrender of previous tenants.
 - **Castlegate Business Park** - £29k over spent – No change from Update 2 - Castlegate is forecasting a £29k overspend due to increased rates and service charges relating to vacant units.

- **Landlord Services** - £190k under spend – an improvement of £66k since Update 2 – income increases reported in September have allowed us to mitigate a shortfall in our Property Rationalisation saving to only £58k of the original £215k, on top of this there is employee savings of £249k due to staff vacancies – at update 2 it was assumed that 3 of these posts would be filled by December but they will now not be filled until the new financial year and is the main reason for the improvement in position.

- **County Farms & Industrial Units** - £39k overspend – an improvement of £16k since update 2 - income has increased since September due to rental from a new tenancy and a rent review increase that was backdated to June 24. Rental income is down against budgeted targets due to the staggering of rent review uplifts and new tenancies only starting mid-way through the year, this has meant that we have only seen a part receipt of expected additional rental income in 24-25. In addition, as we continue to hold vacant units, we are liable to cover the running costs such as council tax which adds to the pressure - current forecasts have assumed a full year liability but this could change if we find tenants between now and year end.

- **Cemeteries** – On Budget – £5k adverse swing from Update 2 – latest income projections are showing a slowdown in burial income against earlier forecasts.

- **Building Cleaning & Public Conveniences** - £31k underspend – mainly due to staff savings from vacant posts and an £8k saving on maintenance and rates.
- **Property Services** – On Budget – underspends in staffing due to part year staff vacancies have been offset by overspends on maintenance and rates within office accommodation.

CORPORATE COSTS & LEVIES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	31	(1,607)	
Precepts & Levies				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	3	3	
Slight increase in drainage levies (£2,950) compared to forecast.				
Archives (Gwent Joint Records)				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	6	6	
Final fees slightly above budgeted precept at budget setting.				
Corporate Management				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	23	9	
The joint Crematorium service dividend is expected to be £44k lower than budgeted due to net service income being lower than anticipated. This is offset by other numerous minor over and under spends.				
Non-Distributed Costs				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	182	
Additional pension strain costs due to premature retirements. This will be covered from additional contributions from the redundancy and pension reserve.				
Strategic Initiatives				

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	(1,766)	

WG award of Funding in relation to support for additional NJC pay pressures

Insurance

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	(41)	0

There is a small saving predicted on premium payments and staff costs.

TREASURY & RESERVES

Update 1	Update 2	Update 3	Update 4
(283)	(480)	(565)	

Interest & Investment Income

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	48	(15)	34	

The rates available on some investments have reduced at a quicker rate than anticipated while one Pooled Fund has also seen a downturn in dividend.

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Interest Payable & Similar Charges

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(42)	(175)	(339)	

Reduced market interest rates have led to small saving which has been further improved due to short-term balances being higher than anticipated.

Charges Required Under Regulation

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(41)	(41)	168	

Underspend due to capital expenditure financed by borrowing in 23/24 being less than budgeted for. Additional vehicles have been disposed of in Q3 with any outstanding MRP charges provided for in year. The movement will be matched with an equal and opposite movement in Borrowing Cost Recoupment.

Other Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	(1)	(1)	
Minor unbudgeted income.				
Borrowing Cost Recoupment				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(248)	(248)	(464)	
Budget was set before additional capital financing for 2023/24 vehicle purchases was finalised. Additional vehicles have been disposed of in Q3 with any outstanding borrowing charged in year. The movement will be matched with an equal and opposite movement in Charges Required Under Regulation.				
FINANCING				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	(350)	(617)	
Council Tax Reduction Scheme				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	(350)	(525)	
Caseload continues to reduce and currently remains below the budget set				
Council Tax				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	(92)	
Council tax income is expected to be £125k less than budgeted. The council tax base remains healthy and is running ahead of the tax base set for the year. However council tax discounts and exemptions continue to rise which have a negative impact on the overall position.				
Council Tax Premium: Taking account of payments made to date and potential unpaid premiums turning bad in the future, estimate that an additional £217k will be collected this year. This will be transferred to the Council tax premium reserve.				
General Government Grants				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	

Income received to budget.

