

SCOMM 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: SCOMM Select 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
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)
Enterprise	18,099	(1,655)	16,444	16,117	(327)	2,667	(2,994)
Legal & Land Charges	839	(6)	833	724	(109)	(27)	(82)
Governance, Democracy & Support	3,906	(75)	3,831	3,799	(32)	23	(55)
Chief Executives Unit	4,745	(81)	4,664	4,523	(141)	(4)	(137)
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
Resources	7,125	71	7,196	6,312	(884)	(504)	(380)
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)

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
Corporate Costs & Levies	22,743	229	22,972	20,403	(2,569)	12	(2,581)
SCOMM Select Net Cost of Services	52,712	(1,436)	51,276	47,355	(3,921)	2,171	(6,092)
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)
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
Appropriations	4,857	2,193	7,050	10,624	3,574	(264)	3,838
Expenditure to be Financed	57,569	757	58,326	57,979	(347)	1,907	(2,254)
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)
Financing	(170,447)	(259)	(170,706)	(171,111)	(405)	(208)	(197)
SCOMM Select Net General Fund (Surplus) / Deficit	(112,878)	498	(112,380)	113,132	(752)	1,699	(2,451)

DIRECTORATE – DIVISION VARIANCE COMMENTS

ENTERPRISE	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	5,950	5,113	4,617	3,829	(499)

ENTERPRISE DIRECTOR'S COMMENTARY:

The Enterprise and MonLife Directorate is forecasting an outturn position of £500k 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.

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.

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.

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
Deficit / (Surplus) £'000s	1,456	1,153	783	500	51

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

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,011	1,067	993	1,245	(507)

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.

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
Deficit / (Surplus) £'000s	78	92	40	(27)	(109)

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

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	109	52	23	23	(32)

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.

RESOURCES	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	782	694	192	387	(867)

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.

CORPORATE COSTS & LEVIES	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,480	66	43	12	(2,569)
PRECEPTS & LEVIES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2	2	2	2	2
Small overspend on National parks levy of £2k due to notification of levy late in the budget process.					
CORONERS SERVICES					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	23	23	23	35	35
An increase in workload and staffing requirements along with DDA compliance works will lead to a forecast £35k overspend against budget.					
CORPORATE MANAGEMENT					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(114)	(191)	(231)	(319)
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)					
NON DISTRIBUTED COSTS					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	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.

FINANCING	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	336	20	(156)	(209)	(405)

COUNCIL TAX BENEFIT SUPPORT

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

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(305)	(385)	(368)	(407)

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 CAPITAL OUTTURN

2.1 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

2.2 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.

2.3 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.

2.4 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

2.5 Useable Capital Receipts Available

2.6 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

- 2.7 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.
- 2.8 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.