

## Overall Revenue Position

Table 1: Council Fund 2020/21 Outturn Summary Statement

Service Area	Original Budget 2020/21	Budget Adjustments 2020/21	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance from M9 to Outturn
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	50,685	(170)	50,515	51,327	811	1,308	(497)
Children & Young People	55,539	480	56,019	56,093	75	86	(12)
Enterprise & Monlife	24,133	(1,946)	22,187	21,688	(499)	3,829	(4,328)
Chief Executives Unit	4,745	(81)	4,664	4,524	(140)	(4)	(136)
Resources	7,746	(445)	7,301	6,454	(847)	387	(1,234)
Corporate Costs & Levies	22,743	229	22,972	20,403	(2,569)	13	(2,582)
Net Cost of Services	165,591	(1,934)	163,658	160,488	(3,170)	5,619	(8,789)
Appropriations	4,856	2,192	7,049	10,623	3,574	(264)	3,838
Expenditure to be Financed	170,447	259	170,706	171,111	405	5,355	(4,950)
Financing	(170,447)	(259)	(170,706)	(171,111)	(405)	(208)	(197)
Net General Fund (Surplus) / Deficit	0	(0)	0	0	(0)	5,147	(5,147)

Table 2: Council Fund 2020/21 Outturn Detailed Statement

Service Area	Original Budget 2020/21	Budget Adjustments 2020/21	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance from M9 to Outturn
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	7,877	(55)	7,822	7,732	(90)	(62)	(28)
Children Services	14,428	(63)	14,365	15,718	1,353	1,433	(80)
Community Care	24,434	30	24,464	24,239	(225)	59	(284)
Commissioning	1,483	(65)	1,418	1,249	(169)	(106)	(63)
Partnerships	436	0	436	436	0	0	0
Public Protection	1,481	(14)	1,467	1,400	(67)	(17)	(50)
Resources & Performance	546	(3)	543	553	10	1	9
<b>Social Care, Health &amp; Safeguarding</b>	<b>50,685</b>	<b>(170)</b>	<b>50,515</b>	<b>51,326</b>	<b>811</b>	<b>1,308</b>	<b>(497)</b>
Individual Schools Budget	47,420	(356)	47,064	46,766	(298)	(434)	136
Resources	1,234	(44)	1,190	1,176	(14)	3	(17)
Standards	6,885	880	7,765	8,151	386	518	(132)
<b>Children &amp; Young People</b>	<b>55,539</b>	<b>480</b>	<b>56,019</b>	<b>56,093</b>	<b>74</b>	<b>87</b>	<b>(13)</b>
Business Growth and Enterprise	2,468	(260)	2,208	2,242	34	(62)	96
Facilities & Fleet Management	5,665	(1,266)	4,399	4,528	129	922	(793)
Neighbourhood Services	10,483	(259)	10,224	10,275	51	500	(449)
Planning & Housing	1,951	(130)	1,821	1,314	(507)	1,245	(1,752)
Countryside & Culture (MonLife)	1,348	(8)	1,340	1,345	5	121	(116)
Finance & Business Development (MonLife)	1,507	116	1,623	1,484	(139)	(43)	(96)
Leisure, Youth & Outdoor Adventure (MonLife)	710	(139)	571	499	(72)	1,146	(1,218)

Service Area	Original Budget 2020/21	Budget Adjustments 2020/21	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance from M9 to Outturn
<b>Enterprise &amp; Monlife</b>	<b>24,132</b>	<b>(1,946)</b>	<b>22,186</b>	<b>21,687</b>	<b>(499)</b>	<b>3,829</b>	<b>(4,328)</b>
Legal & Land Charges	839	(6)	833	724	(109)	(27)	(82)
Governance, Democracy & Support	3,906	(75)	3,831	3,799	(32)	23	(55)
<b>Chief Executives Unit</b>	<b>4,745</b>	<b>(81)</b>	<b>4,664</b>	<b>4,523</b>	<b>(141)</b>	<b>(4)</b>	<b>(137)</b>
Finance	2,597	(80)	2,517	1,762	(755)	39	(794)
Information, Communication Technology	2,803	57	2,860	2,784	(76)	(431)	355
People	1,725	94	1,819	1,766	(53)	(112)	59
Future Monmouthshire	(46)	(25)	(71)	12	83	83	0
Commercial & Corporate Landlord	667	(492)	175	131	(44)	808	(852)
<b>Resources</b>	<b>7,746</b>	<b>(446)</b>	<b>7,300</b>	<b>6,455</b>	<b>(845)</b>	<b>387</b>	<b>(1,232)</b>
Precepts & Levies	20,379	1	20,380	20,382	2	2	0
Coroner's	117	0	117	152	35	35	0
Archives	182	0	182	182	0	0	0
Corporate Management	293	0	293	(26)	(319)	(231)	(88)
Non Distributed Costs (NDC)	492	0	492	684	192	215	(23)
Strategic Initiatives	(167)	228	61	(2,375)	(2,436)	(61)	(2,375)
Insurance	1,447	0	1,447	1,404	(43)	52	(95)
<b>Corporate Costs &amp; Levies</b>	<b>22,743</b>	<b>229</b>	<b>22,972</b>	<b>20,403</b>	<b>(2,569)</b>	<b>12</b>	<b>(2,581)</b>
<b>Net Cost of Services</b>	<b>165,590</b>	<b>(1,934)</b>	<b>163,656</b>	<b>160,487</b>	<b>(3,169)</b>	<b>5,619</b>	<b>(8,788)</b>
Fixed Asset Disposal Costs	20	45	65	68	3	6	(3)
Interest & Investment Income	(252)	0	(252)	(206)	46	162	(116)
Interest Payable & Similar Charges	4,020	27	4,047	3,709	(338)	(331)	(7)