2. Section 3 – School Balances

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

School Reserves	(A) Opening Reserves (Surplus) / Deficit Position 2024/25	(B) Draw / (Contribution) from / (to) School Balances @ Update 1	(C) Draw / (Contribution) from / (to) School Balances @ Update 2	(D) Draw / (Contribution) from / (to) School Balances @ Update 3	(E) Draw/ (Contribution) to Reserves at Update 4	(A+D) Forecast 2024/25 Reserves
Cluster	£000's	£'000	£'000	£'000	£'000	£'000
Abergavenny	143	1,133	1,278	1,592	0	1,735
Caldicot	(87)	1,152	776	775	0	689
Chepstow	658	800	949	804	0	1,462
Monmouth	(552)	1,066	1,165	1,180	0	629
Special	741	778	719	889	0	1,630
Total	904	4,929	4,887	5,240	0	6,144

2.2. Collective School balances at the beginning of the Financial Year amounted to a deficit of £903,636. The anticipated further draw on reserves at Update 1 was £4,928,604, against a budgeted draw on reserves of £5,015,104, which resulted in a forecast deficit balance of £5,832,251 by year end.

2.3. At Update 2, the draw on reserves had reduced slightly, however at Update 3, the draw on reserves has increased to £5,240,192, resulting in a forecast deficit balance of £6,143,839 by year end.

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

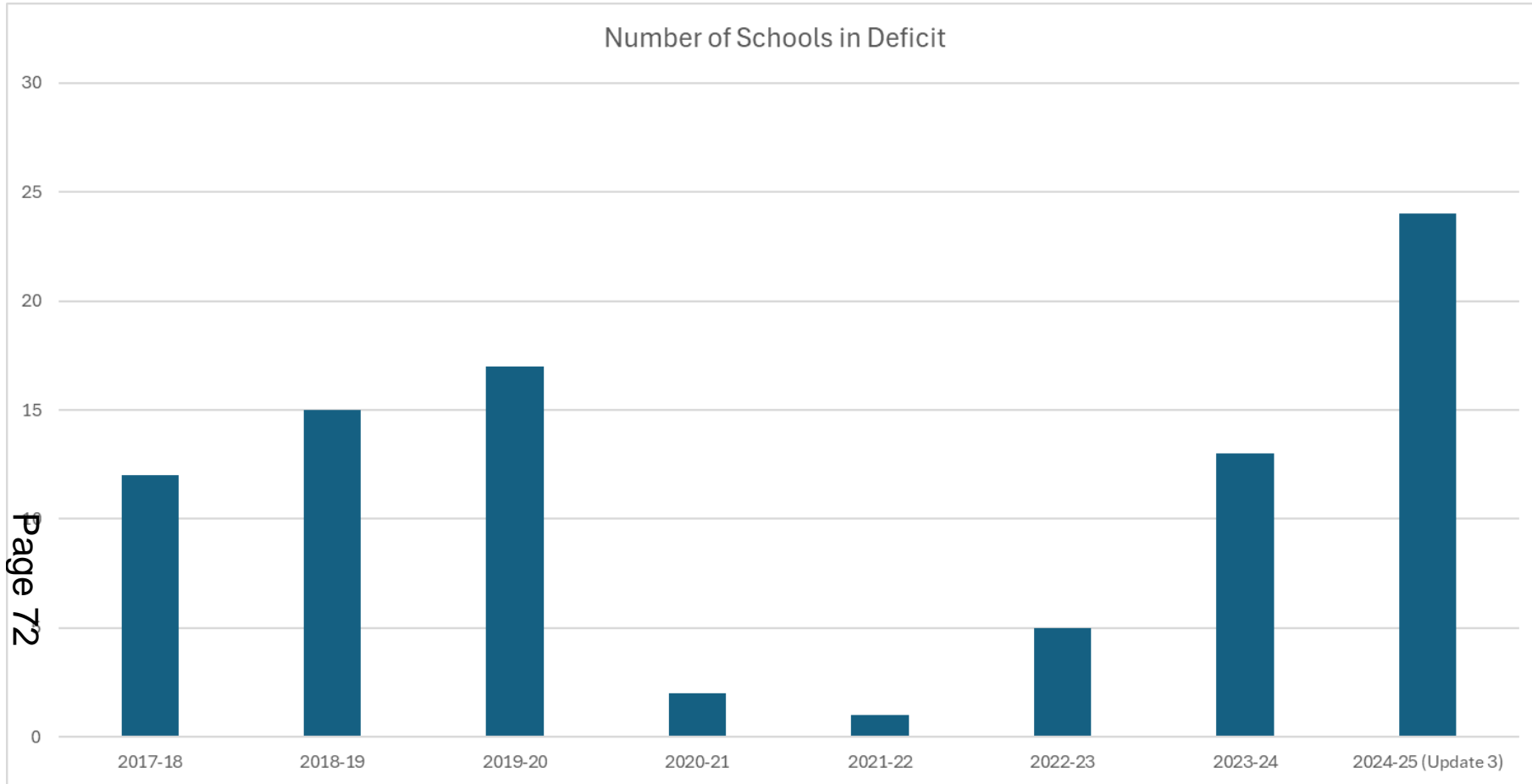
Start of year	Update 1	Update 2	Update 3	Update 4
Total: 13	Total: 19	Total: 20	Total: 24	Total: 0
Chepstow School	Chepstow School	Chepstow School	Chepstow School	
Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	
The Dell	The Dell	The Dell	The Dell	

Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)	
Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni	
Caldicot School	Caldicot School	Caldicot School	Caldicot School	
Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin	
Osbaston	Osbaston	Osbaston	Osbaston	
Overmonnow	Overmonnow	Overmonnow	Overmonnow	
Gilwern	Gilwern	Gilwern	Gilwern	
Rogiet	Rogiet	Rogiet	Rogiet	
Thornwell	Thornwell	Thornwell	Thornwell	
King Henry VIII 3-19 School	King Henry VIII 3-19 School	King Henry VIII 3-19 School	King Henry VIII 3-19 School	
	Goytre Fawr	Goytre Fawr	Goytre Fawr	
	Llantilio Pertholey	Llantilio Pertholey	Llantilio Pertholey	
	Dewstow		Dewstow	
	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	
	Llandogo	Llandogo	Llandogo	
	Usk	Usk	Usk	
		Castle Park	Castle Park	
		Cross Ash	Cross Ash	
			Ysgol y Trefynwy	
			Undy	
			Kymin View	

- 2.5. The legacy impact of the pandemic continues within the school environment, particularly in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased overall costs of provision. Higher than budgeted pay awards have also impacted upon budgets.
- 2.6. All schools that are budgeting to register a deficit balance at the end of the 2024/25 financial year are required to bring forward budget recovery plans. These recovery plans will be confirmed with both the Local Education Authority, each School's Governing Body and, in some cases, the plans will need to be agreed by the relevant Cabinet Member. All recovery plans are currently being reviewed, and where required, further support being given.

Financial Year-end	Net level of School Balances (Surplus) / Deficit in £000's
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232
2019-20	435
2020-21	(3,418)
2021-22	(6,956)
2022-23	(4,257)
2023-24	904
2024-25 (forecast)	6,144

