

## Council Fund 2021/22 CYP Select Month 9 Detailed Statement

## Overall Revenue Position

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 &amp; Safeguarding</u>	52,825	(182)	52,643	52,671	28	1,181	(1,153)
<u>Children &amp; 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 &amp; 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 &amp; Levies</u>	23,414	847	24,261	23,569	(693)	705	(1,398)
<b>Net Cost of Services</b>	<b>172,130</b>	<b>(261)</b>	<b>171,870</b>	<b>172,510</b>	<b>640</b>	<b>6,568</b>	<b>(5,928)</b>
<u>Appropriations</u>	5,836	261	6,097	5,697	(400)	(93)	(307)
<b>Expenditure to be Financed</b>	<b>177,966</b>	<b>0</b>	<b>177,966</b>	<b>178,207</b>	<b>240</b>	<b>6,475</b>	<b>(6,235)</b>
<u>Financing</u>	(177,966)	0	(177,966)	(178,517)	(550)	(564)	14
<b>Net General Fund (Surplus) / Deficit</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(310)</b>	<b>(310)</b>	<b>5,911</b>	<b>(6,221)</b>

**Table 2: Council Fund 2021/22 Outturn Forecast Detailed 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
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)
<b>Social Care, Health &amp; Safeguarding</b>	<b>52,825</b>	<b>(182)</b>	<b>52,643</b>	<b>52,671</b>	<b>28</b>	<b>1,181</b>	<b>(1,153)</b>
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
<b>Children &amp; Young People</b>	<b>56,527</b>	<b>48</b>	<b>56,575</b>	<b>57,703</b>	<b>1,128</b>	<b>1,262</b>	<b>(134)</b>
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
<b>Enterprise</b>	<b>21,884</b>	<b>(468)</b>	<b>21,416</b>	<b>21,463</b>	<b>47</b>	<b>913</b>	<b>(866)</b>
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)
<b>MonLife</b>	<b>3,951</b>	<b>17</b>	<b>3,968</b>	<b>4,398</b>	<b>430</b>	<b>1,228</b>	<b>(798)</b>
Policy, Scrutiny & Customer Service	2,912	(100)	2,812	2,652	(160)	(41)	(119)
<b>Chief Executives</b>	<b>2,912</b>	<b>(100)</b>	<b>2,812</b>	<b>2,652</b>	<b>(160)</b>	<b>(41)</b>	<b>(119)</b>
Democratic Services	2,424	(82)	2,342	2,257	(85)	(114)	29
Emergency Planning	152	0	152	152	(0)	0	(0)
People	807	508	1,315	1,221	(94)	(62)	(32)

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
<b>People &amp; Governance</b>	<b>3,383</b>	<b>427</b>	<b>3,809</b>	<b>3,630</b>	<b>(179)</b>	<b>(176)</b>	<b>(3)</b>
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)
<b>Resources</b>	<b>7,235</b>	<b>(849)</b>	<b>6,386</b>	<b>6,425</b>	<b>38</b>	<b>1,496</b>	<b>(1,458)</b>
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
<b>Corporate Costs &amp; Levies</b>	<b>23,414</b>	<b>847</b>	<b>24,261</b>	<b>23,569</b>	<b>(693)</b>	<b>705</b>	<b>(1,398)</b>
<b>Net Cost of Services</b>	<b>172,130</b>	<b>(261)</b>	<b>171,870</b>	<b>172,510</b>	<b>640</b>	<b>6,568</b>	<b>(5,928)</b>
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
<b>Appropriations</b>	<b>5,836</b>	<b>261</b>	<b>6,097</b>	<b>5,697</b>	<b>(400)</b>	<b>(93)</b>	<b>(307)</b>
<b>Expenditure to be Financed</b>	<b>177,966</b>	<b>0</b>	<b>177,966</b>	<b>178,207</b>	<b>240</b>	<b>6,475</b>	<b>(6,235)</b>
General Government Grants	(69,465)	0	(69,465)	(69,465)	0	0	(0)

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
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

<b>SOCIAL CARE, HEALTH &amp; SAFEGUARDING</b>	<b>Month 2</b>	<b>Month 6</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	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.

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.

### **CHILDREN SERVICES**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 6</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	1,127	695	397	0

Even with stabilising 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 £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 remaining £75K due to continued use of agency staffing. There is £104K of compensating savings through the current vacant Head of Children's Services post, reduced partner contribution into the Youth Offending Service and reduced contracted transport costs achieved due to the pandemic. This service area is benefitting from one off ICF funding totalling £300K, £240K from the Social Care Recovery and Extension Fund and £627K as its share of the £1.25M additional funding package from Welsh Government which has reduced the impact of the overspend.

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<b>CHILDREN &amp; YOUNG PEOPLE</b>	<b>Month 2</b>	<b>Month 6</b>	<b>Month 9</b>	<b>Outturn</b>
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<b>Deficit / (Surplus) £'000s</b>	832	1,262	1,128	0
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**CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:**

The Directorate's Month 6 position is an over spend of £1,128k, which is primarily due to additional ALN expenditure as outlined below.

**INDIVIDUAL SCHOOLS BUDGET**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 6</b>	<b>Month 9</b>	<b>Outturn</b>
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<b>Deficit / (Surplus) £'000s</b>	0	166	(29)	0
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Back pay due to school staff is less than anticipated and there is an underspend on Covid-19 expenses from the 2020-21 grant.

