

Overall Revenue Position

Table 1: Council Fund 2021/22 Outturn Forecast Summary Statement at Month 2

Service Area	Original Budget 2021/22	Budget Adjustments Months 1-2	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M2
	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	52,825	(182)	52,643	54,308	1,665
Children & Young People	56,526	23	56,549	57,381	832
Enterprise	21,852	(206)	21,646	24,115	2,469
MonLife	3,951	17	3,968	6,978	3,010
Chief Executives Unit	2,745	(105)	2,640	2,692	52
People & Governance	3,359	(11)	3,348	3,341	(7)
Resources	7,457	(453)	7,004	8,112	1,108
Corporate Costs & Levies	23,415	823	24,238	24,259	21
Net Cost of Services	172,130	(94)	172,036	181,186	9,150
Appropriations	5,836	94	5,930	5,930	0
Expenditure to be Financed	177,966	0	177,966	187,116	9,150
Financing	(177,966)	0	(177,966)	(178,096)	(130)
Net General Fund (Surplus) / Deficit	0	0	0	9,020	9,020

Table 2: Council Fund 2021/22 Outturn Forecast Detailed Statement at Month 2

Service Area	Original Budget 2021/22	Budget Adjustments Months 1-2	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M2
	'000's	'000's	'000's	'000's	'000's
Adult Services	8,341	(34)	8,307	8,596	289
Children Services	16,147	(138)	16,009	17,136	1,127
Community Care	24,386	(73)	24,313	24,711	398
Commissioning	1,431	(2)	1,429	1,295	(134)
Partnerships	436	0	436	436	0
Public Protection	1,524	18	1,542	1,543	1
Resources & Performance	560	47	607	591	(16)
Social Care, Health & Safeguarding	52,825	(182)	52,643	54,308	1,665

Service Area	Original Budget 2021/22	Budget Adjustments Months 1-2	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M2
Individual Schools Budget	46,488	43	46,531	46,531	0
Resources	1,167	(21)	1,146	1,149	3
Standards	8,871	1	8,872	9,701	829
Children & Young People	56,526	23	56,549	57,381	832
Enterprise & Community Animation	2,837	72	2,909	4,052	1,143
Facilities & Fleet Management	5,487	(54)	5,433	5,984	551
Neighbourhood Services	11,233	(180)	11,053	11,398	345
Placemaking, Highways & Flood	2,295	(44)	2,251	2,681	430
Enterprise	21,852	(206)	21,646	24,115	2,469
Countryside & Culture	1,422	0	1,422	1,476	54
Finance & Business Development	1,735	(1)	1,734	1,734	0
Leisure, Youth & Outdoor Adventure	794	18	812	3,768	2,956
MonLife	3,951	17	3,968	6,978	3,010
Policy, Scrutiny & Customer Service	2,745	(105)	2,640	2,692	52
Chief Executives	2,745	(105)	2,640	2,692	52
People & Governance	3,359	(11)	3,348	3,341	(7)
People & Governance	3,359	(11)	3,348	3,341	(7)
Finance	3,526	(130)	3,396	4,152	756
Information, Communication Technology	3,136	(387)	2,749	2,749	0
Commercial & Corporate Landlord	795	64	859	1,211	352
Resources	7,457	(453)	7,004	8,112	1,108
Precepts & Levies	21,362	0	21,362	21,375	13
Coroner's	147	0	147	147	0
Archives	182	0	182	182	0
Corporate Management	339	0	339	315	(24)
Non Distributed Costs (NDC)	643	0	643	675	32
Strategic Initiatives	(836)	823	(13)	(13)	0
Insurance	1,578	0	1,578	1,578	0
Corporate Costs & Levies	23,415	823	24,238	24,259	21