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



3. Section 4 – Capital budget Forecast Outturn

3.1 The forecast summary Capital position at Update 3 is as follows:

Category	Slippage B/F	Original Budget	Budget Adjustments	Provisional Slippage to 2025/26	Revised Budget 2024/25	Forecast Outturn	Over / (Under) spend
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Capitalisation Directive	387	3,357	0	0	3,744	3,744	0
Development Schemes Over £250k	8,222	100	4,590	(6,351)	6,561	6,340	(221)
Development Schemes Under £250k	2,013	590	390	(1,619)	1,374	1,351	(22)
School modernisation programme	8,604	19,507	(12,087)	(42)	15,981	15,981	0
Infrastructure	3,250	6,345	250	(3,429)	6,415	6,415	0
ICT Schemes	765	303	(230)	(181)	658	658	0
Property Maintenance	1,279	2,140	86	0	3,505	3,505	0
Renovation Grants	110	900	158	0	1,168	1,168	0
CHO	27	0	148	0	175	175	0
Section 106	1,160	0	870	(1,196)	833	833	0
Regeneration - Specific Grant Funded	2,791	500	10,092	(382)	13,001	13,001	0
Vehicles	0	1,500	0	0	1,500	1,500	0
Other	0	0	0		0		0
Total Expenditure	28,606	35,241	4,267	(13,199)	54,915	54,672	(243)
Financing							
Supported Borrowing	0	(2,436)	0	216	(2,221)	(2,221)	0
General Capital Grant	0	(2,502)	0	0	(2,502)	(2,502)	0
Grants and Contributions	(3,596)	(13,850)	(9,408)	3,032	(23,822)	(23,822)	0
S106 Contributions	(1,122)	0	(870)	1,238	(754)	(754)	0
Unsupported Borrowing	(22,325)	(10,553)	5,929	8,196	(18,753)	(18,510)	243
Earmarked Reserve & Revenue Funding	(148)	(253)	0	163	(238)	(238)	0
Capital Receipts	(1,415)	(4,147)	82	355	(5,125)	(5,125)	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
Total Financing	(28,606)	(35,241)	(4,267)	13,199	(54,915)	(54,672)	243

3.2 The forecast capital expenditure at update 3 is demonstrating a net underspend £243k, primarily due to the following variances identified:

Scheme	Over / (Under) spend £'000's	Comment
Crick Road Care Home	(175)	Scheme completed and facility is operational. The under spend has mitigated the need to further call on borrowing headroom.
Decarbonisation Surveys	(45)	Surveys completed under budget
Old Station Tintern Investment	(22)	Scheme completed slightly under budget.

3.3 Capital Slippage

3.4 Provisional Capital slippage forecast at update 3 is £13.199m:

Scheme Category	Scheme Name	Slippage £000's	Comment
Economic Development	Capital Region City Deal	1,473	Based on capital funding profile from CCRCDC where there has been a delay in identifying and progressing suitable schemes
Economic Development	Asset Investment Fund	1,853	Budget held for any required capital improvements at commercial investment sites. No works currently anticipated for 2024/25
Economic Development	Caerwent House, Major Repairs	51	Listed Heritage building requires further legal and planning clearance before the scheme can progress
Economic Development	Wye Bridge Chepstow works	265	Reconstruction works delayed to 2025/26 – Profiling of budget corrected – construction phase cost was built in too soon – survey, investigation & design works ongoing – construction phase to start next year.
Economic Development	Wye Bridge Monmouth works	2,033	Reconstruction works delayed to 2025/26 – Profiling of budget corrected – construction phase cost was built in too soon – survey, investigation & design works to potentially start in 25-26 but indications from Highways officers that construction won't start until 26-27 at earliest.
Economic Development	Solar Farm Development Cost	150	Delays due to capacity of grid connections, uncertainty over future service provider, and LDP concerns delaying the planning application

Scheme Category	Scheme Name	Slippage £000's	Comment
Highways	Carriageway improvements – additional allocation	667	Works rescheduled for early 2025/26 – the £1m additional capital budget will be profiled over 3 years to allow for better planning of maintenance projects to meet identified need.
Highways	Clydach Gateway Reinstatement and Devil's Bridge Associated Works A465	248	Works to be undertaken in 2025/26 – delay has been caused by the grant awarding body (LEI) – with administration and concerns over safety at the site due to potential landslide.
Education	Welsh Medium School and Nursery	2,630	Further options for Welsh Medium provision are being discussed in February 2025 to identify the most appropriate way forward for the scheme.
Education	Mounton House Refurbishment	200	Contractor delays due to inclement weather
Children's Services	Property Acquisition for Children and Young People with Complex Needs	144	Multi-year scheme for asset acquisition to alleviate out of County Children's supported housing provision
Housing	Housing Purchasing Provision	1,340	Multi-year scheme which is dependent upon suitable opportunities arising.
ICT Schemes	ICT Desktop replacement budget	50	Repurposed schemes to be identified early in 2025-26
ICT Schemes	Network Estate replacement budget	118	Repurposed schemes to be identified early in 2025-26
ICT Schemes	Provision of online facilities for Revenue's section	13	Repurposed schemes to be identified early in 2025-26
Transport / Highways	Feasibility study: Transport Depot South of County	129	Survey feasibility works have been commissioned to meet Planning Application requirements on identifying a suitable site.
Infrastructure	Footway, Reconstruction	131	Essential works being completed, some schemes, due to inclement weather, will slip into 2025-26
Infrastructure	Walls. Safety Fence upgrades	84	Essential works being completed, some schemes, due to inclement weather, will slip into 2025-26
Leisure Schemes	Monmouth Leisure Centre Redesign	42	Delay to Car Park improvements at Monmouth Leisure Centre

