

Overall Revenue Position

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

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

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

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

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

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

DIRECTORATE – DIVISION VARIANCE COMMENTS

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

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

COMMISSIONING

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

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

PARTNERSHIPS

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

No variances

PUBLIC PROTECTION

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

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

RESOURCES & PERFORMANCE

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

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

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

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

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

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

INDIVIDUAL SCHOOLS BUDGET

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

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

RESOURCES

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

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

STANDARDS

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

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

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

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

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

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

ENTERPRISE DIRECTOR'S COMMENTARY:

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

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

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

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

BUSINESS GROWTH & ENTERPRISE

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

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

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

FACILITIES & FLEET MANAGEMENT

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

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

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

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

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

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

NEIGHBOURHOOD SERVICES

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

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

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

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

PLANNING & HOUSING

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

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

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

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

(MONLIFE) Countryside & Culture

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

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

(MONLIFE) Finance & Business Development

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

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

(MONLIFE) Leisure, Youth & Outdoor Adventure

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

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

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

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

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

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

LEGAL & LAND CHARGES

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

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

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

GOVERNANCE, DEMOCRACY & SUPPORT

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

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

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

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

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

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

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

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

RESOURCES DIRECTORS COMMENTARY:

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

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

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

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

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

FINANCE

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

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

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

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

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

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

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

INFORMATION, COMMUNICATION & TECHNOLOGY

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

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

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

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

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

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

CORPORATE MANAGEMENT

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

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

NON DISTRIBUTED COSTS

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

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

STRATEGIC INITIATIVES

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

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

INSURANCE

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

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

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

FIXED ASSET DISPOSAL COSTS

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

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

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

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

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(305)	0	0	0
<p>This year's collection rate is down by 2.1% compared to the same time last year. Recovery action is slowly picking up with text messages and soft reminders being sent to tax payers who haven't made any payments this year. We are also still waiting for court dates for formal recovery action to start up again. However on the plus side the council tax base is looking healthy, with an additional 260 properties added to the base since it was prepared in October. As a result, forecast to collect an additional £300,000 income this year. As always, this position will be closely monitored, especially in these uncertain times. Any changes will be updated and reported in future forecasts.</p>					

2. SCHOOLS

- 2.1. A Board of Governors who are responsible for managing the school's finances directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 5 projections for each Educational Cluster.
- 2.2. The monitoring for month 2 included a surplus balance of £206,518 for Mounton House. As the school has closed this has been transferred centrally. £107,000 has been used to support the placement costs for the 3 remaining MCC pupils and the remaining £100,000 has been used to offset the overspend in CYP. Included in the table below are the total balances excluding Mounton House for comparison.

Draft Council Fund Outturn 2020/21 – School Balances Summary outturn position at Month 5	(A) Opening Reserves (Surplus) / Deficit Position 2020/21 £000's	(B) Draw / (Contribution) from / (to) School Balances @ Month 2 £'000	(C) Draw / (Contribution) from / (to) School Balances @ Month 5 £'000	(A+C) Forecast Reserve Balances at 2020/21 Outturn £'000
Cluster				
Abergavenny	(118)	84	(316)	(434)
Caldicot	160	98	81	241
Chepstow	24	250	235	259
Monmouth	518	(32)	(98)	420
Special	(149)	(26)	180	31
Total	435	374	82	517
Total Excl Mounton House	607	409	(91)	517

- 2.3. Collective School Balances at the beginning of the financial year amounted to a £435,000 deficit. The Schools month 2 draw on reserves was £374,000 which resulted in a forecast deficit balance of £809,000. At month 5, the forecast deficit balance had improved by £293,000 taking the deficit to £517,000. It should be noted that King Henry VIII Comprehensive School have requested a Local Authority Loan of £250,000, this has been approved by the Governing Body.
- 2.4. At Month 5 there are 12 schools in a deficit, these are: Ysgol Gymraeg Y Fenni, Caldicot School, Undy Primary School, Ysgol Gymraeg Y Ffin, Chepstow School, St. Mary's RC Primary School, The

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

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

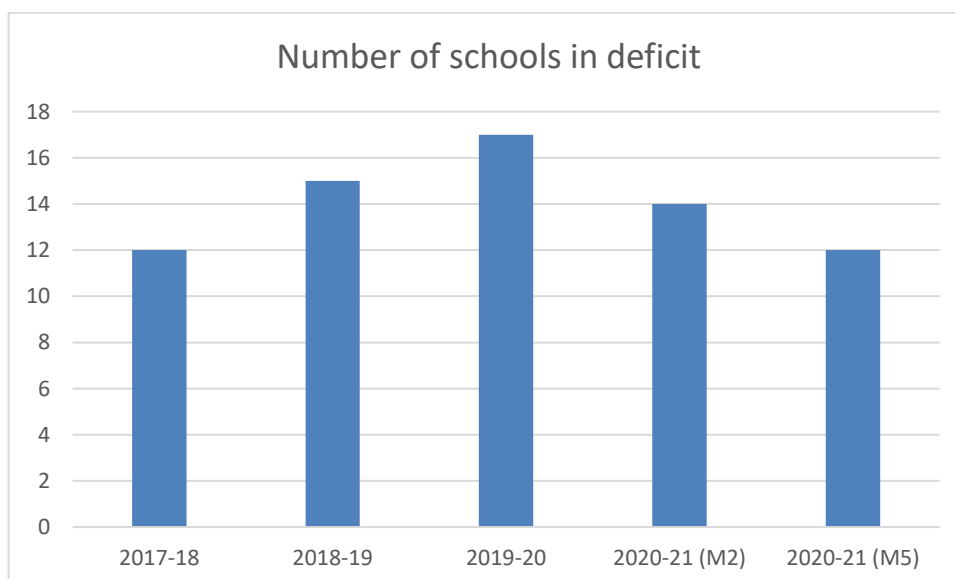
King Henry VIII Comprehensive; Llantillio Pertholey CIW Primary; Ysgol Gymraeg Y Fenni; Caldicot Comprehensive; Magor CIW Primary; Rogiet Primary; Undy Primary; Ysgol Gymraeg Y Ffin; Chepstow Comprehensive; St Mary's RC Primary, Thornwell Primary; Monmouth Comprehensive; Llandogo Primary; Osbaston CIW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

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

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

Financial Year-end	Net level of School Balances
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232
2019-20	435
2020-21 (Forecast)	517

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



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

3. CAPITAL OUTTURN

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

Forecast Capital Outturn Position 2020/21 at Month 5

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

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

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

3.4. The forecast slippage is broken down as follows:

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

3.5. Useable Capital Receipts Available

3.6. In the table below, the effect of the changes to the forecast capital receipts on the useable capital receipts balances available to meet future capital commitments are illustrated. There is also a comparison to the balances forecast within the 2020/24 MTFP capital budget proposals.

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

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

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