Service Area	Original Budget 2020/21	Budget Adjustments 2020/21	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance from M9 to Outturn
Charges Required under Regulation	6,251	(108)	6,143	6,075	(68)	(81)	13
Other Investment Income	(1,153)	1,153	0	(25)	(25)	(14)	(11)
Borrowing Cost Recoupment	(3,425)	50	(3,375)	(3,538)	(163)	(6)	(157)
Contributions to Reserves	143	688	831	4,950	4,119	0	4,119
Contributions from reserves	(747)	86	(661)	(661)	0	0	0
Capital expenditure financed from revenue	0	252	252	252	0	0	0
<b>Appropriations</b>	<b>4,857</b>	<b>2,193</b>	<b>7,050</b>	<b>10,624</b>	<b>3,574</b>	<b>(264)</b>	<b>3,838</b>
<b>Expenditure to be Financed</b>	<b>170,447</b>	<b>259</b>	<b>170,706</b>	<b>171,111</b>	<b>405</b>	<b>5,355</b>	<b>(4,950)</b>
General Government Grants	(64,824)	(2,899)	(67,723)	(67,723)	0	0	0
Non Domestic Rates	(32,936)	2,899	(30,037)	(30,037)	0	0	0
Council tax	(79,572)	(259)	(79,831)	(80,238)	(407)	(367)	(40)
Council Tax Benefit Support	6,885	0	6,885	6,887	2	159	(157)
<b>Financing</b>	<b>(170,447)</b>	<b>(259)</b>	<b>(170,706)</b>	<b>(171,111)</b>	<b>(405)</b>	<b>(208)</b>	<b>(197)</b>
<b>Net General Fund (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,147</b>	<b>(5,147)</b>

## DIRECTORATE – DIVISION VARIANCE COMMENTS

<b>SOCIAL CARE, HEALTH &amp; SAFEGUARDING</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>	1,630	1,448	1,707	1,308	<b>811</b>

### **SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:**

The directorate outturn for 2020/21 was an overspend of £811K, a £497K decrease since month 9, as a result of late Discharge to Reassess funding from Health of £553K. Of the over spend, £346K is as a result of the pressure from the additional 1.75% unfunded staff pay award and £242K unachievable 2% staff efficiency saving. The directorate budget was also assisted by the Social Care Workforce and Sustainability Grant from Welsh Government of £984K.

The Adult Services division finished the financial year with an underspend of £474K, an increase in underspend since M9 of £365K, largely due to funding received from Health via the Discharge to Reassess scheme. This area of the directorate has also benefitted in year from the Social Care Workforce and Sustainability (SCWS) grant of circa £1M and Intermediate Care Funding (ICF), with ICF having a planned termination date of 31st March 2022.

Children's Services has a predicted overspend of £1.353M, a £81K reduction since the reported M9 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 at the close of the financial year CLA numbers stood at 213.

Public Protection continues to strive to remain within its budget, turning out an underspend of £67K, an increase in underspend since M9 of £50K, due to some reduced activity as a result of COVID 19.

### **ADULT SERVICES**

<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>	24	156	180	(62)	(90)

Net effect of additional pay award, not achieving the 2% staff efficiency saving and additional spend in the care at home service, less reduced premise expenditure with day service closures as a result of COVID 19 plus Winter Pressures funding from Health.

### **CHILDREN SERVICES**

<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>	1,575	1,459	1,460	1,433	1,353

£1M overspend in providing care and placements for our Looked After Children which closed at 213 at year end, £260K overspend in legal costs and the remaining overspend as a result of continued use of agency staffing which currently stands at 9 being employed plus the increased staff pay award.

### **COMMUNITY CARE**

<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>	(63)	(209)	(4)	60	(225)

This division is being held up by a circa £1M SCWS grant plus Winter Pressures funding from Health.

<b>COMMISSIONING</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'s	(118)	(63)	(103)	(106)	(169)
Ongoing vacant Commissioning Officer post and realignment of Service Level Agreements, netting the costs of increased staff pay award.					
<b>PARTNERSHIPS</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	0	0	0	0	0
No variances					
<b>PUBLIC PROTECTION</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'s	211	109	177	(17)	(67)
Underspend is as a result of reduced activity, mainly within commercial and environmental health, as a result of COVID 19.					
<b>RESOURCES &amp; PERFORMANCE</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	1	(5)	(4)	0	10
As a result of the increased staff pay award.					

