

# Public Document Pack



Neuadd y Sir  
Y Rhadyr  
Brynbuga  
NP15 1GA

Dydd Llun, 25 Tachwedd 2024

## Hysbysiad a gyfarfod

### Pwyllgor Perfformiad a Throsolwg

**Dydd Mawrth, 3ydd Rhagfyr, 2024 at 10.00 am,  
The Council Chamber, County Hall, Rhadyr, Usk, NP15 1GA with remote attendance**

**Nodwch y cynhelir rhag gyfarfod 30 munud cyn dechrau'r cyfarfod ar gyfer aelodau'r pwyllgor**

## AGENDA

Item No	Item	Pages
1.	Ymddiheuriadau am absenoldeb	
2.	Datganiadau o Fuddiant	
3.	Diweddariad Ariannol	1 - 54
4.	Diweddariad ar y Gofrestr Risg	55 - 82
5.	Cyllid Arweinyddiaeth Ysgolion Uwchradd	83 - 106
6.	Y Cyfarfod Nesaf:	

**Paul Matthews**

**Prif Weithredwr**

# MONMOUTHSHIRE COUNTY COUNCIL CYNGOR SIR FYNWY

## MAE CYFANSODDIAD Y PWYLLGOR FEL A GANLYN:

County Councillor Jill Bond, West End;, Welsh Labour/Llafur Cymru  
County Councillor Rachel Buckler, Devauden;, Welsh Conservative Party  
County Councillor John Crook, Magor East with Undy;, Welsh Labour/Llafur Cymru  
County Councillor Steven Garratt, Overmonnow;, Welsh Labour/Llafur Cymru  
County Councillor Meirion Howells, Llanbadoc & Usk;, Independent  
County Councillor Alistair Neill, Gobion Fawr;, Welsh Conservative Party  
County Councillor Paul Pavia, Mount Pleasant;, Welsh Conservative Party  
County Councillor Peter Strong, Rogiet;, Welsh Labour/Llafur Cymru  
County Councillor Ann Webb, St Arvans;, Welsh Conservative Party  
County Councillor Maureen Powell, Pen Y Fal;, Welsh Conservative Party  
County Councillor Ben Callard, Llanfoist & Govilon;, Welsh Labour/Llafur Cymru  
County Councillor Ian Chandler, Llantilio Crossenny;, Green Party  
County Councillor Martyn Groucutt, Lansdown;, Welsh Labour/Llafur Cymru

## Gwybodaeth I'r Cyhoedd

### **Mynediad i gopiâu papur o agendâu ac adroddiadau**

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

### **Edrych ar y cyfarfod ar-lein**

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk) neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

**Y Gymraeg** Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

## Nodau a Gwerthoedd Cyngor Sir Fynwy

i ddod yn sir ddi-garbon, gan gefnogi lles, iechyd ac urddas i bawb ar bob cam o'u bywydau.

Amcanion rydym yn gweithio tuag atynt

- Lle teg i fyw lle mae effeithiau anghydraddoldeb a thlodi wedi'u lleihau;
- Lle gwyrdd i fyw a gweithio gyda llai o allyriadau carbon a gwneud cyfraniad cadarnhaol at fynd i'r afael â'r argyfwng yn yr hinsawdd a natur;
- Lle ffyniannus ac uchelgeisiol, lle mae canol trefi bywiog a lle gall busnesau dyfu a datblygu;
- Lle diogel i fyw lle mae gan bobl gartref maen nhw'n teimlo'n ddiogel ynddo;
- Lle cysylltiedig lle mae pobl yn teimlo'n rhan o gymuned ac yn cael eu gwerthfawrogi;
- Lle dysgu lle mae pawb yn cael cyfle i gyrraedd eu potensial.

### Ein gwerthoedd

- **Bod yn agored:** anelwn fod yn agored ac onest i ddatblygu perthnasoedd ymddiriedus
- **Tegwch:** anelwn ddarparu dewis teg, cyfleoedd a phrofiadau a dod yn sefydliad a adeiladwyd ar barch un at y llall.
- **Hyblygrwydd:** anelwn fod yn hyblyg yn ein syniadau a'n gweithredoedd i ddod yn sefydliad effeithlon ac effeithiol.
- **Gwaith tîm:** anelwn gydweithio i rannu ein llwyddiannau a'n methiannau drwy adeiladu ar ein cryfderau a chefnogi ein gilydd i gyflawni ein nodau.
- **Caredigrwydd** – Byddwn yn dangos caredigrwydd i bawb yr ydym yn gweithio gyda nhw, gan roi pwysigrwydd perthnasoedd a'r cysylltiadau sydd gennym â'n gilydd wrth wraidd pob rhyngweithio.

## Canllaw Cwestiynau Craffu Sir Fynwy

1. Pam mae'r Pwyllgor yn craffu ar hyn? (cefndir, materion allweddol)
2. Beth yw rôl y Pwyllgor a pha ganlyniad mae'r Aelodau am ei gyflawni?
3. A oes digon o wybodaeth i gyflawni hyn? Os nad oes, pwy allai ddarparu hyn?
  - Cytuno ar y drefn holi a pha Aelodau fydd yn arwain
  - Cytuno ar gwestiynau i swyddogion a chwestiynau i Aelod y Cabinet

### Cwestiynau'r Cyfarfod

<u><i>Craffu ar Berfformiad</i></u>	<u><i>Craffu ar Bolisi</i></u>
<ol style="list-style-type: none"> <li>1. Sut mae perfformiad yn cymharu â'r blynyddoedd blaenorol? Ydy e'n well/yn waeth? Pam?</li> <li>2. Sut mae perfformiad yn cymharu â chynghorau eraill/darparwyr gwasanaethau eraill? Ydy e'n well/yn waeth? Pam?</li> <li>3. Sut mae perfformiad yn cymharu â thargedau gosodedig? Ydy e'n well/yn waeth? Pam?</li> <li>4. Sut cafodd targedau perfformiad eu gosod? Ydyn nhw'n ddigon heriol/realistig?</li> <li>5. Sut mae defnyddwyr gwasanaethau/y cyhoedd/partneriaid yn gweld perfformiad y gwasanaeth?</li> <li>6. A fu unrhyw awdid ac archwiliadau diweddar? Beth oedd y canfyddiadau?</li> <li>7. Sut mae'r gwasanaeth yn cyfrannu at wireddu amcanion corfforaethol?</li> <li>8. A yw gwelliant/dirywiad mewn perfformiad yn gysylltiedig i gynnydd/ostyngiad mewn adnodd? Pa gapasiti sydd yna i wella?</li> </ol>	<ol style="list-style-type: none"> <li>1. Ar bwy mae'r polisi yn effeithio ~ yn uniongyrchol ac yn anuniongyrchol? Pwy fydd yn elwa fwyaf/leiaf?</li> <li>2. Beth yw barn defnyddwyr gwasanaeth /rhanddeiliaid? Pa ymgynghoriad gafodd ei gyflawni? A wnaeth y broses ymgynghori gydymffurfio ag Egwyddorion Gunning? A yw rhanddeiliaid yn credu y bydd yn sicrhau'r canlyniad a ddymunir?</li> <li>3. Beth yw barn y gymuned gyfan – safbwynt y 'trethdalwr'?</li> <li>4. Pa ddulliau a ddefnyddiwyd i ymgynghori â'r rhanddeiliaid? A oedd y broses yn galluogi pawb â chyfran i ddweud eu dweud?</li> <li>5. Pa ymarfer ac opsiynau sydd wedi eu hystyried wrth ddatblygu/adolygu'r polisi hwn? Pa dystiolaeth sydd i hysbysu beth sy'n gweithio? A yw'r polisi yn ymwneud â maes lle mae diffyg ymchwil cyhoeddedig neu dystiolaeth arall?</li> <li>6. A yw'r polisi'n ymwneud â maes lle ceir anghydraddoldebau hysbys?</li> <li>7. A yw'r polisi hwn yn cyd-fynd â'n hamcanion corfforaethol, fel y'u diffinnir yn ein cynllun corfforaethol? A yw'n cadw at ein Safonau Iaith Gymraeg?</li> <li>8. A gafodd yr holl ddatblygu cynaliadwy, y goblygiadau cydraddoldeb a diogelu perthnasol eu hystyried?</li> </ol>

	<p>Er enghraifft, beth yw'r gweithdrefnau sydd angen bod ar waith i amddiffyn plant?</p> <p>9. Faint fydd y gost hon i'w gweithredu a pha ffynhonnell ariannu sydd wedi'i nodi?</p> <p>10. Sut fydd perfformiad y polisi yn cael ei weithredu a'r effaith yn cael ei gwerthuso?</p>
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## Cwestiynau Cyffredinol:

### Grymuso Cymunedau

- Sut ydym ni'n cynnwys cymunedau lleol a'u grymuso i ddylunio a darparu gwasanaethau i gyd-fynd ag angen lleol?
- A ydym ni'n cael trafodaethau rheolaidd gyda chymunedau am flaenoriaethau'r gwasanaeth a pha lefel o wasanaeth y gall y cyngor fforddio ei ddarparu yn y dyfodol?
- A yw'r gwasanaeth yn gweithio gyda dinasyddion i egluro rôl gwahanol bartneriaid wrth ddarparu gwasanaeth a rheoli disgwyliadau?
- A oes fframwaith a phroses gymesur ar waith ar gyfer asesu perfformiad ar y cyd, gan gynnwys o safbwynt dinesydd, ac a oes gennych chi drefniadau atebolrwydd i gefnogi hyn?
- A oes Asesiad Effaith Cydraddoldeb wedi'i gynnal? Os felly a all yr Arweinydd a'r Cabinet /Uwch Swyddogion roi copïau i'r Aelodau ac eglurhad manwl o'r Asesiad o'r Effaith ar Gydraddoldeb (EQIA) a gynhaliwyd mewn perthynas â'r cynigion hyn?
- A all yr Arweinydd a'r Cabinet/Uwch Swyddogion sicrhau aelodau bod y cynigion hyn yn cydymffurfio â deddfwriaeth Cydraddoldeb a Hawliau Dynol? A yw'r cynigion yn cydymffurfio â Chynllun Cydraddoldeb Strategol yr Awdurdod Lleol?

### Galwadau'r Gwasanaeth

- Sut fydd newid polisi a deddfwriaeth yn effeithio ar y ffordd mae'r cyngor yn gweithredu?
- A ydym ni wedi ystyried demograffeg ein cyngor a sut bydd hyn yn effeithio ar ddarparu gwasanaethau a chyllid yn y dyfodol?
- A ydych chi wedi adnabod ac ystyried y tueddiadau tymor hir a allai effeithio ar eich maes gwasanaeth, pa effaith allai'r tueddiadau hyn ei chael ar eich gwasanaeth/allai eich gwasanaeth ei gael ar y tueddiadau hyn, a beth sy'n cael ei wneud mewn ymateb?

### Cynllunio Ariannol

- A oes gennym ni gynlluniau ariannol canolig a hirdymor cadarn yn eu lle?
- A ydym ni'n cysylltu cyllidebau â chynlluniau a chanlyniadau ac adrodd yn effeithiol ar y rhain?

### Gwneud arbedion a chynhyrchu incwm

- A oes gennym ni'r strwythurau cywir ar waith i sicrhau bod ein dulliau effeithlonrwydd, gwelliant a thrawsnewid yn gweithio gyda'i gilydd i sicrhau'r arbedion mwyaf posibl?
- Sut ydym ni'n gwneud y mwyaf o incwm? A ydym ni wedi cymharu polisïau eraill y cyngor

i sicrhau'r incwm mwyaf posibl ac wedi ystyried yn llawn y goblygiadau ar ddefnyddwyr gwasanaeth?

- A oes gennym ni gynllun gweithlu sy'n ystyried capasiti, costau, a sgiliau'r gweithlu gwirioneddol yn erbyn y gweithlu a ddymunir?

Cwestiynau i'w gofyn o fewn blwyddyn i'r penderfyniad:

- A gafodd canlyniadau arfaethedig y cynnig eu cyflawni neu a oedd canlyniadau eraill?
- A oedd yr effeithiau wedi'u cyfyngu i'r grŵp yr oeddech chi ar y dechrau yn meddwl fyddai wedi cael ei effeithio h.y. pobl hŷn, neu a gafodd eraill eu heffeithio e.e. pobl ag anableddau, rhieni â phlant ifanc?
- A yw'r penderfyniad yn dal i fod y penderfyniad cywir neu a oes angen gwneud addasiadau?

### **Cwestiynau i'r Pwyllgor ar ddiwedd y cyfarfod ...**

A oes gennym ni'r wybodaeth angenrheidiol i ffurfio casgliadau/i wneud argymhellion i'r pwyllgor gwaith, cyngor, partneriaid eraill? Os nad oes, a oes angen i ni:

- (i) Ymchwilio i'r mater yn fwy manwl?
- (ii) Gael rhagor o wybodaeth gan dystion eraill - Aelod o'r Bwrdd Gweithredol, arbenigwr annibynnol, aelodau o'r gymuned, defnyddwyr gwasanaeth, cyrff rheoleiddio...

Cytuno ar gamau pellach sydd i'w cymryd o fewn amserlen/adroddiad monitro yn y dyfodol.





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**SUBJECT: 2024/25 REVENUE BUDGET – FINANCIAL UPDATE**  
**MEETING: PERFORMANCE & OVERVIEW SCRUTINY COMMITTEE**  
**DATE: 3rd December 2024**  
**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.

**RECOMMENDATIONS TO PERFORMANCE AND OVERVIEW SCRUTINY COMMITTEE**

- i. That the Performance and Overview Scrutiny Committee scrutinise the revenue budget forecast for the 2024/25 financial year;
- ii. That the Committee as part of their role assesses whether effective budget monitoring is in place; the extent to which budgets are spent within the agreed budget and policy framework, including the reasonableness of the explanation for variances and; consider the achievement of progress in meeting budget savings targets.

**2. RECOMMENDATIONS (to Cabinet):**

- 3.1 That Cabinet note the forecast revenue budget deficit of £4,353,000 which is a deterioration of £964,000 since the previous update.
- 3.2 That Cabinet note a forecast 80.1% delivery of the £10,940,000 budgeted service savings required for the year. This results in a shortfall in savings of £2,176,000 that is included in the above deficit.
- 3.3 That Cabinet note the budget recovery action of £1,019,000 drawn up by services that if delivered will reduce the forecast deficit to £3,334,000.

- 3.4 That Cabinet note that the negotiation of national pay agreements for Local Government employees has concluded, and that the outcome is expected to be within budgeted allocations.
- 3.5 That Cabinet note the budgetary risks that are inbuilt into the forecast, namely;
- The volatility of demand for high-cost services, particularly in Adults & Children's Social Care and with Additional learning needs;
  - The risk of the increase in the rate of the employers contribution to the teacher's pension scheme not being fully funded;
  - 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 severely 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 £4,887,000. This would result in school balances ending the financial year in a deficit of £5,791,000, with twenty (59%) of thirty-four 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.
- 3.8 That Cabinet note a forecast Capital budget underspend of £93,000, alongside an indication of slippage in capital schemes of £9,298,000. The minor underspend is related to the Crick Road care home scheme and due to being financed by specific borrowing and does not subsequently represent a usable surplus budget.

#### 4 KEY ISSUES:

##### Context

4.1 The first half of the 2024/25 financial year has seen the continuation of financial headwinds which are having a significant impact upon the Council's service operating environment:

- The wider and longer lasting impact of the pandemic, both economically and socially, continues to impact the Council, particularly in the areas of Homelessness, Children's services, Adult social care and Children's additional learning needs.
- The 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;
- 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 At the October 2024 meeting Cabinet received a financial update reporting a forecast budget deficit of £3,388,000. This position has since deteriorated by a further £964,000, to an updated forecast budget deficit of £4,353,000.

### Current revenue budget forecast position

**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	2,829	1,068	3,897	5.7%
Children & Young People	139	534	673	1.0%
Communities & Place	338	370	708	2.6%
Monlife	(262)	140	(122)	-1.5%
Chief Executives Units	94	0	94	2.9%
Law & Governance	48	0	48	1.6%
Resources	(209)	64	(145)	-1.8%

Corporate, Treasury & Financing	(799)	0	(799)	-0.4%
<b>Forecast budget deficit</b>	<b>2,177</b>	<b>2,176</b>	<b>4,353</b>	

4.3 The total forecast deficit against budget of £4,353,000 is made up of in-year budget pressures of £2,177,000 that have developed since the budget was set in February 2024, alongside a forecast shortfall in meeting required budgeted savings targets of £2,176,000.

4.4 **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	2,505	<p><b>Deterioration of £971k.</b> External residential care home placements have increased by 19 since the budget was set, causing £620K of cost pressures.</p> <p>A shortfall of £1.25m against budgeted savings targets is currently forecast.</p> <p>Significant increase in domiciliary care demand in July and August equating to a 10% increase in externally commissioned packages of care, at an additional cost of £500k.</p>
Children's care services	1,536	<p><b>Deterioration of £402k.</b> The pressure of new referrals and more complex needs has generated additional unbudgeted costs of £1.5m.</p> <p>A higher than usual number of children's placements have broken down, with higher cost alternative provision required.</p>
Additional learning needs	614	<p><b>Deterioration of £174k.</b> An unexpected increase in ALN placements at Independent Schools; increasing numbers receiving EOTAS (Education Other Than At School) bespoke packages; an ALN pupil staying on for Year 14, and additional support for 2 existing ALN pupils.</p>
Neighbourhood Services	304	<p><b>Deterioration of £41k.</b> Waste &amp; Grounds Maintenance £384k – The volatility and reduced values of recyclate; revised Workplace recycling regulations resulting in a reduction in trade waste collection income; delay in the rollout of the polyprop service due to vehicle supply chains.</p> <p>Offset by Highways External (£100k surplus) - income from external works will exceed budget.</p>

Home to School & Passenger & transport	583	<p><b>Improvement of £40k.</b> 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.</p> <p>Passenger transport - A reduction in grant and public service bus funding for some routes has added to overall pressures.</p>
Fleet Maintenance	110	<b>Improvement of £160k.</b> 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.
Housing & Homelessness	222	<b>Deterioration of £13k.</b> £320k 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.
People	75	<b>Deterioration of £7k.</b> 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.
Legal	67	<b>Deterioration of £6k.</b> A projected shortfall in rechargeable income, and an over spend in staffing due to some regrading and temporary cover arrangements.
Commercial & Corporate Landlord	67	<p><b>Improvement of £165k.</b> Rental income from commercial, industrial &amp; county farms is lower than budgeted due to some staggering of rent increases, and some vacant units remaining to be filled (£196k).</p> <p>There is a shortfall of £151k in the asset rationalisation savings target due to delays in progressing some of the required changes to accommodation. This has been partially offset by staff savings of £200k and one-off income of £70.</p>
Public protection	(147)	<b>Deterioration of £28k.</b> Staff vacancies, 2 posts having external funding and expected income above budget
Business growth, enterprise mgmt	(361)	<b>Improvement of £105k.</b> Senior staff vacancies and additional grant funding
Monlife	(122)	<b>Improvement of £76k.</b> 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.
Finance	(197)	<b>No change.</b> Staff savings and the ability to passport core service costs into grants
Treasury costs	(480)	<b>Improvement of £197k.</b> Estimated saving as a result of unbudgeted recoupment of borrowing costs from services for vehicle purchases at the end of the 2023/24 financial year

Council Tax	(350)	<b>No change.</b> CTRS caseloads are running slightly below historical levels.
Other variances	(73)	Other smaller net variances.
<b>Total</b>	<b>4,353</b>	

### **Budgeted savings targets**

4.5 Services are currently forecasting a shortfall of £2,176,000 or 19.9% in meeting the service savings targets that were set as part of the original budget for 2024/25 (£2,055,000 or 18.8% as at Update 1). 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**

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Savings proposals by Directorate	Budgeted Saving	Current Forecast	Variance	Percentage met	Comment
	£000	£000	£000	%	
Social Care & Health	(4,972)	(3,904)	1,068	78.5%	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. Offset by out-performance of Children's service placement and practice change which have targeted high cost placements.
Children & Young People	(3,172)	(2,638)	534	83.2%	ALN placements - Unexpected increase in new starters at Independent Schools, and additional support for existing pupils
Communities & Place	(927)	(557)	370	60.1%	£320k shortfall in the rapid rehousing transition due to a delay in occupancy of new accommodation. £50k shortfall in planning income saving target as early indications show lower levels of activity than expected.



Monlife	(1,079)	(939)	140	87.0%	A delay in progressing some staff restructuring means that savings will not be fully met in year
Chief Executives Unit	(86)	(86)	0	100.0%	To be fully met
People & Governance	(33)	(33)	0	100.0%	To be fully met
Resources	(595)	(531)	64	89.2%	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
<b>Totals</b>	<b>(10,940)</b>	<b>(8,765)</b>	<b>2,176</b>	<b>80.1%</b>	

### **Budget recovery action**

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- 4.6 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.
- 4.7 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.
- 4.8 The ongoing financial position of the Social Care & Health directorate remains the key risk within this forecast, making up nearly 90% of the overall budget deficit. The level and complexity of demand for both Adult's and Children's care continues to trend upwards and is far outstripping the progress being made in 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.
- 4.9 The positive Autumn budget statement delivered by the Chancellor provided significant support for the Welsh Government budget, with indications that part of this funding will be available to support in-year budgetary pressures. It is vital that strong representations for

further funding are therefore made to Welsh Government, both directly through the WLGA and via other Council networks that aims to recognise the unsustainable position of Social care within the Local Government sector in Wales.

- 4.10 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. This will include delivering upon the placement and practice change and reform that was fundamental in the services agreed budget savings.
- 4.11 Given the forecast budget deficit of £4,353,000, it is essential that all Council services maintain the same financial discipline and engage in similar collective budget recovery action that saw significant improvement in the second half of 2023/24 financial year.
- 4.12 In order to deliver this, a range of mitigation measures will need to be implemented, including, but not limited to:
- 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.
- 4.13 To date services have indicated potential budget recovery measures of just over £1 million which continue to be developed and currently sit outside of the forecasts in this report. Should these be delivered in full, the overall budget deficit would reduce to £3,334,000.

Type	Children & Young People	Social Care & Health	Communities & Place	MonLife	Law & Governance	Chief Executives Unit	Resources	Corporate	Total
Increase Grant / Income	74	0	50	20	0	0	0	0	144
Freeze vacant posts	0	0	0	14	0	10	0	0	24
Expenditure reduction	0	0	0	0	0	0	0	250	250
Transfer of eligible costs to Capital	15	0	498	28	0	0	60	0	601
<b>Total</b>	<b>89</b>	<b>0</b>	<b>548</b>	<b>62</b>	<b>0</b>	<b>10</b>	<b>60</b>	<b>250</b>	<b>1,019</b>

## School budgets and reserves

- 4.14 The overall level of school reserves are currently forecast to move further into deficit by £4,887,000 by the end of the 2024/25 financial year, to a collective deficit balance of £5,791,000. This is broadly in line with the budgets schools have set for the year.

