

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 & 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)

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)
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
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
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)
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

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.

FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	551	437	(4)	0

Facilities & Fleet management are forecasting a £4k underspend, due to:

- **Schools Catering** – Break-Even – It is forecast that the anticipated uptake in meals between now and year end will be sufficient to bring the service in on budget. All shortfalls caused by Covid-19 in the earlier parts of the year have been covered by the WG Covid-19 grant.
- **Building Cleaning** - £25k overspend – due to increased staffing costs to cover Covid-19 related absences, this will be reclaimed from the WG Covid-19 funding so won't impact on year end outturn.
- **Passenger Transport** – £269k underspend:
 - **Home to School Transport** – Break-even - employee savings have offset external vehicle maintenance costs.
 - **External Commissioning** - The section is forecasting to underspend by £269k, this is due underspends in contractor payments and staff vacancies totalling £219k and a £50k saving from the capitalisation of route optimisation software costs.
 - **Private Hire** – Break-even – All losses anticipated in Private Hire have been covered off by the WG Covid-19 fund.

- **Fleet Maintenance** - £240k overspend – The cost of maintaining the authority’s fleet has exceeded available budget, current forecasts predict a £219k shortfall. In addition, the number of members of the car salary sacrifice scheme have reduced meaning savings are below budgeted levels by £22k.

The outturn position has improved by £441k from month 6 and this is mainly down to the receipt of Covid-19 funding in Catering and PTU and an improving position regarding the overall impact of Covid-19 on services.

NEIGHBOURHOOD SERVICES

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	346	(185)	(367)	0

Neighbourhood Services are forecasting to underspend by £367k, this is due to:

- **Highways, SWTRA & Streetlighting** – £109k underspend - This is due to Streetlighting, the LED replacement programme is now complete and the resultant reduction in KWH output means our energy costs have reduced below budget. We are also seeing a saving in our maintenance budget as our ‘Hazard’ monitoring costs have gone down. Highways Operations and SWTRA & External Clients are both forecasting a break-even budget.
- **Waste & Street Scene** - £257k underspend – this can be broken down between:
 - a. **Covid-19 Related** - £236k overspend – this is for additional staff and vehicles to cover Covid-19-19 related absences and distancing guidelines, these costs will be recovered from the WG Covid-19 fund and will not impact on year end.
 - b. **Non-Covid-19 Related** - £494k underspend - as we move through the year we are getting a better understanding of the potential outturn position for Waste & Street Scene, the HWRC and transfer station contract savings were still being worked through in Month 6 and a relatively buoyant recycling market in Quarter 2 and Quarter 3 have reduced costs. Planned expenditure on new depot infrastructure in south of county has not materialised due to the lack of suitable site availability to house recycling and waste fleet.

The £182k improvement from Month 6 is due to the receipt of Covid-19 funding and the improvement in the Waste position that was not fully known in September.

PLACEMAKING, HIGHWAYS & FLOOD

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	430	127	182	0

Placemaking, Highways & Flood is forecasting to overspend by £182k, this is because of:

Car Parks - £240k overspend – Covid-19 restrictions have impacted on parking and enforcement income, we are seeing an improvement in Pay & Display levels but are still expecting to see a pressure of £191k this year - in addition there are overspends in expenditure primarily transport, premises & software costs (£49k). We will be claiming back the lost income from the WG Covid-19 grant so impact on outturn will only be £49k by year end.

Highways Management & Flooding - £166k underspend – Staffing underspend due to delays in filling vacant posts and improved income.

The increase in overspend from Month 6 can be mainly attributed to the reduction in Building Control income that was not known in September, although this will be reclaimable via WG Covid-19 grant.

CHIEF EXECUTIVES UNIT	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	53	(41)	(160)	

HEAD OF POLICY, PERFORMANCE AND SCRUTINY COMMENTARY:

The Chief Executive's department is currently forecasting a £160K under spend. The most significant factor is an increase in grant income because of a change in the national formula. This has not been fully utilised because of the impact of Covid-19 restrictions on service delivery. Provision had been made for partial repayment which we have been advised will not be required accounting for the shift on the month 6 position.

The other main factor is a delay in the introduction of a new telephony system. This is part of a Wales-wide framework contract which will not be implemented until the 2022-23 financial year.

These have helped balance overspends in other service areas including an over-spend on Welsh language translation costs.

