

## Overall Revenue Position

Table 1: Council Fund 2020/21 Outturn Forecast Summary Statement at Month 7

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-7	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M7	Forecast (Under) / Over Spend @ M5	Variance from M5 to M7
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	50,685	(170)	50,515	52,222	1,707	1,448	259
Children & Young People	55,539	514	56,053	56,178	125	19	106
Enterprise	24,132	(1,511)	22,621	27,238	4,617	5,113	(496)
Chief Executives Unit	4,745	4	4,749	4,811	62	144	(82)
Resources	7,746	30	7,776	7,969	193	694	(501)
Corporate Costs & Levies	22,743	229	22,972	23,014	42	66	(24)
<b>Net Cost of Services</b>	<b>165,590</b>	<b>(904)</b>	<b>164,686</b>	<b>171,432</b>	<b>6,746</b>	<b>7,484</b>	<b>(738)</b>
Appropriations	4,857	1,163	6,020	5,857	(163)	(83)	(80)
Expenditure to be Financed	170,447	259	170,706	177,289	6,583	7,401	(818)
Financing	(170,447)	(259)	(170,706)	(170,863)	(157)	20	(177)
<b>Net General Fund (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,426</b>	<b>6,426</b>	<b>7,421</b>	<b>(995)</b>

Table 2: Council Fund 2020/21 SCOMM Select Outturn Forecast Detailed Statement at Month 7

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-7	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M7	Forecast (Under) / Over Spend @ M5	Variance from M5 to M7
Facilities & Fleet Management	5,665	(1,266)	4,399	5,621	1,222	1,097	125
Neighbourhood Services	10,483	(26)	10,457	11,240	783	1,153	(370)
Planning, Housing, Highways Development & Flooding	1,951	(133)	1,818	2,811	993	1,067	(74)
<b>Enterprise</b>	<b>18,099</b>	<b>(1,425)</b>	<b>16,674</b>	<b>19,672</b>	<b>2,998</b>	<b>3,317</b>	<b>(319)</b>
Legal & Land Charges	839	(6)	833	873	40	92	(52)
Governance, Democracy & Support	3,906	10	3,916	3,938	22	52	(30)
<b>Chief Executives Unit</b>	<b>4,745</b>	<b>4</b>	<b>4,749</b>	<b>4,811</b>	<b>62</b>	<b>144</b>	<b>(82)</b>
Finance	2,597	(63)	2,534	2,707	173	189	(16)
Information, Communication Technology	2,803	135	2,938	2,507	(431)	(128)	(303)
People	1,725	50	1,775	1,707	(68)	6	(74)
<b>Resources</b>	<b>7,125</b>	<b>122</b>	<b>7,247</b>	<b>6,921</b>	<b>(326)</b>	<b>67</b>	<b>(393)</b>
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	101	(192)	(114)	(78)
Non Distributed Costs (NDC)	492	0	492	707	215	108	107
Strategic Initiatives	(167)	228	61	0	(61)	0	(61)
Insurance	1,447	0	1,447	1,502	55	46	9
<b>Corporate Costs &amp; Levies</b>	<b>22,743</b>	<b>229</b>	<b>22,972</b>	<b>23,014</b>	<b>42</b>	<b>66</b>	<b>(24)</b>
Fixed Asset Disposal Costs	20	45	65	71	6	25	(19)
Interest & Investment Income	(252)	0	(252)	(90)	162	181	(19)