Service Area	Original Budget 2021/22	Budget Adjustments Months 1-2	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M2
Net Cost of Services	172,130	(94)	172,036	181,186	9,150
Fixed Asset Disposal Costs	30	0	30	30	0
Interest & Investment Income	(134)	0	(134)	(134)	0
Interest Payable & Similar Charges	3,736	0	3,736	3,736	0
Charges Required under Regulation	6,404	0	6,404	6,404	0
Other Investment Income	0	0	0	0	0
Borrowing Cost Recoupment	(3,619)	0	(3,619)	(3,619)	0
Contributions to Reserves	163	0	163	163	0
Contributions from reserves	(744)	94	(650)	(650)	0
Appropriations	5,836	94	5,930	5,930	0
Expenditure to be Financed	177,966	0	177,966	187,116	9,150
General Government Grants	(69,465)	0	(69,465)	(69,465)	0
Non Domestic Rates	(32,017)	0	(32,017)	(32,017)	0
Council tax	(83,636)	0	(83,636)	(84,136)	(500)
Council Tax Benefit Support	7,152	0	7,152	7,522	370
Financing	(177,966)	0	(177,966)	(178,096)	(130)
Net General Fund (Surplus) / Deficit	0	0	0	9,020	9,020

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,665	0	0	0	

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

The month 2 directorate outturn for 2021/22 is, at this early stage in the financial year, an over spend of £1.665m. The overspend would be £1.75m higher if not assisted by the Social Care Workforce and Sustainability Grant from Welsh Government of £1.242m and £500k of Intermediate Care Funding (ICF) and Discharge to Reassess monies from Health.

The Adult Services division at month 2 has a predicted overspend of £536k, largely as a result of additional carer recruitment to our in house care at home service, and increased care packages in the South of the County. This area of the directorate is benefitting from the Social Care Workforce and Sustainability (SCWS) grant of £1.242m, plus ICF and Discharge to Reassess funding from Health totalling £150k, with ICF scheduled to terminate at 31st March 2022.

Children's Services has a forecast overspend of £1.127m. At the end of 2019/20 CLA numbers stood at 213 and remain the same at the end of the first 2 months of this year, which is a positive outcome. However, new children have required high cost residential placements, as opposed to those leaving which have been more in the lower cost fostering/kinship/family placements, accounting for £500k of the overspend. A recent legal case has led to the need for the directorate to pay kinship carers in line with foster carer rates, along with the increase in payment to foster carers due to increasing skills training, producing £272k of the overspend. Legal costs associated with court proceedings accounting for £238K of the over spend, with the remaining £117k due to continued use of agency staffing. This element of the directorate has also benefitted from ICF funding of £350K.

Public Protection continues to strive to remain within its budget and early prediction is a slight overspend of £2k, with plans being looked at to hopefully curtail this as we move through the financial year.

ADULT SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	289	0	0	0	0

Additional recruitment of carers, over and above budget, into our in house care at home service to facility additional packages of care.

CHILDREN SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,127	0	0	0	0

Even with reducing CLA numbers, new children have required high cost residential placements as a result of increased complexity, as opposed to those leaving which have been more in the lower cost fostering/kinship/family placements, accounting for £500k of the overspend. A recent legal case has led to the need for the directorate to pay kinship carers in line with foster carer rates, along with the

increase in payment to foster carers due to increasing skills training, producing £272k of the overspend. Legal costs associated with court proceedings accounting for £238k of the over spend, with the remaining £117k due to continued use of agency staffing.

COMMUNITY CARE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	397	0	0	0	0

The over spend in in the South of the County in our Chepstow Integrated team resulting from increased care packages.

COMMISSIONING

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'s	(134)	0	0	0	0

Ongoing vacant Commissioning Officer post and due to the continued closure of day facilities transport costs are lower than budget.

PARTNERSHIPS

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

No variances

PUBLIC PROTECTION

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

Not meeting staff efficiency savings

RESOURCES & PERFORMANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(16)	0	0	0	0

Vacant posts within the Finance team which have recently been appointed too.

CHILDREN & YOUNG PEOPLE

	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	832	0	0	0	

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Month 2 position is an over spend of £832k, which is due to additional ALN expenditure.

NB: A 1% pay award has been budgeted for teaching and non-teaching staff. Any award above 1% will result in a pressure for the ISB.