POLICY, SCRUTINY & CUSTOMER EXPERIENCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	53	(41)	(160)	0

Policy, Scrutiny & Customer Experience is forecasting a £160k underspend at month 9, this is due to:

- **Community Education** - £159k underspend – this is due to improved external partner income that have been carried forward from 2020-21 that has helped offset core service costs, these have been part offset by increased lecturer costs.
- **Contact Centre** - £65k underspend – due to budget savings because of the delay in the implementation of a new telephony system. This was not known at month 6 and is the reason for the positive swing.

Offset by:

- **Community Hubs** - £29k overspend – shortfall in library and room hire income due to unachievable income budgets.
- **Corporate CEO** - £9k overspend – due to inability to meet staff vacancy factor saving and an increase in license costs.
- **Policy & Partnerships** – £24k overspend - Net overspend mainly due to an increase in Welsh Language translation costs of £37k, offset by a saving of £4k in third party contributions and £7k in CCTV maintenance costs. The volume of translation work has increased significantly in recent months and is the reason for the increase in overspend from Month 6.

The improvement in underspend of £119k from Month 6 is mainly due to:

- Community Education - £59k additional income that was not factored in at month 6.
- Contact Centre - £83k reduced expenditure due to the delay in telephony system implementation.
- Welsh language – Increased translation costs £37k not factored in at Month 6.

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PEOPLE & GOVERNANCE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(8)	(176)	(179)	

People & Governance DIRECTOR'S COMMENTARY:

People & Governance is reporting a £179k under spend. It is a period of transition for this new Directorate and intentional restraint around vacancies and the overall structure of the team has led to the majority of the underspend. Planning for FY 2022/23 is advanced and resource allocation is likely to be a much more challenging prospect given the combination of several projects coming to fruition.

Governance

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(8)	(122)	(84)	0

Democratic Services is forecasting to underspend by £84k, this is due to:

- **Organisational Development** – overspending by £8k – increase in staff costs as a post has gone from part-time to full time.
- **Members Costs** - underspending by £49k due to a reduction in IT replacement costs (£35k) and savings in mileage and allowance claims (£14k) due to more agile attendance of meetings.
- **Electoral Management** – Break-Even – underspends resulting from a reduction in canvassing costs have been offset by increased postage & printing costs and a staff costs due to post re-gradings. The extent of postage and printing costs was not known earlier in the year and is the reason for the £30k reduction in underspend since Month 6.
- **Committee Section** – overspending by £18k due to increased staff costs due to post re-gradings, a small overspend on software costs and a reduction in WG grant.
- **Legal Services** - £24k underspend – staff savings resulting from the delay of the employment lawyer
- **Land Charges** - £37k underspend – this is because of increased search income and savings from a staff vacancy.

Emergency Planning

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

Emergency Planning are forecasting a balanced budget.

People

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(62)	(94)	0

- **People Services** is forecasting to underspend by £94k due to senior staff vacancy savings of £80k and a £11k underspend in Occupational Health due to a reduction in demand.

- **Corporate Training** – Forecasting a £3k underspend – due a small staff saving resulting from a delay in filling a post and an increase in external training income.

The £32k improvement from Month 6 can be attributed to the delay in filling a senior post in People services.

RESOURCES	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,107	1,504	38	

RESOURCES DIRECTOR'S COMMENTARY:

The directorate has seen a considerable improvement in forecast since month 6 of £1,466k, of which £576k can be attributed to core service delivery, with a further £885k representing continued recoupment of Covid-19 related costs from the WG hardship fund.

Of the total forecast, a £217k surplus relates to core service delivery, with much of this relating to continued staff vacancies which does not represent a sustainable position moving forward and will need further consideration as we move into 2022/23.

The remaining £256k forecast pressure is specifically related to additional Covid related expenditure or income losses and is expected to be funded in full from the Welsh Government hardship fund during the course of the year. Officers will continue to work with Welsh Government colleagues to ensure that legitimate costs and income losses are recovered where they are as a direct result of the impact of the pandemic on services.

FINANCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	756	760	(325)	0

Finance is forecasting to underspend by £325k, this is mainly due to:

- **Revenues** - £13k overspend, this is due in the main to:
 - **Housing Benefits** - £42k overspend - The position has improved significantly for this budget following Welsh Government's decision to release hardship funding to support the lost Housing Benefit Subsidy resulting from temporary accommodation placements. The remaining £42,000 over-spend is a real cost to Monmouthshire and mainly reflects ongoing placements costs, which by their nature do not currently attract subsidy.
 - **Council Tax** - £108k over-spend – due to a £57k over-spend against salary costs, as the budget was vired to Finance as part of structure adjustments. Plus, a £51k estimated shortfall in summons income. Courts have now started up again and full recovery is underway. As a result, Summons Income has started to pick up and is the reason for the £29,000 reduction in the forecast over spend since month 6. However, Summons Income is still behind normal levels and any shortfall at year end has the potential to be claimed back via the WG Covid-19 fund.
 - **Debtors and Charity relief** - £137k underspend – due to a combination of £3k anticipated savings against the discretionary relief budget, a net surplus of £3k admin grant funding from Welsh Government, a £5k saving against the debtors postage budget and a £126k under spend following the decision not to call on the NDR budget this year.
- **Finance** - £243k underspend – This is a result of senior management vacancies. We are anticipating that these positions will now not be filled until the new financial year.

- **Audit** - £15k underspend – This is due to staff vacancy savings.
- **Systems & Cashiers** – £21k underspend – The Cashiers budget includes a £20k staff saving, following the decision to remove cheques from the authority’s day-to-day business. However, Covid-19 has delayed the full implementation of this decision resulting in a budget pressure. In addition, we have seen an increase in card handling fees as more people are paying for services online. Cash system costs have also increased as new functionality is developed resulting in a combined over-spend of £26k. These pressures are offset by £10k security carrier savings and a £57k underspend in the Revenues & Systems Support team, due to staff vacancies and system development savings intentionally held back to fund the pressure within cashiers.
- **Payroll** – £59k underspend – Staff savings due to the retirement of a senior post plus further savings from delays in filling vacant posts.

The outturn position has improved by £1.085m from month 6 and this is mainly down to the receipt of Covid-19 funding in our Revenues section from September and an improving position regarding the overall impact of Covid-19 on services. In addition, the position has also improved as staff vacancies have remained vacant longer than originally thought at Month 6.

COMMERCIAL & CORPORATE LANDLORD

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	352	754	382	0

Commercial & Corporate Landlord is forecasting to overspend by £382k:

- **Investment Properties** - £242k overspend, due to:
 - **Newport Leisure Park** - £8k underspend – Although the site has seen losses in rental due to the Covid-19 pandemic these have been reclaimed from WG Covid-19 grant so budget for 2021-22 forecast to come in on target.
 - **Castlegate Business Park** - £249k overspend - Rental income forecasts for this year are still projecting to cover outgoings but a budget pressure has been caused by an in-year adjustment to correct a control account in-balance due to the mis-posting of income in previous years.
- **Landlord Services** - £59k underspend – due to staff vacancies of £122k caused by delays in filling vacant posts and rates savings on buildings (£21k), offset by an £85k net income shortfall from rental loss at Magor (£38k) plus a £65k loss of service charge, these have been offset by a small gain of £17k in commercial rents and estates fees. The improvement from month 06 is due to the receipt of Q2 Covid-19 funding of £20k, £58k further staff savings due to posts not filled (M6 assumed posts would be filled from Dec) and £20k less rates bill than anticipated.
- **County Farms** - £21k overspend – due to additional consultant costs associated with dilapidation surveys and a reduction in rental income due to a reduction in tenants.
- **Solar Farm** - £40k underspend – income is currently projected to be above budget; this is mainly due to improved ROC prices.
- **Markets** - £89k overspend. This is due to an estimated shortfall in income of £54k due to the disruption caused by Covid-19 and a net increase in spend of £35k mainly due to an overspend on waste disposal costs. The rental income loss will be recovered from the WG Covid-19 grant so will not impact on final outturn figures.
- **Property Services** - £131k overspend. This can be split into 2 main areas:

- **Accommodation** - £90k overspend due to an increase in repair and maintenance costs across council offices (£42k) and increase in cleaning costs due to additional requirements relating to Covid-19 (£48k). It is anticipated that the cleaning costs can be recovered via the WG Covid-19 fund.
- **Property** - £40k overspend. Mainly due to a reduction in fee income as the number (and size) of projects that staff can be recharged to have reduced this year, although position has improved by £135k since Month 6. The service will continue to address this shortfall between now and year end.