<b>School reserve balances at 31<sup>st</sup> March (Surplus) / Deficit</b>	<b>2022 £000</b>	<b>2023 £000</b>	<b>2024 £000</b>	<b>2025 (Forecast) £000</b>
Comprehensive schools	(2,253)	(1,259)	976	2,480
Middle schools	0	0	329	1,035
Primary schools	(4,622)	(3,027)	(1,142)	816
Special schools	(79)	31	742	1,459
<b>Total</b>	<b>(6,955)</b>	<b>(4,255)</b>	<b>905</b>	<b>5,791</b>

- 4.15 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 for both teaching and non-teaching staff have also impacted upon budgets.
- 4.16 It is currently anticipated that twenty (59%) of the Council's thirty-four 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. 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

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

- **Teacher's pension contributions** - Formal confirmation of funding is still awaited from Welsh Government that will confirm if full funding has been made of the increase in the employer pension contribution rates for the centrally administered Teacher's pension

scheme. To the extent that it is not fully funded, or allocation of funding does not meet full costs, this presents a budget risk not currently factored into forecasts.

- **Increasing demand for services** – particularly around Social care as we move into the winter period, and with pressure on the NHS to speed up patient pathways and the potential 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** – the forecast further in-year deficit would 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**

- 4.18 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 year.
- 4.19 When this is considered alongside a significant budget gap needing to be resolved for 2025/26, and a challenging and uncertain funding outlook over the medium term, 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, in order to limit the call on severely limited useable revenue reserves.
- 4.20 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.
- 4.21 As we move towards the next formal monitoring period, 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.
- 4.22 Further funding clarification over the in-year budget and the medium term remains vital, both in being able to manage significant upward trends in 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 emergency 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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<a href="#">Section 1</a>	Revenue budget summary forecast
<a href="#">Section 2</a>	Detailed service commentary
<a href="#">Section 3</a>	School balances update
<a href="#">Section 4</a>	Capital programme update

## Section 1 - Overall Revenue Position (Update 2)

*Table 1: 2024/25 Revenue budget forecast by directorate*

Service Area	Original Budget 2024/25	Budget Adjust-ments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Update 2	Forecast (Under) / Over Spend @ Update 1	Variance
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	68,410	(114)	68,296	72,193	3,897	2,494	1,403
Children & Young People	64,853	3	64,856	65,529	673	468	205
Communities & Place	27,249	264	27,513	28,221	708	963	(256)
MonLife	8,088	(115)	7,973	7,851	(122)	(46)	(76)
Chief Executives Unit	3,288	(8)	3,279	3,373	94	68	26
Law & Governance	2,894	0	2,894	2,942	48	51	(3)
Resources	8,344	(62)	8,282	8,137	(145)	18	(163)
Corporate Costs & Levies	29,476	0	29,476	29,508	32	6	26
<b>Net Cost of Services</b>	<b>212,603</b>	<b>(32)</b>	<b>212,571</b>	<b>217,754</b>	<b>5,183</b>	<b>4,022</b>	<b>1,162</b>
Appropriations	7,301	32	7,333	6,853	(480)	(283)	(197)
<b>Expenditure to be Financed</b>	<b>219,904</b>	<b>0</b>	<b>219,904</b>	<b>224,607</b>	<b>4,703</b>	<b>3,739</b>	<b>965</b>
Financing	(219,904)	0	(219,904)	(220,254)	(350)	(350)	(0)
<b>Net General Fund (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,353</b>	<b>4,353</b>	<b>3,389</b>	<b>964</b>

Table 2: 2024/25 Revenue budget forecast by service

Service Area	Original Budget 2024/25	Budget Adjust-ments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Update 2	Forecast (Under) / Over Spend @ Update 1	Variance
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	42,816	(63)	42,753	45,258	2,505	1,534	971
Children Services	22,450	(50)	22,400	23,936	1,536	1,134	402
Public Protection	1,982	(0)	1,981	1,834	(147)	(175)	28
SCH Support	1,162	0	1,162	1,165	3	1	2
<b>Social Care, Health &amp; Safeguarding</b>	<b>68,410</b>	<b>(114)</b>	<b>68,296</b>	<b>72,193</b>	<b>3,897</b>	<b>2,494</b>	<b>1,403</b>
Emergency Planning	170	0	170	186	16	16	0
Individual Schools Budget	52,459	0	52,459	52,459	0	(4)	4
Resources	1,032	0	1,032	1,075	43	17	26
Standards	11,192	3	11,195	11,809	614	440	174
<b>Children &amp; Young People</b>	<b>64,853</b>	<b>3</b>	<b>64,856</b>	<b>65,529</b>	<b>673</b>	<b>468</b>	<b>205</b>
Enterprise, Housing & Community Animation	3,250	(31)	3,218	3,080	(138)	(107)	(31)
Facilities & Fleet Management	11,608	241	11,848	12,475	627	867	(240)
Neighbourhood Services	10,521	87	10,608	10,912	304	263	41
Placemaking, Highways & Flood	1,870	(32)	1,838	1,754	(84)	(58)	(26)
<b>Communities &amp; Place</b>	<b>27,249</b>	<b>264</b>	<b>27,513</b>	<b>28,221</b>	<b>708</b>	<b>963</b>	<b>(256)</b>
Communications	218	0	218	218	0	0	0
Countryside & Culture	1,142	(2)	1,139	1,100	(39)	(6)	(34)
Finance & Business Development	4,336	(31)	4,305	4,479	174	62	112
Leisure, Youth & Outdoor Adventure	2,393	(82)	2,311	2,054	(257)	(102)	(155)
<b>MonLife</b>	<b>8,088</b>	<b>(115)</b>	<b>7,973</b>	<b>7,851</b>	<b>(122)</b>	<b>(46)</b>	<b>(76)</b>
Policy, Scrutiny & Customer Service	1,415	0	1,415	1,433	19	0	19
People	1,873	(8)	1,865	1,940	75	68	7
<b>Chief Executives</b>	<b>3,288</b>	<b>(8)</b>	<b>3,279</b>	<b>3,373</b>	<b>94</b>	<b>68</b>	<b>26</b>
Democratic Services	1,847	0	1,847	1,828	(19)	(22)	3



Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Update 2	Forecast (Under) / Over Spend @ Update 1	Variance
Legal and Land Charges	1,047	0	1,047	1,114	67	73	(6)
<b>Law &amp; Governance</b>	<b>2,894</b>	<b>0</b>	<b>2,894</b>	<b>2,942</b>	<b>48</b>	<b>51</b>	<b>(3)</b>
Commercial, Corporate & landlord Services	1,320	(91)	1,229	1,296	67	232	(165)
Corporate Health & Safety	92	0	92	92	0	0	0
Finance	3,936	29	3,965	3,768	(197)	(199)	2
Information Communication Technology	2,996	0	2,996	2,981	(15)	(15)	(0)
<b>Resources</b>	<b>8,344</b>	<b>(62)</b>	<b>8,282</b>	<b>8,137</b>	<b>(145)</b>	<b>18</b>	<b>(163)</b>
Precepts & Levies	26,532	0	26,532	26,535	3	0	3
Coroner's	278	0	278	278	(0)	0	(0)
Archives	213	0	213	219	6	6	(0)
Corporate Management	398	0	398	421	23	0	23
Non Distributed Costs (NDC)	577	0	577	577	(0)	0	(0)
Strategic Initiatives	(350)	0	(350)	(350)	0	0	0
Insurance	1,828	0	1,828	1,828	0	0	0
<b>Corporate Costs &amp; Levies</b>	<b>29,476</b>	<b>0</b>	<b>29,476</b>	<b>29,508</b>	<b>31</b>	<b>6</b>	<b>26</b>
<b>Net Cost of Services</b>	<b>212,603</b>	<b>(32)</b>	<b>212,570</b>	<b>217,754</b>	<b>5,183</b>	<b>4,022</b>	<b>1,162</b>
Interest & Investment Income	(1,176)	0	(1,176)	(1,191)	(15)	48	(64)
Interest Payable & Similar Charges	7,252	0	7,252	7,077	(175)	(42)	(133)
Charges Required under Regulation	6,230	0	6,230	6,189	(41)	(41)	0
Other Investment Income	0	0	0	(1)	(1)	(1)	(0)
Borrowing Cost Recoupment	(3,883)	0	(3,883)	(4,131)	(248)	(248)	0
Contributions to Reserves	833	0	833	833	0	0	0
Contributions from reserves	(1,955)	32	(1,923)	(1,923)	(0)	0	(0)
<b>Appropriations</b>	<b>7,301</b>	<b>32</b>	<b>7,333</b>	<b>6,853</b>	<b>(480)</b>	<b>(283)</b>	<b>(197)</b>

Service Area	Original Budget 2024/25	Budget Adjust-ments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ Update 2	Forecast (Under) / Over Spend @ Update 1	Variance
<b>Expenditure to be Financed</b>	<b>219,904</b>	<b>0</b>	<b>219,904</b>	<b>224,607</b>	<b>4,703</b>	<b>3,739</b>	<b>964</b>
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)	(102,295)	0	0	0
Council Tax Benefit Support	8,410	0	8,410	8,060	(350)	(350)	(0)
<b>Financing</b>	<b>(219,904)</b>	<b>0</b>	<b>(219,904)</b>	<b>(220,254)</b>	<b>(350)</b>	<b>(350)</b>	<b>(0)</b>
<b>Net General Fund (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,353</b>	<b>4,353</b>	<b>3,389</b>	<b>964</b>

## Section 2 - Directorate – Service Variance Comments

<b>SOCIAL CARE, HEALTH &amp; SAFEGUARDING</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'000s</b>	<b>2,494</b>	<b>3,897</b>	<b>0</b>	<b>0</b>
<p>The directorate projected overspend position at Update 2 has seen a further deterioration of £1,403k. This is largely attributable to new demand pressures within both Adults and Children's services that have arisen over the preceding 2 months.</p> <p>Adult division is forecast to overspend at Update 2 by £2.505M, an increase of £971K since the previous forecast.</p> <p>Further pressure has 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).</p> <p>External residential care home placements in Adult services have increased by 19 since the budget was set, causing a £620K pressure on the budget (with 12 of these placements being made in the last 2 months. Care at home placements are not made without management oversight and where all other options for care provision have been explored. In the first 4 months of the year, the number of care home placements was increasing by 1 per week on average, this has increased to 1.5 per week/6 per month over the last 2 months. However, it is hard to predict whether care home placements will continue</p>				

to increase and at what rate, particularly as we head in to the winter months and in light of the 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.

Over the last 2 months there has been a significant increase in non residential (care at home) with a sharp uptake since July adding a further £500K of overspend. The detail of this is set out below.

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. Equally, as health are re-trenching around their own cost pressures, we have been unable to make progress in successfully pursuing Continuing Health Care costs.

A further pressure of £375K has arisen as contrary to previous indications, it appears unlikely that the potential increase to the non-residential weekly care charging cap will be considered in time to have an effect this year.

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 £2.3M which has increased the bad debt provision by £20K.

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 and reduce the cost of existing packages via a program of reviews. Efforts to embed practice change are ongoing with a recognised need to contribute to support the workforce to understand budget impact whilst also maximising opportunities to re-provision resource firmly around prevention of escalation throughout the care pathway and work closely with providers to maintain quality and cost effectiveness of provision. In response to the ongoing challenges there is a comprehensive practice change agenda in place across the service covering domiciliary care commissioning, service delivery models particularly reablement and ensuring there is a robust and co-ordinated preventative/community wellbeing offer in place. Reviewing the structure of the workforce remains a priority, ensuring that are resources are used to best effect, and it is pleasing to note that the staffing mandate in place for this year has been fully achieved.

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 £900K against the saving mandate, with another £600K being projected, the pressure of new referrals has generated a £1,536M projected overspend. There are risks associated with the projected savings of £600K because of the dynamic nature of care

planning for children. Equally it is hard to predict whether the current rate of children entering care or requiring intensive services in the community will continue.

As in previous years, the directorate bottom line, continues to benefit from a number of Welsh Government grants approximately £3M including Workforce grant, Regional Integration Fund and the Radical/Eliminate grants, 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.

## ADULT SERVICES

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1,534	2,505	0	0

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 a net increase of 6 per month as opposed to 4 per month previously, with the numbers at the end of Update 2 closed at 327 costing an additional £100K. For non-residential care we had a significant uptake in July and August equating to a 10% increase in externally commissioned packages of care, closing at a number of 452 at the end of September, at an additional cost of £500K.

Since update 1 of the increase in external non-residential care, there has been demand for half hour care packages which attract a 60% proportionate hourly charge. Now that the provider fee reviews exercise has been concluded, a £230K cost pressure has arisen from the outcome of the review. Efforts to embed practice change are ongoing with a recognised need to contribute to support the workforce to understand budget impact whilst also maximising opportunities to re-provision resource firmly around prevention of escalation throughout the care pathway and work closely with providers to maintain quality and cost effectiveness of provision.

The Frailty regional pooled fund is projected to overspend, for our contribution into the pool fund, by £112K due to budget savings as part of agreeing a regional pooled fund for this year.

## CHILDREN SERVICES

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1,134	1,536	0	0

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. A further net pressure of £403K has arisen due to a further 4 new placements being required 2 of which were costly parent and baby placements. 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.

It has been a particularly pressurised period for the service with 30 children becoming looked after and 24 children ceasing to be looked after. The new entrants have 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 of these 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.

In addition, during the first part of the year, a higher than usual number of children's placements have broken down, such that there is then no option but to place in high-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, £900K of the £1.3M saving target has already been achieved with a further projected saving of £600K 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)	0	0

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	0	0

This budget area is broadly in line with budget, with a small £2k variance.

<b>CHILDREN &amp; YOUNG PEOPLE DIRECTORATE</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'000s</b>	<b>468</b>	<b>673</b>	<b>0</b>	<b>0</b>

The Directorate's current position is a forecasted overspend of £673k.

This is largely due to additional learning needs (ALN), with an unexpected increase in ALN placements at both Independent and Out of County Schools. There has also been a large increase of ALN pupils receiving EOTAS (Education Other Than At School) Bespoke packages, costing an estimated £143k. However, this is considerably more cost effective than the pupils attending Independent Schools. CYP 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 thought.

Further additional costs across the Directorate are £30k of employee related savings, which are unlikely to be met (although grant funding may be able to meet these costs), a forecasted overspend of £33k for ALN transport, mainly due to a 2% increase in external contracts from September and £45k of additional costs for the Premature Retirement Contributions.

We have been able to mitigate some costs using part of a grant to offset a salary, not filling a vacancy immediately and through income generation.

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## Emergency Planning

<b>Outturn Forecast</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'s</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>0</b>

The overspend of £15,736 is due to employee related savings not being met (although, as previously advised, grant funding may be able to meet these costs)

## Individual Schools Budget

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

The division is currently forecasting in line with budget.

## Resources

<b>Outturn Forecast</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'000s</b>	<b>17</b>	<b>43</b>	<b>0</b>	<b>0</b>

The overspend of £43k is due to receiving a revised estimate for the Premature retirement contributions.

## Standards

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	440	614	0	0

The overspend of £613,655 is due to the following:

- £510k ALN – Independents (5 new starters at Independent Schools (£254k) + 1 pupil staying on for Year 14 (£49k) + additional support for 2 existing pupils (£7k) + 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 (£143k)
- £53k ALN – OOC (6 new starters in out of county schools (£73k), reduced by estimated costs for another pupil being less than expected (-£19k))
- £33k ALN Transport -£12k invoice received regarding 23-24. Estimated £20k increase due to 2% increase in external contracts from September
- £14k Employee Related Savings not met (although grant funding may be able to meet these costs)
- £47k Expansion of Early Years Grant – an increase in the number of nursery places being taken up, particularly in non-maintained settings
- £35k Primary Breakfast Initiative Grant – an increase in catering and staff costs
- £5k ALN Equipment Budget – additional funding required for ALN Equipment

We have been able to mitigate some of the costs above by using a grant to offset a salary (£51k), as well as a saving on staff costs due to a vacancy not being filled immediately (£13k) and income generation (£19k)

COMMUNITIES & PLACE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	963	708	0	0

## COMMUNITIES & PLACE DIRECTOR'S COMMENTARY:



The directorate is forecasting to overspend by £708k, an improvement of £256k since Update 1. A detailed explanation for each service area is provided below but we continue to see budget strain within our services with the main pressures falling within School & Passenger Transport, Housing, Fleet Maintenance and Waste services.

We are currently on course to make £557k (60.1%) of our £927k saving target. As at Update 1 the main reason for this shortfall is due to the delay in the relocation of tenants into Severn View resulting in £320k 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)	(138)	0	0

Enterprise & Community Animation is forecasting to under spend by £138k, this is mainly due to: -

- **Enterprise Mgt** - £130k underspend – Employee savings due to senior staff vacancies of £147k have been offset by a £17k overspend on our City Deal contribution.
- **Community & Partnership Development** - £43k underspend – Staff savings as we can use grant funding to pay for core staff costs.
- **Housing** - £222k over spend, this can be broken down into these main areas: -
  - **Housing** - £270k net overspend – an increase of £60k since Update 1 – 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 still on track for February, the delay has impacted on the ability to make the £400k saving built into the budget, it is anticipated that only an £80k saving will be generated this year resulting in a shortfall of £320k. It is fortunate this year that this pressure has been mostly covered by the receipt of one-off WG discretionary homelessness grant, resulting in an overall net budget overspend of £270k for 24-25. The increase in overspend since Update 1 is due to the receipt of some late B&B invoices that relate to a previous financial year that was not factored in original forecast.
  - **Careline** – £48k under spent – due to the ability to offset staff costs against grant funding and also in the reduction in equipment spend as stocks were replenished last year (via grant) reducing the need for in-year spending this year.
- **Business Growth & Enterprise** – £188k under spend – a £77k improvement from Update 1 - this is due to the ability to offset core costs with grant funding, a £38k saving in employee costs as a senior officer post currently on maternity has not been backfilled and a recent IT systems post that became vacant in September will not be filled, and a £9k saving on professional & specialist fees.

### Facilities & Fleet Management

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	867	627	0	0

Facilities, Fleet & De-carbonisation are forecasting a £627k overspend, this is due to :-



- **Decarbonisation** - £72k net overspend – this can be attributed to the following factors :-
  - Corporate Mileage Saving - £100k over spend – £20k adverse swing from Update 1 – latest projections are that 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 - £115k deficit – updated projections are now forecasting that income will improve on what was reported at Update 1 but will still be down due to poor weather and grid outages, the surplus has increased slightly to £288k but this is still £115k less than the budgeted surplus of £403k.
  - De-Carbonisation Team - £134k under spend – this is due to staff vacancy savings, recruitment into the team is proving difficult with only 2 (Decarbonisation Mgr and 1 Project Officer) of the 5 posts filled. We are currently in the process of recruiting into 2 of the 3 remaining posts with the one energy officer vacancy frozen until April to aid with in-year budget recovery.
- **Schools Catering** - £91k under spent – mainly due to staff savings caused by the delay in recruiting into vacant posts, this has been part offset by a £30k cost of providing laptops into the kitchens.
- **Building Cleaning & Public Conveniences** - £56k under spent – a £48k underspend in Building Cleaning mainly due to staff savings from vacant posts and a £8k rates and maintenance saving in Public Conveniences.
- **Passenger Transport** – £583k net over spend– as per Update 1 we are projecting a major budget pressure within the PTU section, this can be attributed to increased service demand as pupil numbers have increased, increases in external operator contract costs due to rate increases and a shortfall in public bus service funding. These have been part offset by an underspend in our Regional Transport Team due to the receipt of funding linked to the administration of the regional Bus Network Grant.
- **Fleet Maintenance** - £110k overspend – continuing pressures through parts inflation, supply chain delays, vehicle hire growth and increased borrowing spend. In addition, we have had to invest in more EV charge points and a new vehicle management system.

### Neighbourhood Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	263	304	0	0

Neighbourhood Services is forecasting to overspend by £304k, due to :-

- **Streetlighting** - £20k overspend – due to an increase in the number and cost of repairs resulting in the budget being exceeded, this is a £10k improvement from Update 1 due to contract inflation coming in less than expected helping to reduce the overspend.
- **Highways Operations** – On Budget – Current indications are 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 - current projections indicate that income from 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.
- **Waste & Grounds Maintenance** - £384k overspend – The volatility and reduced values of recycle continues to negatively impact the waste budget. The introduction of Workplace recycling regulations and the associated changes in charging structures to accommodate this has seen 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 1<sup>st</sup> April, delays in vehicle delivery have meant that the service won't start until early Autumn resulting in our early year disposal costs being higher than originally anticipated. Our 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)	(84)	0	0

Placemaking, Highways & Flooding is forecasting to under spend by £84k, due to :-

- **Building Control** – £73k over spent – a £3k adverse swing from Update 1 - 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.
- **Planning & Development Control** - £72k over spent – a £27k adverse swing from Update 1 – application fee income projections still indicate that we will not meet our budgeted targets this year, in addition we now think our Fast Track application targets will not be met and is the reason for the downturn in position since update1. 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 1 - Underspend is mainly 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 management & flooding** - £169k under spent – an improvement of £58k from Update 1 - Employee under spend due to full and part year vacancies coupled with improved income mainly from additional development fees and capital programme fees. The development fees were not confirmed at update 1 but we have now received them and is the reason for the improvement.

MONLIFE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(46)	(122)	0	0

The directorate is forecast to underspend by £122k an improvement of £76k on financial update 1.

Delayed implementation of the area management restructure, delayed staff savings withing the museums service and reduced income at our attractions have been offset by increased income from our leisure services and markets. This is due to increased income from our marketing campaigns along with the sections hard work improving the customer experiences leading to new members joining and better membership retention.

There is still a significant risk around income predictions in both a leisure services, outdoor adventure centre and Borough Theatre, update 2 forecast relies on £5.1m of income generation from these 3 services alone, we will continue to monitor income closely as the year continues.

#### (Monlife) Countryside & Culture

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(6)	(39)	0	0

**Countryside & Culture section** is forecast to underspend by £39k an improvement of £33k from update 1 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	0	0	0

**Central communications** are forecast to achieve a balanced position.

#### (Monlife) Finance & Business Development

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	62	174	0	0

The Finance, Business and Development sections is forecast to overspend by £174k, we continue to see income pressure.

**Attraction** sites are forecast to overspend by £56k due to lower than anticipated visitor numbers this has been caused by the adverse weather experience during the summer. The section has look to mitigate the reduction of income through one off events and grant opportunities.