INDIVIDUAL SCHOOLS BUDGET					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	0
Nil variance forecast					
RESOURCES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	3	0	0	0	0
Historic costs relating to the closure of Mounton House School					
STANDARDS					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	829	0	0	0	0
- Recoupment decreased by (income received from other LA's) £197,000 - Independent placement costs overspent by £197,000 - Other LA placement costs overspent by £176,000 - Additional support for pupils attending our schools overspent by £223,000 - ALN Administrator costs (April – August) £27,000					

ENTERPRISE	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2,470	0	0	0	
ENTERPRISE DIRECTOR'S COMMENTARY: The Enterprise Directorate is forecasting a £2.47m adverse variance at month 2. The impacts of COVID are still having a pronounced effect upon the services provided within Enterprise along with increased demand for services across the portfolio. Both a projected loss of income and additional costs incurred continue to feature at this time and are currently forecast at £2.2m. Each service area sets out the detail behind these projections within the next sections of the report and the key financial issues, risks and implications are described. Across all Service Area's we are looking to ensure that all eligible additional costs and income losses will be claimed against any Welsh Government funding being made available.					
ENTERPRISE & COMMUNITY ANIMATION					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,143	0	0	0	0

Enterprise & Community Animation is forecasting a £1.143m overspend, this is mainly due to :-

- **Borough Theatre** - £96k overspend – Covid-19 rules have impacted re-opening and we are expecting net turnover to be affected by £66k as a result, we anticipate that this will be claimed back via the WG income grant. The remaining overspend is caused by the planned closure of the theatre for refurbishment, the theatre will have to close from late Autumn until Jan and we predict the impact on budget will be circa £30k.
- **Communications** - £7k overspend due to increased software costs.
- **Housing** - £1.041m overspend, this can be broken down into 4 main areas :-
 - **Homelessness** – If levels remain the same for rest of year then we are expecting a pressure of £977k split between B&B costs of £301k and hostel security costs of £676k. We anticipate that the first 6 months will be funded by WG Covid-19 grant but if this does end in September then there is a potential impact on budget of £505k.
 - **Sewage Treatment Plants** - £27k overspend – Delays in NRW decision to approve a replacement system at Shirenewton has meant that the plant still needs to be-emptied on a regular basis to avoid leaks.
 - **Social Housing Grant** - £73k overspend – Change in grant T&Cs has meant that core staff costs are no longer claimable causing a budget pressure.
 - **Shared Housing & Private Leasing** - £50k underspend - It is very early in the year for an accurate forecast for this service due to the volatility in rental payments, but if levels remain the same as last year then net income will be enough to return an underspend against budget.

All other services are forecasting a break-even budget.

FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	551	0	0	0	0

Facilities & Fleet management are forecasting a £551k overspend, due to :-

- **Schools Catering** - £81k overspend, covid restrictions are impacting on meal uptake and current levels are 30% of 19-20 numbers, this is affecting turnover. We will be claiming the lost income from the WG income loss fund upto end of September, we are hopeful that restrictions will be eased in the new academic year and uptake will improve.
- **Building Cleaning** - £25k overspend – the requirement to replace and repair essential equipment has pushed the supplies budget overspent. The unit will look to mitigate this as we go through the year.
- **Passenger Transport** – £181k overspend :-
 - **Home to School Transport** - The section is forecasting to overspend by £69k due to an increase in vehicle finance costs of £57k (due to the need to upgrade ageing vehicles to ensure they remain safe and efficient) along with increased staffing costs.
 - **External Commissioning** - The section is forecasting to overspend by £74k due to lower than anticipated income from concessionary and post 16 fares of £31k and increased contract prices.
 - **Private Hire** - The section is forecasting a deficit in private hire income of £38k due to a reduction in external school contracts from September.

Fleet Maintenance - £263k overspend – The cost of maintaining the authority's fleet has exceeded available budget, current forecasts predict a £256k shortfall. In addition the number of members of the

car salary sacrifice scheme have reduced meaning savings are below budgeted levels by £6k

NEIGHBOURHOOD SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	346	0	0	0	0

Neighbourhood Services are forecasting to overspend by £346k, this is due to :-

- **Highways, Swtra & Streetlighting** – Break-even budget reported.
- **Waste & Street Scene** - £346k overspend – this is due to additional staffing and vehicles required in waste to ensure we adhere to social distancing guidelines, it is anticipated that these costs will be covered by WG Covid-19 grant.

