

Council Fund 2021/22 ADULT Select Month 9 Detailed Statement

Table 1: Council Fund 2021/22 Outturn Forecast Summary Statement at Month 9

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
<u>Social Care, Health & Safeguarding</u>	52,825	(182)	52,643	52,671	28	1,181	(1,153)
<u>Children & Young People</u>	56,527	48	56,575	57,703	1,128	1,262	(134)
<u>Enterprise</u>	21,884	(468)	21,416	21,463	47	913	(866)
<u>MonLife</u>	3,951	17	3,968	4,398	430	1,228	(798)
<u>Chief Executives Unit</u>	2,912	(100)	2,812	2,652	(160)	(41)	(119)
<u>People & Governance</u>	3,383	427	3,809	3,630	(179)	(184)	5
<u>Resources</u>	7,235	(849)	6,386	6,425	38	1,504	(1,466)
<u>Corporate Costs & Levies</u>	23,414	847	24,261	23,569	(693)	705	(1,398)
Net Cost of Services	172,130	(261)	171,870	172,510	640	6,568	(5,928)
<u>Appropriations</u>	5,836	261	6,097	5,697	(400)	(93)	(307)
Expenditure to be Financed	177,966	0	177,966	178,207	240	6,475	(6,235)
<u>Financing</u>	(177,966)	0	(177,966)	(178,517)	(550)	(564)	14
Net General Fund (Surplus) / Deficit	(0)	0	0	(310)	(310)	5,911	(6,221)

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Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	8,341	(81)	8,261	8,257	(4)	629	(633)
Children Services	16,147	(85)	16,061	16,458	397	695	(298)
Community Care	24,386	(43)	24,342	24,275	(67)	96	(163)
Commissioning	1,431	(37)	1,394	1,239	(155)	(162)	7
Partnerships	436	0	436	436	(0)	0	(0)
Public Protection	1,523	18	1,541	1,426	(115)	(60)	(55)
Resources & Performance	560	47	607	580	(27)	(17)	(10)
Social Care, Health & Safeguarding	52,825	(182)	52,643	52,671	28	1,181	(1,153)
Individual Schools Budget	46,488	43	46,531	46,502	(29)	166	(195)
Resources	1,167	4	1,171	1,180	8	18	(10)
Standards	8,871	1	8,872	10,021	1,149	1,078	71
Children & Young People	56,527	48	56,575	57,703	1,128	1,262	(134)
Business Growth & Enterprise	3,024	10	3,034	3,270	236	534	(298)
Facilities & Fleet Management	5,487	(54)	5,433	5,429	(4)	437	(441)
Neighbourhood Services	11,233	(180)	11,053	10,685	(368)	(185)	(183)
Placemaking, Highways & Flood	2,140	(244)	1,896	2,079	183	127	56
Enterprise	21,884	(468)	21,416	21,463	47	913	(866)
Countryside & Culture	1,422	(0)	1,422	1,514	92	72	20
Finance & Business Development	1,735	23	1,758	1,651	(107)	8	(115)
Leisure, Youth & Outdoor Adventure	794	(6)	787	1,233	446	1,148	(702)
MonLife	3,951	17	3,968	4,398	430	1,228	(798)
Policy, Scrutiny & Customer Service	2,912	(100)	2,812	2,652	(160)	(41)	(119)
Chief Executives	2,912	(100)	2,812	2,652	(160)	(41)	(119)
Democratic Services	2,424	(82)	2,342	2,257	(85)	(114)	29