The **Borough Theatre** is expected to overspend by £60k due to lower than anticipated income, the section is still recovering post-pandemic and the site closures, the site has seen a reduction of 50 seats which is limiting the opportunity for larger performances to use our site.

**Learning** is forecast to overspend by £20k due to reduced income.

**Museums** are expected to overspend by £47k due to delayed staff savings and higher than anticipated expenditure, the section will look to use any grant opportunities or reserve balance to mitigate this where possible.

**Management** is forecast to overspend by £42k due to delayed implementation of the area management structure, this process is underway, and we are likely to see the changed structure being implemented in the final quarter of 24-25.

This has been offset by small underspends in grants and an underspend in the contact centre of £50k due to staff vacancies.

(Monlife) Leisure, Youth & Outdoor Adventure				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(102)	(257)	0	0

**Leisure, Youth and Outdoor Adventure** are forecast to underspend by £257k, 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.

**The Outdoor Adventure Centre** has improved its residential income position on 23-24 but we continue to see some pressure on the income budgeted from our re-engage program, we will need to continue to monitor this closely over the rest of the budget year.

CHIEF EXECUTIVE'S UNIT DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	68	94	0	0

Chief Executives is forecasting to overspend by £94k.

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, improving customer experience and back-office efficiency. However, 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 taken the steps we can 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 2024-25 onwards. We are also trialling the use of new AI driven translation software to try and reduce the overspend position in the current year.

**Policy, Scrutiny & Customer Relations**

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

Policy, Scrutiny & Customer is forecasting to overspend by £19k, this is due to :-

- **Corporate** - £24k under spent – no change from Update 1 - mainly because of core staff costs being funded by Ukraine grant funding as capacity is diverted to manage this situation.
- **Customer Relations** - £25k overspent – the volume and cost of undertaking independent investigations has increased this year with current projections estimating spend will exceed available budget. This was not known at Update 1 and is the main reason for the adverse swing for the division.
- **Scrutiny** - £6k over spent – due to the inability to make staff vacancy factor savings.
- **Policy & Partnerships** – £11k over spent – Equalities and Welsh Language is forecasting to overspend by £65k due to translation demand outstripping available budget and our corporate subscriptions costs are expected to exceed budget by £20k. These overspends have been part offset by underspends in GIS (£32k) and Community Safety (£14k) due to part year vacant posts and a £29k staff saving in Performance & Data as we have passported core staff costs to capital.

## People

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / <b>(Surplus)</b> £'000s	68	75	0	0

People Services is forecasting to over spend by £75k, the main variances are as follows:

- **Payroll** - £46k under spent – no change from Update 1 - Net underspend mainly due to staff secondment savings and system costs being lower than budgeted for this year. This underspend is being used to partly off-set a temporary increase in capacity in People Management.
- **People Management** - £84k over spent – Employee costs are currently forecasting to exceed budget by £68k, this is mainly due to interim arrangements put in place to cover service demand whilst awaiting the appointment of the new HR manager. In addition, SLA income is expected to come in £40k lower than budgeted and supplies and services have increased due to software increases and the purchase of IT equipment for additional staff.
- **Occupational Health** - £31k overspend – current forecasts are indicating that occupational health appointment costs will exceed available budget mainly due to an increase in activity.
- **Corporate Training** - £1k over spent – £6k improvement from Update 1 as income projections have improved.
- **Organisational Development** - £4k over spent – Inability to meet staff vacancy savings.

## LAW & GOVERNANCE DIRECTORATE (PG)

Update 1

Update 2

Update 3

Update 4

<b>Deficit / (Surplus) £'000s</b>	<b>51</b>	<b>48</b>	<b>0</b>	<b>0</b>
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The overspend in legal is, as was the case at the previous update, a result of a significant shortfall in expected income for the commercial law team. As was reported previously, avenues for increasing this income were to be explored, which has resulted in a £6k improvement since Update 1. This will continue to be monitored to ensure we recoup income where possible, and to ensure future target setting is realistic. As previously reported there has been an increase in staffing costs following the regrading of a post to ensure the Council has a deputy monitoring officer as required by law, as well as honoraria payments made at the appropriate grade in the interim before re-grading was finalised.

### Democratic Services

<b>Outturn Forecast</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'000s</b>	<b>(22)</b>	<b>(19)</b>	<b>0</b>	<b>0</b>

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

- **Members** - £21k under spend – resulting from a reduction in payroll costs due to 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

<b>Outturn Forecast</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'s</b>	<b>73</b>	<b>67</b>	<b>0</b>	<b>0</b>

Legal and Land charges is forecasting to overspend by £67k, this is due to :-

**Legal Services** - £67k overspend – a £6k improvement from Update 1 – overspend is due to a shortfall in rechargeable income, and an overspend in staffing due to a post regrading and honoraria payments.

**Land Charges** – On Budget.

<b>RESOURCES DIRECTORATE</b>	<b>Update 1</b>	<b>Update 2</b>	<b>Update 3</b>	<b>Update 4</b>
<b>Deficit / (Surplus) £'000s</b>	<b>18</b>	<b>(145)</b>	<b>0</b>	<b>0</b>

The Resources directorate is forecasting an underspend of £145k, primarily due to savings within finance that are offset by pressures within the corporate & commercial landlord budget.

Within Landlord services there remains a shortfall against budgeted savings targets of £50k where rental income is currently below targets following some staggering of rent increases, and some vacant units remaining to be filled. There has been significant improvement since the first update in rental income which is pleasing and 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 as lettings are secured through the last half 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 £151k against the previous year's £215k budget saving requirement. Officers continue work in this area and there is a possibility that this will change before year end.

These overspends have been part managed by employee savings due to staff vacancies only being filled part way into the year in both finance and commercial and landlord services.

The directorate will continue 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 introduce 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. However, work will continue to secure further savings which will be reported in future reporting periods.

## Finance

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(199)	(197)	0	0

Finance is forecasting to return a £197k underspend, this is mainly due to -

- **Revenues** - £16k net overspend :-
  - Benefits - £14k overspend – due to anticipated subsidy and debt costs. It is still too early to accurately forecast this budget and will remain subject to change as placements and caseloads move throughout the year.
  - Council Tax - £17k 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 £17k. However these additional costs have been offset by one off admin grant of £17k from WG. The £9k increase from Update 1 reflects an anticipated increase in running costs for the shared service plus an increase in the bad debt provision as the number of summonses issued increases.
  - Charity Relief & Debtors - £16k underpend – due to staff vacancy savings in debtors and charity relief payments coming in under budget.
- **Systems & Exchequer** – £31k under spend – an increase in annual contract costs and essential system development for the revenue and benefits system has been offset by managed staff vacancies, holding system development in cashiers and systems support and an increase in in-year



recharge income. The increase in underspend of £8k is mainly due to the decision to freeze a cashiers post until April to aid with in-year budget recovery.

- **Finance** - £182k under spend – Underspend due to a combination of staff vacancies and the ability to recharge core staff costs to other sources of funding.
- **Audit** – On Budget.

### Future Monmouthshire

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / <b>(Surplus)</b> £'000s	0	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 / <b>(Surplus)</b> £'000s	0	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 / <b>(Surplus)</b> £'000s	<b>(15)</b>	<b>(15)</b>	0	0

The ICT division is forecasting a £15k under spend, this is due to :-

- **Digital Programme Office** – On Budget.
- **SRS Contribution** – £11k over spend - SRS have informed us that early year forecasts are indicating an overspend against our contribution budget, this is mainly due to increases in Checkpoint Firewall costs and PSBA line costs.
- **Digital Design & Innovation** - £22k under spent - due to savings from managed staff vacancies.
- **Cyber Security Team** - £4.5k under spent – Due to staff savings through part year vacancy and a managed reduction in non-essential spend.
- **Telephony** – On Budget.

### Commercial & Corporate Landlord



Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	232	67	0	0

Commercial & Corporate Landlord services is forecasting to over spend by £67k, due to :

- **Investment Properties** - £142k over spend, due to –
  - **Newport Leisure Park** - £112k over spent – 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. The variance from Update 1 relates to increased electricity standing charges following the surrender of previous tenants.
  - **Castlegate Business Park** - £29k over spent – No change from Update 1 - Castlegate is forecasting a £29k overspend due to increased rates and service charges relating to vacant units.
- **Landlord Services** - £115k under spend – an improvement of £193k since Update 1 – this is because of employee savings of £200k due to staff vacancies only being filled part way through the year. There has been a major improvement in income since we reported last and we have been able to use some of this to offset our Property Rationalisation saving so that the shortfall is now only £151k of the original £215k, there are a number of reasons for the income increase 1) we now have a more accurate position as rental agreements have been confirmed for the year 2) we are receiving new rental streams from re-purposed properties 3) the return of a £68k one-off retainer relating to the Cattle market works that was not factored in at Update 1.
- **County Farms & Industrial Units** - £55k overspend – a £12k improvement from Update 1 - Income budgets were increased as part of the 24/25 MTFP to reflect the uplift in rent from filling our vacant farm properties and industrial units. Further progress has been made in finding tenants but with new rental agreements and existing rental uplifts staggered in-year we will only see a part year receipt of additional rent, also as we currently have vacant properties we are now liable to cover the council tax - current forecasts have assumed a full year liability but this could change if we find tenants in-year.
- **Cemeteries** - £5k underspend – Income projections are indicating that burial income will exceed budgeted targets.
- **Property Services** – On Budget.

CORPORATE COSTS & LEVIES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	31	0	0
<b>Precepts &amp; Levies</b>				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	3	0	0

Slight increase in drainage levies (£2,950) at update 2 than budgeted

### Archives (Gwent Joint Records)

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	6	0	0

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	0	0

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 minor under spends.

### Non-Distributed Costs

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

No variance forecast

### Strategic Initiatives

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

No variance forecast

### Insurance

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

No variance forecast currently at Update 2

### TREASURY & RESERVES

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(283)	(480)	0	0

Interest & Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	48	(15)	0	0
The combination of a higher investment balance and a slower-than-anticipated reduction in interest rates has led to an improvement in interest income returns since the last quarter.				
Interest Payable & Similar Charges				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(42)	(175)	0	0
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)	0	0
Underspend due to capital expenditure financed by borrowing in 23/24 being less than budgeted for.				
Other Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	(1)	0	0
Minor unbudgeted income.				
Borrowing Cost Recoupment				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(248)	(248)	0	0
Budget was set before additional capital financing for 2023/24 vehicle purchases was finalised. Partially offset by additional MRP charges.				
FINANCING	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	(350)	0	0

Council Tax Reduction Scheme				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	(350)	0	0
Caseload currently remains below the budget set.				
Council Tax				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
No variance currently forecast, as It is too early in the financial year to accurately determine the outturn position. The council tax base remains healthy and is close to the tax base set for the year. However council tax discounts and exemptions continue to grow, which have a negative impact on the tax base. It remains unclear how much income will result from council tax premiums. Properties continue to move in and out of the lists. There is some evidence that the premiums are starting to bring properties back into use.				
General Government Grants				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
Income received to budget.				

## 2. Section 3 – School Balances

- 2.1. A Board of Governors who are responsible for managing the school's finances, directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the forecast Schools' balances position, 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+CB) Forecast 2024/25 Reserves
Cluster	£000's	£'000	£'000	£'000	£'000	£'000
Abergavenny	143	1,133	1,278	0	0	1,421
Caldicot	(87)	1,152	776	0	0	689
Chepstow	658	800	949	0	0	1,607
Monmouth	(552)	1,066	1,165	0	0	614
Special	741	778	719	0	0	1,459
<b>Total</b>	<b>904</b>	<b>4,929</b>	<b>4,887</b>	<b>0</b>	<b>0</b>	<b>5,791</b>

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. At Update 2, the draw on reserves has reduced slightly to £4,886,770, resulting in a forecast deficit balance of £5,790,406 by year end.

2.3. 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:	Total: 0
Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive		
Pupil Referral Service	Pupil Referral Service	Pupil Referral Service		
The Dell	The Dell	The Dell		
Our Lady & St Michael's RC	Our Lady & St Michael's RC	Our Lady & St Michael's RC		

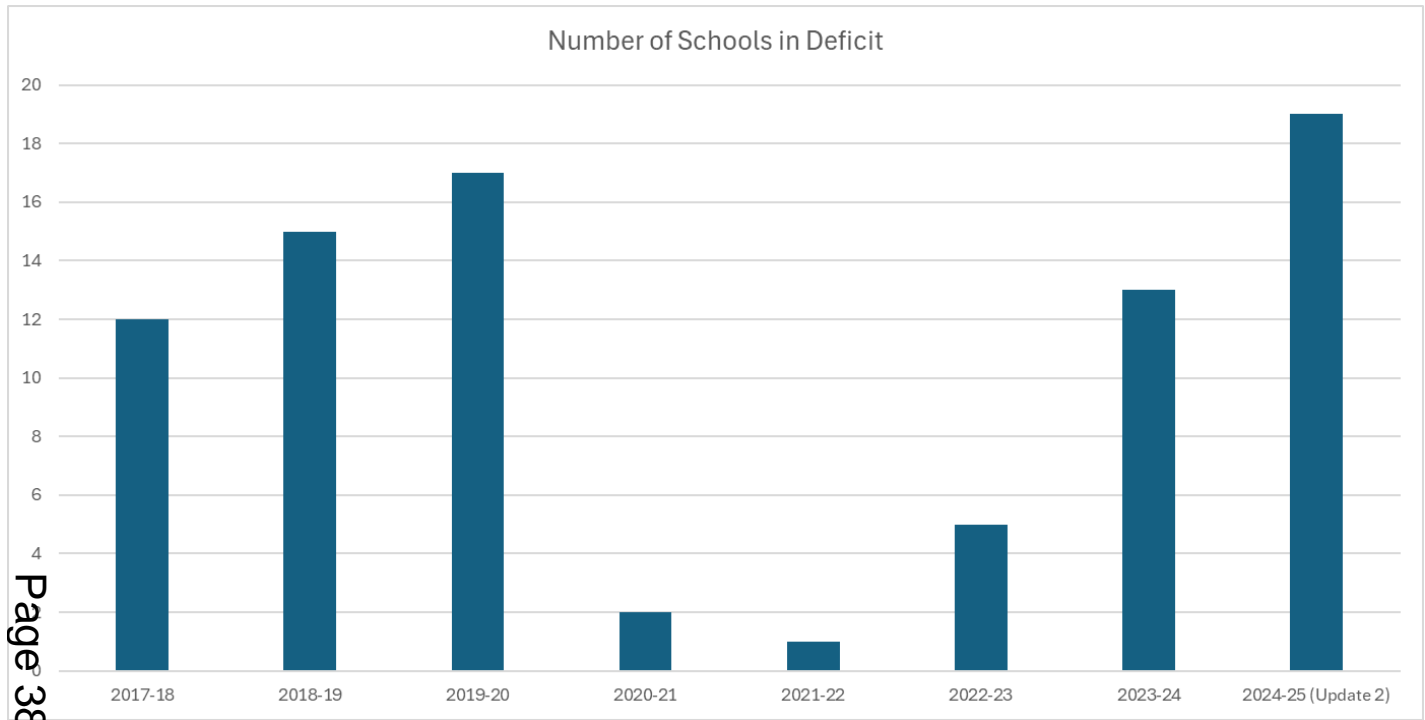
Primary School (VA)	Primary School (VA)	Primary School (VA)		
Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni		
Caldicot School	Caldicot School	Caldicot School		
Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin		
Osbaston	Osbaston	Osbaston		
Overmonnow	Overmonnow	Overmonnow		
Gilwern	Gilwern	Gilwern		
Rogiet	Rogiet	Rogiet		
Thornwell	Thornwell	Thornwell		
King Henry VIII 3-19 School	King Henry VIII 3-19 School	King Henry VIII 3-19 School		
	Goytre Fawr	Goytre Fawr		
	Llantilio Pertholey	Llantilio Pertholey		
	Dewstow			
	Monmouth Comprehensive	Monmouth Comprehensive		
	Llandogo	Llandogo		
	Usk	Usk		
		Castle Park		
		Cross Ash		

- 2.4. 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.

- 2.5. 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 expected to be received by October Half Term.

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)	5,791

- 2.6. 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 2 is as follows:

Category	Slippage B/F	Original Budget	Budget Adjust- ments	Provisional Slippage to 2024/25	Revised Budget 2024/25	Forecast Outturn	Over / (Under) spend
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Expenditure</b>							
Capitalisation Directive	387	3,357	0	0	3,744	3,744	0
Development Schemes Over £250k	8,222	100	4,590	(3,579)	9,333	9,247	(86)
Development Schemes Under £250k	2,012	590	390	(1,714)	1,278	1,278	0
School modernisation programme	8,604	19,507	(12,087)	(42)	15,982	15,981	0
Infrastructure	3,250	6,345	250	(3,367)	6,478	6,478	0
ICT Schemes	765	303	(230)	0	838	838	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
CCHO	27	0	148	0	175	175	0
Section 106	1,159	0	850	(596)	1,413	1,406	(7)
Regeneration - Specific Grant Funded	2,791	500	10,092	0	13,383	13,383	0
Vehicles	0	1,500	0	0	1,500	1,500	0
Other	0	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>28,606</b>	<b>35,241</b>	<b>4,247</b>	<b>(9,298)</b>	<b>58,796</b>	<b>58,703</b>	<b>(93)</b>
<b>Financing</b>							
Supported Borrowing	0	(2,436)	0	0	(2,436)	(2,436)	0
General Capital Grant	0	(2,502)	0	0	(2,502)	(2,502)	0
Grants and Contributions	(3,596)	(13,850)	(9,408)	250	(26,604)	(26,604)	0
S106 Contributions	(1,122)	0	(850)	638	(1,334)	(1,327)	7
Unsupported Borrowing	(22,325)	(10,553)	5,929	8,230	(18,720)	(18,633)	86
Earmarked Reserve & Revenue Funding	(148)	(253)	0	0	(401)	(401)	0
Capital Receipts	(1,415)	(4,147)	82	180	(5,300)	(5,300)	0

Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
<b>Total Financing</b>	<b>(28,606)</b>	<b>(35,241)</b>	<b>(4,247)</b>	<b>9,298</b>	<b>(58,796)</b>	<b>(58,703)</b>	<b>93</b>

3.2 The forecast capital expenditure at update 2 is demonstrating a net underspend £93k, primarily due to the following variances identified:

<b>Scheme</b>	<b>Over / (Under) spend £000's</b>	<b>Comment</b>
Crick Road Care Home	(86,085)	Scheme completed and facility is operational slightly below budget.
S106 - Star Road/School Lane Zebra Crossing	(6,729)	Works completed below original estimated cost

### 3.3 Capital Slippage

3.4 Provisional Capital slippage forecast at update 2 is £9,298m:

<b>Scheme Category</b>	<b>Scheme Name</b>	<b>Slippage £000's</b>	<b>Comment</b>
Economic Development	Capital Region City Deal	1,472,762	Based on capital funding profile from CCRCD
Economic Development	Asset Investment Fund	1,852,738	Budget held for any required capital improvements at commercial investment sites. No works currently anticipated for 2024/25
Economic Development	Caerwent House, Major Repairs	50,800	Listed Heritage building requires further legal and planning clearance before the scheme can progress
Economic Development	Wye Bridge Chepstow works	257,703	Reconstruction works delayed to 2025/26 – Construction phase has been delayed with survey, investigation & design works ongoing – construction phase to start next year.
Economic Development	Wye Bridge Monmouth works	2,142,231	Reconstruction works delayed to 2025/26 – Construction phase has been delayed with survey, investigation & design works to potentially start in 25-26. However indications from Highways officers that construction won't start until 26-27 at earliest.
Highways	Carriageway improvements	667,000	Works rescheduled for early 2025/26 to allow for better planning of maintenance projects.