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-7	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M7	Forecast (Under) / Over Spend @ M5	Variance from M5 to M7
Interest Payable & Similar Charges	4,020	27	4,047	3,817	(230)	(164)	(66)
Charges Required under Regulation	6,251	(108)	6,143	6,061	(82)	(113)	31
Other Investment Income	(1,153)	1,153	0	(14)	(14)	(12)	(2)
Borrowing Cost Recoupment	(3,425)	50	(3,375)	(3,380)	(5)	(0)	(5)
Contributions to Reserves	143	0	143	143	0	0	0
Contributions from reserves	(747)	(4)	(751)	(751)	0	0	0
<b>Appropriations</b>	<b>4,857</b>	<b>1,163</b>	<b>6,020</b>	<b>5,857</b>	<b>(163)</b>	<b>(83)</b>	<b>(80)</b>
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)	(80,216)	(385)	(305)	(80)
Council Tax Benefit Support	6,885	0	6,885	7,113	228	324	(96)
<b>Financing</b>	<b>(170,447)</b>	<b>(259)</b>	<b>(170,706)</b>	<b>(170,863)</b>	<b>(157)</b>	<b>20</b>	<b>(177)</b>
<b>SCOMM Select (Surplus) / Deficit</b>	<b>(112,878)</b>	<b>(166)</b>	<b>(113,044)</b>	<b>(110,588)</b>	<b>2,442</b>	<b>3,531</b>	<b>(1,075)</b>

## DIRECTORATE – DIVISION VARIANCE COMMENTS

<b>ENTERPRISE</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	5,950	5,113	4,617		

### **ENTERPRISE DIRECTOR'S COMMENTARY:**

The Enterprise and MonLife Directorate is forecasting an outturn position of £4.617m adverse at month 7. 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-19 and lockdown commenced. The loss of income for MonLife, grounds maintenance, private hire in home to school transport, car parking 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 closure's 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-19 requirements this will have a long term impact on these services. There are also significant increased costs across the directorate, for example, 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 Services, we are looking to ensure that all eligible additional costs and income losses will be claimed against any Welsh Government funding being made available.

## FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,339	1,097	1,222		

Facilities & Fleet Management is forecasting to overspend by £1,222k – the services within this area are being heavily impacted by the Covid-19 outbreak.

- **Catering** - £409k overspend. The service is anticipating a £596k shortfall in school meal income due to the effect of Covid-19. 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. In addition we are also experiencing pressure on our free school meal budget, the number of pupils entitled to Free School Meals (FSM) have risen from 1,390 to 1,640. There is no additional budget provision for this so if we have 100% uptake between now and year end our income from paid meals will reduce further. We are anticipating that all income losses will be funded by the WG income loss grant.

- **Building Cleaning** - £22k underspend. Forecasted income levels remain similar to last year so we are anticipating an under spend against budget. The level of cleaning within our buildings and schools has increased due to Covid-19 requirements and the extra cleaning hours are funded 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-19.

- **Passenger Transport** - £631k overspend, due in the main to:-

- Private Hire & Service 65 - £259k loss of private hire income, as we anticipate no private hires, school trips etc. for the rest of the year.
  - School Transport Operations - £402k overspent, combination of historic staff pressure c/fwd from 2019-20 and estimated additional hours required to cover new Covid-19 transport arrangements and additional staffing required to cover recent contract hand backs.
- Commissioning - £29k underspend, due to :-
  - Staff vacancies.
  - A 25% reduction in contractor payments for Apr-Aug during Covid-19 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.

- **Fleet Maintenance** - £204k overspend, due to:-

- The unit is incurring additional vehicle maintenance costs due to the authority's fleet increasing in number due in the main to Covid-19 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	783		

Neighbourhood services is forecasting to overspend by £783k – 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 a one-off saving, as we will only see a part year financing loan repayment in 2020-21. Highways Operations and Swtra are currently forecasting to break-even.
- **Waste & Street Scene** - £854k overspend – This can be broken down into 2 main areas:-
  - Waste Services - £698k overspend due to:-
    - Staff Costs overspending by £231k due to the need to bring in more resource to cope with the impact of Covid-19. This forecast assumes social distancing measures will continue until financial year-end.
    - Vehicle Hire & running costs increasing by £61k – extra vehicles have been brought in to help with social distancing of workforce, as above we expect this to continue until year-end.
    - External Income reducing by £56k – The lockdown has meant that trade income and re-use shop income will not hit budget.
    - Non-Covid related pressures - £350k – due to abeyance of Usk CA site closure (£30k), pressure caused by no budget increase for contracts and fuel inflation and the delayed roll out of polyprop bags. In addition the volatility in the recycling market due to Brexit and Covid continue to impact negatively on treatment and disposal costs for recycling and waste materials. This has been part offset by savings in project staff vacancies. In addition we have moved £101k of revenue spend relating to service transformation to capital as part of the capitalisation directive, this is one of the reasons for the improvement from Month 5.
  - Grounds Maintenance – £157k overspend – the service has been greatly affected by the Covid-19 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 WG Covid-19 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 the position will improve.