<b>CHILDREN &amp; YOUNG PEOPLE</b>	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	84	19	125	87	75
<b>CHILDREN &amp; YOUNG PEOPLE DIRECTOR'S COMMENTARY:</b>					
The Directorate's Outturn position is an over spend of £75k, which can be attributed to ALN. However, this has been partially offset by the surplus balance following the closure of Mounton House, which has been transferred to the central CYP budgets to support the wider education budgets.					
<b>INDIVIDUAL SCHOOLS BUDGET</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	0	(264)	(316)	(434)	(298)
The decrease in underspend of £136k since month 9 is due to an increase in Monmouth Comp Rates for 2020-21 and a provision for possible discrepancies regarding back pay for a school.					
<b>RESOURCES</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	37	22	14	3	(14)
The underspend is due to vacancy savings					

<b>STANDARDS</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	261	426	518	386
<ul style="list-style-type: none"> <li>Recoupment increased by (income received from other LA's) (£151,000)</li> <li>Independent placement costs overspent by £127,000</li> <li>Other LA placement costs overspent by £186,000</li> <li>Additional support for pupils attending our schools overspent by £493,000</li> <li>Underspend on early years (rising 3's) due to school closure (£150,000)</li> <li>Overspend on breakfast clubs £45,000</li> <li>Underspend on ALN Transport due to school closure (£109,000)</li> </ul> <p>Within the overspend of £493,000 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 over spend, the fees paid for the other schools would have resulted in the over spend being higher.</p> <p>Included in the independent placement costs is £107,000 relating to the three remaining pupils at Mounton House, this cost has been transferred from Mounton House to support this.</p> <p>Breakfast clubs have seen a reduction in numbers since re-opening following the Summer and Spring Term lockdowns, which has led to a reduction in income.</p>					

<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	3,829	<b>(499)</b>
<b>ENTERPRISE DIRECTOR'S COMMENTARY:</b>					
<p>The Enterprise and MonLife Directorate is forecasting an outturn position of £499k surplus at year end. This is an improved position since Month 9 and the details of these changes are provided within the next sections of this report.</p> <p>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 identified pressures where budget savings have not been implemented or ongoing pressures continued to affect services.</p> <p>Across all Services, all eligible additional costs and income losses have been claimed against any Welsh Government funding that has been made available. In addition, service areas have been successful in securing grant funding which has enabled us to passport core costs to grant funding activity. Since month 9 a number of service areas have been able to report a significantly improved position as WG has confirmed that costs or income losses can be covered by the support grants available due to COVID.</p>					
<b>BUSINESS GROWTH &amp; ENTERPRISE</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>

Deficit / (Surplus) £'000s	46	29	(50)	(62)	34
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Business Growth & Enterprise has underspent by £34k, this can be split down to the following :-

- Abergavenny Borough Theatre – Break-even.
- RDP & Youth Enterprise - £3k underspent due to offsetting core staff costs with grant funding.
- Communications - £10k underspent due to improved income.
- Community & Pship Development - £44k underspent, mainly due to staff savings as we have been able to passport core costs to grant funding.
- Enterprise Mgt & Strategic Projects - £90k overspent mainly due to unfunded pay award and over-accrual of public transport subsidy grant.

## FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,339	1,097	1,222	923	129

Facilities & Fleet Management has overspent by £129k.

- **Catering** - £103k underspent. The service was adversely affected by the pandemic but WG Covid income support has enabled the unit to recover lost meal income based on 19-20 performance, as a result 20-21 outturn has mirrored the 19-20 outturn producing an underspend against budget.
- **Building Cleaning** - £36k underspent. This is mainly due to an increase in internal income as the unit has picked up a number of contracts that have been brought back in-house.
- **Passenger Transport** - £24k overspend, due in the main :-

**Private Hire & Service 65** - £5k overspent due to vehicle maintenance costs, receipt of Covid income support to cover lost hire income has improved the outturn from M9.

**School Transport Operations** - £96k overspent – due to a combination of historic staff pressure c/fwd from 19-20 and additional hours required to cover new Covid transport arrangements and additional staffing required to cover recent contract hand backs. The reduction from M9 relates to a number of factors; overtime payments were not as high as anticipated, agency staff were not required, furlough income included for February and March all of this is due to schools not going back until later than predicted.

**Commissioning** - £87k underspent due to staff vacancies, and a reduction in contract costs due to the school closures.

- **Fleet Maintenance** - £248k overspent, due to:-
  - Vehicle maintenance costs have increased over and above available budget, an element of this could be attributed to the requirement for additional vehicles due to Covid requirements.
  - Increased maintenance of our depots in Raglan and Caldicot.
  - A reduction in members of the Green Car scheme has hit savings (£6k).

The £793k positive swing from Month 9 can be mainly attributed to WG income support payments driving down service overspends in Passenger Transport and Catering.

## NEIGHBOURHOOD SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
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<b>Deficit / (Surplus) £'000s</b>	1,456	1,153	783	500	51
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Neighbourhood services has overspent by £51k.

- **Highways & Street Lighting** - £63k underspent. Street Lighting has underspent by £103k, LED lamp replacement has generated savings from reduced output, in addition KWH rates were lower than budgeted, this has resulted in an underspend against our electricity budget. This has been offset by a net £40k overspend in Highways Operations as plant purchases that were to be reserve funded are to remain within the service.
- **Waste & Street Scene** - £114k overspent – This can be broken down into 2 main areas:-
  - **Waste Services** - £57k overspent – Main issues :-
    - Impact of Covid – Even though all the additional expenditure and the loss of external income has been covered off by the WG support grant covid still has impacted on the service in 20-21, this is because most of the planned interventions to help improve the budget deficit were stopped or delayed due to the pandemic.
    - Non-Covid related pressures – the volatility in the global recycling market continues to impact negatively on treatment and disposal costs for recycling and waste materials. In addition the abeyance of Usk CA site closure delayed service savings (£30k), there was also pressure caused by no budget increase for contracts and fuel inflation and the delayed roll out of polyprop bags. We have been fortunate that many of these pressures have been offset by the receipt of a number of WG Circular Economy grants and it has allowed us to passport core costs such as officer time against grant reducing service spend, this is the main reason for the improvement from Month 9.
  - **Grounds Maintenance** – £57k overspent – mainly due to additional expenditure incurred in meeting contractual obligations later in the year as a result of Grounds supporting waste collections during April and May.