Scheme Category	Scheme Name	Slippage £000's	Comment
Grant Funded	NHLF Woodland Investment Grant	154	Likely to be a two year scheme spanning 2024-2026
Investment Schemes	Investment Schemes match funding	228	Budget to support match funded grant applications made by the Authority which are dependent upon opportunities arising.
S106	Various S106 schemes	781	Completion of schemes delayed due to bad weather and delays in the acquisition of new playground equipment
S106	Castle Park Primary Remodelling Works	415	Works needs to be completed when school shut in summer
		13,199	

3.5 Useable Capital Receipts Available

3.6 The table below outlines the latest forecast of capital receipts balances available to meet future capital commitments. All banked and forecast capital receipts have been committed to funding the indicative forward capital programme. Therefore any further use will be dependent upon forecast capital receipts being realised.

Capital receipt balances	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
Balance as at 1st April	9,984	5,052	3,332	1,116	635
Capital receipts used for financing	(1,381)	(640)	(460)	(460)	(460)
Capital receipts used to support capitalisation direction	(3,744)	(3,358)	(2,358)	(324)	0
Capital receipts Received	91	0	0	0	0
Capital receipts Forecast	103	2,278	603	303	0
Forecast Balance as at 31st March	5,052	3,332	1,116	635	175

Budget savings progress 2024-25 - Update 3

Appendix 2

	Savings proposals by Directorate	Budgeted Saving	Update 3 Forecast	Variance to Budgeted Savings	Percentage met	Comment
			£000	£000		
	Social Care & Health	(4,972)	(3,601)	996	80.0%	
	Learning, Skills and Economy	(3,172)	(2,812)	360	88.7%	
	Infrastructure & Place	(927)	(467)	460	50.4%	
	Customer, Culture and Wellbeing	(1,079)	(961)	118	89.1%	
	People, Performance and Partnerships	(86)	(86)	0	100.0%	
	Law & Governance	(33)	(33)	0	100.0%	
	Resources	(595)	(528)	67	88.7%	
	Corporate Costs & Levies	(77)	(77)	0	100.0%	
	Totals	(10,940)	(8,565)	2,001	81.7%	

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Ref	Social Care & Health	Total Saving / Recovery	Update 3 Forecast	Variance	Comment
		£000	£000	£000	
SCH3/4	Childrens services - Placement and Practice Change - Reviewing high-cost placements and developing in house placement	(1,300)	(1,197)	103	Savings to date of identified placements totals £1M, with a further projected savings of £197K but these attract risk in deliverability
SCH2/5/7/16	Adults services - Directorate staffing review - reducing the workforce within adult services	(1,464)	(1,464)	0	