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
Emergency Planning	152	0	152	152	(0)	0	(0)
People	807	508	1,315	1,221	(94)	(62)	(32)
People & Governance	3,383	427	3,809	3,630	(179)	(176)	(3)
Finance	3,339	(475)	2,864	2,539	(325)	760	(1,085)
Information, Communication Technology	3,029	(367)	2,662	2,641	(21)	(17)	(3)
Commercial & Corporate Landlord	868	(7)	860	1,245	384	754	(370)
Resources	7,235	(849)	6,386	6,425	38	1,496	(1,458)
Precepts & Levies	21,362	0	21,362	21,375	13	13	(0)
Coroner's	147	0	147	147	(0)	0	(0)
Archives	182	0	182	182	(0)	0	(0)
Corporate Management	339	0	339	245	(94)	(68)	(26)
Non Distributed Costs (NDC)	643	0	643	705	62	62	0
Strategic Initiatives	(836)	823	(13)	(689)	(676)	837	(1,513)
Insurance	1,578	24	1,601	1,604	3	(140)	143
Corporate Costs & Levies	23,414	847	24,261	23,569	(693)	705	(1,398)
Net Cost of Services	172,130	(261)	171,870	172,510	640	6,568	(5,928)
Fixed Asset Disposal Costs	30	0	30	201	171	136	35
Interest & Investment Income	(134)	0	(134)	(203)	(69)	11	(80)
Interest Payable & Similar Charges	3,736	0	3,736	3,333	(403)	(230)	(173)
Charges Required under Regulation	6,404	0	6,404	6,393	(11)	(10)	(1)
Other Investment Income	0	0	0	(2)	(2)	0	(2)
Borrowing Cost Recoupment	(3,619)	0	(3,619)	(3,704)	(85)	0	(85)
Contributions to Reserves	195	0	195	195	(0)	0	(0)
Contributions from reserves	(777)	261	(516)	(516)	(0)	(0)	0
Appropriations	5,836	261	6,097	5,697	(400)	(93)	(307)
Expenditure to be Financed	177,966	0	177,966	178,207	240	6,475	(6,235)

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M6	Forecast Variance M6 to M9
General Government Grants	(69,465)	0	(69,465)	(69,465)	0	0	(0)
Non Domestic Rates	(32,018)	0	(32,018)	(32,018)	0	(0)	0
Council tax	(83,636)	0	(83,636)	(84,286)	(650)	(750)	100
Council Tax Benefit Support	7,152	0	7,152	7,253	100	186	(86)
Financing	(177,966)	0	(177,966)	(178,517)	(550)	(564)	14
Net General Fund (Surplus) / Deficit	(0)	0	0	(310)	(310)	5,911	(6,221)

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,665	1,181	28	0

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

The month 9 directorate outturn for 2021/22 is a predicted overspend of £28,000. The overspend would be £3.25M higher if not assisted by the Social Care Workforce and Sustainability Grant from Welsh Government of £1.242M, £500k of Intermediate Care Funding (ICF), Discharge to Reassess monies from Health, £540K from the Social Care Recovery and its Extension Fund, and the recently announced additional financial support package from Welsh Government to fund overspends within Social Care of £1.25M.

The Adult Services division (which also includes the Community care, Commissioning, Partnerships & Resources sections) at month 9 has an underspend of £253K, a reduction of £799K since month 6, even though we have made additional recruitment to our inhouse 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, ICF (scheduled to terminate at 31st March 2022) , Discharge to Reassess funding from Health totalling £150K, £300K from the Social Care Recovery Fund and £623K as its share of the £1.25M additional support from Welsh Government.

Children's Services has a forecast overspend of £396K, a decrease of £298K since month 6 due to increased costs connected with one high cost placement. At the end of 2019/20 CLA numbers stood at 213 but have fallen to 205 at the end of month 9, remaining unchanged since month 6. 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 £832K 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 £273K of the overspend. Legal costs associated with court proceedings accounting for £213K of the overspend, with the continued use of agency staffing contributing £75K to the overspend. There are £104K of compensating savings mainly from the vacant Head of Service and reduced partner contributions. This element of the directorate has also benefitted from ICF funding of £300K, coupled with £240K from the Social Care Recovery and Extension Fund, and £627K as its share of the £1.25M additional support from Welsh Government has helped to lower the overspend.

Public Protection is anticipated to underspend by £115K due to vacancies within the service which will be maintained until the end of this financial year.

ADULT SERVICES

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	289	629	(4)	0

Additional recruitment of carers, over and above budget, into our in-house care at home service to facility additional packages of care. This overspend has been offset by £623K as its share of the £1.25M additional funding package from Welsh Government

COMMUNITY CARE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	397	95	(67)	0

The overspend in in the South of the County in our Chepstow Integrated team resulting from increased care packages. However, one off ICF funding, the Social Care Sustainability Grant and the new Social Care Recovery fund have helped to offset the potential overspend.

COMMISSIONING

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(134)	(162)	(155)	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 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	0

No variances

RESOURCES & PERFORMANCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(16)	(16)	(27)	0

Vacant posts within the Finance team.

ENTERPRISE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,470	913	47	0

ENTERPRISE DIRECTOR'S COMMENTARY:

The Enterprise Directorate is forecasting a £47k overspend at month 9.