### PLANNING, HOUSING and Highways Dev & Flooding

<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>	1,011	1,067	993	1,245	<b>(507)</b>

Planning, Housing and Highways Dev & Flooding has underspent by £507k.

- **Planning & Building Control** - £102k underspent – this is due to a staff vacancy and savings against professional fees. The income shortfall has been covered off by the WG Covid support grant and is the reason for the improvement in outturn from Month 9.
- **Planning Policy** - £137k underspent - this is due to savings in professional and specialist fees costs due to delays in the LDP.
- **Housing** - £165k underspent - The majority of the underspend is found in our Shared Housing and Private Leasing schemes where net rental received from tenants has exceeded budgeted expectations, the final position on rent accounts cannot be calculated until financial year end so the extent of underspend was not known during the year and is the reason for the positive swing between reporting periods. In addition we have also been able to fund some staffing from grant funding. The increased expenditure relating to Welsh Government Covid related requirements to support homeless households and implement new Welsh Government homeless policy, has been funded by the WG Covid support grant so has not affected outturn position.
- **Car Parking, Highways Development & Flooding** - £103k underspent. Main areas:-

- Car Parks - £108k overspent – this is due to increased costs in car park rates, transport and supplies and services. All of the income shortfall reported at M9 has been covered off by the WG support grant and is the reason for the improvement between reporting periods.
- Highways Development & flooding - £211k underspent – mainly as a result of staff vacancies across the department where the decision was made to freeze vacant posts to help with recovery of car park overspend.

There has been a very large positive swing between outturn and Month 9, this is mainly due to the receipt of WG income support grant in Housing, Car Parks and Planning that has reduced service overspends.

### (MONLIFE) Countryside & Culture

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	42	40	81	121	5

**Countryside & Culture** - £5k overspent- The service has been heavily impacted by Covid and flooding in 20-21. All income lost due to event cancellation has been covered by the WG Covid support grant, the small overspend relates to additional costs as a result of the flooding that could not be covered by grant.

### (MONLIFE) Finance & Business Development

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(118)	(150)	(106)	(43)	(139)

**Finance & Business development**- £139k underspent – Mainly due to staff savings from vacant posts throughout the service. All income losses have been covered by WG support grant and is the reason for the positive swing from Month 9.

### (MONLIFE) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2,173	1,877	1,694	1,146	(72)

Leisure, Youth & Outdoor Adventure - £72k underspent.

The closure of our Leisure centres and Outdoor Adventure sites due to Covid has had an adverse impact on income generation in 20-21. Without the WG income support grant we would have been reporting a sizable overspend but the grant has allowed us to cover off any shortfall so our revenue outturn position is not affected. The £72k underspend is mainly due to staff vacancies across the department.

CHIEF EXECUTIVES UNIT	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	187	144	63	(4)	(140)
LEGAL & LAND CHARGES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn

<b>Deficit / (Surplus) £'000s</b>	78	92	40	<b>(27)</b>	<b>(109)</b>
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**Legal** - £93k underspend - this is mainly as a result of staff savings due to the employment lawyer post not being filled in 20-21 and a reduction in supplies and services.

**Land charges** – £16k underspend – this is mainly due to the small ‘boom’ in the house market as CV restrictions eased resulting in a considerable improvement in search income over the last 2 quarters, augmented by WG covid support that covered the initial period of the housing market being shut down.

The £82k improvement from M9 is due to the extent of staff and supplies savings in legal not being fully known at M9 and the pick up in search income in the last quarter in land charges.

### 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	23	<b>(32)</b>

The **Community Hubs** sections is forecasting to overspend by £8k - this is due to over spends in Usk Post Office as this budget area is not being completely funded and therefore running at a loss and insufficient budget 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 **Contact Centre** is reporting a £15k overspend, this is due to a proposed budget saving that can no longer be delivered and is now reflected as a pressure in the 21-22 budget model.

The **Corporate Section** is forecasting to overspend by £11k, 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 £86,000, this is due to savings in Elections where we have had savings from not having to undertake the annual canvass, grant windfalls relating to voting for 16/17 year olds and underspends in supplies and services mainly due to Members working from home. The extent of grant windfalls were not known at M9 and is the main reason for the improvement.

**Policy and Partnerships** is forecasting to overspend by £25k, 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	192	387	<b>(867)</b>

### RESOURCES DIRECTOR'S COMMENTARY:

Whilst the COVID-19 pandemic has adversely impacted front line services the directorate has equally suffered significantly but in different ways. The outturn position has moved significantly and positively from that reported at month 9. This is principally as a consequence of the shortfalls in income as a consequence of the COVID-19 pandemic being fully covered from Welsh Government's COVID Hardship Fund. A significant pressure resulting from B&B claims for homeless people, and which didn't attract full subsidy from DWP, has also been funded by Welsh Government's COVID-19 Hardship Fund.

The outturn position has also benefitted from 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 and is currently being addressed.

## FINANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	137	189	173	39	(755)

**Finance** - £237k underspent – This is due to staff savings from senior finance staff vacancies.

**Audit** - £52k underspent due to staff savings as we have funded collaboration costs through capital as part of capitalisation directive (£36k) and savings due to maternity leave (£14.5k).