PLACEMAKING, HIGHWAYS & FLOOD

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	430	0	0	0	0

Placemaking, Highways & Flood is forecasting to overspend by £430k, this is as a result of :-

- **Planning** - £54k overspend - this is due to an overspend in staffing (25k) due to vacancy factor saving not being achievable and a small overspend on software costs, and a shortfall in planning fee income of £29k - it is anticipated that the income shortfall will be recovered via the WG income loss grant.
- **Planning Policy & LDP** - £200k underspend – reduced spending levels on professional fees as consultant spend is reduced because of LDP delay, this will need to be returned to reserves to fund spending in future years.
- **Car Parks** - £719k overspend – Covid restrictions are impacting on parking and enforcement income and early indications are that we will could see a pressure of £670k in 21-22 - in addition there are overspends in expenditure primarily transport, premises & software costs. We will be claiming back part of the lost income from WG grant but if support ends in September there could be a shortfall of £359k that will need to be managed.
- **Highways dev & flooding** - £143k underspend – Staffing underspend and improved income

MonLife	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	3,010	0	0	0	

MonLife DIRECTOR'S COMMENTARY:

The MonLife Directorate is forecasting an overspending of 3,010k. Welsh Government have indicated that hardship fund income to cover income losses from our main commercial services, Leisure Centres, Attractions and Gilwern Outdoor Adventure will continue to be funded through the up to September 2021. Claims are likely to be in the region of £2.156m to the end of September, so the remaining over spend of c.£940k is currently unfunded. The forecasts for the remainder of the year; so October 2021 to March 2022, assume a gradual increase in numbers but the assumption is that for the remainder of the year, we will not see a full return to operating normally and do not anticipate a return to our pre-Covid-19 Customer Base.

(MONLIFE) Countryside & Culture

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	54	0	0	0	0

The service is currently predicting a loss for the year of some 54k. This relates to the Museum Service and our Learning Offer. It is anticipated that the losses for quarter 1 and 2 will be fully met from the Covid Hardship Grant and the assumption of the over spend is that the service is not expected to be able to fully deliver some of those programmes and events in the Autumn as planned.

(MONLIFE) Finance & Business Development

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

No overspend is currently anticipated

(MONLIFE) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2,956	0	0	0	0

Leisure Centres have partially re-opened with social distancing measures restricting numbers on site but approximately of 50% of members have returned to sites but there have been high levels of membership cancellations and significant numbers of members continuing to freeze their memberships until circumstances at the centres change. The Outdoor Adventure Service is currently unable to offer any residential visits presently until government guidance eases the restrictions. It is anticipated that these significant losses will be covered by the hardship grant provided by the Welsh Government until September 2021. The currently unfunded overspend predicted in quarters 3 and 4 is due to presumed reduced activity as it is expected to take time to rebuild confidence with users.

CHIEF EXECUTIVES UNIT	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	52	0	0	0	

CEO DIRECTOR'S COMMENTARY:

The Policy, Scrutiny and Customer Experience division is forecasting a £52K overspend. This is partly due to the inability to deliver income targets in community hubs, which include the library service in all towns and Usk Post Office. The over spend has been partly offset by posts which have been held vacant during the pandemic but which need to be filled to maintain the service as we re-open. The contact centre is also forecasting an overspend resulting from the need to bring in temporary staff to cope with a sustained increase in phone calls, primarily dealing with a high volume of enquiries for waste and recycling, and in particular HWRC bookings. Community Education is presently forecasting a break-even position. However, there remains a high degree of uncertainty in this area as grant provider may require clawback of income as the service has been unable to achieve learner targets due to the pandemic.

POLICY, SCRUTINY & CUSTOMER EXPERIENCE

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

Policy, Scrutiny & Customer service is forecasting a £52k overspend, mainly due to :-

- **Community Hubs** - £21k overspend – shortfall in income due to unachievable income budgets.
- **Contact Centre** - £7k overspend – Increase in staff costs to cope with increase in customer demand.
- **Corporate CEO** - £9k overspend – due to inability to meet staff vacancy factor saving and an increase in license costs.

SLT Support - £12k overspend – staff costs have exceeded available budget due to an increase in hours within the team.

PEOPLE & GOVERNANCE

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

People & Governance DIRECTOR'S COMMENTARY:

People & Governance is reporting a £7k underspend, this is due to :-

- £4k overspend in **Democratic services** due to the inability to make staff vacancy savings.
- £11k underspend in **Land Charges** – this is due to staff savings from a vacant post.

All other services are reporting break-even.