Scheme Category	Scheme Name	Slippage £000's	Comment
Highways	Clydach Gateway Reinstatement and Devil's Bridge Associated Works A465	250,000	Works to be undertaken in 2025/26 – delay has been caused by the grant awarding body (LEI) and resolving concerns over safety at the site due to potential landslide.
Children's Services	Property Acquisition for Children and Young People with Complex Needs	202,824	Multi-year scheme for asset acquisition to alleviate out of County Children's supported housing provision
Housing	Housing Purchasing Provision	1,585,252	Assessing potential housing acquisitions will lapse into 2025/26 financial year
Transport / Highways	Feasibility study: Transport Depot South of County	129,202	Ongoing feasibility work to identify suitable south of County depot for operational depot
Environmental	Structural Repairs – Public Rights of Way	50,000	Essential works being completed, some schemes, due to bad weather, will slip into 2025-26
Leisure Schemes	Monmouth Leisure Centre Redesign	42,089	Delays to improvements at Monmouth Leisure Centre
S106	Various S106 schemes	596,001	Completion of schemes delayed due to bad weather and delays in the acquisition of new playground equipment
		<b>9,298,466</b>	

### 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	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's	£000's
Balance as at 1st April	9,984	4,877	3,157	941	460
Capital receipts used for financing	(1,556)	(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
<b>Forecast Balance as at 31st March</b>	<b>4,877</b>	<b>3,157</b>	<b>941</b>	<b>460</b>	<b>0</b>

## Budget savings progress 2024-25 - Update 2

	Savings proposals by Directorate	Budgeted Saving	Update 2 Forecast	Variance to Budgeted Savings	Percentage met	Comment
			£000	£000		
	Social Care & Health	(4,972)	(3,904)	1,068	78.5%	
	Children & Young People	(3,172)	(2,638)	534	83.2%	
	Communities & Place	(927)	(557)	370	60.1%	
	Monlife	(1,079)	(939)	140	87.0%	
	Chief Executives Units	(86)	(86)	0	100.0%	
	Law & Governance	(33)	(33)	0	100.0%	
	Resources	(595)	(531)	64	89.2%	
	Corporate Costs & Levies	(77)	(77)	(0)	100.1%	
	<b>Totals</b>	<b>(10,940)</b>	<b>(8,765)</b>	<b>2,176</b>	<b>80.1%</b>	

Ref	Social Care & Health	Total Saving / Recovery	Update 2 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)	(1,500)	(200)		Savings to date of identified placements totals £900K, with a further projected savings of £600K 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		
SCH13	Adults services - Savings from service relating to borrowing to afford Severn View replacement	(105)	(105)	0		
SCH18	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	375		Current indication is that this won't be progressed by WG
	<b>SCH Totals</b>	<b>(4,972)</b>	<b>(3,904)</b>	<b>1,068</b>		

Ref	Children & Young People	Total Saving / Recovery	Update 2 Forecast	Variance		Comment
		£000	£000	£000		
CYP2	CYP support - Release expected reserve from rebates for solar panel on schools	(120)	(120)	0		
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)	0	534	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
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 risk - dependent upon amount of funding WG receive from central government and how this is distributed to LA's
<b>CYP Totals</b>		<b>(3,172)</b>	<b>(2,638)</b>	<b>534</b>	

Ref	Communities & Place	Total Saving / Recovery	Update 2 Forecast	Variance	Comment
		£000	£000	£000	
C&P1	Savings from the disposal of street sweepings through Siltbuster 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&P15	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		Mid year projections 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)	(25)	0		Mid year forecasts are predicting that this figure will be achieved this year.
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)	(80)	320		Change of use planning now approved but delay has meant occupancy will not start until Feb 2025 creating a £320k shortfall. This pressure has been part offset by windfall grant funding within the wider Housing budget.
	<b>C&amp;P Total</b>	<b>(927)</b>	<b>(557)</b>	<b>370</b>		

Ref	Monlife	Total Saving / Recovery	Update 2 Forecast	Variance		Comment
Page 47		£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		Achievable
ML2	Museums - Close Abergavenny and Chepstow museums an additional day a week and review business support	(40)	0	40		Delayed restructure has lead to the sections inability to achieve the full savings
ML3	Close Old Station Tintern for one day a week on Mondays from 1st April 2024, except for four bank holidays	(10)	(10)	0		Achievable

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		Achievable
ML5	Countryside & Culture - Additional income for additional project management and project delivery costs from grants assumption of £25k	(25)	(25)	0		Achievable
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		Achievable
ML7	Countryside & Culture - Stop contributing to Abergavenny TIC as part of Market Hall reconfiguration.	(10)	(10)	0		Achievable
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		Achievable
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		Achievable - Summer residential income is on target, need to watch re-engage program as this is volatile
ML10	Leisure centres - Change closing times - Weekday Closing 21:30 weekend closure 16:30	(140)	(140)	0		Achievable

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ML11	Reduced Youth club provision - Explore alternative delivery models for open access youth provision, including community youth clubs	(20)	(20)	0		Achievable
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		Achievable
ML13	High level management restructure – Area management model	(120)	(20)	100		In progress, delay to structure implementation due to consultation - Income generation should offset shortfall in staff savings
Energy	Year-on-year change in energy cost	(437)	(437)	0		Controlled corporately - All pool covers installed
F&C	Increase in fees and charges for discretionary services in line with the increase costs of delivering these services	(27)	(27)	0		Prices increased, assume that target will be met.
<b>Monlife total</b>		<b>(1,079)</b>	<b>(939)</b>	<b>140</b>		

Ref	Chief Executive's Unit	Total Saving / Recovery	Update 2 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
	<b>CEO Totals</b>	<b>(86)</b>	<b>(86)</b>	<b>0</b>		

Ref	Law & Governance	Total Saving / Recovery	Update 2 Forecast	Variance		Comment
		£000	£000	£000		
LG2	Vacancy Freeze - Paralegal post	(33)	(33)	0		Post frozen - achieved
	<b>LG Totals</b>	<b>(33)</b>	<b>(33)</b>	<b>0</b>		

Ref	Resources	Total Saving / Recovery	Update 2 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)	(208)	0		Latest projections indicate that this will 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)	(50)	50		Original saving was based on vacant units being filled and a rent increase coming into effect from April. Rental increases have been staggered through the year so we will not receive the full year benefit this year, in addition some units remain vacant or are on agreements that provide an initial rent free period.

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)	(3)	14		Current figures from SRS indicate that we will not make all of this saving due to increases in licences fees and firewall costs.
	<b>Resources Totals</b>	<b>(595)</b>	<b>(531)</b>	<b>64</b>		

Ref	Corporate Costs & Levies	Total Saving / Recovery	Update 2 Forecast	Variance		Comment
		£000	£000	£000		
CORP3	Fire SCAPE pension	(77)	(77)	(0)		Awaiting confirmation of funding from Welsh Government
	<b>Corporate Costs &amp; Levies Totals</b>	<b>(77)</b>	<b>(77)</b>	<b>(0)</b>		

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	Opening Reserves 2024-25 (Surplus)/Deficit	In Year position at Month 6 (Surplus)/Deficit	Projected carry forward at year end 2024-25 (Surplus)/Deficit
<b>Abergavenny cluster</b>			
King Henry 3-19 School	329,196	705,484	1,034,680
Cantref Primary School	(110,417)	49,577	(60,840)
Gilwern Primary School	22,923	96,146	119,069
Goytre Fawr Primary School	(7,344)	30,157	22,813
Llanfoist Fawr Primary School	(125,485)	78,954	(46,531)
Llantillio Pertholey CiW Primary School (VC)	(60,748)	81,090	20,342
Llanvihangel Crucorney Primary School	(96,867)	47,027	(49,840)
Our Lady and St Michael's RC Primary School (VA)	21,255	24,119	45,374
Ysgol Gymraeg Y Fenni	170,465	165,483	335,948
<b>Caldicot cluster</b>			
Caldicot School	352,437	267,804	620,241
Archbishop Rowan Williams CiW Primary School (VA)	(26,821)	(4,696)	(31,517)
Castle Park Primary School	(75,047)	84,661	9,614
Dewstow Primary School	(57,559)	47,856	(9,703)
Durand Primary School	(58,704)	35,121	(23,583)
Magor CiW Primary School (VA)	(161,519)	98,533	(62,986)
Rogiet Primary School	65,421	38,277	103,698
Undy Primary School	(141,509)	129,643	(11,866)
Ysgol Gymraeg Y Ffin	16,663	78,724	95,387
<b>Chepstow cluster</b>			
Chepstow School	853,038	693,275	1,546,313
Pembroke Primary School	(171,076)	15,314	(155,762)
Shirenewton Primary School	(129,943)	57,591	(72,352)
St Mary's Chepstow RC Primary School (VA)	(70,003)	69,635	(368)
The Dell Primary School	80,993	43,895	124,888
Thornwell Primary School	95,190	69,087	164,277
<b>Monmouth cluster</b>			
Monmouth Comprehensive	(229,657)	543,104	313,447
Cross Ash Primary School	(58,467)	65,409	6,942
Kymin View Primary School	(76,867)	67,373	(9,494)
Llandogo Primary School	(17,655)	37,344	19,689
Osbaston CiW Primary School (VC)	73,488	4,149	77,637
Overmonnow Primary School	124,404	140,872	265,276
Raglan CiW Primary School (VC)	(175,381)	84,360	(91,021)
Trellech Primary School	(100,053)	51,117	(48,936)
Usk CiW Primary School (VC)	(91,419)	171,607	80,188
<b>Special School</b>			
PRU	742,161	718,678	1,460,839
<b>Total</b>	<b>905,093</b>	<b>4,886,770</b>	<b>5,791,863</b>

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<b>SUBJECT:</b>	<b>Strategic Risk Assessment</b>
<b>MEETING:</b>	<b>Performance and Overview Scrutiny Committee</b>
<b>DATE:</b>	<b>3<sup>rd</sup> December 2024</b>
<b>DIVISIONS/WARDS AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

- 1.1 To provide members with an overview of the current strategic risks facing the authority.

**2. RECOMMENDATIONS:**

- 2.1 That members scrutinise, on an on-going basis, the risk assessment and responsibility holders to ensure that strategic risks have been appropriately identified and risk is being appropriately managed.
- 2.2 That members use the risk assessment to inform the future work programme of the committee and brief chairs of other committees where issues are of relevance to their work.

**3. KEY ISSUES:**

- 3.1 The strategic risk assessment ensures that:
- Strategic risks are identified and monitored by the authority
  - Risk controls are appropriate and proportionate
  - Senior managers and elected members systematically review the strategic risks facing the authority.
- 3.2 Appendix 1 provides the latest strategic risk register for the Council. The format of the strategic risk register has been updated to assess risk in line with the updated policy, including applying risk appetite levels. The strategic risk assessment is a detailed document. Any significant changes or updates made to each risk can be found in the 'key changes' column in the summary table at the start of the full Strategic Risk Register.
- 3.3 The council continues to operate in a dynamic environment and has controls in place to assess, manage and mitigate, as far as possible, a variety of risks. The strategic risk register is a live document and is continually updated based on the latest evidence. This will include adjusting the focus, detail and risk levels of risks where necessary. Some of the significant progress made with mitigation measures for the risks in the last six months includes:
- The development of a Medium-Term Financial Strategy which sets key principles to guide medium term financial planning and provide the link between the council's long-term policy objectives and its financial capacity (risk 2). Significant financial risk remains in year and in the medium term for which mitigating actions are being implemented.
  - The development of a People Strategy that contains activity aimed at mitigating risks to recruitment and retention (risk 4). There is immediate pressure faced within workforce planning. The measures put in place by the people strategy are assessed to support the reduction in the risk in the medium-term.
  - The development of strategies to provide the provision to meet social care needs for children requiring support in specific placements (risk 7), and adults who require care at home (risk 8,) supporting mitigation for the risks. There are continuing challenges in responding to the complexity of demand for social care support.

- Implementing a range of approaches and support to improve attendance in schools and reduce exclusions, as part of mitigating risk 9a, school attendance, and risk 9b, behaviours that challenge in schools, which have been assessed as high risks.
  - The development of an RLDP deposit plan, that full Council endorsed for detailed public consultation in October 2024. This forms part of the mitigation for some risks including risk 11, climate and risk 13, housing. The risk of delays in adopting the plan is identified in risk 10.
  - The development of a Climate and Nature Emergency Strategy, underpinned by four action plans, the delivery of which are an important part of the mitigation of risk 11, climate.
  - The risk on the delivery of public bus services, previously risk 14, has been de-escalated from the strategic risk register as it is no longer a significant risk to the whole organisation. This risk will be monitored closely within the relevant directorate risk register, and may escalate to the strategic risk register in future, if needed.
- 3.4 Following consideration of the risk register by the committee in May 2024, the committee has identified specific strategic risks it would like to seek assurance on the mitigating actions in place to manage the risk. These are risk 2 related to the council's finances, risk 7 and risk 8 related to meeting the demand and complexity of cases in children's and adults social care respectively. The latest update on these risks is contained in the register in appendix 1.
- 3.5 Strategic risks covered by the assessment are typically risks which could significantly jeopardise the council's ability to achieve its objectives, statutory plans and/or provide operational services as planned. The risk assessment also only covers high and medium level strategic risks. Lower level or operational risks are not registered unless they are projected to escalate within the three years covered. The strategic risk assessment should continue to focus on medium term risks to service delivery. The strategic risk register will regularly evolve and adapt in line with this. The up-to-date register is accessible on the council's intranet, so members are able to utilise it at any point in the year to re-prioritise their work plans as appropriate.
- 3.6 Cabinet agreed an updated strategic risk management policy for the Council in June 2024. The council's strategic risk management policy and guidance and risk assessment helps ensure strategic risks are identified and assessed robustly, risk controls are put in place that are appropriate and proportionate, and risks are supported by effective mitigations to ensure, as far as possible, risk reduction/risk management. A period of transition in implementing the policy was agreed until April 2025 to allow the council time to strengthen arrangements in line with the revised policy.
- 3.7 An overview of the strategic risk register was presented to Governance and Audit Committee on the 28<sup>th</sup> November 2024 to fulfil the committee's role of assessing the effectiveness of the authority's risk management arrangements. The full risk register will be presented to Cabinet on 4<sup>th</sup> December. The feedback from committees will be considered in the continued update of the strategic risk register and implementation of the policy. Any key conclusions will be shared with Cabinet.

#### **4. REASONS:**

- 4.1 To provide timely, relevant information on strategic risks as part of the performance management framework for ensuring the authority is well run and able to contribute to achieving the Council's purpose.

#### **5. AUTHORS:**

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## Monmouthshire County Council Whole Authority Strategic Risk Assessment

Ref	Potential Risk	Risk Level (score) – Pre mitigation	Risk Level (score) – Post mitigation	Key changes
<b>Risks to resources</b>				
1	Potential risk that: Financial pressures and increased complexity of demand for services, impacts on delivering all of the council's commitments in the Community and Corporate plan, leading to longer term outcomes for the county not being achieved	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – Medium (8) 2025/26 – Medium (8) 2026/27 – Medium (8)	The enabling strategies which support the delivery of the community and corporate plan have now been updated. These will be subject to an annual review, as outlined in each strategy, to evaluate progress and ensure they continue to support delivery of the community and corporate plan.
1b	Potential risk that: A small working political majority makes it harder to ensure timely and appropriate decision making which results in delays and uncertainty in some projects	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – Medium (9) 2025/26 – Medium (9) 2026/27 – Medium (9)	A number of special meetings continue to be held to ensure decisions are scrutinised in advance of Cabinet/Council decision.
2	Potential risk that: Some services will become financially unsustainable in the short to medium term in their current form due to increasing demand and continuing financial pressures	2024/25 – High (16) 2025/26 – High (16) 2026/27 – High (16)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	The Medium-Term Financial Strategy (MTFS) was approved by Council in July 2024. As part of the development of the strategy, a delivery plan has been established, which sets out clear timescales for completion.
3	Potential risk that: The authority is unable to maintain key infrastructure and meet other identified pressures due to insufficient capital funding availability	2024/25 – High (16) 2025/26 – High (16) 2026/27 – High (16)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	The pre-mitigation risk scores for this risk have increased from 12 to 16 to reflect ongoing pressure on the capital budget.
4	Potential risk that: Increases in the number of people exiting the labour market, a UK skills shortage and wage inflation will impact recruitment, retainment and workforce planning and affect the delivery of Council services	2024/25 – High (16) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – Medium (12) 2025/26 – Medium (8) 2026/27 – Medium (8)	Both the pre-and-post mitigation risk levels for this risk are decreasing in the longer term to reflect the anticipated future impact of the foundations put in place by the People Strategy, which was approved by Cabinet in June 2024.
5	Potential risk that: Loss or corruption of data due to cyber-attack or data mismanagement, which will compromise the delivery of essential council services	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – Medium (8) 2025/26 – Medium (8) 2026/27 – Medium (8)	A range of mitigating actions continue to be undertaken to mitigate this risk.
<b>Risks to service delivery</b>				
6	Potential risk that: Significant harm to a child or adult may occur due to a specific failure of safeguarding arrangements	2024/25 – Medium (8) 2025/26 – Medium (8) 2026/27 – Medium (8)	2024/25 – Medium (8) 2025/26 – Medium (8) 2026/27 – Medium (8)	The most recent Annual Safeguarding Evaluation Report was presented to Council in October 2024. The report evaluates the progress of the Council's key safeguarding priorities during 2023/24, highlighting progress, identifying risks and setting out actions and priorities for 2024/25.
7	Potential risk that: Risk of harm if we are unable to meet the care and support needs of some vulnerable children due to an increase in demand and complexity of cases	2024/25 – High (12) 2025/25 – High (12) 2026/27 – High (12)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	A commissioning and placement strategy has been developed, with a specific emphasis on the development of in-county residential and support living accommodation. This is aligned with Welsh Government's ambition to eliminate profit from children's care. Two children's homes have been commissioned through partnership models, one of which was a specialised provision for children with very complex needs
8	Potential risk that: Risk of harm if we are unable to meet the care and support needs of some vulnerable adults due to an increase in demand and complexity of cases	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	Pre-mitigation risk scores have been re-assessed from 16 (high) to 12 (high). The potential risk of meeting the needs of some vulnerable adults remains high; a comprehensive strategy for commissioning homecare through increased block purchasing has been developed. Engagement with local providers to progress the strategy has commenced.
9a	Potential risk that:	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	The previous risk 9 has been divided into two related, but separate, risks to better reflect and capture the breadth of mitigating action that is underway. The Local Authority Attendance and Engagement

	Failure to return attendance figures to those seen before the pandemic, particularly among vulnerable pupils and those eligible for free school meals, could lead to a negative impact on educational attainment			Policy has been updated to encompass all aspects of the Engaging, Belonging and Participating guidance issued by Welsh Government in October 2023 and will be consulted on with schools.
9b	Potential risk that: An increase in behaviours that challenge in schools as a result of the continuation of trends that first emerged during the pandemic may lead to harm to a pupil or member of staff	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	The previous risk 9 has been divided into two related, but separate, risks to better reflect and capture the breadth of mitigating action that is underway. A range of action is being undertaken to mitigate this risk, including the work of the Education Support Team which has enabled those primary aged learners most at risk of repeat Fixed Term Exclusions (FTE) or of Permanent Exclusions (PEX) to receive support from specialist professionals, alongside the continued input of the Educational Psychology Service.
<b>Risks to policy priorities</b>				
10	Potential risk that: The Council does not support the Replacement Local Development Plan, leading to delays in its adoption which restricts our ability to take forward key policy objective such as job creation, affordable housing development and the adoption of key policies to protect the environment and tackle climate change	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	This risk has been refocused to reflect progress made in developing the replacement local development plan and the risk that this may not be approved by Council following public consultation. The post-mitigation risk level for 26/27 has increased from medium to high.
11	Potential risk that: a) The council is unable to deliver its commitment to decarbonise its operations in sufficient time to achieve net zero by 2030 because our resources are not commensurate with the scale and complexity of the challenge  b) The Council is unable to deliver services as a result of the increasing frequency of climate-related emergencies such as floods or extreme heatwaves that increase the demand for emergency responses and can cause damage to infrastructure and the closure of facilities	2024/25 – High (16) 2025/26 – High (16) 2026/27 – High (16)	2024/25 – High (16) 2025/26 – High (16) 2026/27 – High (16)	The Climate and Nature Emergency Strategy was approved by Cabinet in May 2024. This strategy is underpinned by four action plans to better reflect the breadth of work that is taking place: Internal decarbonisation, Biodiversity and Nature Recovery, Rivers and Oceans and Community climate change. Progress in implementing the strategy is regularly monitored by the Climate and Nature Emergency Steering Group.
12	Potential risk that: The rising cost of living tips more families into crisis requiring public service interventions which diverts resources from other policy priorities	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – High (12) 2025/26 – High (12) 2026/27 – Medium (8)	In October 24, the Community Development Team, together with partners such as Citizen's Advice, Warm Wales, local foodbanks and many others, held the first in a series of events across the county to give support, ideas and advice to residents to help with the cost of living. Representatives from Benthylg library of things also attended to ensure a joined-up approach to tackling poverty interventions.
13	Potential risk that: Residents are unable to secure or retain suitable accommodation, leading to rising homelessness and outward migration as a result of failures in the housing market	2024/25 – High (12) 2025/26 – High (12) 2026/27 – High (12)	2024/25 – Medium (8) 2025/26 – Medium (8) 2026/27 – Medium (8)	Rapid rehousing is facilitating increased resource into homeless prevention, for example through additional staffing and the availability of the Homeless Prevention Fund. Accommodation has started to be acquired for temporary accommodation use and the first approval has been given to re-purpose a council owned agricultural property.
14	Potential risk that: Increased legal challenge to council decisions and service delivery resulting in delays, increased costs and reputational harm.	2024/25 – Medium (9) 2025/26 – Medium (9) 2026/27 – Medium (9)	2024/25 – Medium (6) 2025/26 – Medium (6) 2026/27 – Medium (6)	This has been identified due to the risk of delays to council decision making as a result of legal challenges.

Risks to resources

Ref & Status	1	Risk	Potential Risk that: Financial pressures and increased complexity of demand for services, impacts on delivering all of the council’s commitments in the Community and Corporate plan, leading to longer term outcomes for the county not being achieved.							
Risk Owner and cabinet Member responsible		Paul Matthews (Chief Executive) and Cllr Mary Ann Brocklesby (Leader)	Strategic objective & Scrutiny Committee	All  All		Risk category and appetite level	Strategic  Cautious	Terminate/treat/transfer/tolerate	Treat	
Reason why Identified										
The council has an agreed Community & Corporate Plan 2022-28 that contains six well-being objectives which focus on the longer-term future of the county and aims to address complex challenges, in line with the requirements of the Well-being of Future Generations Act. The objectives include a focus on equality, climate change, economy and skills, housing, care and support and learning. The Council is facing significant budget pressures and increasing complexity in demand for its services. The contemporary policy challenges that need to be addressed, working with communities, are complex and evolving. The immediate pressures the council is facing risks impacting on the ability and resources to deliver the longer-term objectives in the plan and meeting the requirements on the Act.										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	Likely	Major	High	12	2024/25	Possible	Major	Medium	8	
2025/26	Likely	Major	High	12	2025/26	Possible	Major	Medium	8	
2026/27	Likely	Major	High	12	2026/27	Possible	Major	Medium	8	
Mitigating Actions										
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress					
Regularly review progress made in implementing the commitments of the community and corporate plan, ensuring resource is targeted in the most pertinent areas			Strategic Leadership Team  Six Monthly (December 2024 & June 2025)		A six-month progress report and annual self-assessment report on the delivery of the community and corporate plan is completed. This provides a regular review of progress made in implementing the commitments made in the plan and facilitates targeted activity and intervention in areas requiring further development.  The community and corporate plan measurement framework has been revised and agreed by Cabinet in September. This has ensured an increased focus on outcomes in measuring progress of the plan. A dashboard is updated quarterly to track progress in meeting milestones, measures and targets.					
Review the progress of the Enabling Strategies which support delivery of the community and corporate plan to ensure alignment of resources with policy priorities			Enabling Strategy lead officers.  Annual review timescales as per each strategy, ranging from February – June 2025.		The enabling strategies which support the delivery of the community and corporate plan have now been updated. These include: the People Strategy, Medium Term Financial Strategy, Asset Management Strategy, Socially Responsible Procurement Strategy and Digital and Data strategy. These will be subject to an annual review, as outlined in each strategy, to evaluate progress and ensure they continue to support delivery of the community and corporate plan.					
Strengthen medium to long term strategic financial planning as part of the Medium-Term Financial Plan and adapt to reflect the global uncertainty on public finances			Deputy CEX/Chief Officer, Resources  March 2025		The Medium-Term Financial Strategy (MTFS) was approved by Council in July 2024. This strategy provides the strategic framework for the Medium-Term Financial Plan (MTFP), and a set of key principles to guide medium term financial planning. These two together form the link between the council’s long-term policy objectives and its financial capacity. As part of the development of the strategy, a delivery plan has been established, which sets out clear timescales for completion; this is monitored regularly by Cabinet and Performance and Overview Scrutiny Committee.  Given significant financial pressures modelled in the MTFP, a programme of change is being implemented. This is being developed as part of the budget setting process. This will assess the opportunities for service change and cost reduction, whilst ensuring appropriate service resilience is maintained. Areas of consideration include: the role of commissioning services, identifying scope for further income generation and sustained focus on productivity and efficiency.					
Engage with communities to understand challenges and opportunities from their perspective including participation of residents and service users			Strategic Leadership Team March 2025 (further activity ongoing)		The Council has undertaken a range of assessment and research to understand well-being in the county including the well-being assessment, population needs assessment, and research for the Replacement Local Development Plan (RLDP). These were used to inform the development of Community and Corporate Plan.  A resident survey is being undertaken to understand resident’s views on their local area and council services. The results will be analysed and used to evaluate progress with the community and corporate plan and inform future decision making in the council. A consultation exercise on the proposed 2025/26 budget will be undertaken in January and February 2025.					