**Revenues** - £374k underspend. This can be attributed to :-

- **Benefits** - £63k overspent. This reflects the net position against the Housing Benefit budget once all subsidies and grants have been taken into account. Certain projects, especially for drug and alcohol support, are not eligible for full subsidy and fall to the council to finance any shortfall.
- **Council Tax** - £59k overspend. This is mainly due to an over spend against salary costs as budget has been moved as part of the Resources restructure, this has been offset by underspends in finance above.

- **Charity Relief** - £477k underspend. This is due to 2 main reasons 1) We haven't used any funding set aside in 20-21 for Business Rate support (this is separate to the covid support grants) 2) We also received £347,000 funding from Welsh Government for the administration of the Business Support Grant process. The income is to cover additional staff and admin costs incurred but these are held within the relevant services department.

- **Debtors** - £19k underspend – this is due to a staff vacancy saving, due to the financial impact of covid19 the decision was made not to fill this post until April 2021.

**Systems & Cashiers** - £95k underspend – main reasons relate to software and system development savings and security carrier costs as activity is down due to Covid shutdown.

There is a large positive swing from month 9 of £796k – this is due to the receipt of Covid support payments driving down the over spend in housing benefits. In addition the extent of funding available from the Business Support grant was not known at M9.

## INFORMATION, COMMUNICATION & TECHNOLOGY

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	40	(128)	(431)	(431)	(76)

The ICT section has underspent by £76k. This is due to savings within SRS that meant our annual cost was £55k below budgeted contribution and underspends in the Digital Programme Team of £17k.

The £355k negative swing from Month 9 is due to 1) we had anticipated moving staff costs from the DPO to capital as part of the capitalisation directive, due to the overall positive position of the authority this adjustment was not undertaken. 2) we had reported at M9 that we would be drawing back from SRS some MCC specific reserves – this has now not happened as we are anticipating these reserves will be needed in 21-22 to finance specific projects.

## PEOPLE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(2)	6	(68)	(112)	(53)

- **People Services** - £32k overspend - this is due to system development costs of the new payroll system offset by staff savings as a result of posts only been filled part way through the year. It was reported at M9 that the system development costs would be moved to capital but it has been decided to leave these within the service and is the reason for the reduction in underspend between the reporting periods.

- **Organisational Development** - £63k underspend, this is mainly due to staff savings as we have transferred staff costs involved with service transformation to capital as part of the capitalisation directive.

- **Customer Relations** - £23k underspend due to a reduction in professional fees and staff secondment savings.

### FUTURE MONMOUTHSHIRE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	112	112	82	82	83

**Future Monmouthshire** - £83k overspend. £112k of 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. This has been offset by staff savings of £30k as we are covering secondment costs of a member of staff from WG.

### COMMERCIAL & CORPORATE LANDLORD

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	495	515	437	808	<b>(44)</b>

**Commercial & Corporate Landlord** is forecasting a £44k underspend:-

- **Investment Properties** has underspent by £200k, this can be split into 3 areas:-

- **Investment Assets other** - £200k overspent, our MTFP for 20-21 included a £200k saving to reflect additional income from the purchase of more investment properties. No additional purchases were made in 20-21 (due to Covid) so the saving could not be achieved.
- **Newport Leisure Park** – On Budget. The pandemic has affected the leisure and retail sector greatly in 20-21, this has impacted on rental receipts at our Newport site as most of the units have been closed for the majority of the year. Officers have worked with tenants to recover owed rent where applicable, any rental shortfall due to lockdown restrictions has been fully funded by the WG Covid 19 Hardship fund, and this additional support has enabled us to report a break-even budget for 20-21.
- **Castlegate** – On Budget. Castlegate has seen in year savings of £165k relating to windfall loan repayments and reductions in consultant and insurance costs – this saving has been moved to reserves, this reserve is set up to provide a sinking fund to support the investment and protect MCC position against any negative impacts as set out in the investment plan. This movement to reserves brings the budget back to a break-even position.

- **Estates** - £22k underspent – this is mainly due to a shortfall in income of £100k as the creation of a development company has been delayed, offset by staff savings (£120k) as a result of vacant posts not being filled during the year.

- **Solar Farm & Sustainability**- £97k underspent – despite a drop in ROC unit prices due to a drop off in demand because of lockdown our renewables are still returning a surplus and we have generated enough income to exceed budget, in addition we have seen a small underspend in rates, maintenance and professional fees.

• A combined net underspend in **County Farms, Cemeteries, Markets & Industrial units** of £27k – this is mainly due to staff savings in Markets being offset by a reduction in rental income in County Farms due to the change in farm portfolio.

• **Property Services & Facilities Mgt** has underspent by £109k, made up as follows:-

- Property & Office Services underspent by £28k, this is mainly due to staff savings as vacant posts were not filled during the year, this has been offset by a reduction in capital income as we were unable to charge fees on projects delayed due to Covid.
- Corporate Building Maintenance has underspent by £52k, we were able to move elements of school maintenance costs to a WG grant – this has created an under spend that was not known at M9.
- Property Accommodation has underspent by £70k due to savings in maintenance and utilities costs as offices have been closed or in limited operation due to Covid19.
- Telephony underspent by £15k as contracted call charges came in below budget.

There has been a large positive swing of £852k from what was reported at Month 9, this can mainly be attributed to the receipt of WG Covid support grant driving down overspends in Investments and Estates.