RESOURCES

	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,080	0	0	0	

RESOURCES DIRECTOR'S COMMENTARY:

The Resources Directorate is showing signs of early budget pressure. Departments will now redouble their efforts to reduce or contain pressures and to identify cost savings that can be achieved by ceasing non-essential spend and where this is practicable and does not have an unacceptable impact on core service delivery.

The pressures across the directorate of £1.107m are represented by:

- £207k of non-COVID net pressure and notably relate to income losses in markets; anticipated early projections on B&B housing benefit claims that cannot be recovered via housing benefit

subsidy or through Welsh Government's COVID Hardship Fund; offset by staff vacancies caused by a delay in restructure proposals being implemented.

- b) Full year forecast pressures of £900k relating to COVID and that have previously been recovered in full from Welsh Government's COVID Hardship Fund. £628k of this relates to cost pressures relating to B&B housing benefit claims that cannot be recovered via DWP and the housing benefit subsidy mechanism. The remaining £272k relates to income losses relating to COVID and that relate to income losses in relation to investment properties, markets and summons income.

The risk relates to Welsh Government not bringing further funding forward post 30th September, and where funding commitments currently extend to, to meet anticipated pressures contained in b) above and that relate to the last six months of 2021/22 and beyond. In a worst-case situation this could result in £392k of pressures not funded by Welsh Government. And that when added to the £207k forecast non-COVID pressures above would represent a £599k pressure to be managed in year.

FINANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	756	0	0	0	0

Finance is forecasting to overspend by £756k, this is due to :-

- **Revenues** - £888k overspend, this is due in the main to :-
 - **Housing Benefits** - £756k overspend - It is too early in the financial year to provide an accurate forecast for this volatile budget. What is clear is that the budget pressure that emerged last year through the pandemic remains. £627k of this can be linked to Homeless B&B placements made as a result of the Covid-19 crisis (for which we are unable to claim Housing Benefit subsidy) e. We are able to claim some of these costs back through Welsh Government's hardship scheme. However currently this scheme only runs until September 2021, with no certainty of funding for the second half of the financial year so there could be a £314k pressure here to be managed post September. The remaining £128k over spend relates to a £55k increase in the bad debt provision (likely to improve as the year progresses) and £73k resulting from a general increase in caseloads and awards made.
 - **Council Tax** - £146k overspend – This is due to a £60k over spend against salary costs caused by the movement of budget to Finance as part of Resources restructure (this has been offset by a corresponding underspend within Finance). Also, a £79k anticipated shortfall in summons income. We are still awaiting confirmation of court dates for this year and therefore it is currently unclear how much we will be able to recover/process this way. Last year we received funding from Welsh Government to offset some of this lost income. However, it is unclear whether this funding will also be available into 2021/22.
 - **Debtors and Charity relief** - £13k underspend – mainly due to staff savings in debtors and grant income from Welsh Government for the ongoing administration of Business Support Grants.
- **Finance** - £122k underspend – This is a result of senior management vacancies, we are anticipating that these positions will be filled from September.
- **Systems & Cashiers** – a net £11k underspend – we have seen an over spend in Cashiers, our budget includes a £20k saving that was brought in for the implementation of a scheme to remove cheques from the authority's day –to--day business. The roll-out of the new system has been delayed due to the covid-19 pandemic so we have incurred a budget pressure. In addition, we have seen a £6k increase in card handling fees as more people are paying online for services. This has been offset by a £37k underspend in Revenues & Systems Support due to savings in systems development.

- **Payroll Systems & Support – On Budget**

INFORMATION, COMMUNICATION & TECHNOLOGY

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

ICT is forecasting a break-even budget.

COMMERCIAL & CORPORATE LANDLORD

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	352	0	0	0	0

Commercial & Corporate Landlord is forecasting to overspend by £352k :-

- **Investment Properties** - £50k overspend. Newport Leisure Park is forecasting to return a £350k surplus but this is £50k below budgeted level, the shortfall can be attributed to the effects of the Covid-19 pandemic. Castlegate Business Park is reporting a break-even position.
- **Landlord Services** - £97k overspend. This is due to an estimated £142k shortfall in income as we have lost rental income of £77k from the vacant spaces in our Magor office and a £65k loss of service charge, in addition there is a £14k overspend in supplies & services. This has been offset by a £51k saving in staff costs due to vacant posts only being filled part way through the year. We are anticipating that some of the lost income can be claimed via the WG through the income loss grant scheme, but this will only be to September so there will be a pressure to manage later in the year.
- **Markets** - £205k overspend. This is due to an increase in waste disposal costs (£35k) and a forecast shortfall in income of £170k, this has been caused by 2 things, reduced charges due to disruption caused by Market Hall refurbishment (£92k) and reduced numbers of stalls imposed by Covid-19 restrictions (£78k). An element of lost income due to Covid-19 can be reclaimed up to end of September.
- All other services are reporting a break-even position.