A continuation of challenges seen during the pandemic has meant that an increasing number of our schools are experiencing budget deficits. At 2022/23 year end, just 5 schools were in deficit; this increased to 16 by year-end 2023/24. This is projected to increase to 19 by year-end 2024/25, over 50% of schools.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Almost certain	Major	High	16	2024/25	Likely	Major	High	12
2025/26	Almost certain	Major	High	16	2025/26	Likely	Major	High	12
2026/27	Almost certain	Major	High	16	2026/27	Likely	Major	High	12
Mitigating Actions									
Mitigating Action		Responsibility Holder & Timescale		Mitigation action progress					
Ensure that services deliver within budget, deliver savings targets and continue to identify, review and challenge pressures		Deputy CEX/Chief Officer, Resources  Ongoing		<p>A 24/25 revenue budget update presented to Cabinet in October notes an overall revenue budget deficit forecast of £3,388,000. This deficit is made up of in-year budget pressures of £1,334,000 that have developed since the budget was set in February 2024, alongside a forecast shortfall in meeting budgeted savings target of £2,055,000.</p> <p>Pressures continue in adult’s and children’s social care. Demand, and complexity of demand, continues to increase. An increase in demand for residential placements in adult’s and a shortfall in meeting savings targets has resulted in pressures of over £1.5m. The pressure of new referrals and more complex needs has generated additional unbudgeted costs of over £1.1m in children’s social care. These pressures sit alongside continued increased demand for costly ALN placements, increased demand for Home to School transport placements, and continued inflationary and maintenance costs across the estate.</p> <p>In order to deliver a balanced budget for 24/25, which will be fundamental in ensuring financial sustainability moving into the 25/26 budget setting process, a programme of budget recovery actions will be implemented. This includes, but is not limited to: 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.</p>					
Develop a set of budget proposals for 2025/26		Deputy CEX/Chief Officer, Resources  March 2025		<p>A medium-term financial plan update and budget setting process for 2025/26 was presented to Cabinet in October 2024. This sets out the council’s timeline for setting its 25/26 budget, with final budget proposals due to be presented in Council in March 2025. Given difficult financial and economic circumstances, the 25/26 budget has a need to demonstrate clear alignment between financial choices and service/policy impact, with consideration of the commitments set in the community and corporate plan forming a key part of decision making.</p> <p>Budget workshops are currently underway with SLT, Cabinet and officers. High level pressure and saving mandates are currently being produced, with final mandates to be completed by December 2024. These mandates, alongside current budget assumptions, will then be subject to further Cabinet scrutiny. Welsh Government’s final settlement is yet to be released; this will be key to understanding whether any additional funding is likely to be received. This, alongside other currently unknown budget assumption, will be incorporated when available. Scrutiny and public consultation of proposals will take place in January and February 2025 ahead of consideration by Cabinet and Council in March 2025.</p>					
Strengthen medium to long term strategic financial planning as part of the Medium-term financial plan, that is based on realistic evidence and planned scenarios, to guide our budget setting in line with agreed strategic objectives and responsiveness to challenges, such as the cost-of-living		Deputy CEX/Chief Officer, Resources  Ongoing		<p>The Medium-Term Financial Strategy (MTFS) was approved by Council in July 2024. This strategy provides the strategic framework for the Medium-Term Financial Plan (MTFP), and a set of key principles to guide medium term financial planning. These two together form the link between the council’s long-term policy objectives and its financial capacity. As part of the development of the strategy, a delivery plan has been established, which sets out clear timescales for completion; this is monitored regularly by Cabinet and Performance and Overview Scrutiny Committee as part of six-monthly MTFP updates.</p> <p>The authority’s budget modelling assumptions are reviewed regularly. Current budget assumptions were reviewed as part of the setting of the MTFP in July 2024, and currently project a budget deficit of £11.5m for 25/26, with continued significant deficits for the years following. With reserve balances at low levels, and the layers of efficiency being driven from services over time, the council will need to seek significant change, particularly in areas where there is consistent and significant overspend.</p> <p>Given significant pressures, the council will implement a programme of change. This will work to assess the opportunities for service change and cost reduction, whilst ensuring appropriate service resilience is maintained. Areas of consideration include: the role of commissioning services, identifying scope for further income generation and sustained focus on productivity and efficiency.</p>					



		A range of further activity in also underway as part of the MTFP to strengthen medium term planning. This includes the delivery of a change and improvement plan to enable delivery of required savings; this is being developed as part of the budget setting process. Other activity includes a rollout of budget holder training to strengthen knowledge, an enhanced approach to budget modelling, the establishment of a financial risk register to ensure suitable mitigations are in place and undertake an independent financial resilience review.
Continue to work closely with schools to ensure their financial plans are as robust as possible to minimise any impact, whilst continuing to improve standards for our young people	Finance Manager – Children & Young People  Ongoing	<p>The overall level of school reserves is currently forecast to move further into deficit by £4,929,000 by the end of the 2024/25 financial year, to a collective deficit balance of £5,832,000. 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 for both teaching and non-teaching staff have also impacted upon budgets.</p> <p>It is currently anticipated that nineteen of the Council’s thirty-four schools will be in a deficit balance by the year-end. 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 expected to be received by October Half Term. Close monitoring and support will 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 medium term budget challenges are instigated.</p>

Ref & Status	3	Risk	Potential Risk that: The authority is unable to maintain key infrastructure and meet other identified pressures due to insufficient capital funding availability						
Risk Owner and cabinet Member responsible		Peter Davies (Deputy Chief Executive) and Cllr Ben Callard (Cabinet Member for Resources)	Strategic objective & Scrutiny Committee	All  Performance and Overview Scrutiny Committee	Risk category and appetite level	Service delivery  Cautious	Terminate/treat/transfer/tolerate	Treat	
Reason why Identified									
Underlying the Capital Strategy is the recognition that the financial resources available to meet council priorities are constrained by the level of one-off reserves and capital receipts that the Council holds and the level of capital grant funding from Welsh Government and other funding bodies, and the extent to which the Council is able to entertain further prudential borrowing. The core capital programme has been impacted in recent years in order to enable the Band A new schools programme to be funded, which has now successfully concluded. Subsequent to a Council decision having been secured the 3-19 school in Abergavenny has progressed into contract and is in its construction phase, supported under the Welsh Government Band B programme.									
There remain a considerable number of pressures that sit outside any potential to fund them within the Capital MTFP, and this has significant risk associated with it. These include property and highways infrastructure, DDA work, and public rights of way. In addition to this, there are various schemes/proposals (e.g. Monlife, tranche C Future schools, climate emergency response, any enhanced DFG spending etc.) that could also have a capital consequence, but in advance of quantifying those or having Member consideration of these items, they are also excluded from current capital MTFP. In the event of emergency pressures, resources will have to be diverted. Projects, such as the Cardiff Capital Region City Deal, also require significant capital investment to realise the outcomes.									
The timing of capital receipts always remains uncertain due to market conditions. Future investment in capital schemes is in part dependent on future success of achieving capital receipts and there are risks attached to some receipts materialising. There is a risk associated with relying on the use of capital receipts in the same year that they come into the council and the potential for this to have significant revenue pressures should receipts be delayed and temporary borrowing be required. Significant further capital receipts are now not forecast and until such time as the outcome of the Replacement Local Development Plan is known and for which the Council has put forward a number of strategic sites in its ownership.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Almost certain	Major	High	16	2024/25	Likely	Major	High	12
2025/26	Almost certain	Major	High	16	2025/26	Likely	Major	High	12
2026/27	Almost certain	Major	High	16	2026/27	Likely	Major	High	12
Mitigating Actions									
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress				
Regularly review assumptions as part of the capital MTFP taking account of any new information that is relevant and the consequential impact on the revenue MTFP			Deputy CEX/Chief Officer, Resources  Ongoing		The MTFP model was reviewed and updated as part of the development of the MTFS in July 2024. The Capital Programme for 2025-2029 will be reviewed and reconsidered during the 2025/26 budgetary process to ensure that the revenue implications of capital expenditure are accurately reflected in the revenue budget and that the capital expenditure plans of the Council remain affordable, prudent and sustainable.				

		<p>Whilst the core capital programme is being sustained, and sees planned investment in the Council's infrastructure, there still remains a considerable number of backlog pressures that sit outside the core capital programme given the affordability and funding constraints facing the Council. This will continue to have varying levels of risk associated with it and will have to be managed and mitigated. Schemes already included in the indicative programme will be reviewed in respect of timing and their continued alignment to strategic objectives. Schemes that are not time critical may be deferred to focus capacity on the delivery of priority schemes, or to allow capital receipts to be released to aid in meeting wider Council service redesign.</p> <p>The value of Capital receipts is forecast to decrease significantly between 2024/25 and 2028/29. This is reflective of the replacement local development plan (RDLP) not proceeding as quickly as envisaged in the original delivery agreement. This will have a substantial impact on the balance of receipts available to fund future capital investment demands. It is therefore important that reliance on capital receipts used to support capitalisation direction (to fund one-off revenue costs eligible to be met from capital resources) is seen as a short-term measure only.</p> <p>The Council has strengthened its scrutiny and challenge of the Capital Programme through the establishment of Capital and Asset Management working groups. The respective working groups look to ensure that projects are prudent, affordable and will deliver tangible benefits to core policy objectives over the long term.</p>
Review and refresh the council's Capital Strategy	Deputy CEX/Chief Officer, Resources March 2025	The Council's Capital Strategy outlines how the Authority makes and manages capital investment decisions that support its corporate objectives. It also provides a framework that the Council can rely on to develop a clear, consistent, and informed process to make investment decisions. The Council faces more demand for capital spending than it can afford, and therefore it has to prioritise projects, leverage other sources of funding, work with partners, and keep capital investment within affordable limits. The Capital strategy will be refreshed and brought alongside final budget proposals to Council in March 2025.
Continue to monitor the Capital budget	Deputy CEX/Chief Officer, Resources  Ongoing	<p>The 2023/24 capital expenditure at outturn totalled over £65m, with a net over spend of £485k. This is primarily due to meeting costs under capitalisation within the revenue budget. This overspend was offset by a lower than anticipated volume of vehicle replacements.</p> <p>A total of 107 capital schemes require slippage into 2024/25 totalling £28,605,000, representing 30% of the total budget for the year. The economic environment during 2023/24 continued to have a significant impact on the overall capital programme with cost inflation and supply chain issues continuing to present a challenge to project delivery. The large number of schemes requiring slippage does however still point to more underlying issues in project planning, unrealistic profiling of budgets, and a lack of resourcing to manage the volume of schemes being planned. Finance teams will need to continue to work with budget holders to assess if any further amendment to project delivery plans are required given the impact that capital expenditure progress can have on the profiling of capital financing costs.</p> <p>Capital receipts are projected to be in surplus for the medium-term. Whilst the current balance is healthy, there remains a need for caution over committing any further receipts to either capital investment or increasing the level of capitalisation direction given the level of currently unbanked receipts contained within the forward projections.</p>
Further refinement of priority assessments in the property and infrastructure budgets to ensure all pressures have been considered and ranked.	Head of Landlord Services Ongoing	<p>A regular programme of property condition surveys is underway, supported by routine compliance checks for all assets. This information as well as technical input from MCC's Landlord Services team, will continue to be used to inform prioritisation of planned capital maintenance spend. A programme of Health and safety surveys is currently being commissioned. Independent condition assessments of key highways infrastructure are completed as required depending on condition. These inform prioritisation of available capital budget.</p> <p>A review of the pressures and associated risks is being undertaken to inform the capital budget process. A previous review in 20/21 had concluded that further feasibility studies and technical assessments needed to be undertaken on specific infrastructure assets, funded from existing highways infrastructure capital budgets. The results of these studies and assessments will inform the capital MTFP and pressures that will need to be accommodated and funded therein in future financial years The Capital Working Groups and Asset Management Working Groups will contribute to decisions on the capital spend and MTFP.</p>
Deliver the Asset Management Plan to manage the Council's land and property portfolio	Head of Landlord Services Ongoing	The Asset Management Strategy has been adopted, introducing clearer alignment to the Community & Corporate Plan and establishing key principles which will inform strategic decision making for the council's land and property portfolio. The Asset Management Strategy is delivered via the associated Asset Management Plan, which is subject to regular monitoring and progress reporting.
Help sustain Council Services and enhance the asset base by investing in commercial property assets in order to increase the	Head of Landlord Services Ongoing	The Asset Management Strategy commits to maximising and commercialising assets wherever possible, including achieving income generation or revenue enhancement where opportunities are identified to do so. The core principle is achieved with acknowledgement of the council's policy objectives and ambition to achieve both financial and social returns.

net rental income stream for the Council in line with the Asset Management Strategy		The performance of the council’s commercial and investment portfolios are reported to Performance & Overview committee on six monthly cycles. The updates provided include an acknowledgement of the performance of the assets, their capital value and risk, market information and transaction updates. Officers provided recommendations and updates in accordance with the revised financial performance terms, as outlined in the Asset Management Strategy.
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Ref & Status	4	Risk	Potential risk that: Increases in the number of people exiting the labour market, a UK skills shortage and wage inflation will impact recruitment, particularly for posts that require specific skills or qualifications, retention and workforce planning and affect the delivery of Council services						
Risk Owner and cabinet Member responsible		Matthew Gatehouse (Chief Officer People, Performance & Partnerships) and Cllr Ben Callard (Cabinet Member for Resources)	Strategic objective & Scrutiny Committee	All  Performance and Overview Scrutiny Committee		Risk category and appetite level	Service delivery, Governance  Minimalist	Terminate/treat/transfer/tolerate	Treat
Reason why Identified									
There is a global skills shortage, and the impact is being felt in several sectors that Monmouthshire County Council is either a part of or competes with for talent. Some services have identified challenges with recruitment; Social Care, Operations and Facilities are all facing difficulties, which is affecting service provision.									
There is a continuing risk that staff well-being could be impacted by a range of factors from work related pressures, such as: staff in some areas facing considerably increased workloads to meet increasing demand and personal home-based factors such as financial strains due to the increased cost of living.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Almost certain	Major	High	16	2024/25	Likely	Major	High	12
2025/26	Likely	Major	High	12	2025/26	Possible	Major	Medium	8
2026/27	Likely	Major	High	12	2026/27	Possible	Major	Medium	8
Mitigating Actions									
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress				
Recruit and retain staff more effectively			Chief Officer People, Performance & Partnerships  Ongoing		Recruitment issues are being reflected nationally within some sectors, and the council is not exempt from this. Positions within Social Care, Operations and Facilities, for example, have seen reductions in applicants, and this is impacting on service provision. Solutions for the national recruitment issues do not sit solely with local authorities.  The People Strategy was approved by Cabinet in June 2024 and contains a specific objective, and actions, aimed at improving recruitment and retention. An e-recruitment system is being implemented to support the development of recruitment as a genuine talent acquisition process. This will benefit recruiting managers who want speed, simplicity and agility. The HR team are also utilising different social media channels to reach applicants.  A new work experience and apprentices’ policy has been developed and will seek to increase the number of apprentice positions, creating a new pipeline of talent. The Leaders Q&A sessions are encouraging discussion between service areas to promote networking and sharing ideas.  HR staff sit on various local government groups and are collaborating with partner organisations to identify commonalities and information sharing. This is being fed into Welsh Government to inform their decision-making and to influence their response to the issue.				
Develop the support mechanisms to support staff wellbeing			Head of Organisation Workforce Development  Ongoing		Staff well-being is affected by a range of factors, including additional work pressure and demand, personal factors and societal factors.  Supporting the health and well-being of our colleagues is a key objective of the People Strategy. The use of networks and communication digitally, surveys and feedback loops to senior managers, has extended the reach of contact with the workforce. This has also created the conditions for a wider system of self-supportive networks sharing practice, ideas and support.  An audit has been undertaken of our wellbeing offer and location of access allowing for consolidation and ease of access for all colleagues. We are exploring the opportunity to work with CASE UK funded by Welsh Government to provide physiotherapy,				

		<p>psychological and occupational therapy. We are also assessing options for providing support and guidance to colleagues in relation to financial wellbeing.</p> <p>The Digital 'Cwtch' continues, although less frequently, along with a People Leaders Q&amp;A session. The people services team has developed a People Leaders Support Site which enables 'live' discussion/news feed, enabling direct support and a shared learning platform for managers and head-teachers.</p>
Embed workforce planning to ensure the right skills, expertise and knowledge are available for future changes	Chief Officer People, Performance & Partnerships Ongoing	<p>The new People Strategy has created a clear commitment to embed workforce planning across the organisation. This is aimed at addressing shortages and ensure career pathways are in place. New arrangements within the HR team will ensure that HR business partners can continue to play an active role in strategic discussions at Directorate Management Teams to ensure effective workforce planning.</p> <p>The People Strategy was approved by Cabinet in June 2024 and contains a clear commitment to ensuring we can retain the best people. Action includes promoting career development opportunities to ensure that we keep talent in local government. A new work experience and apprentice policy has been developed to create a new pipeline of people being recruited and trained to supply the workforce of the future.</p> <p>The development and retention of existing staff is an essential component of workforce planning. A learning management system (Thingi) has now been rolled out to all staff; this provides a centralised training and development area for officers, and includes a host of learning resources for staff as well as the opportunity to book face to face and digital/online training.</p>
Adopt a qualitative approach to ensuring professional development, wellbeing and information flow is taking place for those that want or need it	Head of Organisation Workforce Development Ongoing	<p>The colleague appraisal scheme has been redesigned to allow all colleagues to engage in performance discussions with their line manager. This process facilitates both a training needs and skills analysis.</p> <p>A Leader/Manager Developmental Pathway has been created and due to be launched in December 2024. This pathway will comprise of a number of modules including meaningful staff/line manager engagement and communication. Colleagues need to be given the 'right' to seek meaningful 1-1s on a regular basis, and there needs to be a focus on improving the skills of line managers to enable a variety of different approaches to the process so that performance development is realistically achieved.</p> <p>Both the Colleague Survey and People Q&amp;As provide feedback loops to ensure colleagues requirements are being met.</p>

Ref & Status	5	Risk	Potential Risk that: Loss or corruption of data due to cyber-attack or data mismanagement, which will compromise the delivery of essential council services							
Risk Owner and cabinet Member responsible		Sian Hayward (Head of Information, Technology & Security) and Cllr Ben Callard (Cabinet Member for Resources)	Strategic objective & Scrutiny Committee	All Governance and Audit Committee		Risk category and appetite level	Information Governance, Service delivery  Averse	Terminate/treat/transfer/tolerate	Tolerate	
Reason why Identified										
There have been a number of high-profile cases across both public and private organisations where cyber-attacks and data breaches have compromised service delivery and financial loss. These attacks occur due to insecure infrastructure or staff who are not cyber literate and may inadvertently introduce attacks through their personal actions. Cyber security can also be compromised through a lack of structured governance arrangements, risk assessments and planning.										
Digital working has increased in recent years bringing an increase in the potential for loss of data through cyber incidents.										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	Likely	Major	High	12	2024/25	Possible	Major	Medium	8	
2025/26	Likely	Major	High	12	2025/26	Possible	Major	Medium	8	
2026/27	Likely	Major	High	12	2026/27	Possible	Major	Medium	8	
Mitigating Actions										
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress					

Ensure robust arrangements are in place to safeguard the organisation’s data and systems from cyber-attack	Cyber security service  Ongoing	<p>The Council recognises that total elimination of cyber-attack is not possible, but we will ensure robust arrangements are in place to safeguard data and systems from cyber-attack via: Physical barriers to the network, staff awareness, training and culture and structured governance, risk analysis and business continuity planning.</p> <p>Significant investments in ICT infrastructure and software have been undertaken, which will mitigate against the likelihood of a cyber-attack.</p> <p>An operational risk register, which is exempt from publication under the Data Protection Act, is maintained by the Information Security Team, the SRS Security Team and MCC.</p> <p>A cyber security report was taken to Governance and Audit Committee in February 2024 to provide assurance to the committee that the arrangements in place are robust.</p>
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Risks to service delivery

Ref & Status	6	Risk	Potential Risk that: Significant harm to a child or adult may occur due to a specific failure of safeguarding arrangements														
Risk Owner and cabinet Member responsible		Jane Rodgers (Chief Officer Social Care, Safeguarding & Health) & Will Mclean (Chief Officer Children & Young people), and Cllr Ian Chandler (Cabinet Member for Social Care, Safeguarding and Accessible Health Services)	Strategic objective & Scrutiny Committee		A Connected Place Where People Care  People Scrutiny Committee		Risk category and appetite level		Safeguarding  Averse		Terminate/treat/transfer/tolerate		Tolerate				
Reason why Identified																	
The Council and its partners must maintain a consistent focus on safeguarding vulnerable people in order to both prevent and reduce the likelihood of harm, and to respond effectively to reduce risks if harm occurs.																	
The consequences of the pandemic and the current economic and social pressures on families generates pressure within the social care and health system with more complex presentations and increased vulnerability within communities. This demand pressure, alongside ongoing social care workforce recruitment challenges, impacts on the council’s ability to protect children and adults who are at risk.																	
Care Inspectorate Wales (CIW) continue to inspect and conduct assurance checks of our services. Recent reviews include a CIW Performance Evaluation Inspection of Adults social services undertaken in July 2022, and a Performance Evaluation inspection in Children services in February 2024. All recommended areas of improvement have been recognised by the council and inspection action plans are in place																	
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)												
Year	Likelihood		Impact		Risk Level		Risk Score		Year	Likelihood		Impact		Risk Level		Risk Score	
2024/25	Possible		Major		Medium		8		2024/25	Possible		Major		Medium		8	
2025/26	Possible		Major		Medium		8		2025/26	Possible		Major		Medium		8	
2026/27	Possible		Major		Medium		8		2026/27	Possible		Major		Medium		8	
Mitigating Actions																	
Mitigating Action				Responsibility Holder & Timescale			Mitigation action progress										
Continually monitor and evaluate safeguarding processes and practice and ensure good accountability for safeguarding. Ensure that where actions are identified from self-evaluation processes that these are implemented.				Safeguarding & quality assurance service manager Ongoing, Annual Evaluation – September 2025			Progress against the council’s safeguarding priorities is evaluated annually and the priorities reflect the cornerstones for keeping people safe in Monmouthshire, as set out in the Corporate Safeguarding Policy.  The most recent Annual Safeguarding Evaluation Report was presented to Council in October 2024. The report evaluates the progress of the Council’s key safeguarding priorities during 2023/24, highlighting progress, identifying risks and setting out actions and priorities for 2023/24. The report evaluates the cornerstones of safeguarding in Monmouthshire - 3 areas of safeguarding arrangements are assessed as Level 5 Very Good– and 2 areas as Level 4 – Good. This evaluation report forms an integral part of the improvement of safeguarding practice across the Council and drives the work of the Whole Authority Safeguarding Group.										
Drive the strategic agenda and the associated programme of activities for safeguarding through the Whole Authority Safeguarding Group (WASG).				Chief Officer, Social Care, Health & Safeguarding			The Whole Authority Safeguarding Group [WASG] has continued to meet bi-monthly on a digital platform. The group ensures that corporate Safeguarding has oversight at a senior level, with membership from each directorate lead. These meetings identify safeguarding concerns and themes; share knowledge around safeguarding issues and, where required, promote a strategic and										