## Planning, Housing, Highways Development & Flooding

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,011	1,067	993		

Car Parking, Highways Development & Flooding is forecasting to overspend by £402k.

- **Car Parking, Highways Development & Flooding** - £402k overspend. Main areas:-
  - Car Parks overspending by £592k – Pay & Display and Parking Enforcement income has been affected by the Covid-19 lockdown and we are anticipating a £525k shortfall on our income budget, in addition, we have increased costs in rates, transport and supplies and services of £67k. We are anticipating that the income shortfall will be funded by WG grant.
  - Highways Development & Flooding underspending by £189k – 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.

<b>CHIEF EXECUTIVES UNIT</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	187	144	62		

#### **LEGAL & LAND CHARGES**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	78	92	40		

Land Charges is forecasting to overspend by £50k due to a reduction in income as a result of the impact Covid-19 has had on the Housing market. This is a £13k improvement from month 5 as income activity has been higher than previously anticipated.

Legal is forecasting to underspend by £11k; this is mainly due to savings in employee costs as it has been decided not to fill the employment lawyers post, this saving has been offset by decreased fee income. This is a £39k improvement from month 5 mainly due to the decision not to fill the post in the structure.

#### **GOVERNANCE, DEMOCRACY & SUPPORT**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	109	52	23		

Community Hubs are forecasting to overspend by £10k this is due to over spends in Usk PO, as this budget area is not being completely funded and therefore running at a loss, also there is insufficient budget provision for Gilwern Library. This is offset in part by savings across some of the other hubs due to a decrease in spend on supplies and services. The £7k adverse variance from Month 5 is due to the requirement to purchase more books, it was thought at month 5 that this would not be needed due to the Hubs being closed for a period of time.

The Contact Centre is reporting a £29k overspend, this is down to staff costs exceeding budget as restructure savings are put on hold whilst we deal with Covid-19 issues.

The Corporate Section is forecasting to overspend by £12k, this is due to an overspend relating to supplies and services and a copyright licencing fee.

The Democratic Services Section is forecasting to underspend by £48,000, this is due to underspends in supplies and services mainly due to Members working from home. The £34k improvement from month 5 is due to further reductions in supplies and services.

Policy and Partnerships is forecasting to overspend by £19k, this is mainly due to an increase in Welsh Language Translation costs.

<b>RESOURCES</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	782	694	193		

#### **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 £193k 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 £429k 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.

The positive variance identified since month 5 can largely be attributed to the capitalisation of eligible costs as part of the increase in capitalisation directive that was approved at month 5. £309k of Digital programme office costs, £66k of transformational costs and £36k of collaborative costs have been capitalised since month 5.

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	173		

**Finance** - £262k 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.

**Audit** - £36k underspend due to staff savings as we have funded collaboration costs through capital as part of capitalisation directive.

**Revenues** - £533k overspend. The outturn has been heavily impacted by Covid-19:

- Benefits is forecasting a £429k 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 which will likely continue beyond this financial year.

- Council Tax is forecasting a £125k 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 as detailed above.

- Debtors is underspending by £18k due to a staff vacancy saving, due to the financial impact of Covid-19, a decision has been made not to fill this post.

**Systems & Cashiers** - £62k underspend – main reasons relate to software and system development savings and security carrier costs as activity is down due to Covid-19 shutdown.

## INFORMATION, COMMUNICATION & TECHNOLOGY

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	40	(128)	(431)		

The ICT section is forecasting a £431k underspend. This is due to :-

- Savings within SRS, they are currently predicting a £52k underspend on our contribution for 2020-21 and are also holding MCC specific reserves totalling £70k - we have requested that these be passed back to us this year.
- A £309,000 saving within our digital programme office as we have passported staff costs that relate to digital transformation to capital as part of the capitalisation directive.