CORPORATE COSTS & LEVIES	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	21	0	0	0	

PRECEPTS & LEVIES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	13	0	0	0	

National parks levy notified after budget produced - increase in levy of circa 10% based on increased staff and project work required

CORONERS SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	
No variance at month 2					
CORPORATE MANAGEMENT					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(24)	0	0	0	
Small unbudgeted surpluses on Creditors refunds, apprenticeship levy					
NON DISTRIBUTED COSTS					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	32	0	0	0	
Additional pension strain costs notified since the budget has been set					
STRATEGIC INITIATIVES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	
No variance at month 2					
INSURANCE					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	
No variance at month 2					

APPROPRIATIONS	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	
FIXED ASSET DISPOSAL COSTS					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	
No variance at month 2					
INTEREST & INVESTMENT INCOME					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0	

No variance at month 2

INTEREST PAYABLE & SIMILAR CHARGES

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

No variance at month 2

CHARGES REQUIRED UNDER REGULATION

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

No variance at month 2

OTHER INVESTMENT INCOME

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

No variance at month 2

BORROWING COST RECOUPMENT

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

No variance at month 2

FINANCING

	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(130)	0	0	0	

COUNCIL TAX BENEFIT SUPPORT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	370	0	0	0	

As with the last financial year this budget is under particular pressure as a direct result of the Covid-19 pandemic. Late last financial year, the Welsh Government agreed funding to cover the majority of these additional costs. However, we have yet to receive confirmation of similar support for this year.

COUNCIL TAX

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(500)	0	0	0	

Currently the overall position for council tax income looks healthy. We continue to see new properties being added to the tax base, a review of exemptions and discounts has seen a drop in the number awarded and despite Covid-19 collection rates remain relatively strong. The position will be monitored closely, especially the potential impact of court availability which may affect recovery in later months.

2. SCHOOLS

- 2.1. A Board of Governors who are responsible for managing the school's finances directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 2 projections for each Educational Cluster.

Draft Council Fund Outturn 2021/22 – School Balances Summary outturn position at Month 2	(A) Opening Reserves (Surplus) / Deficit Position 2021/22	(B) Draw / (Contribution) from / (to) School Balances @ Month 2	(C) Draw / (Contribution) from / (to) School Balances @ Month 5	(D) Draw / (Contribution) from / (to) School Balances @ Month 7	(E) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+B) Forecast Reserve Balances at 2021/22 Outturn
Cluster	£000's	£'000	£'000	£'000	£'000	£'000
Abergavenny	(1,158)	309				(849)
Caldicot	(1,091)	539				(552)
Chepstow	(349)	516				167
Monmouth	(794)	457				(338)
Special	(26)	(39)				(65)
Total	(3,418)	1,782				(1,636)

- 2.2. Collective School Balances at the beginning of the financial year amounted to a £3,418,120 surplus. The Schools month 2 forecast anticipated draw on reserves is £1,781,648, which results in a forecast surplus balance of £1,636,472. (The majority of the surplus balance brought forward is due to two grants being awarded to schools at 2020/21 year end; the Schools Revenue Maintenance Grant and Recruit, Recover and Raise Standards).
- 2.3. The movement of individual schools forecast to be in deficit since the start of the financial year is shown below:

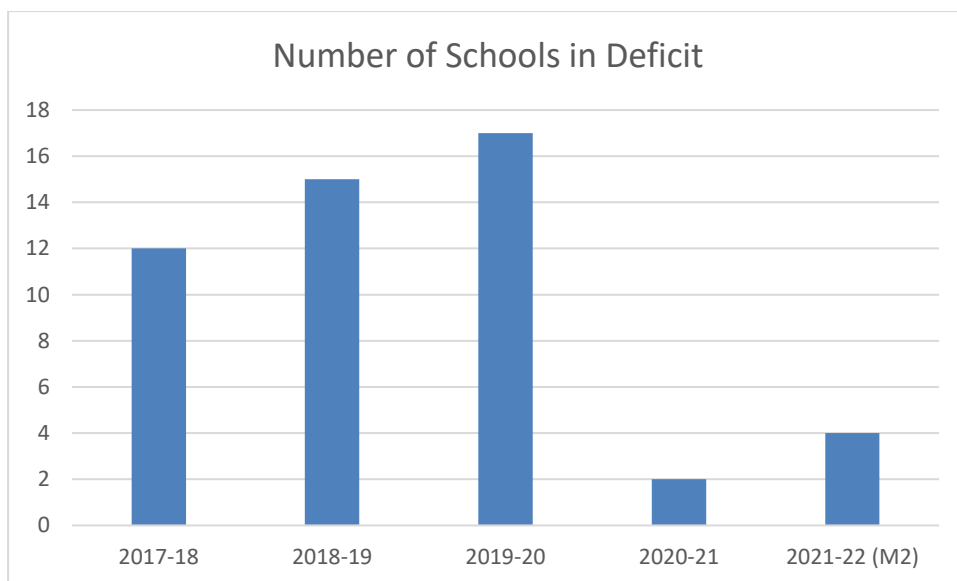
Start of year	Month 2 (Forecast)
2	4
Chepstow Comprehensive	Chepstow Comprehensive
Llandogo Primary	Llandogo Primary
	Ysgol Gymraeg Y Fenni
	Ysgol Gymraeg Y Ffin

- 2.4. 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.

- 2.5. 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 advised, grants awarded to schools at 2020/21 year end has resulted in a large increase in school balances.

Financial Year-end	Net level of School Balances
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232
2019-20	435
2020-21	(3,418)
2021-22 (Forecast)	(1,636)

- 2.6. The increase in school balances has resulted in a reduction in the number of schools in deficit, as illustrated in the following table:-



3 CAPITAL OUTTURN

3.1 The summary forecast Capital position at Month 2 is as follows:

Forecast Capital Outturn Position 2021/22 at Month 2

Select Portfolio	Slippage B/F	Original Budget	Budget Adjustments	Provisional Slippage	Revised Budget 2021/22	Forecast	Variance
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Children & Young People	15,381	14,423	1,261	0	31,065	31,065	0
Economic & Development	19,244	546	606	0	20,396	20,396	0
Adult	5,964	0	0	0	5,964	5,964	0
Strong Communities	8,554	11,545	1,708	0	21,807	21,807	0
Total Expenditure	49,143	26,514	3,575	0	79,232	79,232	0
Financing							
Supported Borrowing	0	(2,431)	0	0	(2,431)	(2,431)	0
General Capital Grant	0	(2,438)	0	0	(2,438)	(2,438)	0
Grants and Contributions	(19,096)	(13,160)	(3,575)	0	(35,831)	(35,831)	0
S106 Contributions	(711)	0	0	0	(711)	(711)	0
Unsupported Borrowing	(27,031)	(4,094)	0	0	(31,125)	(31,125)	0
Earmarked Reserve & Revenue Funding	(241)	0	0	0	(241)	(241)	0
Capital Receipts	(2,064)	(2,891)	0	0	(4,955)	(4,955)	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
Total Financing	(49,143)	(26,514)	(3,575)	0	(79,232)	(79,232)	0

3.2 The capital expenditure forecast outturn at month 2 shows a balanced budget as currently no under or over spends are being forecast mainly due to expenditure plans still needing to be refined given the early stage in the financial year. A change in Senior Management positions within the Property Management structure and continuing delays in contracting work due to Covid-19 restrictions are expected to have an impact during the year, however this will take some time to become clear.

3.3 Useable Capital Receipts Available

3.4 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.

2021/22	2022/23	2023/24	2024/25	2025/26
£000	£000	£000	£000	£000

Balance as at 1st April	9,581	15,550	15,162	14,076	12,989
Capital receipts used for financing	(2,059)	(684)	(684)	(684)	(684)
Capital receipts used to support capitalisation direction	(2,208)	(2,208)	(507)	(507)	(507)
Capital receipts Received or Forecast	10,236	2,504	104	104	104
Forecast Balance as at 31st March	15,550	15,162	14,076	12,989	11,902