	Ongoing, Annual Evaluation – September 2025	<p>coordinated approach. A Core Data set has been agreed by WASG. Moving forward, this should provide increased opportunity to inform WASG members of safeguarding performance at a whole authority level.</p> <p>Despite resource pressures across directorates and capacity issues within the Safeguarding Unit, safeguarding has remained a priority for the Council with key strengths within directorates and across council relationships. The SAFE (Safeguarding Assessment Framework for Evaluation) process has continued to roll out across directorates and reviews have taken place in a timely manner. The Safeguarding Unit continues to be available to offer support and advice as well as being the conduit for new and developing safeguarding policy and guidance from the Regional Safeguarding Board. Issues raised within the previous SAFE assessment led to the strengthening of support in the safe recruitment process, specifically in risk management following DBS certifications.</p>
As a statutory partner of the regional safeguarding boards, continue to work with other statutory partners to ensure that there are effective multi-agency safeguarding arrangements, that they are working well, share learning and implement any recommendations.	Chief Officer, Social Care, Health & Safeguarding Ongoing, Annual evaluation – September 2025	<p>There continues to be full representation at all levels of the work of the regional safeguarding board. There is strong engagement in regional approaches to addressing the risks of sexual and criminal exploitation of children; Modern Day Slavery; Violence Against Women Domestic Abuse; Sexual Violence (VAWDASV); and Contest (PREVENT anti radicalisation).</p> <p>The priorities set in in the regional board’s annual plan are reflected in the priority work of the Council’s Safeguarding Unit. The Whole Authority Safeguarding Group continues to receive, review, and implement developments in safeguarding flowing from regional and national policy. The Council’s safeguarding unit supports quarterly safeguarding learning networks to share learning and developments in safeguarding across agencies.</p> <p>The Monmouthshire Exploitation Group (MEG) has been implemented, with representation from the Safeguarding Unit, Public Protection, Partnerships, Police, Gwent Missing Children’s Team, Education and community-based teams. This group has overseen the development of a Monmouthshire Protocol for responding to Modern Day Slavery and Exploitation.</p>

Ref & Status	7	Risk	Potential Risk that: Risk of harm if we are unable to meet the care and support needs of some vulnerable children due to an increase in demand and complexity of cases						
Risk Owner and cabinet Member responsible		Jane Rodgers (Chief Officer Social Care, Safeguarding & Health) and Cllr Ian Chandler (Cabinet Member for Social Care, Safeguarding and Accessible Health Services)	Strategic objective & Scrutiny Committee	A Connected Place Where People Care  People Scrutiny Committee	Risk category and appetite level	Safeguarding  Averse	Terminate/treat/transfer/tolerate	Treat	
Reason why Identified									
The number of contacts into the ‘front-door’ of children’s services has increased by 21% to 7071 in 2023/24. The council is supporting 205 children who are looked after (September 2024). The number has stabilised in recent years, although it remains higher than the average number of children who are looked after across Wales. The number of unaccompanied asylum-seeking children (UASC) being looked after by the local authority is currently 12.									
The 2024/25 budget for Children’s Services is forecast to overspend by £1.1 million at Month 4. This is mainly as a result of increased demand for very high-cost placements for children who are looked after. The workforce position within children’s services also remains challenging, with reliance on agency workers which can affect continuity of social work relationships for children.									
There is an insufficiency of placements for children who are looked after at a local, regional and national level, particularly those with complex needs or disabilities. Because of this, there is a risk that we may need to place children in unregistered provision in emergency situations. Instability within the placement provider market is being exacerbated by the Welsh Government’s policy commitment to eliminate profit from the care of looked after children. This creates an on-going risk for the council that is difficult to fully mitigate at present.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Likely	Major	High	12	2024/25	Likely	Major	High	12
2025/26	Likely	Major	High	12	2025/26	Likely	Major	High	12
2026/27	Likely	Major	High	12	2026/27	Likely	Major	High	12
Mitigating Actions									
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress				
Continue to strengthen the preventative offer to support children living safely at home, with their families and communities, and continue to review and monitor the Children Looked after			Head of Children’s services  Ongoing		The council is supporting 205 children who are looked after (September 2024). The number has stabilised in recent years, although it remains higher than the average number of children who are looked after across Wales. Over the year, the number of contacts into the ‘front-door’ of children’s services has increased by 21% to 7071 contacts. The focus has been on keeping children safe, which				

population in line with Welsh Government expectations around reduction		<p>means there has been less time for strength-based engagement with parents and children. A detailed analysis of referral activity is being undertaken to in order to consider the best way of intervening.</p> <p>There is a coherent approach to early help and prevention to support families. This allows families to receive support at the right level of intensity to enable parents to provide their children with the safety, nurture and care they need. Services are in place to support the rehabilitation of children following periods of being looked after e.g. Families Re-connect; to provide medium-term holistic support to families making sustainable change e.g. Achieving Change Together Team; and to provide a therapeutic response to parents and carers in supporting children with trauma presentations e.g. MyST.</p> <p>Family support has been further strengthened to provide intensive community supervision and support to children. The focus remains on practice development and working with families to support strengths, manage risks and achieve good outcomes, reducing the need for children to be looked. An additional focus is to increase resilience within Child Protection services to work with increased levels of risk and vulnerability within the community.</p>
Develop and expand the Children’s Services Commissioning Strategy in response to the intention to eliminate profit from children’s social care	Head of Children’s services  Ongoing	<p>A commissioning and placement strategy has been developed, with a specific emphasis on the development of in-county residential and support living accommodation. This is aligned with Welsh Government’s ambition to eliminate profit from children’s care. Two children’s homes have been commissioned through partnership models, one of which was a specialised provision for children with very complex needs. Further opportunities to develop residential and supported accommodation placements are in place. Establishing a residential workforce and bringing the projects into operation is a priority. There are huge challenges with this work particularly around workforce, resources and the time it takes to develop provision.</p> <p>In the meantime, however, finding appropriate placements for children remains challenging. The policy direction of removing profit from children’s care has created instability and uncertainty within the provider market (for both foster care and residential care) resulting in placement insufficiency and driving up the cost of placements. Whilst we continue to take steps to prevent children coming into care and reduce the numbers of children in care, the demand for appropriate placements remains high in a low supply environment.</p>
Continue to implement the fostering strategy on the recruitment, retention and skills development of in house fostering.	Head of Children’s Services  Ongoing	<p>The recruitment and retention of foster carers remains an area of significant challenge. There is an insufficiency of in-house carers in Monmouthshire, particularly carers who are able to provide more specialist care or look after sibling groups. In 2023/24 little progress has been made in the net numbers of in-house foster carers despite considerable effort and attention. This creates an over-reliance on private and independent providers, where the right placement for a child cannot be assured.</p> <p>The number of foster carers increased from 36 to 38 (including 7 new carers) with a corresponding increase in placement capacity from 64 to 67 (at year end 40 children were placed). Current projections for 2024/25 include a further 6 carers currently going through the assessment process. The overall offer to foster carers is being reviewed to see where and how more foster cares can join the in-house team.</p>

Ref & Status	8	Risk	Potential Risk that: Risk of harm if we are unable to meet the care and support needs of some vulnerable adults due to an increase in demand and complexity of cases						
Risk Owner and cabinet Member responsible		Jane Rodgers (Chief Officer Social Care, Safeguarding & Health) and Cllr Ian Chandler (Cabinet Member for Social Care, Safeguarding and Accessible Health Services)	Strategic objective & Scrutiny Committee	A Connected Place Where People Care  People Scrutiny Committee	Risk category and appetite level	Safeguarding  Averse	Terminate/treat/transfer/tolerate	Treat	
Reason why Identified									
Referrals to Adult’s Services have increased over recent years, and services are facing unprecedented pressure as a result. There are waiting lists in place for social care assessments and some people are having to wait for services, particularly for reablement care at home, and mental capacity act assessments. There has also been an increase in the number of residential care placements due to the complexity of people’s needs. Monmouthshire has specific challenges in providing sufficient home care due to the more rural parts of the county. The impact of the pandemic, together with the aging demographic has increased the complexity of presenting need, and services are under immense pressure as a result, particularly given the added challenges of the Council’s financial situation.									
The availability of workforce in some key posts remains a risk - specifically mental health practitioners and Therapies. There is insufficient capacity within the current workforce structure to meet the demand pressures, particularly given the demands associated with hospital discharge. The current financial context for both health and social care places restrictions on the ways in which services can respond to need. In 2024/25 the Adult Services budget is forecasting an overspend of £1.5 million at Month 4, with pressures due to increases in external residential care home placements and increased demand for care at home.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score

2024/25	Likely	Major	High	12	2024/25	Likely	Major	High	12
2025/26	Likely	Major	High	12	2025/26	Likely	Major	High	12
2026/27	Likely	Major	High	12	2026/27	Likely	Major	High	12
Mitigating Actions									
Mitigating Action		Responsibility Holder & Timescale		Mitigation action progress					
Work with Welsh Government to recruit and retain care staff		Chief Officer, Social Care & Health  Ongoing		Ensuring that there is a sufficient workforce has been a risk for some time, particularly in key posts around direct care, mental health, team leader posts and occupational therapy, and this is an on-going endeavour. The perceptions of working in social care tend to be negative; recruitment is focussed on counteracting these negative perceptions and demonstrate the opportunities, career progression, work life balance and job satisfaction that people experience who work within the sector. Generally, the workforce in Adults social care remains stable, however attraction and recruitment of people into the social care sector, particularly in some roles, continues to be a challenge. Workforce planning remains a priority within the service to ensure that scarce resources are utilised in the best way possible.					
Work to address the difficulties in the health and social care system through the Regional Partnership Board and its sub-groups.		Chief Officer, Social Care & Health and Head of Adult Services  Ongoing		There are on- going regional and local partnership meetings to identify and address difficulties across health and social care. These include Gwent Adult Service Partnership, and at a local level the Integrated Services Partnership Board. At a local and regional level, grant money received via the Regional Partnership Board is used to best effect to meet population needs and respond to demand pressure in particular within hospital discharge; supporting people with frailty to remain well at home, and ensuring the development of effective early help and preventative services via the Integrated Wellbeing Network. Establishing targeted early help and ensuring there are good pathways between social care and community based wellbeing support is central to trying to mitigate demand pressures over time.					
Rebalance reablement and long-term care within our in-house care at home service.		Chief Officer, Social Care & Health  Ongoing		There is increased capacity to provide reablement service to those who would benefit from it, with 331 packages of reablement provided in the last year. While this is good progress the aim is to improve this further. In line with the aims of the commissioning strategy the focus is on further increasing the availability of in-house home care to support reablement as opposed to providing long term care, and to increase the number of people accessing the opportunities that reablement provides. Over time this should help to mitigate demand pressures.					
Monitor requests for Domiciliary Care to ensure demand is being met and delays are minimised		Chief Officer, Social Care & Health  Ongoing		<p>On-going pressure across the social care and health system, together with workforce shortages in some areas, has meant that there are continued challenges in being able to respond to people’s care and support needs as timely as we would want. All referrals are triaged at point of referral to ensure that those in most need are prioritised for assessment and intervention. Case reviews are being undertaken, applying the principles of the Social Services and Well-being Act to ensure a strengths-based approach looking at individual, family and community based support where appropriate.</p> <p>Access to care and support is not always timely; however, overall there is increased capacity across home care which has assisted in supporting 96% of demand in the last year. Action is being undertaken to ensure that home care runs, both in-house and provider services, are coordinated as efficiently as possible. The commissioning strategy is being implemented to strengthen locality based provision of home care and increase capacity into rural areas.</p>					
Implement a ‘place-based’ approach to create sustainability in care at home services		Chief Officer, Social Care & Health – As per commissioning strategy		<p>The Council remains committed to developing a more sustainable care at home sector for the future. A comprehensive strategy for commissioning homecare through increased block purchasing has been developed. Engagement with local providers to progress the strategy has commenced.</p> <p>The micro-care project within Monmouthshire continues to support the self-employed carers to develop their businesses. This is increasing care and support capacity across the county and allowing people increased choice and control over how they receive support.</p>					
Ensure the long-term sustainability of social care providers		Chief Officer, Social Care & Health & Head of Public Protection  Ongoing		<p>It is vital that social care providers are able to provide care and support after the period of the pandemic and as such the council has a role in ensuring their financial sustainability through fair fee negotiations and supporting with recruitment and training. The Council has built positive relationships with local providers and intervenes and provide support where difficulties emerge. There is effective contract monitoring in place, based on partnership approaches.</p> <p>The position in Monmouthshire, whilst challenging, has seen very few providers withdraw their services and most have managed to weather the difficulties around recruitment and retention with the social care sector. Positively home care services have increased and there has been a reduction in the number of people waiting and the average length of wait time.</p> <p>The number of residential placements has increased by 42 placements over the year (from 268 to 310 at year end). Occupancy of care home placements is high at around 95% which is positive from a provider perspective and ensures businesses are viable.</p>					



		The increase in residential placements and costs of residential care had a big impact the budget in Adult Social Care. The main pressure on the budget during 2023/2024 was down to provider fees. At the beginning of the year the cost of the care that commissioned was calculated at a higher rate than was able to be accommodated within the budget set. Through extensive fair fee negotiations with provider agencies this was reduced; however, not to the extent that this delivered within the financial envelope agreed within the budget.
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Ref & Status	9a	Risk	Potential Risk that: Failure to return attendance figures to those seen before the pandemic, particularly among vulnerable pupils and those eligible for free school meals, could lead to a negative impact on educational attainment							
Risk Owner and cabinet Member responsible		Will Mclean (Chief Officer Children & Young People) and Cllr Martyn Groucutt (Cabinet member for Education)	Strategic objective & Scrutiny Committee	All  People Scrutiny Committee, Performance and Overview Scrutiny Committee		Risk category and appetite level	Strategic  Minimalist		Terminate/treat/transfer/tolerate	Treat
Reason why Identified										
The pandemic caused widespread disruption to learning, with a significant effect on both teachers and learners. Longer-term effects of the pandemic on pupil well-being and attendance have emerged. There is a risk that our schooling system struggles to adjust to the new patterns of need amongst our children and young people in the post-pandemic period. Meeting the needs of vulnerable learners remains a priority and the gap in attainment between those not eligible and those eligible for Free School Meals (eFSM) remains a concern. There is variation in eFSM learner progress and outcomes across schools. Leadership, management, capacity and performance has been identified as in need of improvement in some schools.										
Attendance levels have been particularly affected. Though attendance at a primary level has slowly returned to pre-pandemic levels, attendance in our secondary schools remains below levels seen before the pandemic. Attendance of those eligible for free schools meals remains below pre-pandemic levels and below those of their peers not eligible for free school meals. The low attendance of those eFSM has been identified by Estyn as an area for concern in one of our secondary schools. We need to increase attendance for those eFSM to ensure no pupil is left behind.										
Ensuring pupils return to school, and understanding the barriers to prevent them doing so, will be key to ensuring our learners are achieving their potential.										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	Likely	Major	High	12	2024/25	Likely	Major	High	12	
2025/26	Likely	Major	High	12	2025/26	Likely	Major	High	12	
2026/27	Likely	Major	High	12	2026/27	Likely	Major	High	12	
Mitigating Actions										
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress					
Complete the consultation on the new Attendance and Engagement Policy and processes			Head of Attainment  Ongoing		The Local Authority Attendance and Engagement Policy has been updated to encompass all aspects of the Engaging, Belonging and Participating guidance issued by Welsh Government in October 2023 and is currently in draft form ready for consultation with schools.  Alongside the policy, the team have created a draft handbook for schools to summarise the roles and responsibilities in the new policy, the graduated response for attendance, model policy and the local code for fixed penalty notices and prosecutions. The Education Welfare Service have also prepared training for governors as they implement the new policy.					
Work with Education Welfare Services to ensure that pupils attend school regularly and are able to access excellent teaching and learning			Head of Attainment  Ongoing		The Education Welfare Service (EWS) team continue to work collaboratively with external supporting services to provide a holistic approach to supporting families to overcome barriers to school attendance. This year, EWS has reviewed processes for closing cases where attendance has improved, there has been a change in provision, or a pupil has relocation to another area. As a result, 50 cases were closed during the year, which has released additional time for Education Welfare Officers to focus on the increasing number of complex cases involving a wide range of agencies.					
Work with schools and partners to better understand drivers of low attendance			Head of Inclusion  Ongoing		The team have developed their awareness of drivers of low school attendance through engagement in programmes such as Community Focused Schools (which focuses on the way in which families work with schools), Trauma Informed Schools and emotionally based school avoidance (EBSA) approaches. This means that the team consistently reinforce the language, expectations and approaches used in other teams within the directorate. EWS are also working closely with the Inspire Outreach Team who offer support to secondary pupils with attendance below 50% through a reintegration and qualification approach for pupils who may be dis-engaged or experience Emotionally Based School Avoidance (EBSA).					

		For the first time a team of Family Liaison Officers has been working with schools and families to build relationships, overcome barriers to attendance and support pupils back into school. This means pupils and families are receiving support earlier, and Education Welfare Officers have more time to deal with increasing numbers of complex cases and support schools to review systems and processes to secure high levels of attendance for all pupils. However, during the year, the capacity of the service has been reduced for periods.
Support pupils’ wellbeing and address barriers to learning	Head of Inclusion  Ongoing	The whole school approach to emotional and mental well-being has been implemented. Which helps schools to understand how they are best placed to promote well-being. This has been introduced in a phased approach and increased the number of schools engaged in the approach from 43% to 74%. This is increasing the support available for the well-being needs of pupils and has a significant effect on children’s attendance and achievement in school. All schools and settings are engaged with Emotional Literacy Support Assistants (ELSAs), and there are currently 67 practicing ELSAs who access regular supervision, operating across all but one school in the county, making a positive impact on the emotional literacy of pupils. School are also engaged in professional learning related to Emotionally Based School Avoidance (EBSA); Trauma Informed Approaches; and Autism; currently 68% of schools are engaged.

Ref & Status	9b	Risk	Potential Risk that: An increase in behaviours that challenge in schools as a result of the continuation of trends that first emerged during the pandemic may lead to harm to a pupil or member of staff						
Risk Owner and cabinet Member responsible		Will Mclean (Chief Officer Children & Young People) and Cllr Martyn Groucutt (Cabinet member for Education)	Strategic objective & Scrutiny Committee	All People Scrutiny Committee, Performance and Overview Scrutiny Committee	Risk category and appetite level	Safeguarding, Health and Safety  Averse	Terminate/treat/transfer/tolerate	Treat	
Reason why Identified									
Monmouthshire is currently experiencing exceptionally high levels of both Fixed Term Exclusions (FTE) and Permanent Exclusions (PEX) and this presents a risk to the positive engagement and outcomes for children / young people and increasing pressure on local authority services and provisions.									
Permanent Exclusion (PEX) and Fixed Term exclusions (FTE) have both increased over the past year. Local authorities across Wales and England have experienced similar trends post covid. The reasons for this are complex and not easily resolved. As of the end of the 2023/24 academic year there were 22 upheld PEX. The number and rate of PEX and FTE is higher than the South East Wales consortia overall rate. Of concern is that the data shows clear rises in the issue of FTE for reasons linked to violent or aggressive behaviour, this can be verbal or physical against another student or an adult.									
Increased levels of exclusions increase the pressure on the Pupil Referral Service (PRS) which currently does not have the capacity to accept any new learners unless they have been permanently excluded. This means that even where a graduated response has been applied within a school, and where behaviours and risk assessments indicate the learner may merit a PRS intervention, there is limited capacity to access this. Increased referrals to the PRS as a result of exclusions also puts pressure on the service and impacts its ability to deliver its statutory function to education learners who cannot attend school due to ill-health.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Likely	Major	High	12	2024/25	Likely	Major	High	12
2025/26	Likely	Major	High	12	2025/26	Likely	Major	High	12
2026/27	Likely	Major	High	12	2026/27	Likely	Major	High	12
Mitigating Actions									
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress				
Support learners most at risk of repeat Fixed Term Exclusions or of Permanent exclusions through the Education Support Team (EST)			Head of Inclusion  Ongoing		The Education Support Team (EST) was created in March 2023 and alongside the Educational Psychology Service has enabled primary aged learners most at risk of repeat Fixed Term Exclusions (FTE) or of Permanent Exclusions (PEX) to receive support from specialist professionals. These teams have experience in responding to behaviours of concern/ challenge, an enhanced understanding of social emotional and mental health needs and additional learning needs (ALN) in a way that is trauma informed and Adverse Childhood Experiences (ACE) aware. These supportive teams work to enable learners to maintain their current placement by reducing the risk of PEX by stabilising behaviours and thus reducing risk. The EST have supported learners to integrate into other schools via managed moves to prevent PEX and supported in year transfers of learners with prior FTE.				
Implement the outcomes of the Pupil Referral Service (PRS) review			Head of Inclusion  Ongoing		The Pupil Referral Service has been reviewed. This has helped understand the current demand, while considering the future role and function of the PRS. The findings of this review will now be implemented including increasing the capacity of the PRS to provide				

		preventative intervention for pupils at risk of PEx and enhanced support for learners to reintegrate into mainstream having had a period of support in the PRS.
Work with officers in community partnerships to secure Home Office grant funding to support the reduction of violence in schools	Vulnerable Learners Lead  Ongoing	The Vulnerable Learner Lead worked with officers in community partnerships to secure Home Office grant funding to support the reduction of violence in schools and to reduce exclusions (both FTE and PEx) associated with this. This funding enabled several learners at risk of PEx to avoid this outcome, including learners in their final year of school, who were able to complete their exams in school. Work is already underway on a bid for the current financial year to extend and enhance this work. Further multi agency work has also been undertaken to consider how to reduce FTE and PEx linked to aggression and violence amongst both pupils and towards staff. Focused efforts are underway to improve representation at multi agency meetings in schools and with focused consideration of learners who have been excluded for these reasons in the intervening periods between each meeting.
Continue to roll out training for all staff in all school and settings (i.e. ACEs and Trauma Informed practice) to increase the understanding of the impact on learner behaviours, strategies and approaches to deescalate and ensure safety and wellbeing.	Head of Inclusion  Ongoing	<p>A key part of our approach to reducing exclusions is to improve an understanding of the drivers for children’s behaviours. Trauma Informed approaches form part of a universal, whole-school, preventative approach supporting school communities to become trauma informed and mentally healthy places for all. Being Adverse Childhood Experiences (ACEs) aware and trauma-informed is recognised by the Welsh Government in guidance and reflects the evidence base that it is important to build relational practice to improve positive outcomes for all learners.</p> <p>Trauma Informed Schools (TIS) and relational practice approaches are being developed and embedded. A multi-agency TIS Steering Group, including colleagues from health and social care, has been established to achieve this, led by the Educational Psychology Service (EPS), and a tiered training programme has been developed. Monmouthshire schools continue to request Trauma Informed training, three schools have been identified to pilot our Trauma Skilled training in the Autumn Term 2024.</p>