The improvement from month 5 relates to the movement of digital programme office staff costs to capital; this was not included at Month 5.

## PEOPLE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	6	(68)		

The department is forecasting to break-even this year but there are variations amongst sections, the main being:-

- **People Services** - £8k overspend, this is due to a shortfall in training income due to Covid-19 of £37k part offset by staff savings within HR of £29k due to staff savings, as posts have only been filled part way through the year.

- **Organisational Development** - £62k underspend, this is mainly due to staff savings as we are transferring staff costs involved with service transformation to capital as part of the capitalisation directive.

- **Customer Relations** - £14k underspend due to a reduction in professional fees.

The improvement from Month 5 of £74k is mainly down to the decision to move staff costs within organisational development to capital.

CORPORATE COSTS & LEVIES	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,480	66	42		

## PRECEPTS & LEVIES

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

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	23		

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)	(191)		

Primarily due to the forecast receipt receivable on the final dissolution of Capita Gwent Consultancy alongside rate refunds on Authority owned premises, which were not known about at month 5.

## NON DISTRIBUTED COSTS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
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<b>Deficit / (Surplus) £'000s</b>	108	108	<b>215</b>		
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. A further increase over and above the month 5 figure is now reported due to further notification of some significant early retirements.					
<b>STRATEGIC INITIATIVES</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	1,300	0	<b>(61)</b>		
The budgets held for incremental pay pressure (£420k pressure) and cross directorate efficiency savings (£359k saving) are to remain centrally and not be distributed to service budgets.					
<b>INSURANCE</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	47	46	<b>56</b>		
An overspend is currently forecast against the premium budget based on the results of the Insurance renewal and the increase in costs 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 Covid-19 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.					

<b>APPROPRIATIONS</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	<b>(77)</b>	<b>(83)</b>	<b>(163)</b>		
<b>FIXED ASSET DISPOSAL COSTS</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	0	25	<b>6</b>		
Costs forecast over and above the current budget due to unforeseen surveys and studies relating to disposal sites. Clarification since month 5 of some costs that were classified as capital in nature and subsequently moved.					
<b>INTEREST &amp; INVESTMENT INCOME</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	163	181	<b>162</b>		
The forecast rate of return achievable following the Covid-19 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. Since month 5 income returns on pooled funds have recovered to a level not predicted at month 5 and consequently have improved the forecast.					
<b>INTEREST PAYABLE &amp; SIMILAR CHARGES</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	<b>(126)</b>	<b>(164)</b>	<b>(230)</b>		

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. PWLB has since reversed this decision but longer-term rates continue to remain unattractive in the near term until capital-spending plans are firmed up.

#### CHARGES REQUIRED UNDER REGULATION

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(113)	(113)	(82)		

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. Since month 5, a more detailed piece of work has been undertaken on this large budget and the forecast has been refined.

#### OTHER INVESTMENT INCOME

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(1)	(12)	(14)		

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	(157)		

#### COUNCIL TAX BENEFIT SUPPORT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	336	324	229		

This budget continues to be under particular pressure, as a direct result of Covid-19. Since the beginning of the year, caseload has increased and now stands at around 6,050 cases (caseload at the end of March 2019 was 5,721). Cases are slowly beginning to level off. In addition, since the month 5 forecast was prepared the Welsh Government funding for quarter one has come through, which amounted to £76,000 for Monmouthshire. Welsh Government have recently announced that a second tranche of funding for CTRS will be released shortly. Again, we await confirmation of MCC's share of this funding.

#### COUNCIL TAX

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(305)	(385)		

This year's collection rate is still down by 2.2% compared to the same time last year. Recovery action has started and we now have a court date scheduled for January 2021 for formal recovery action to start again. On the plus side the council tax base continues to look healthy, with an additional 330 properties added to the base since it was prepared last October. As a result, forecast to collect an additional £385,000 income this year.