**RESOURCES**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 6</b>	<b>Month 9</b>	<b>Outturn</b>
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<b>Deficit / (Surplus) £'000s</b>	3	18	8	0
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The decrease in overspend is due to staff cost savings.

**STANDARDS**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 6</b>	<b>Month 9</b>	<b>Outturn</b>
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<b>Deficit / (Surplus) £'000s</b>	829	1,078	1,149	0
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- Recoupment decreased by (income received from other LA's) £235,000
- Independent placement costs overspent by £303,000
- Other LA placement costs overspent by £191,000
- Additional support for pupils attending our schools overspent by £336,000
- Breakfast Club reduction in income & increased costs £62,000
- Deri View SNRB/Virtual School Staff & Overmonnow SNRB £77,000

The above overspends have been partially offset by the following savings: -

- Staff cost savings in Psychology Service (£27,000)
- Recent Early Years grants released to cover staff costs (£20,000)

## 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 9 projections for each Educational Cluster.

Draft Council Fund Outturn 2021/22 – School Balances Summary outturn position at Month 9	(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 6	(D) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+D) Forecast Reserve Balances at 2021/22 Outturn	Variance Draw on School Balances Month 6 to Month 9
Cluster	£000's	£'000	£'000	£'000	£'000	£'000
Abergavenny	(1,158)	309	426	(197)	(1,355)	(623)
Caldicot	(1,091)	539	372	(197)	(1,288)	(569)
Chepstow	(349)	516	417	42	(307)	(375)
Monmouth	(794)	457	354	(318)	(1,113)	(673)
Special	(26)	(39)	(11)	(16)	(42)	(5)
<b>Total</b>	<b>(3,418)</b>	<b>1,782</b>	<b>1,558</b>	<b>(687)</b>	<b>(4,105)</b>	<b>(2,245)</b>

2.2. Collective School Balances at the beginning of the financial year amounted to a £3,418,120 surplus. (The majority of the surplus balance brought forward is due to two grants being awarded to schools at the 2020/21 year-end; the Schools Revenue Maintenance Grant and Recruit, Recover and Raise Standards).

2.3. The Schools month 2 forecast anticipated draw on reserves was £1,781,648, which resulted in a forecast surplus balance of £1,636,472. At month 6, the forecast anticipated draw on reserves was reduced by £223,938, to a forecast surplus balance of £1,860,410. At month 9, the forecast is a contribution to reserves of £686,954, resulting in a forecast surplus balance of £4,105,074. The majority of the increase in reserve balances is due to additional grants from Welsh Government, the details are below:

- £1,089,288 to cover revenue maintenance
- £117,306 Winter of Wellbeing
- £184,076 ALN new system funding
- £668,971 RRR's funding.
- £2,059,641 Total

All schools are putting in place plans to ensure the most effective and beneficial use of these grants is made.

2.4. 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)	Month 6 (Forecast)	Month 9 (Forecast)
2	4	3	2
Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive
Llandogo Primary	Llandogo Primary	Llandogo Primary	Llandogo Primary
	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	
	Ysgol Gymraeg Y Ffin		

2.5. 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.

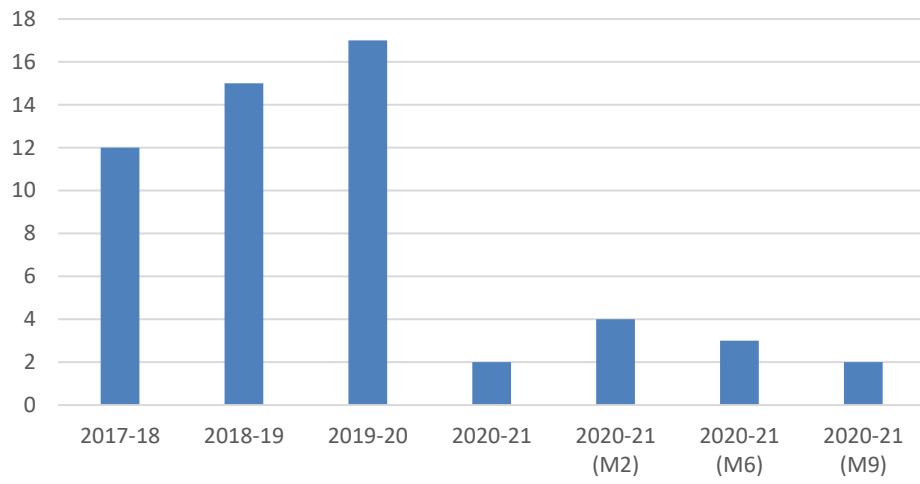
2.6. Total Schools balances have been exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances, which is of concern, and others a more balanced trend. However, as previously advised, grants awarded to schools at 2020/21 year-end has resulted in a large increase in overall 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)	(4,105)

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



### Number of Schools in Deficit



### 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
<b>Expenditure</b>							
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
<b>Total Expenditure</b>	<b>49,143</b>	<b>26,514</b>	<b>10,216</b>	<b>(54,353)</b>	<b>31,520</b>	<b>31,520</b>	<b>0</b>
<b>Financing</b>							
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
<b>Total Financing</b>	<b>(49,143)</b>	<b>(26,514)</b>	<b>(10,216)</b>	<b>54,353</b>	<b>(31,520)</b>	<b>(31,520)</b>	<b>0</b>

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
<b>Forecast Balance as at 31st March</b>	<b>13,503</b>	<b>11,108</b>	<b>10,311</b>	<b>8,714</b>	<b>7,217</b>