SCH6/8/9/10/14/15	Adults services - practice change agenda by managing demand, strengthening oversight and controlling costs	(1,130)	(292)	838		Review work is ongoing and we are looking at a plan to introduce some short term additional resource to accelerate this area of work. In addition, we are still actively pursuing CHC opportunities as they arise
SCH11	Adults services - Reduction in Adult partnership arrangements for Gwent service delivery models - Shared lives, Emergency duty, Frailty, Regional partnership team	(55)	0	55		We are currently in negotiation with Caerphilly CBC who host a regional Shared Lives partnership and partners are requesting a refund on built up reserves by Caerphilly from years of unspent partner funding.
SCH12	Adults services - Transformation Team structure - reduction in core workforce	(30)	(30)	0		
SCH18	Adults services - Savings from service relating to borrowing to afford Severn View replacement	(105)	(105)	0		
SCH17	Review and increase of directorate schedule of fees and charges across Social Care & Health	(388)	(388)	0		
SCH19	Public protection - Hold vacant Environmental Health Officer post	(23)	(23)	0		
Energy	Year-on-year change in energy cost	(102)	(102)	0		
SCH17	Review the legal non residential weekly charge cap from £100 to £120	(375)	0			Current indication is that this won't be progressed by WG
	SCH Totals	(4,972)	(3,601)	996		
Ref	Learning, Skills and Economy	Total Saving / Recovery	Update 3 Forecast	Variance		Comment
		£000	£000	£000		

CYP2	CYP support - Release expected reserve from rebates for solar panel on schools	(120)	(100)	20		Solar panels not generating the expected budgeted income
CYP3	CYP Support - Freeze vacancy in student access team	(34)	(34)	0		Vacancy being held
CYP4	Net saving on ALN placements. Reduce the cost of out-of-county and specialist placements by investing in the quality and capacity of local, community and specialist resource basis.	(534)	(194)	340		Unexpected increase in new starters at Independent and Out of County Schools + additional support for existing pupils + liable for £56k of the Post-16 Specialist Placement Costs for 23-24 + an increase in pupils receiving EOTAS (Education Other Than At School) Bespoke packages. We have received additional ALN Grant Funding since Update 2, meaning we have been able to offset some of the additional costs
CYP5	ALN & Standards - Continue to hold a vacancy open in the Most team	(20)	(20)	0		Vacancy being held
CYP6	ALN & Standards - Reduction in Education Achievement Service contribution of 10%	(35)	(35)	0		Contribution reduced
CYP7	Stop contributions to Gwent Music, leaving hardship fund in place	(39)	(39)	0		Contribution reduced
CYP8	Increase Breakfast club charges	(70)	(70)	0		Charges increased
Energy	Year-on-year change in energy cost	(820)	(820)	0		
CORP2	Teachers pension grant funding	(1,500)	(1,500)	0		Funding received in full
	LSE Totals	(3,172)	(2,812)	360		
Ref	Infrastructure & Place	Total Saving / Recovery	Update 3 Forecast	Variance		Comment
		£000	£000	£000		

C&P1	Savings from the disposal of street sweepings through Silbuster recycling plant	(20)	(20)	0	Achievable
C&P2	Fees & charges - Uplift in garden waste collection costs 10%.	(75)	(75)	0	Prices increased, indications are that target will be met.
C&P3	Waste and street services - Restructure to reduce staff costs and not replace frozen post	(50)	(50)	0	Post removed - achieved
C&P5	Reduce EPA numbers to reflect uptake of Town Team approach	(25)	(25)	0	Post removed - achieved
C&P6	Remove Council Car	(8)	(8)	0	Car returned last year - achieved
C&P10	Review the provision of small vehicle home to school transport contracts with a view to bringing in house	(93)	(93)	0	Even though pressure overall in PTU this change has generated the required saving.
C&P11	Increase the cost of concessionary transport seats from £440 to £484 (10% uplift)	(3)	(3)	0	Prices increased, assume that target will be met.
C&P12	Decarbonisation - Increase renewable energy generation opportunities across our estate to reduce demand on grid supply	(50)	(50)	0	Updated forecasts now show that the generation target will be met.
C&P14	Planning income target increased	(50)	0	50	Forecasts are indicating that our planning fees will not increase enough to hit this saving target.
C&P16	Fees & Charges - Increase fees by 10% for street naming and numbering, licences, road closures and S.38 inspections	(33)	(33)	0	Prices increased, assume that target will be met.
C&P18	10% Uplift in Car Parking Charges	(66)	(66)	0	Prices increased, assume that target will be met.