## 2 CAPITAL OUTTURN

2.1 The summary forecast Capital position at Month 7 is as follows:

### Forecast Capital Outturn Position 2020/21 at Month 7

Select Portfolio	Slippage B/F	Original Budget	Budget movements	Forecast Slippage	Revised Budget 2020/21	Forecast at M7	Variance M7	Variance at M5
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Expenditure</b>								
Children & Young People	1,245	14,423	655	(12,483)	3,840	3,840	0	0
Economic & Development	17,496	3,068	30	(18,012)	2,582	2,582	0	0
Adult	300	5,678	0	(5,978)	0	0	0	0
Strong Communities	5,801	10,139	3,817	(897)	18,860	18,860	0	0
<b>Total Expenditure</b>	<b>24,842</b>	<b>33,308</b>	<b>4,502</b>	<b>(37,370)</b>	<b>25,282</b>	<b>25,282</b>	<b>0</b>	<b>0</b>
<b>Financing</b>								
Supported Borrowing	0	(2,417)	0	0	(2,417)	(2,417)	0	0
General Capital Grant	0	(2,423)	0	0	(2,423)	(2,423)	0	0
Grants and Contributions	(393)	(18,229)	(3,797)	15,628	(6,791)	(6,791)	0	0
S106 Contributions	(1,052)	0	0	78	(974)	(974)	0	0
Unsupported Borrowing	(22,546)	(5,275)	0	20,464	(7,357)	(7,357)	0	0
Reserve & Revenue Funding	(239)	(2)	0	0	(241)	(241)	0	0
Capital Receipts	(612)	(3,462)	(705)	1,200	(3,579)	(3,579)	0	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0	0
<b>Total Financing</b>	<b>(24,842)</b>	<b>(33,308)</b>	<b>(4,502)</b>	<b>37,370</b>	<b>(25,282)</b>	<b>(25,282)</b>	<b>0</b>	<b>0</b>

2.2 The capital expenditure forecast outturn at month 7 shows no variance due to a forecasted full spend against the revised budget net of forecast slippage.

2.3 The outbreak of the COVID-19 pandemic has caused significant disruption to the progress of budgeted capital schemes with forecast slippage at month 7 totalling £37.4m (£25.2m at month 5). The impact is felt in both internally and externally managed projects, with disruption to external supply chains, increased contract risk and potential inflationary cost pressures sitting alongside internal resourcing pressures.

2.4 The forecast slippage is broken down as follows:

<b>Scheme</b>	<b>Forecast Slippage M2 (000's)</b>	<b>Forecast Slippage M5 (000's)</b>	<b>Forecast Slippage M7 (000's)</b>
Asset Investment fund		18,142	18,142
Tranche 'B' King Henry Future Schools			12,484
Crick Road Care Home	5,978	5,978	5,978
County Hall 'J' block		544	544
IT upgrade and refurbishment for the Council Chamber		200	200
Section 106 schemes		131	78
Property schemes		229	74

## 2.5 Useable Capital Receipts Available

2.6 In the table below, the effect of the changes to the forecast capital receipts at Month 7 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.

	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Balance as at 1st April	3,207	5,120	8,253	8,698	7,944
Capital receipts used for financing	(1,488)	(2,059)	(859)	(859)	(859)
Capital receipts used to support capitalisation direction	(2,091)	0	0	0	0
Capital receipts Received or Forecast	5,492	5,192	1,304	104	104
<b>Forecast Balance as at 31st March</b>	<b>5,120</b>	<b>8,253</b>	<b>8,698</b>	<b>7,944</b>	<b>7,189</b>
Forecast Balance 2020/24 MTFP	9,904	10,245	10,791	10,136	10,136
<b>Variance compared to 2020/24 MTFP</b>	<b>(4,784)</b>	<b>(1,992)</b>	<b>(2,093)</b>	<b>(2,192)</b>	<b>(2,947)</b>

2.7 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.

2.8 Forecasted balances held at the end of each financial year are lower than forecasted 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 and if this trend of utilisation is maintained, this will be reflected in a greatly reduced balance being carried forward in subsequent years to fund future capital schemes.