The impacts of COVID-19 are still affecting services provided within Enterprise, WG Covid-19 funding has been guaranteed for the remainder of the year so any shortfall caused by Covid-19 will not impact the directorates outturn position at year end. We have continued to submit Covid-19 claims through the year and the receipt of funding since Qtr2 is the main reason for the £866k improvement from Month 6.

The current £47k overspend projection can be broken down between:

- **Covid-19 Related Pressures** of £958k – these are mainly found in Homelessness (B&B and Security costs), Car Parking (loss of P&D and PCN income) and Waste (Staff cover and vehicles). As mentioned above we are anticipating that all these costs will be covered.
- **Non-Covid-19 Related** underspend of £911k – main savings can be found in Waste (Contract & Recyclate savings), Streetlighting (Energy savings), PTU (Contractor savings) and staff vacancy savings across whole directorate.

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 areas 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 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,143	534	235	0

Enterprise & Community Animation is forecasting a £235k overspend at month 9, this is mainly due to:

- **Housing** - £308k overspend, this can be broken down into these main areas:
 - **Homelessness** – £354k overspend - If levels remain the same for the remainder of the year then we are expecting a pressure of £433k split between B&B costs of £176k and hostel security costs of £258k. This has been offset by staff vacancies of £79k. WG have informed us that the Homeless costs will continue to be covered out of Covid-19 grant for the rest of the year so there will be no adverse impact on revenue budget.
 - **Social Housing Grant** - £63k overspend – Change in grant T&Cs has meant that core staff costs are no longer claimable causing a budget pressure.
 - **Shared Housing & Private Leasing** - £110k underspend - Rental income within Shared housing and Private leasing are currently exceeding budget creating a bottom-line underspend. This is an improvement from month 6 of £16k but the receipt of rental payments can be volatile so this figure could change between now and year end.
 - **Careline** - £22k underspend – Mainly due to reductions in equipment spend and income increase from recharges to other LAs.

3 CAPITAL OUTTURN

3.1 The summary forecast Capital position at Month 9 is as follows:

Forecast Capital Outturn Position 2021/22 at Month 9							
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	(27,478)	3,587	3,587	0
Economic & Development	19,244	546	606	(18,143)	2,253	2,253	0
Adult	5,964	0	0	(5,964)	0	0	0
Strong Communities	8,554	11,545	8,349	(2,768)	25,680	25,680	0
Total Expenditure	49,143	26,514	10,216	(54,353)	31,520	31,520	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)	(7,685)	29,132	(10,809)	(10,809)	0
S106 Contributions	(711)	0	(331)	170	(872)	(872)	0
Unsupported Borrowing	(27,031)	(4,094)	0	23,686	(7,439)	(7,439)	0
Earmarked Reserve & Revenue Funding	(241)	0	0	0	(241)	(241)	0
Capital Receipts	(2,064)	(2,891)	(2,200)	1,365	(5,790)	(5,790)	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
Total Financing	(49,143)	(26,514)	(10,216)	54,353	(31,520)	(31,520)	0

3.2 The capital expenditure forecast outturn at month 9 shows a balanced outturn position as capital budget holders are forecasting a full spend on schemes that are not being slipped.

3.3 Forecast Capital Slippage at month 9 is £54.353m (£51.772m at Month 6) as major schemes are impacted by delays.

- Abergavenny King Henry VIII replacement (£26.399m), where the original budget schedule for the project has changed considerably since the inception of the project.
- Asset Investment Fund (£18.092m), on hold due to an asset investment priority review;
- Crick Road Care Home (£5.964m), delays in building schedule;
- £813k for a backlog in disabled facility grant implementations;
- £516k for modifications to County Hall 'J' block, delayed due to a 'SUDS' consent being required;
- £489k for Match Funded Capital schemes due to the dependency on external funding contributions;
- £280k on the Highways Re-Fit programme

3.4 Useable Capital Receipts Available

3.5 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	13,503	11,108	10,311	8,714
Capital receipts used for financing	(3,582)	(2,311)	(1,294)	(1,194)	(1,094)
Capital receipts used to support capitalisation direction	(2,208)	(2,650)	(507)	(507)	(507)
Capital receipts Received or Forecast	9,712	2,565	1,004	104	104
Forecast Balance as at 31st March	13,503	11,108	10,311	8,714	7,217