C&P20	Fees & charges - Increase SAB pre-application charges by 10% and increase the income target to reflect increased service uptake	(2)	(2)	0	Prices increased, assume that target will be met.
C&P21	Fees & Charges - Increase SAB application budgeted income target by £25k each year for the next two years	(25)	(15)	10	Forecasts are predicting that only £15k will be achieved this year due to reduced applications.
Energy	Year-on-year change in energy cost	3	3	0	
C&P22	Fees & Charges - Trade waste fees, sale of bags & bins etc... 10%	(30)	(30)	0	Prices increased, assume that target will be met.
C&P23	Homelessness - Rapid rehousing transition - reduce the number in unsuitable and costly accommodation	(400)	0	400	Change of use planning now approved but delay has meant occupancy will not start until late March 2025 creating a £400k shortfall. This pressure has been part offset by windfall grant funding within the wider Housing budget.
	I&P Total	(927)	(467)	460	
Ref	Customer, Culture and Wellbeing	Total Saving / Recovery	Update 3 Forecast	Variance	Comment
		£000	£000	£000	
ML1	Realign services within the Town/Market Hall in Abergavenny to improve their potential and ensure continued service delivery	(20)	(20)	0	Achieved.
ML2	Museums - Close Abergavenny and Chepstow museums an additional day a week and review business support	(40)	(10)	30	Delayed restructure has lead to the sections inability to achieve the full savings , restructure has been completed Jan 2025.

ML3	Close Old Station Tintern for one day a week on Mondays from 1st April 2024, except for four bank holidays	(10)	(10)	0	Achieved.
ML4	Attractions - To use £60k from SPF grants for 2024/25 to cover core staffing whilst delivering Today's Heritage Tomorrow and Creative Futures.	(60)	(60)	0	Achieved.
ML5	Countryside & Culture - Additional income for additional project management and project delivery costs from grants assumption of £25k	(25)	(25)	0	Achieved.
ML6	Countryside Access Income Generation - realign the Countryside Access team to maximise the ability to recover project management and related costs from project budgets and increase income generation.	(35)	(35)	0	Achieved.
ML7	Countryside & Culture - Stop contributing to Abergavenny TIC as part of Market Hall reconfiguration.	(10)	(10)	0	Achieved.
ML8	Countryside & Culture – Recover officer time and project management costs directly associated with the delivery of section 106 funded green infrastructure and recreation schemes.	(15)	(15)	0	Achieved.
ML9	Leisure, Sports & Outdoor Adventure - Move to cost neutral services, creating a multi-function site with re-engage PRU and social services	(70)	(70)	0	Achieved.

ML10	Leisure centres - Change closing times - Weekday Closing 21:30 weekend closure 16:30	(140)	(140)	0	Achieved.
ML11	Reduced Youth club provision - Explore alternative delivery models for open access youth provision, including community youth clubs	(20)	(20)	0	Achieved.
ML12	Marketing and Memberships Service Redesign - achieve efficiencies by realigning services between departments, reviewing and realigning posts and enhancing the front-of house software provision for collecting membership payments.	(50)	(50)	0	Achieved.
ML13	High level management restructure – Area management model	(120)	(32)	88	In progress, delay to structure implementation due to consultation - Income generation will offset shortfall in staffing savings
Energy	Year-on-year change in energy cost	(437)	(437)	0	Controlled corporately - All pool covers installed.
F&C's	Increase in fees and charges for discretionary services in line with the increase costs of delivering these services	(27)	(27)	0	Prices increased and income achieved.
CCW total		(1,079)	(961)	118	
Ref	People, Performance and Partnerships	Total Saving / Recovery	Update 3 Forecast	Variance	Comment
		£000	£000	£000	

CEO2	Policy - Training & Workforce Development - Staffing re-alignment (£65k) Partnership working in online training delivery (£10.5k)	(76)	(76)	0		Post removed - achieved
CEO3	Payroll & HR - Release of contingency budgets for implementation of e-recruitment	(10)	(10)	0		Achieved
	PPP Totals	(86)	(86)	0		
Ref	Law & Governance	Total Saving / Recovery	Update 3 Forecast	Variance		Comment
		£000	£000	£000		
LG2	Vacancy Freeze - Paralegal post	(33)	(33)	0		Post frozen - achieved
	LG Totals	(33)	(33)	0		
Ref	Resources	Total Saving / Recovery	Update 3 Forecast	Variance		Comment
		£000	£000	£000		
RES1	Commercial Investments – Reversal of income pressure to reflect the forecast improvement in rental income across the commercial investment portfolio (excludes NLP and Castlegate)	(208)	(150)	58		Forecasts at update 3 indicate that full savings will not be achieved.

