

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)
Net Cost of Services	165,590	(904)	164,686	171,432	6,746	7,484	(738)
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)
Net General Fund (Surplus) / Deficit	0	0	0	6,426	6,426	7,421	(995)

Table 2: Council Fund 2020/21 ADULT 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
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	7,877	(55)	7,822	8,002	180	156	24
Community Care	24,434	30	24,464	24,460	(4)	(209)	205
Commissioning	1,483	(65)	1,418	1,315	(103)	(63)	(40)
Partnerships	436	0	436	436	0	0	(0)
Resources & Performance	546	(3)	543	539	(4)	(5)	1
Social Care, Health & Safeguarding	34,776	(93)	34,683	34,752	69	(121)	190
Planning & Housing	1,951	(133)	1,818	2,811	993	1,067	(74)
Enterprise	1,951	(133)	1,818	2,811	993	1,067	(74)
ADULT Select (Surplus) / Deficit	36,727	(226)	36,501	37,563	1,062	946	116

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,630	1,448	1,707		

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

The month 7 directorate forecast outturn for 2020/21 shows an overspend of £1.707m, a marginal increase since M5 of £259k, after accounting for the Social Care Workforce and Sustainability Grant from Welsh Government of £984k. At M7, our Children Looked After numbers stand at 222 (remaining at the same overall number since month 5) and significant income has been lost in Registrars resulting from the COVID-19 pandemic and cancelled appointments. The Welsh Government has yet to commit to their level of funding to cover the loss of pre booking wedding ceremonies. Of the overall over spend; £346k is because of the pressure from the additional 1.75% unfunded staff pay award and £242k from the 2% staff efficiency saving being deemed unachievable.

The **Adult Services** division is forecasting an overspend of £69k mainly due to the increase in care packages in Monmouth and spend in our own care at home service, partially offset by reduced activity resulting from COVID-19 with the closure of day centres and our in house respite facilities. This area of the directorate has benefitted in year from the Social Care Workforce and Sustainability Grant (SCWS)

and Intermediate Care Funding (ICF), with the ICF having a planned termination date of 31st March 2022. The SCWS grant of circa £1m is expected to continue into 2021/22, however as it sits outside of core Welsh Government funding it is important to highlight as a budgetary risk moving forward given that the amount could vary, additional grant terms could be applied or it may cease.

Children's Services has a predicted overspend of £1.460m, which remains unchanged since the reported M5 forecast. This element of the directorate received a significant injection as part of the 2020/21 budget allocation; however, this was based on CLA 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 CLA stands at 222 and legal costs still remain at a predicted over spend of £238k.

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 £178K. This is due to the indication that income loss in Registrars may not be fully funded by Welsh Government resulting from cancelled marriages and people not pre booking ceremonies because of COVID-19. Welsh Government have indicated that they will review the overall position towards the end of the financial year and assess if they consider Local Authorities losses to only be delayed or indeed lost.

ADULT SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	24	156	180		

Due to the additional pay award, not achieving the 2% staff efficiency saving and additional spend in the care at home service.

COMMUNITY CARE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(63)	(209)	(4)		

Mainly on budget but this is being held up by a circa £1m SCWS grant which ends this financial year.

COMMISSIONING

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'s	(118)	(63)	(103)		

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

RESOURCES & PERFORMANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1	(5)	(4)		

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

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

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

Planning & Housing is forecasting to overspend by £993k.

- **Housing** is forecasting a £567k overspend, main areas include :-
 - A £527k overspend relating to housing our homeless in line with WG policy:-
 - B&B costs are expected to overspend by £223k.
 - We are estimating Emergency hostel increases of £260k due to additional security measures.
 - Increased private rental costs of £44k, as more accommodation is required as a result of homelessness issue.
 - It is anticipated that all of the above will be covered by the WG Covid-19 Hardship fund.

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
Expenditure								
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
Total Expenditure	24,842	33,308	4,502	(37,370)	25,282	25,282	0	0
Financing								
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
Total Financing	(24,842)	(33,308)	(4,502)	37,370	(25,282)	(25,282)	0	0

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:

Scheme	Forecast Slippage M2 (000's)	Forecast Slippage M5 (000's)	Forecast Slippage M7 (000's)
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.

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
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
Forecast Balance as at 31st March	5,120	8,253	8,698	7,944	7,189
Forecast Balance 2020/24 MTFP	9,904	10,245	10,791	10,136	10,136
Variance compared to 2020/24 MTFP	(4,784)	(1,992)	(2,093)	(2,192)	(2,947)

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.