<b>CORPORATE COSTS &amp; LEVIES</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>	1,480	66	43	12	<b>(2,569)</b>
<b>PRECEPTS &amp; LEVIES</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>	2	2	2	2	2
Small overspend on National parks levy of £2k due to notification of levy late in the budget process.					
<b>CORONERS SERVICES</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>	23	23	23	35	35
An increase in workload and staffing requirements along with DDA compliance works will lead to a forecast £35k overspend against budget.					
<b>CORPORATE MANAGEMENT</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	<b>(114)</b>	<b>(191)</b>	<b>(231)</b>	<b>(319)</b>
Primarily due to the forecast receipt receivable on the final dissolution of Capita Gwent Consultancy (£109k), rate refunds on Authority owned premises which were not known about until mid-way through the year (£120k), and additional unbudgeted dividend from the Greater Gwent Crematorium (£73k)					
<b>NON DISTRIBUTED 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>	108	108	215	215	192



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	(61)	(61)	(2,436)

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.

Alongside this and notified since month 9, receipt of significant specific Covid-19 grants from Welsh Government totalling £2.38m that have been taken corporately and to assist in future financial resilience.

## INSURANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	47	46	56	53	(43)

A slight over spend against the premium budget of £27k 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 Covid19 has led to significant travel claims relating to cancelled school trips.

This is more than offset by savings in self-insured costs and professional fees based on claims activity during the year of £70k.

APPROPRIATIONS	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(77)	(83)	(163)	(263)	3,574

## FIXED ASSET DISPOSAL COSTS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	25	6	6	3

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	162	162	46

The forecast rate of return achievable following the Covid1-9 pandemic has reduced significantly from budgeted levels as the UK Government refines its economic response. To a lesser extent this has also impacted forecast returns on Property and combined funds which are propping up the current returns. The improvement since month 9 reflects the finalisation of returns in year on these combined funds which are often hard to estimate during the year given complex market adjustments.

Government deposits have largely returned 0% and have at times given a negative rate of return on deposits, especially when taking into account transaction fees.

### INTEREST PAYABLE & SIMILAR CHARGES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(126)	(164)	(230)	(330)	(338)

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 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. Rates remain low on inter local authority borrowing further reducing costs.

### CHARGES REQUIRED UNDER REGULATION

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(113)	(113)	(82)	(82)	(68)

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)	(14)	(14)	(25)

Unexpected recoupment following the final winding up of Heritable bank which had previously defaulted, alongside small wayleaves and easement receipts.

### TRANSFERS TO/FROM EARMARKED RESERVES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	4,119

As outlined in the covering report

### BORROWING COST RECOUPMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	(5)	(6)	(163)

The variance reflects the late addition of recoupment of unbudgeted borrowing costs in relation to energy efficient street lighting capital schemes. The scheme arrangements were clarified well into the financial year and as a result the borrowing cost recoupment was not forecast during the year.



<b>FINANCING</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>	336	20	(156)	(209)	<b>(405)</b>

#### **COUNCIL TAX BENEFIT 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>	336	324	229	159	2

This budget has been under particular pressure, as a direct result of Covid 19. Since the beginning of the year caseload has increased rising from 5,721 at the start of April 2020 to 6,168 by the end of March 2021. This increase in cases resulted in a £350,000 overspend by year end. However the Welsh Government released specific funding to Local Authorities to help manage this pressure. Monmouthshire received £348,000 such funding, resulting in a small over spend at year end.

#### **COUNCIL TAX**

<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	(305)	(385)	(368)	<b>(407)</b>

A council tax surplus has been anticipated throughout the year. Whilst the in year collection rate is down by 1.1% compared to the same time last year, the council tax base remained healthy. By the end of the year an additional 400 properties had been added to the tax base resulting in the surplus reported above.

## 2. 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 outturn forecast Schools' balances position based on month 9 projections for each Educational Cluster.
- 2.2. The monitoring earlier in the year at month 2 included a surplus balance of £206,518 for Mounton House. As the school has now closed this balance has been transferred into central education budgets, of which, £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.

Council Fund Outturn 2020/21 – School Balances Summary outturn position	Reserves (Surplus) / Deficit 01/04/2020	Movement from / (to) School Balances	Reserves (Surplus) / Deficit 31/03/2021	Number Schools in deficit 01/04/2020 Primary/ Secondary	Number Schools in deficit 01/04/2020 Primary/ Secondary
	£000's	£'000	£'000		
<b>Cluster</b>					
Abergavenny	(118)	(1,040)	(1,158)	2 1	0 0
Caldicot	160	(1,250)	(1,091)	4 1	0 0
Chepstow	24	(373)	(349)	2 1	0 1
Monmouth	518	(1,313)	(794)	4 1	1 0
Special	(149)	123	(26)	1 0	0 0
<b>Total</b>	<b>435</b>	<b>(3,853)</b>	<b>(3,418)</b>	<b>13 4</b>	<b>1 1</b>

