

CHILDREN & YOUNG PEOPLE SELECT

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: CYP Select 2020/21 Outturn Detailed Statement

Service Area	Original Budget 2020/21	Budget Adjustm -ents 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
Children Services	14,428	(63)	14,365	15,718	1,353	1,433	(80)
Social Care, Health & Safeguarding	14,428	(63)	14,365	15,718	1,353	1,433	(80)
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)
Children & Young People	55,539	480	56,019	56,093	74	87	(13)
CYP Select Net Cost of Services	69,967	417	70,384	71,811	1,427	1,520	(93)

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	1,308	811

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 has 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.

CHILDREN SERVICES

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

CHILDREN & YOUNG PEOPLE	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	84	19	125	87	75

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

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.

INDIVIDUAL SCHOOLS BUDGET

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

RESOURCES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	37	22	14	3	(14)

The underspend is due to vacancy savings

STANDARDS

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	47	261	426	518	386

- Recoument increased by (income received from other LA's) (£151,000)
- Independent placement costs overspent by £127,000
- Other LA placement costs overspent by £186,000
- Additional support for pupils attending our schools overspent by £493,000
- Underspend on early years (rising 3's) due to school closure (£150,000)
- Overspend on breakfast clubs £45,000
- Underspend on ALN Transport due to school closure (£109,000)

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 overspend being higher.

Included in the independent placement costs is £107,000 relating to the three remaining pupils at Mounon House, this cost has been transferred from Mounon House to support this.

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.

2. SCHOOL BALANCES

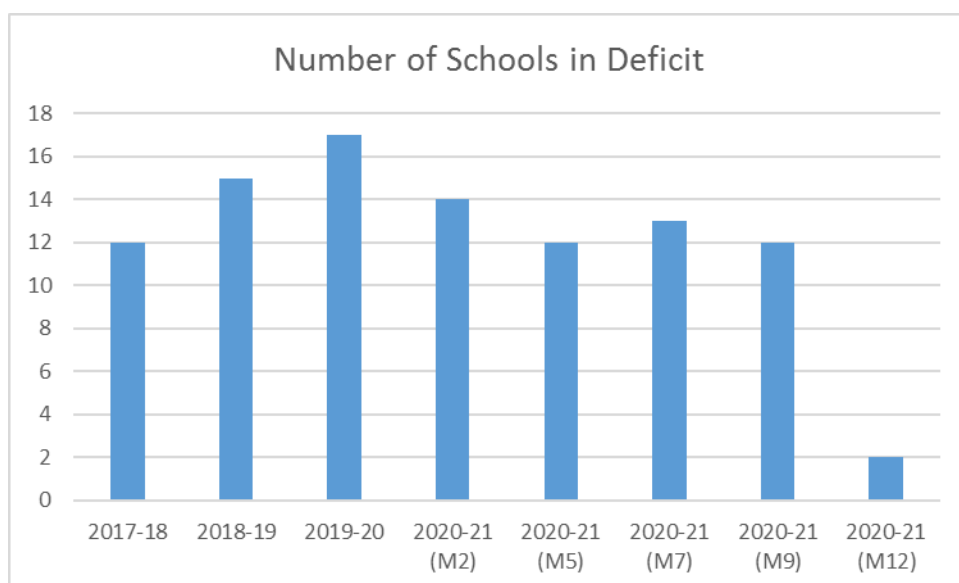
- 2.1. A Board of Governors who are responsible for managing the school's finances directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' 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
Cluster	£000's	£'000	£'000		
Abergavenny	(118)	(1,040)	(1,158)	2	1
Caldicot	160	(1,250)	(1,091)	4	1
Chepstow	24	(373)	(349)	2	1
Monmouth	518	(1,313)	(794)	4	1
Special	(149)	123	(26)	1	0
Total	435	(3,853)	(3,418)	13	4

- 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. The movement of individual schools forecast to be in deficit is shown below:

Start of year	Month 2	Month 5	Month 7	Month 9	End of year
Total: 17	Total: 14	Total: 12	Total: 13	Total: 12	Total: 2
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.



- 2.7. 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.
- 2.8. 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
Expenditure								
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)
Total Expenditure	24,842	33,308	13,981	(49,920)	22,211	19,031	(3,180)	(157)
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)	(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
Total Financing	(24,842)	(33,308)	(13,981)	49,920	(22,211)	(19,031)	(3,180)	157

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 forecast 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 st 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
Total	5,978	25,224	37,500	40,448	49,920

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
Forecast Balance as at 31st March	9,210	14,136	12,544	11,452	10,360
Forecast Balance 2020/24 MTFP	9,904	10,245	10,791	10,136	10,136
Variance compared to 2020/24 MTFP	(694)	3,891	1,753	1,316	224

- 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.