Risks to policy priorities

Ref & Status	10	Risk	Potential Risk that: The Council does not support the Replacement Local Development Plan, leading to delays in its adoption which restricts our ability to take forward key policy objective such as job creation, affordable housing development and the adoption of key policies to protect the environment and tackle climate change						
Risk Owner and cabinet Member responsible		Craig O’Connor (Chief Officer Place) and Cllr Paul Griffiths (Cabinet member for Planning and Economic Development)	Strategic objective & Scrutiny Committee	A Thriving and Ambitious Place A Safe Place to Live Place Scrutiny Committee	Risk category and appetite level	Governance, Strategic  Minimalist	Terminate/treat/transfer/tolerate	Tolerate	
Reason why Identified									
<p>The current Local Development Plan ran until 31st December 2021; it will remain the principal development plan for decision-making purposes until the adoption of the Replacement Local Development Plan (RLDP). This does not change the urgent need for the council to make timely progress on its RLDP and to adopt it as soon as realistically possible to address key issues and challenges, including rebalancing our demography and responding to the climate emergency, and to meet the future needs of the county. Factors contributing to the delays include challenge from Welsh Government, which resulted in the need for a new Preferred Strategy, high phosphate levels in the rivers Usk and Wye which resulted in restrictions on developments, and delays in agreeing appropriate Gypsy, Roma and Traveller sites.</p> <p>The Council is now proceeding with a new Preferred Strategy that responds to the Welsh Government objection and unresolved water quality constraint in the upper River Wye catchment. A revised Delivery Agreement has therefore been prepared which sets out an amended timetable for Plan preparation. The revised timetable shows that the adoption of the RLDP is anticipated in Summer 2025. This unavoidable delay will impact on the Council’s ability to address the identified issues and objectives until the RLDP is adopted and puts pressure on the deliverability of the housing and employment figures over the Plan period, with more reliance on delivery towards the end of the Plan.</p> <p>There are a range of issues and challenges the RLDP will need to address:</p> <ul style="list-style-type: none"><li>• The delivery of affordable housing continues to be a concern. There are a significant number of households on the Councils waiting list, and there are limited remaining opportunities within the current LDP to deliver affordable homes because most strategic sites have been delivered and the remaining few cannot currently proceed due to phosphates.</li><li>• There is a recognised lack of suitable employment land in the northern part of the County (Abergavenny and Monmouth in particular). Delays to the RLDP mean that new allocations to attract investors or retain growing businesses will not be available. There may be some scope for employment sites to come forward adjacent to settlement boundaries outside of the current LDP allocations but in parts of the county these are affected by phosphate restrictions.</li><li>• The RLDP will identify areas with potential for renewable energy. A delay to the RLDP will have limited impact in this regard because renewable energy schemes such as solar farms can come forward for consideration via the existing LDP and under national planning policy.</li><li>• There is a need to ensure the RLDP’s growth ambition is matched by infrastructure delivery, much of which is delivered by other bodies. This alignment is required to ensure sustainable development to support future economic, social, environmental and cultural well-being.</li></ul>									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Likely	Major	High	12	2024/25	Likely	Major	High	12

2025/26	Likely	Major	High	12	2025/26	Likely	Major	High	12
2026/27	Likely	Major	High	12	2026/27	Likely	Major	High	12
Mitigating Actions									
Mitigating Action		Responsibility Holder & Timescale		Mitigation action progress					
Prepare a replacement Local Development Plan to address the county's issues/challenges, including in relation to the provision of housing (market and affordable) and employment opportunities, and to facilitate the identification and allocation of additional housing land and appropriate employment land, with associated infrastructure.		Chief Officer Place Spring 2026		The RLDP Preferred Strategy was endorsed by Council in October 2023. This has formed the basis of the Deposit Plan, which was endorsed by Council for a detailed public consultation in October 2024. The Deposit Plan sets the ambition for development within the county. This plan also addresses a number of key issues and align with the priorities of the organisation; it has allocated 50% affordable housing on each new development and is introducing enabling policies which will allow for further affordable housing developments to come forward. This includes facilitating more single person accommodation in the county which is currently extremely limited and is a factor contributing to homelessness. All homes developed under this plan will also be net zero carbon.  Council will consider the results of the consultation in Summer 2025, following which the RLDP will be subject to public examination.					
Work with partner organisations to identify and implement solutions to phosphate pollution in the Rivers Usk and Wye		Chief Officer Place Ongoing		In May, Cabinet approved the Climate and Nature Emergency Strategy. This includes an action plan on how we will work in partnership to improve the health of our rivers and oceans. Progress will be monitored regularly by the Climate and Nature Emergency Steering Group.  Over the last few years there has been significant work in this area and there is planned strategic phosphate mitigation work in the form of phosphate stripping being installed in Llanfoist (Abergavenny) and Monmouth to serve their settlements. This will enable appropriate development to be permitted within these settlement areas. There has also been a comprehensive review of the Environmental Permits of wastewater treatments across Monmouthshire and, where there is capacity, appropriate development proposals will be permitted. The candidate sites proposed within the Deposit Plan will not have an adverse impact on water quality within the River Wye or Usk.					
Ensure RLDP growth ambition is met by essential infrastructure		Chief Officer Place  Chief Officer Infrastructure  Chief Officer Children and Young People		Close working is being undertaken on the infrastructure requirements and the delivery between the Local Planning Authority and colleagues in the Local Education Authority, Aneurin Bevan University Health Board, Highways Authority, Passenger Transport Unit, Active Travel Team, SUDs Approval Body and Green Infrastructure team. The Infrastructure Plan will be published alongside the Deposit Plan.  A Local Transport Plan was approved by Cabinet in May 2024.  The Employment, Economy & Skills Strategy was approved by Cabinet in February 2024.					

Ref & Status	11	Risk	Potential Risk that:						
			a) The council is unable to deliver its commitment to decarbonise its operations in sufficient time to achieve net zero by 2030 because our resources are not commensurate with the scale and complexity of the challenge  b) The Council is unable to deliver services as a result of the increasing frequency of climate-related emergencies such as floods or extreme heatwaves that increase the demand for emergency responses and can cause damage to infrastructure and the closure of facilities						
Risk Owner and cabinet Member responsible		Strategic Leadership Team & Cllr Catrin Maby (Cabinet member for Climate Change and the Environment	Strategic objective & Scrutiny Committee	All  Place Scrutiny Committee	Risk category and appetite level	Strategic, Environmental, Service Delivery  Minimalist	Terminate/treat/transfer/tolerate	Tolerate	
Reason why Identified									
Tackling climate change and moving to a low carbon economy is one of the biggest challenges facing our society. Rising temperatures and more extreme weather events bring increased risks to our communities and are causing long-term and potentially irreversible damage to our planet’s eco-systems, with significant local impacts such as flooding and loss of species. If we are to stand a chance of slowing the rise in the Earth’s temperature, we need to act now. In 2019, councillors were unanimous in declaring a climate emergency. The council will strive to reduce its own emissions and work with communities and local businesses to help them reduce their emissions. This will require engagement, community involvement and commitments from third parties.									
When considering climate change, it is important to consider both how Monmouthshire is contributing to climate change, but also how resilient the county is to the likely impacts of climate change. Extreme weather, such as flooding and record high temperatures, can impact significantly on infrastructure, homes and businesses, along with disruption to community life and public services, particularly critical public services people rely on such as care services.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score



2024/25	Almost certain	Major	High	16	2024/25	Almost certain	Major	High	16
2025/26	Almost certain	Major	High	16	2025/26	Almost certain	Major	High	16
2026/27	Almost certain	Major	High	16	2026/27	Almost certain	Major	High	16
Mitigating Actions									
Mitigating Action		Responsibility Holder & Timescale		Mitigation action progress					
Deliver the Monmouthshire County Council Climate and Nature Emergency Strategy		Strategic Leadership Team  Timescales as per strategy		<p>The Climate and Nature Emergency Strategy was approved by Cabinet in May 2024. This strategy is underpinned by four action plans to better reflect the breadth of work that is taking place: Internal decarbonisation, Biodiversity and Nature Recovery, Rivers and Oceans and Community climate change. Progress in implementing the strategy is regularly monitored by the Climate and Nature Emergency Steering Group.</p> <p>Work is underway as part of this strategy to better understand the scale of the challenge we face in striving to collectively become net zero. A costed decarbonisation plan and survey for our built estate has been commissioned to ensure a sound understanding of the funding needed to implement change. Without significant increases in public funding, it is unlikely we will meet the collective target of net zero by 2030.</p> <p>Support is being provide to communities to reduce their carbon emissions through circular economy projects such as Benthylg library of things and reuse shops. Grant funding has been obtained to employ two officers to help expand this offering. The Monmouthshire Local Nature Partnership (LNP) continues to share best practice and resources. This partnership developed the Monmouthshire Nature Recovery Action Plan (NRAP); the public consultation of this action plan was launched in September. The action plan provides practical and achievable actions to help reverse the decline in biodiversity and ecosystem resilience in the county.</p> <p>The council is a member of the Wye Nutrient Management Board Technical Advice Group which is identifying and analysing options for delivering improvements in water quality. The council also has continued involvement in the Wye Catchment Partnership to protect water quality, water quantity and biodiversity. An Usk Catchment Partnership Core Group has been established and has agreed its priorities for the draft Integrated Catchment Plan.</p>					
Prepare and adapt for the impact of climate change		Strategic Leadership Team  Ongoing		<p>In recent years, council services have considered what the potential risks to their services are, in order to start thinking about how to adapt to these risks. In 2021, some services updated these Climate Change Risk Assessments to allow service areas to better understand their necessary adaptation requirements. Discussion are also taking place with Welsh Government to better understand their expectations around climate adaptation. The council is also part of broader assessments of climate risk being carried out by the Cardiff Capital Region as part of their Carbon Disclosure Project commitments.</p> <p>The Replacement Local Development Plan has a key role to play in making sure our communities are sustainable and resilient to the impacts of climate change. Changes to national planning policy on flooding are still awaited, but officers intend to take a precautionary approach, avoiding all built development on greenfield sites at known flood risk. Welsh Government has produced The National Strategy for Flood and Coastal Erosion Risk Management in Wales, and in response, Monmouthshire is currently developing an updated Flood Risk Management Strategy.</p> <p>Much of the work to coordinate emergency responses is organised through the Gwent Local Resilience Forum (LRF). The council continues to work with partners on the LRF to make sure that we are prepared for severe weather events.</p> <p>As part the reworking of the Climate Emergency Strategy, climate adaptation, which includes preparing and adapting for the impact of climate change, has been embedded across each of the 4 action plans. Some of the actions within this include developing the management of green infrastructure to improve climate resilience; increasing urban tree canopy, including new street trees and in car parks to provide a cooling effect; and continuing to promote and support council services with business continuity and emergency response strategies.</p>					

Ref & Status	12	Risk	Potential Risk that: The rising cost of living tips more families into crisis requiring public service interventions which diverts resources from other policy priorities						
Risk Owner and cabinet Member responsible	Ian Saunders, Chief Officer Customer, Culture and Wellbeing, Jane Rodgers,		Strategic objective & Scrutiny Committee	All  People Scrutiny Committee	Risk category and appetite level	Service delivery, Economic  Cautious	Terminate/treat/transfer/tolerate	Tolerate	

	Chief Officer Social Care, Safeguarding & Health & Cllr Angela Sandles, Cabinet member for Equalities and Engagement								
Reason why Identified									
Monmouthshire is a beautiful county, blessed with strong communities and a competitive local economy. However, the county’s relative affluence compared to much of Wales, when viewed through the lens of aggregated data, masks the day-to-day reality and lived experience of those citizens who are experiencing poverty, financial hardship and who do so in the context of the considerable financial inequality that exists within the county. In many ways, living in an area of relative affluence and wealth whilst struggling to make ends meet can make that experience even harder and more isolating. This is Monmouthshire’s particular challenge and one that we are determined to understand and address.									
For families on lower incomes the rising cost of living, including higher energy prices and cost of fuel, rising food prices and high inflation – risks adding additional financial pressures to households. This also follows financial challenges experienced through the pandemic. This is causing significant pressures and is resulting in an increasing number of families requiring additional public service support from services such as housing support, Mental health, health, debt advice and customer contact and support services. Many of these services have already seen increasing demands and complexity in support required through the pandemic. The cost-of living will also impact Council staff, including costs for working, which could impact staff well-being and capacity to deliver services.									
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)				
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
2024/25	Likely	Major	High	12	2024/25	Likely	Major	High	12
2025/26	Likely	Major	High	12	2025/26	Likely	Major	High	12
2026/27	Likely	Major	High	12	2026/27	Possible	Major	Medium	8
Mitigating Actions									
Mitigating Action		Responsibility Holder & Timescale		Mitigation action progress					
Undertake data modelling to identify communities at greatest risk and use this to target pro-active responses such as commissioning of services		Head of Enterprise & Community Animation  Ongoing		We have undertaken extensive data analysis and qualitative research furthering understanding of inequality at a local level and how the affects people’s lives. Close working with partners is being undertaken to help understand the situation and act accordingly (e.g. the number of food bank parcels issued, referrals for housing support, nature or queries to Citizens Advice, use of Register Social Landlords hardship funds).					
Support residents with the cost-of-living crisis through ensuring they have the right advice and support		Head of Enterprise & Community Animation  Ongoing		The Council is delivering a range of activities to support residents including the Money Matters campaign which signposts to sources of support and further delivery of the campaign to staff in schools and other projects related to the costs of the school day. In October 24, the Community Development Team, together with partners such as Citizen’s Advice, Warm Wales, local foodbanks and many others, held the first in a series of events across the county to give support, ideas and advice to residents to help with the cost of living. Representatives from our Benthylg library of things will also attend to ensure a joined-up approach of our tackling poverty interventions.					
Review the Tackling Poverty and Inequality Action Plan		Head of Enterprise & Community Animation  December 2024		A Tackling Poverty and Inequality Lead was appointed in April 2024. It has been agreed that a new strategy or formal tackling poverty and inequality action plan is not the preferred option at this time. The Community Development Team, who coordinate delivery of work in this area, will continue to work to their targeted work plan.					
Work across the organisation to address food insecurity		Head of Enterprise & Community Animation  Ongoing		We continue to support community-based food insecurity interventions including community fridges. These provide an indirect source of support for those experiencing food insecurity. The number of people accessing community fridges has increased in recent years; there is a need to ensure the long-term sustainability of these interventions. There is a risk that community fridges support residents who otherwise would have reached the foodbanks, which require a referral process and can trigger more extensive support which may be required. We are working alongside the community fridges to sensitively support frequent users to connect with appropriate support, particularly through the Housing Gateway.  We have delivered Food and Fun schemes in five primary schools across the county. The scheme provides healthy meals and activities for children during the summer holidays. Attendances have increased from 2,005 in 22/23 to 4,445 in 23/24, with 617 children supported, and 8,950 healthy meals were provided. Youth Centres provided access to healthy meals on days the centres were open in the summer, with take-home food parcels also available for those who needed them.					

Ref & Status	13	Risk	Potential Risk that: Residents are unable to secure or retain suitable accommodation, leading to rising homelessness and outward migration as a result of failures in the housing market							
Risk Owner and cabinet Member responsible		Cath Fallon, Head of Rural Development, Housing and Partnerships, Matthew Gatehouse, Chief Officer People, Performance and Partnerships & Cllr Angela Sandles, Cabinet member for Equalities and Engagement	Strategic objective & Scrutiny Committee	A Safe Place to Live A Fair Place to Live  People Scrutiny Committee	Risk category and appetite level	Service delivery  Minimalist	Terminate/treat/transfer/tolerate	Treat		
Reason why Identified										
<p>The Council is currently experiencing significant challenges and risks in relation to homelessness. Initially due to the pandemic, Welsh Government required Councils to avoid people sleeping rough, then made the subsequent decision to transition homeless services with the aim of homeless becoming rare, brief and unrepeatd, together with an improvement in the quality of homeless accommodation. Welsh Government homeless policy changes through the Phase 2 Planning Guidance for Homelessness and Housing Support, whilst positive, has created challenges. Although homeless presentations have remained broadly consistent, the impact of Welsh Government policy has seen a significant increase in demand for homeless accommodation. This in turn has impacted significantly on the Housing Options Team operationally in respect of the need to identify alternative accommodation, which largely has relied on B &amp; B, re-housing households, housing management and placement break downs. This has also created placement and staffing challenges.</p> <p>There are challenges regarding the availability of temporary, supported and permanent accommodation, the type and quality of accommodation and the range of housing support available necessary to meet current and emerging homeless need. Further challenges are also being experienced in respect of acquiring existing accommodation and repurposing properties due to the buoyant market in Monmouthshire and constraints relating to funding eligibility and planning. There are also delays in the construction of new homes due to delays in implementing the RLDP.</p> <p>The Renting Homes Act, which came into force from 1 December 2022, has made significant change the way all landlords in Wales rent their properties. There is a risk this could impact on the private rented sector in the County and reduce the availability of rental properties, further decreasing housing availability and increasing accommodation challenges in the County. The Council is anecdotally seeing evidence of landlords leaving the market.</p> <p>Monmouthshire has welcomed more refugees from Ukraine, in absolute terms, than any area in Wales apart from Cardiff. Hosts have opened their homes and all these refugees will need alternative accommodation when these temporary arrangements come to an end. In addition, many of those who have come through the Welsh Government Super Sponsor Scheme have found jobs and placed children in local schools, but are now struggling to find suitable accommodation and are faced with unaffordable rent prices in the private sector. A shortage of move-on accommodation combined with uncertainty over long-term funding will challenge our ability to provide suitable long-term accommodation for fleeing the war in Ukraine.</p> <p>The widening of asylum dispersal from 2022 will put further pressure on the housing market as the council plays its part in assisting the Home Office to move asylum seekers from hotels and other unsuitable accommodation in line with aspirations for Monmouthshire to become a county of sanctuary.</p>										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	Likely	Major	High	12	2024/25	Possible	Major	Medium	8	
2025/26	Likely	Major	High	12	2025/26	Possible	Major	Medium	8	
2026/27	Likely	Major	High	12	2026/27	Possible	Major	Medium	8	
Mitigating Actions										
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress					
Prevent homelessness through Rapid Rehousing			Head of Enterprise & Community Animation  As per Homeless Transition Plan		The Rapid Re-Housing Transition plan was adopted by Cabinet in April 2023. This sets out the Council’s five-year plan to prevent homelessness, increase accommodation and focus support, and includes active buy-in from wider agencies involving homelessness, for example, the role of Health and Social Care is extremely important in homeless prevention and helping people (such as young people and those with mental health issues) maintain their existing accommodation.  Rapid rehousing is facilitating increased resource into homeless prevention, for example through additional staffing and the availability of the Homeless Prevention Fund. The council is working with working with partner agencies such as the Department for Work and Pensions (DWP) and Shared Benefit Service to support more people at risk of homelessness, granting awards to households					

		<p>to help tackle arrears/debt and households experiencing homelessness to enable them to remain in their current accommodation or access alternatives.</p> <p>The Housing Support service has been remodelled to include dedicated substance misuse support, temporary accommodation support and re-settlement support. This also includes dedicated support for young people with higher need through the recent expansion of the Housing First scheme with Pobl and the introduction of MoYo – dedicated housing floating support for young people. These initiatives have contributed to the increase in the percentage of homeless applications who are successfully prevented from becoming homeless to 71%. We collaborate across council services to prevent care leavers from becoming homeless. We regularly hold a Corporate Parenting Panel with a range of teams from across the organisation that coordinate and provide support to care leavers.</p>
Develop suitable accommodation for homeless people, including long-term housing for all those accommodated in temporary housing and specialist provision for those with additional needs	<p>Head of Enterprise &amp; Community Animation</p> <p>As per Homeless Transition Plan</p>	<p>The RLDP was recently approved by Council for public consultation. Council will consider findings of this consultation in Summer 2025. The delivery of the RLDP will be key to increasing the availability of housing in the county; the plan has allocated 50% affordable housing on each site and is introducing enabling policies which will allow for further affordable housing developments to come forward. This includes facilitating more single person accommodation in the county which is currently extremely limited and is a factor contributing to homelessness</p> <p>We are increasing the availability of both temporary and settled homes for homeless households through a range of means including partnerships with private landlords through Monmouthshire Lettings and more homes through new build developments and acquisitions. We have worked with housing association partners to make additional general needs social housing available for homeless households; currently 55% of social housing is allocated to homeless households. We need to determine how much scope there is to allocate further social housing to homeless applicants without being overly detrimental to other housing need groups.</p> <p>We have started to acquire accommodation for temporary accommodation use and the first approval has been given to re-purpose a council owned agricultural property. We have developed a proposal to re-purpose Severn View residential home for temporary accommodation. The increased support for those at risk of homelessness, combined with the increase in availability of both temporary and settled accommodation, have contributed to the reduced use of bed and breakfast (B&amp;B) accommodation.</p>
Prepare an RLDP to address the county's issues/challenges, including in relation to the provision of housing (market and affordable) and employment opportunities, and to facilitate the identification and allocation of additional housing land and appropriate employment land, with associated infrastructure.	<p>Chief Officer Place</p> <p>Ongoing</p>	Detailed update contained in risk 10.
Work with Welsh Government, local sponsors and landlords to identify a range of accommodation to accommodate Ukrainian refugees	<p>Chief Officer People, Performance and Partnerships</p> <p>Ongoing</p>	<p>The authority has been successful helping those fleeing the war in Ukraine to find properties in the area. Hosting, under the Homes for Ukraine Scheme, has remained stable, with residents going above and beyond what was initially asked of them. We have exceeded the 'population share' of refugees identified by Welsh Government.</p> <p>Recognising the challenges faced by this community, we have established a specialised team comprising of two homeless prevention workers, two Community and Wellbeing Officers, complemented by dedicated translation and administration support. Our approach involves close collaboration with local landlords to cultivate strong local networks and access to properties (PRS), addressing concerns related to affordability and financial assessments.</p>
Work with national providers and the Home Office to identify suitable accommodation for those fleeing persecution and ensure that appropriate support services, including trauma informed support, are available.	<p>Chief Officer People, Performance and Partnerships</p> <p>Ongoing</p>	<p>The Home Office has made all local authorities Asylum Dispersal Areas. This has broadened the responsibility for accommodating asylum seekers in Wales which had previously been shouldered by a small number of authorities. The Home Office's chosen accommodation provider has struggled to find suitable and affordable properties in Monmouthshire, mirroring the challenges faced by the local population. Officers continue to meet with the Wales Strategic Migration Partnership and Home Office and indications are that some a small number properties may come forward in 2024-25.</p> <p>In September 2023 Council passed a motion committing the authority to formally becoming a county of sanctuary. An application was submitted to the UK-wide City of Sanctuary network in April; discussions with the body have identified further work is needed before the council has met the criteria for accredited membership. A multi-agency working group has been developed to drive forward this application, working closely with school leads to develop, as part of this, schools of sanctuary across the county.</p>



Ref & Status	14	Risk	Potential Risk that:  An increase in the number of legal challenges to decisions resulting in delays and increased costs							
Risk Owner and cabinet Member responsible		James Williams (Chief Officer Law and Governance) and Cllr Mary-Ann Brocklesby (Leader)	Strategic objective & Scrutiny Committee	All  All		Risk category and appetite level	Legal and Regulatory  Averse	Terminate/treat/transfer/tolerate	Treat	
Reason why Identified										
The Council has seen an increase in legal challenges in recent years. As plans are developed to address the financial challenges faced by the Council there is a risk that those challenges increase in frequency. These legal challenges expose the Council to legal and reputational risk, as well as taking increased time and cost to address.										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	Likely	Substantial	Medium	9	2024/25	Possible	Substantial	Medium	6	
2025/26	Likely	Substantial	Medium	9	2025/26	Possible	Substantial	Medium	6	
2026/27	Likely	Substantial	Medium	9	2026/27	Possible	Substantial	Medium	6	
Mitigating Actions										
Mitigating Action			Responsibility Holder & Timescale		Mitigation action progress					
Impact assesses service changes and policy decisions			Chief Officer People, Performance & Partnerships  Ongoing		An established Integrated Impact Assessment template and guidance is in place and is completed for all decisions that require an assessment. These assessments are challenged by a panel of policy officers prior to decision. There is a need to ensure impacts are assessed at the start and throughout the development of changes and policy to ensure any appropriate mitigation can be undertaken.					