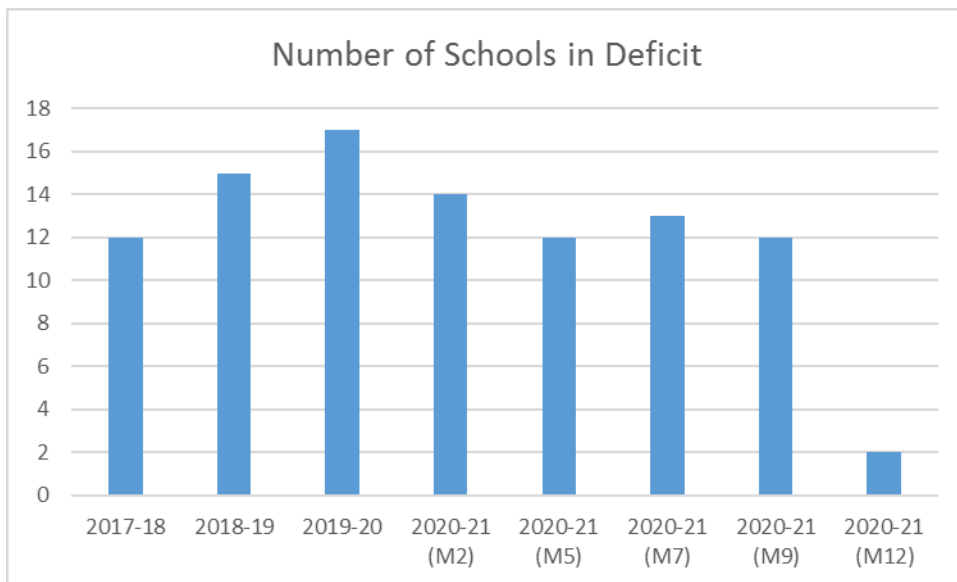
- 2.3. In terms of the overall movement in school balances, 2020/21 has been an unprecedented year. Schools have received several specific Welsh Government grants totalling £1.77m to further support them and their pupils and these have predominately displaced core budgets in 2020/21 or been committed for use in 2021/22 in line with the grant terms. Furthermore, due largely to the sustained periods of enforced closure during the financial year spending on budgets areas such as staff cover, premises, supplies & services and examination fees, were significantly curtailed and produced savings totalling £2.08m.
- 2.4. These factors mean that the overall level of the school reserves has increased by £3.85m as at the 31st March 2021, taking schools collectively out of a net deficit of £435k to an overall surplus of £3.42m. As a result of this 15 of the 17 schools entering the year in deficit have returned to a surplus balance.
- 2.5. The two main grants received from Welsh Government relate to a Schools Revenue Maintenance Grant and Recruit, Recover and Raise Standards. Schools carrying significant surplus balances that are above levels guided by Welsh Government (£50k for a Primary, £100k for a Secondary) will be asked to provide investment plans setting out how they intend to spend the significant surplus balances being held. It is also clear that the inherent structural budget deficits that have led to a situation of 17 schools being in deficit at the start of the year remain and require resolution irrespective of additional funding received.
- 2.6. In particular and in specific relation to Chepstow Comprehensive, when the windfall Welsh Government grants are disregarded, it masks a significant in-year budget deficit that has been brought about significantly due to the curtailing of any staff redundancies during the pandemic and

that were pivotal to their recovery plans. This leaves the school in a comparably weaker position than they would have been in if they had executed their recovery plans as intended, and where they do not now have the level of surplus balances that the other three comprehensive schools now have to strategically invest over the medium term.

2.7. The movement of individual schools forecast to be in deficit during the year and the final position is shown below:

Start of year	Month 2	Month 5	Month 7	Month 9	End of year
<b>Total: 17</b>	<b>Total: 14</b>	<b>Total: 12</b>	<b>Total: 13</b>	<b>Total: 12</b>	<b>Total: 2</b>
Caldicot Comprehensive	Caldicot Comprehensive	Caldicot Comprehensive	Caldicot Comprehensive	Caldicot Comprehensive	
Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive
King Henry VIII Comprehensive	King Henry VIII Comprehensive	**			
Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	
Llandogo Primary	Llandogo Primary	Llandogo Primary	Llandogo Primary	Llandogo Primary	Llandogo Primary
Llantilio Pertholey CIW Primary					
Magor CIW Primary					
Osbaston CiW Primary	Osbaston CiW Primary	Osbaston CiW Primary	Osbaston CiW Primary	Osbaston CiW Primary	
Overmonnow Primary			Overmonnow Primary	Overmonnow Primary	
Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	
Raglan CiW Primary	Raglan CiW Primary				
Rogiet Primary					
St Mary's RC Primary	St Mary's RC Primary	St Mary's RC Primary	St Mary's RC Primary	St Mary's RC Primary	
	The Dell Primary School	The Dell Primary School	The Dell Primary School	The Dell Primary School	
Thornwell Primary	Thornwell Primary	Thornwell Primary	Thornwell Primary		
Undy Primary	Undy Primary	Undy Primary	Undy Primary	Undy Primary	
Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	
Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	

\*\* King Henry VIII Comprehensive School forecast balance at month 5 onwards included a Local Authority loan of £250,000 which was estimated to result in a surplus year-end balance. Given the current year end surplus, the school will not be taking the loan at this time.



- 2.8. 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.
- 2.9. Total schools balances have been exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances, which is of concern, and others a more balanced trend. However, as previously mentioned, due to the Covid-19 pandemic, several grants were awarded to schools at year end, which has resulted in a large increase in school balances for 2020-21.