The outturn position for the division has improved by £372k from month 6, this is mainly down to the receipt of Covid-19 funding in Estates, improved income projection within Property Services and increased staff savings across the services as posts have remained vacant longer than originally thought at Month 6.

CORPORATE COSTS & LEVIES	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	21	705	(693)	
PRECEPTS & LEVIES				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	13	13	13	
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 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	0	
No variance at month 6				
CORPORATE MANAGEMENT				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(24)	(68)	(94)	
Primarily due to the release of a bad debt provision in relation to the SRS financial administration whereby it was originally estimated that there may be a bad debt burden upon transfer of the administration to TCBC, but which has not materialised.				
NON-DISTRIBUTED COSTS				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	32	62	62	
Additional pension strain costs notified since the budget has been set. These costs reflect the additional payment the Council need to make to the pension fund when an employee is permitted to leave employment prior to their normal pensionable age and wishes to immediately draw on their pension				
STRATEGIC INITIATIVES				

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	837	(676)	

Primarily due to the allowance for an expected non-teaching pay award of £837k across services, which represents a forecast award of 1.75%, which is 0.75% above that already budgeted.

Additionally there is a £493k overspend in relation to a Holiday Pay liability for the last two years due a change in case law for staff whose overtime is regular and consistent.

This is offset by notification of an unbudgeted grant of £1.019m from Welsh Government in relation to the reduction in Council tax collection rates during the period and a further £1m in AEF notified by WG.

INSURANCE

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(140)	3	

Primarily due to savings in premium costs for the year of £35k, savings in professional fees of £34k, and the forecast saving in settlement expenditure based on current trends. In terms of settlement expenditure it should be noted that this area of the business can be highly volatile and a significant number of, or complex claims can lead to high value settlements in terms of the excesses payable on our insurance policies. This has been offset since month 6 by a forecast uninsured settlement of circa £200k in respect of a repairing obligation to the former Usk grammar school foundation trust for a former property owned by the trust and occupied by MCC.

APPROPRIATIONS

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(93)	(400)	

The Appropriations under spend has increased by £307k to £400k at month 9.

Interest & Investment Income has moved to an underspend of £69k due to backdated interest paid as part of the Broadway loan which was not received at Month 6.

Interest Payable is underspent by £403k from £230k at month 6. This is due to authority locking in both short and long term borrowing before an increase in interest rates. Longer term borrowing costs are also less than expected due to an error found in previous calculations which has not been rectified.

The underspend is offset slightly by an overspend on Fixed Asset Disposal costs of £171k. This overspend is due to unforeseen security costs at Hilston Park.

FIXED ASSET DISPOSAL COSTS

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	136	171	

Overspend due to £190k of additional security costs related to the sale of the Hilston Park Site. This is offset by fully utilising the available capital fixed asset disposal budget.

INTEREST & INVESTMENT INCOME

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	11	(69)	

The movement to surplus is due to interest from Broadway loan which wasn't reported at month 6. There has also been an improvement in return from pooled funds since month 6.

INTEREST PAYABLE & SIMILAR CHARGES

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(230)	(403)	

Additional short-term borrowing costs were anticipated at M6 but did not materialise due to locking in longer term PWLB borrowing. Clarification of PWLB annuity loan costs also meant the total PWLB costs were less than previously anticipated.

CHARGES REQUIRED UNDER REGULATION

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(10)	(11)	

11k underspend against MRP due reduced capital spend in the previous financial year than budgeted.

OTHER INVESTMENT INCOME

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

A small number of unbudgeted Wayleaves + Easements Income has been received since month 6.

BORROWING COST RECOUPMENT

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	(85)	

Additional loan repayment has been made from services since Month 6.

FINANCING

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(130)	(564)	(550)	

COUNCIL TAX BENEFIT SUPPORT

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	370	186	100	

This budget continues to be under pressure, as a direct result of Covid-19. However, we continue to see some easing of demand since the year started. We have still not received confirmation from Welsh Government at the writing of this report if they will provide any funding support that was put in place last year.

COUNCIL TAX

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(500)	(750)	(650)	

The latest council tax data shows a slight reduction in anticipated income for the year. We continue to see new properties being added to the tax base however we have now also started to see an increase in the number of exemptions and discounts being requested and awarded

CAPITAL OUTTURN

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

Select Portfolio	Forecast Capital Outturn Position 2021/22 at Month 9						
	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

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.

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

Useable Capital Receipts Available

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