## Appendix 2: Strategic Risk Management Policy – Summary

This sets out the Council's policy and approach to strategic risk management. A copy of the full policy and guidance is available to staff and members on the council's intranet the Hub (Finance & Performance Management section – risk assessment)

Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them or responding to them. Strategic risks are those which affect the Council as a whole. Typically these will be key risks which could significantly jeopardise the Council's ability to achieve its objectives, statutory plans and/or provide operational services as planned.

The Council is committed to the effective management of risk. As a large public sector organisation, it is exposed to a wide range of risks and threats in delivering key services to communities. Within the Council the purpose of risk management is to:

- preserve and protect the Council's assets, reputation and staff
- promote corporate governance and aid good management in controlling and managing risks
- support successful delivery of strategic aims, objectives and outcomes
- improve business performance and better anticipate calculated risks where these are likely in delivering improvements
- avoid unnecessary liabilities, costs and failures

The Council seeks to ensure that risk management is effective from strategic to individual services and employees. Therefore, all employees and councillors are responsible for ensuring there are good levels of internal control and risk management throughout the Council in order that the Council's specified outcomes are achieved.

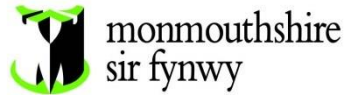
The Council uses a 'traffic light' system of Red/Amber/Green associated with High/Medium/Low to categorise risk levels. This is determined using the risk matrix below.

<b>High risk</b>	The risk is <b>highly likely</b> to occur and the impact will be major. Management action/control evaluation and improvement is required coupled with continued pro-active monitoring
<b>Medium risk</b>	The risk is <b>unlikely</b> to result in a major issue, however, if it did the impact would be <b>significant or serious</b> . This risk is relatively less significant than a High risk however it needs to be closely monitored within timely management action/controls to ensure it does not escalate.
<b>Low risk</b>	The risk is <b>very unlikely</b> to occur and the impact will be <b>minor or moderate</b> at worst. Risk will be managed by seeking control improvements where practical and / or monitoring and reviewing at regular intervals

Risks are also given a score. Scores of 1-4 are low risks, scores of 6-9 are medium risks and scores 12-16 are high risk. Providing a score as well as a risk level allows the variations within risk levels to be more clearly stated.

Major (4)	Low (4)	Medium (8)	High (12)	High (16)
Substantial (3)	Low (3)	Medium (6)	Medium (9)	High (12)
Moderate (2)	Low (2)	Low (4)	Medium (6)	Medium (8)
Minor (1)	Low (1)	Low (2)	Low (3)	Low (4)
	Unlikely (1)	Possible (2)	Likely (3)	Almost certain (4)

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**SUBJECT: LEADERSHIP FUNDING REVIEW**  
**MEETING: PERFORMANCE AND OVERVIEW SCRUTINY COMMITTEE.**  
**DATE TO BE CONSIDERED: 3<sup>RD</sup> December 2024.**  
**WARDS AFFECTED: All**

## 1. PURPOSE

- 1.1 To scrutinise the proposed changes to the leadership funding through the schools funding formula for Monmouth Comprehensive, Caldicot School, Chepstow School and King Henry VIII 3 – 19 School.

## 2. RECOMMENDATIONS

- 2.1 It is recommended that members scrutinise the proposals and provide feedback to the consultation document.

## 3. KEY ISSUES

- 3.1 The leadership funding for the four schools has not been reviewed in decades. With the introduction of the new funding formula as agreed previously it became apparent that there was a need to review the funding to ensure that the distribution is fair.
- 3.2 Currently all the all four school have the same funding distribution with King Henry VIII 3 – 19 School receiving funding for the lower school which is based on a group 2 primary school.
- 3.3 The number of pupils in each school are:
- Monmouth 1376
  - Caldicot 1145
  - Chepstow 665
  - KHS VIII 3 – 19 1209

This is compulsory age pupil and includes the primary phase at KHS VIII 3 – 19 School.

- 3.4 A governing body raised concerns that the funding should be in some way based on the size and requested the School Budget Forum to review the formula.

- 3.5 The working group for the review included Headteachers for both primary and secondary schools, governors, school business manager and advisors from the Local Authority. They considered a number of proposals over both primary and secondary schools, however in agreement with the primary headteachers it was agreed that the funding would only be reviewed for the secondary schools and King Henry VIII 3 – 19 school.
- 3.6 The working group were keen to recognise the different phases in all the schools, it should be noted that post 16 was not considered as this is funded directly by Welsh Government via a grant.
- 3.7 The proposal is to move from the same lump sum funding for each school to a funding model that provides a lump sum funding for the Headteacher, including a lower phase leader for King Henry VIII 3 – 19 school and the remaining funding is based on a per pupil allocation, the same amount per pupil which recognises the differences in size of school.
- 3.8 The detailed consultation paper is in appendix 1. With the financial summary in Appendix 2.
- 3.9 It is recognised that Chepstow school has the lowest number of pupils and therefore will see a reduction in funding, however there will be a transition period over 2 years to ensure a smooth transition.
- 3.10 There is no impact on the wider formula funding, primary schools will be unaffected and there is no increase or decrease in the total schools funding due to this.

#### **4.0 OPTIONS APPRAISAL**

The options are to:

1. Remain the same with no changes, this was rejected, in the majority of the other areas of the funding formula there is a recognition of the size of school and the funding reflects this.
2. Include primary schools in the review, this was rejected as the primary headteachers are content with the current funding formula.
3. Move to a formula that reflects both the size of the school and the number of phases in each school, this was agreed and is therefore the preferred option.

#### **5. EVALUATION CRITERIA**

Please see evaluation criteria set out in **Appendix C**.

#### **6. REASONS**

- 6.1 To move to a fairer funding model to which recognises the differences in the number of pupils and the number of phases in each school.

## **7. RESOURCE IMPLICATIONS**

- 7.1 There are no resource implications, the quantum of funding will remain the same for school, primary schools will be unaffected. It is only the four schools that will see a redistribution of their funding.

## **8. WELL BEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING & CORPORATE PARENTING)**

See attached at **Appendix C.**

## **9. CONSULTEES**

Headteachers  
Governing Bodies  
School Budget Forum  
Section 151 Officer  
DMT for CYP  
Performance and Overview Scrutiny Committee  
Cabinet Members for Resources and Education  
Diocesan Directors.

## **10. BACKGROUND PAPERS**

Fair Funding Regulation 2018.

School Finance Regulations 2010.

## **11. AUTHOR**

**Nikki Wellington – Support Services Manager**

**Email:** [Nicolawellington@monmouthshire.gov.uk](mailto:Nicolawellington@monmouthshire.gov.uk)

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**MONMOUTHSHIRE LOCAL EDUCATION AUTHORITY**  
**CHILDREN AND YOUNG PEOPLE DIRECTORATE**  
**CONSULTATION DOCUMENT – CHANGES TO THE FUNDING**  
**FORMULA FOR SCHOOLS**

- This document forms part of the consultation process on the proposed changes to the funding formula, which delegates funding to schools within Monmouthshire.
- The relevant Welsh Government legislation that Monmouthshire Local Education Authority is bound by is:

The Schools Budget Share (Wales) Regulations 2010.

**CONSULTATION DOCUMENT**

**PROPOSED CHANGES TO THE SCHOOL FUNDING FORMULA TO  
DELEGATE LEADERSHIP FUNDING FOR SECONDARY SCHOOLS.**

Date of Issue: **22<sup>nd</sup> November 2024**

Action Required: **Consultation closes noon on the 17<sup>th</sup> January 2025.**

**Title of Document:** The Review of Funding for Schools in Monmouthshire Consultation Document.

**Audience:** All Head teachers at Monmouthshire Schools, Chairs of Governing Bodies of Monmouthshire Schools, The Schools Budget Forum, Section 151 Officer, the Departmental Management Team of the Children and Young People Directorate, Performance and Overview Select Committee, Cabinet Member for Education, Cabinet Member for Resources and Diocesan Directors of Education.

**Overview:** This document details the reasons for the review of the current consultation on School's funding and outlines the new proposals for the distribution of this funding.

**Action Required:** A proforma is enclosed for your response. The completed form should be sent to the address below by the consultation closing date of **noon on the 17<sup>th</sup> January 2025**.

**Responses to: Nikki Wellington**

e-mail: [nicolawellington@monmouthshire.gov.uk](mailto:nicolawellington@monmouthshire.gov.uk)

**Further Information:** Enquiries about this consultation document should be directed to **Nikki Wellington**

Nikki Wellington

Tel: 01633 644549 / 07766 504389

e-mail: [nicolawellington@monmouthshire.gov.uk](mailto:nicolawellington@monmouthshire.gov.uk)

**Additional Copies:** These can be obtained from Nikki Wellington (telephone number and e-mail address above)

**Related Documents:** The Schools Budget Shares (Wales) Regulations 2010

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Appendix B – Proposed funding model affect on schools.

## **1. Background**

- 1.1 The school budget forum regularly reviews the funding formula for schools to ensure that the funding is distributed to schools in the fairest way.
- 1.2 Following a meeting of the School Budget Funding Forum on the 21<sup>st</sup> March 2024, members agreed to consult on the basis for delegating funding to Monmouthshire schools for secondary school leadership.
- 1.3 This consultation will not affect primary schools, the scope of the consultation is the three secondary schools at Monmouth, Chepstow, Caldicot and King Henry VIII 3 – 19 School.

## **2. Issues with current arrangements**

- 2.1 The formula for delegating funding for leadership has not been reviewed in over 20 years. It was agreed by the School Budget Forum to review the formula for delegating leadership funding as it was out of date and did not reflect the current situation.
- 2.2 A working group was set up with representatives from both primary and secondary schools, Headteachers and Governors. During this process the working group agreed that the formula for primary schools does not need changing, therefore it was only agreed to progress with the secondary school formula.
- 2.3 The current formula delegates the same funding to all schools despite the difference in pupil numbers. All schools receive funding as detailed below:

Headteacher (non-teaching)	1 FTE L31	£137,836
Deputy Headteacher (teaching)	2 FTE M6 – L21	£98,960
Assistant Headteacher (teaching)	3 FTE M6 – L14	£99,482
Total		£336,278

The headteacher funding is for 1 full time equivalent with no teaching commitment, the deputy headteacher funding is for 2 full time equivalent with a teaching commitment. The funding is the difference between M6 – L21. The assistant headteacher funding is for 3 full time equivalent with a teaching commitment, the funding is the difference between M6 and L14.

The main formula funds all teachers at a UPS3, so there is a small amount of double funding which can reduce the teaching commitment.

2.4 The current pupil numbers for each of the schools ages 11 – 16 are:

Monmouth	1376
Caldicot	1145
Chepstow	665
King Henry VIII	949

Post 16 (years 12 – 13) is funded via a grant from Welsh Government and therefore excluded from this proposal.

### **3. Process.**

3.1 The School Budget Forum agreed to review the leadership funding and asked that a working group was set up. The working group membership included primary and secondary school Headteachers and Governors and secondary school Business Managers.

3.2 The working group considered several options these included:

- To make no changes to the formula. This was rejected by the working group as the current formula does not distribute funding in a fair way.
- Distribute all funding on the number of pupils. This was rejected as it was accepted that there needs to be a baseline of funding to recognise a minimum level of leadership and the number of phases in the school.
- Provide a minimum level of funding to allow a baseline of leadership and distribute the remaining on pupil numbers. This was agreed as the preferred formula, the details are outlined below.

3.3 The overriding principle from the working group is that any distribution should recognise the need for leadership in each phase of education. The concern was that having the same formula for a 3 – 19 school with pupils from nursery to post 16 and for secondary schools with pupils from year 7 to post 16 would not be fair and would limit the number of leaders in the 3 – 19 school.

3.4 It was therefore agreed that there would be a separate formula for the 3 – 19 school to recognise the additional leadership required.

#### **4. Proposal.**

- 4.1 For the three secondary schools Monmouth, Chepstow and Caldicot a lump sum funding for a non-teaching Headteacher on L31 with the remaining funding being distributed on pupil numbers at a rate of £181.55 per pupil. This has resulted in an overall reduction of £16,908 for the 3 schools.
- 4.2 For the 3 – 19 school the proposal is to fund a lump sum for a non-teaching Headteacher on L31 and additional funding for a second school leader on L21 recognising the need for leadership in the primary phase. The remaining funding will be distributed on pupil numbers at a rate of £181.55 per pupil. This will result in an overall increase in funding of £16,881
- 4.3 The effect on each school is shown in appendix B.
- 4.4 The working group agree that there would be a 2 year transition period to limit the increases or decreased per school.

**Please use the proforma below to respond to the consultation, all responses should be sent to:**

**[nicolawellington@monmouthshire.gov.uk](mailto:nicolawellington@monmouthshire.gov.uk)**

**Any further information regarding this consultation can also sent to the email address above or please call 07766 504389.**

**All responses should be returned by noon 17<sup>th</sup> January 2025.**

## RESPONSE PROFORMA

**Please indicate who you are responding on behalf of:**

*Do you agree with the proposal to fund Monmouth, Chepstow and Caldicot Schools via a lump sum funding for a non-teaching Headteacher on L31 with the remaining funding being distributed on pupil numbers at a rate of £181.55 per pupil.*

Please state below if you agree or disagree. If you disagree, please propose an alternative for the working group to consider.

*Do you agree with the proposal to fund King Henry 3 – 19 school via a lump sum funding for a non-teaching Headteacher on L31 and a primary leader on L21 with the remaining funding being distributed on pupil numbers at a rate of £181.55 per pupil.*

Please state below if you agree or disagree. If you disagree, please propose an alternative for the working group to consider.

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Current Funding	Monmouth	Chepstow	Caldicot	Comment
Headteacher 1 FTE L31	£137,836	£137,836	£137,836	No Teaching Commitment
Deputy Headteacher 2 FTE M6 - L21	£98,960	£98,960	£98,960	Teaching Commitment
Assistant Heateacher 3 FTE M6 - L14	£99,482	£99,482	£99,482	Teaching Commitment
<b>Total</b>	<b>£336,278</b>	<b>£336,278</b>	<b>£336,278</b>	
<b>Proposed Funding</b>				
Headteacher 1 FTE L31	£137,836	£137,836	£137,836	No Teaching Commitment
Other leadership £181.55 Per pupil	£249,813	£120,731	£207,875	Teaching Commitment
<b>Total</b>	<b>£387,649</b>	<b>£258,567</b>	<b>£345,711</b>	
Difference	£51,371	-£77,711	£9,433	-£16,908
Pupil Numbers Years 7 - 11	1376	665	1145	

Current Funding	King Henry VIII 3 - 19
<b>Primary Phase</b>	
Headteacher 1 FTE L14	£91,350 No Teaching Commitment
Deputy Headteacher M6 - L8	£20,440 Teaching Commitment
<b>Secondary Phase</b>	
Headteacher 1 FTE L31	£137,836 No Teaching Commitment
Deputy Headteacher 2 FTE M6 - L21	£98,960 Teaching Commitment
Assistant Heateacher 3 FTE M6 - L14	£99,482 Teaching Commitment
<b>Total</b>	<b>£448,068</b>
<b>Proposed Funding</b>	
Headteacher 1 FTE L31	£137,836 No Teaching Commitment
Primary Phase Leader 1 FTE L21	£107,619 No Teaching Commitment
Other leadership £181.55 Per pupil	£219,494 Teaching Commitment
<b>Total</b>	<b>£464,949</b>
Difference	£16,881
Pupil Number Nursery to Year 11	1209

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<b>Name of the Officer</b> Nikki Wellington  <b>Phone no:</b> 07766504389 <b>E-mail:</b> nicolawellington@monmouthshire.gov.uk	<b>Please give a brief description of the aims of the proposal</b>  To change the funding formula for distributing leadership funding for Monmouth Comprehensive School, Caldicot School, Chepstow School and King Henry VIII 3 – 19 School.
<b>Name of Service area</b>  Children and Young People	<b>Date</b> 20 <sup>th</sup> November 2024

**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	This will positively impact the schools that will see and increase in funding. These schools will be able to have a leadership structure that reflects the number of pupils and the phases in each school.	There is one school that will see a reduction in funding which will result in a reduction in leadership posts, which may result in reduced support for pupils.	All schools will see transition funding over a 2-year period to limit the increases and decreases in funding. This will allow schools to plan staffing structures.
Disability	This will positively impact the schools that will see and increase in funding. These schools will be able to have a leadership structure that reflects the number of pupils and the phases in each school.	There is one school that will see a reduction in funding which will result in a reduction in leadership posts, which may result in reduced support for pupils.	All schools will see transition funding over a 2-year period to limit the increases and decreases in funding. This will allow schools to plan staffing structures.

<b>Protected Characteristics</b>	<b>Describe any positive impacts your proposal has on the protected characteristic</b>	<b>Describe any negative impacts your proposal has on the protected characteristic</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
Gender reassignment	.No specific impact	No specific impact	No specific impact
Marriage or civil partnership	No specific impact	No specific impact	No specific impact
Pregnancy or maternity	No specific impact	No specific impact	No specific impact
Race	.No specific impact	No specific impact	No specific impact
Religion or Belief	.No specific impact	No specific impact	No specific impact
Sex	No specific impact	No specific impact	No specific impact
Sexual Orientation	.No specific impact	No specific impact	No specific impact

## 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.

	<b>Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage</b>	<b>Describe any negative impacts your proposal has in respect of people suffering socio economic disadvantage.</b>	<b>What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>Socio-economic Duty and Social Justice</b>	No specific impact	No specific impact	No specific impact.

### 3. Policy making and the Welsh language.




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
<b>Policy Making</b>  Effects on the use of the Welsh language,  Promoting Welsh language  Treating the Welsh language no less favourably	No specific impact	No specific impact	No specific impact
<b>Operational</b>  Recruitment & Training of workforce	Where funding is increasing further employment opportunities may be identified.	Where there is a decrease in funding posts may be reduced as a result.	All schools will see transition funding over a 2-year period to limit the increases and decreases in funding. This will allow schools to plan staffing structures.
<b>Service delivery</b>  Use of Welsh language in service delivery  Promoting use of the language	No specific impact	No specific impact	No specific impact

**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!



<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
<b>A prosperous Wales</b> Efficient use of resources, skilled, educated people, generates wealth, provides jobs	No specific impact	No specific impact
<b>A resilient Wales</b> Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	No specific impact	No specific impact
<b>A healthier Wales</b> People's physical and mental wellbeing is maximized and health impacts are understood	No specific impact	No specific impact
<b>A Wales of cohesive communities</b> Communities are attractive, viable, safe and well connected	No specific impact	No specific impact
<b>A globally responsible Wales</b> Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	No specific impact	No specific impact
<b>A Wales of vibrant culture and thriving Welsh language</b> Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	No specific impact	No specific impact
<b>A more equal Wales</b>	No specific impact	No specific impact

<b>Well Being Goal</b>	<b>Does the proposal contribute to this goal? Describe the positive and negative impacts.</b>	<b>What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
People can fulfil their potential no matter what their background or circumstances		

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

<b>Sustainable Development Principle</b>	<b>Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.</b>	<b>Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?</b>
 <p><b>Long Term</b></p> <p>Balancing short term need with long term and planning for the future</p>	All of the schools will know their funding and will be able to plan their future leadership structures. The funding will be fixed to allow this.	All schools will see transition funding over a 2 year period to limit the increases and decreases.
 <p><b>Collaboration</b></p> <p>Working together with other partners to deliver objectives</p>	None	None
 <p><b>Involvement</b></p> <p>Involving those with an interest and seeking their views</p>	None	None



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>Putting resources into preventing problems occurring or getting worse</p>	None	None
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	None	None

**6. 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	No impact	No impact	N/A
Corporate Parenting	No impact	No impact	N/A

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

Schools finance regulations 2010. Fair funding document 2018 and Section 52 funding.

- Equalities dashboard link. [Equality data dashboard for EQIA's 2020.xlsx](#)

**8. 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?**

School leadership funding will reflect the size and phases of the schools. One school will see a decrease in funding however this is mitigated with transition funding over a 2 year period.

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

What are you going to do	When are you going to do it?	Who is responsible
Review impact of funding on all four schools	March 2026	Local Authority and Schools.

10. **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.

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Version No.	Decision making stage	Date considered	Brief description of any amendments made following consideration
1.1	Performance and Overview Scrutiny Committee	3 <sup>rd</sup> December 2024	Initial Draft

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