RES2	Income - industrial units, cemeteries, County farms - consistently exceeded their income targets over the last number of years, so budgets are being increased to reflect this	(100)	(100)	0		This will be achieved across all sites.
RES3	Property services - Gwent police collaboration - Increasing Income to reflect projections	(50)	(50)	0		Indications are that this will be achieved.
Energy	Year-on-year change in energy cost	(220)	(220)	0		
RES5	SRS Contribution reduction following identification of efficiency savings	(17)	(8)	9		Updated figures from SRS indicate that we will not make all of this saving due to increases in licences fees and firewall costs.
	Resources Totals	(595)	(528)	67		
Ref	Corporate Costs & Levies	Total Saving / Recovery	Update 3 Forecast	Variance		Comment
		£000	£000	£000		
CORP3	Fire SCAPE pension	(77)	(77)	0		Funding received in full
	Corporate Costs & Levies Totals	(77)	(77)	0		

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School reserve balances forecast - Update 3

Appendix 3

	Opening Reserves 2024-25 (Surplus)/Deficit	In Year position at Update 3 (Surplus)/Deficit	Projected carry forward at year end 2024-25 (Surplus)/Deficit
Abergavenny cluster			
King Henry 3-19 School	329,196	1,055,645	1,384,841
Cantref Primary School	(110,417)	46,623	(63,794)
Gilwern Primary School	22,923	46,032	68,955
Goytre Fawr Primary School	(7,344)	22,644	15,300
Llanfoist Fawr Primary School	(125,485)	52,478	(73,007)
Llantillio Pertholey CiW Primary School (VC)	(60,748)	76,018	15,270
Llanvihangel Crucorney Primary School	(96,867)	38,442	(58,425)
Our Lady and St Michael ´s RC Primary School (VA)	21,255	60,587	81,842
Ysgol Gymraeg Y Fenni	170,465	193,068	363,533
Caldicot cluster			
Caldicot School	352,437	295,300	647,737
Archbishop Rowan Williams CiW Primary School (VA)	(26,821)	(20,439)	(47,260)
Castle Park Primary School	(75,047)	88,898	13,851
Dewstow Primary School	(57,559)	61,409	3,850
Durand Primary School	(58,704)	29,349	(29,354)
Magor CiW Primary School (VA)	(161,519)	18,624	(142,895)
Rogiet Primary School	65,421	102,016	167,437
Undy Primary School	(141,509)	147,807	6,298
Ysgol Gymraeg Y Ffin	16,663	52,311	68,974
Chepstow cluster			
Chepstow School	853,038	535,101	1,388,139
Pembroke Primary School	(171,076)	(11,470)	(182,546)
Shirenewton Primary School	(129,943)	52,396	(77,547)
St Mary ´s Chepstow RC Primary School (VA)	(70,003)	63,997	(6,006)
The Dell Primary School	80,993	79,662	160,655
Thornwell Primary School	95,190	84,502	179,692
Monmouth cluster			
Monmouth Comprehensive	(229,657)	499,478	269,821
Cross Ash Primary School	(58,467)	60,135	1,668
Kymin View Primary School	(76,867)	101,247	24,380
Llandogo Primary School	(17,655)	38,891	21,236
Osbaston CiW Primary School (VC)	73,488	10,151	83,639
Overmonnow Primary School	124,404	144,456	268,860
Raglan CiW Primary School (VC)	(175,381)	83,433	(91,948)
Trellech Primary School	(100,053)	41,274	(58,779)
Usk CiW Primary School (VC)	(91,419)	131,961	40,542
Ysgol y Trefynwy	0	69,189	69,189
Special School			
PRU	740,715	888,976	1,629,691
Total	903,647	5,240,192	6,143,839

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