Financial Year	School Balances (Surplus)/Deficit £000	Year on Year Movement £000	Number of Schools in Deficit
2014-15	(1,140)		5
2015-16	(1,156)	(16)	6
2016-17	(269)	887	12
2017-18	(175)	94	12
2018-19	232	407	15
2019-20	435	203	17
2020-21	(3,418)	(3,853)	2

### 3 CAPITAL OUTTURN

3.1 The summary Capital outturn position is as follows:

#### Capital Outturn Position 2020/21

Select Portfolio	Slippage B/F	Original Budget	Budget Revisions	Approved Slippage	Revised Budget 2020/21	Actual Outturn	Variance at Outturn	Variance at M9
	£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	1,872	(15,381)	2,160	2,151	(9)	0
Economic & Development	17,496	3,068	30	(19,274)	1,320	1,320	0	0
Adult	300	5,678	0	(5,964)	14	14	0	0
Strong Communities	5,801	10,139	12,079	(9,301)	18,718	15,546	(3,171)	(157)
<b>Total Expenditure</b>	<b>24,842</b>	<b>33,308</b>	<b>13,981</b>	<b>(49,920)</b>	<b>22,211</b>	<b>19,031</b>	<b>(3,180)</b>	<b>(157)</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)	(10,826)	19,095	(10,353)	(8,623)	(1,730)	157
S106 Contributions	(1,052)	0	(166)	711	(507)	(507)	0	0
Unsupported Borrowing	(22,546)	(5,275)	(2,032)	27,217	(2,637)	(3,442)	805	0
Reserve & Revenue Funding	(239)	(2)	(252)	241	(252)	(252)	0	0
Capital Receipts	(612)	(3,462)	(705)	2,656	(2,123)	(1,042)	(1,080)	0
Leasing	0	(1,500)	0	0	(1,500)	(325)	(1,175)	0
<b>Total Financing</b>	<b>(24,842)</b>	<b>(33,308)</b>	<b>(13,981)</b>	<b>49,920</b>	<b>(22,211)</b>	<b>(19,031)</b>	<b>(3,180)</b>	<b>157</b>

3.2 The capital expenditure outturn for 2020/21 shows a saving of £3.18m against budget, however it is important to note that this does not fully represent released capital financing available for future use. The variances can be explained as follows:

- Reduced usage of the Capitalisation Directive budget by £1.08m following clarification of the revenue outturn position. This subsequently releases capital receipts back to the capital receipts reserve to utilise for future capital investment.
- Specific grant funding budgets of £1.92m that have not been able to be spent within the financial year primarily due to a combination of late notification of the grant awards, a lack of resources available to complete eligible works and a shortage of appropriate schemes that fit within the grant criteria stipulated. This under spend does not release any capital financing for future use as the grant actually paid matches the overall expenditure.

- Vehicle replacement has under spent by £172k due to clarification of vehicles requirements during the year. These purchases were originally budgeted to be funded by leasing but following an options appraisal it was more cost-effective to finance the majority of vehicles via borrowing. The under spend does not release any capital financing for future use.

3.3 The outbreak of the Covid-19 pandemic has caused significant disruption to the progress of budgeted capital schemes with slippage at outturn totalling £49.92m (£40.45m at month 9). The Covid-19 impact is affecting 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.

3.4 The slippage is broken down as follows:

Scheme	Forecast Slippage Month 2 (000's)	Forecast Slippage Month 5 (000's)	Forecast Slippage Month 7 (000's)	Forecast Slippage Month 9 (000's)	Actual Slippage At Outturn
Asset Investment fund		18,142	18,142	18,118	18,067
Tranche 'B' King Henry Future Schools			12,484	13,421	14,092
Crick Road Care Home	5,978	5,978	5,978	5,978	5,964
RE-FIT Programme					2,031
Flood Recovery Grant					1,337
City Deal					830
Highways Maintenance					812
Schools Maintenance					749
County Hall 'J' block		544	544	544	774
Section 106 schemes		131	78	148	692
Disabled Facilities Grants					613
21 <sup>st</sup> Century Schools Team				525	572
School Refurbishment				300	415
Car Park Improvements					328
'IT' Schemes					296
WG 'Resilient Roads'					292
Bridges & Retaining Walls					278
Recycling Vehicles and Boxes					261
'Green Infrastructure'					247
Abergavenny Borough Theatre Works				236	239
Access for All				390	238
County Farms					215
Council Chamber refurbishment & IT upgrade		200	200	200	200
Sewage Treatment Works				200	199
Abergavenny Community Hub development				47	73
Property schemes		229	74	138	0
Other schemes				203	106
<b>Total</b>	<b>5,978</b>	<b>25,224</b>	<b>37,500</b>	<b>40,448</b>	<b>49,920</b>

### 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	3,040	9,210	14,136	12,544	11,452
Capital receipts used for financing	(31)	(3,341)	(684)	(684)	(684)
Capital receipts used to support capitalisation direction	(1,011)	(2,208)	(2,208)	(508)	(508)
Capital receipts Received or Forecast	7,212	10,475	1,300	100	100
<b>Forecast Balance as at 31st March</b>	<b>9,210</b>	<b>14,136</b>	<b>12,544</b>	<b>11,452</b>	<b>10,360</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>(694)</b>	<b>3,891</b>	<b>1,753</b>	<b>1,316</b>	<b>224</b>

- 3.7 Capital receipts used to support the capitalisation direction were £1.08m less than budgeted for 2020/21, however this was offset by an overall delay in generating some receipts into 2021/22 and beyond and therefore results in a slightly reduced balance of receipts compared to the original budget.
- 3.8 Forecast receipts to be generated in future years have increased since the 2020/21 budget was set and this is demonstrated in the expected overall increase in receipt balances after affording additional capitalisation direction approved as part of 2021/22 budget setting.