

Overall Revenue Position

Table 1: Council Fund 2021/22 Final Outturn Summary Statement

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance M9 to Outturn
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	52,825	(182)	52,643	52,657	14	28	(14)
Children & Young People	56,526	(47)	56,479	57,493	1,014	1,128	(114)
Communities & Place	21,884	(765)	21,119	19,523	(1,596)	47	(1,643)
MonLife	3,951	17	3,968	3,623	(345)	430	(775)
Chief Executives Unit	2,912	(100)	2,812	2,676	(136)	(160)	24
People & Governance	3,383	447	3,830	3,542	(288)	(179)	(108)
Resources	7,236	(2,272)	4,964	4,293	(671)	38	(709)
Corporate Costs & Levies	23,414	858	24,271	22,937	(1,334)	(692)	(642)
Net Cost of Services	172,130	(2,045)	170,085	166,744	(3,341)	640	(3,982)
Appropriations	5,836	2,259	8,095	7,674	(421)	(400)	(21)
Expenditure to be Financed	177,966	214	178,180	174,418	(3,763)	240	(4,003)
Financing	(177,966)	(214)	(178,180)	(180,038)	(1,858)	(550)	(1,308)
Net General Fund (Surplus) / Deficit	0	0	0	(5,621)	(5,621)	(310)	(5,311)

Table 2: Council Fund 2021/22 Final Outturn Detailed Statement

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance M9 to Outturn
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	8,341	(81)	8,261	8,431	170	(4)	174
Children Services	16,147	(85)	16,061	16,595	534	397	137
Community Care	24,386	(43)	24,342	24,070	(272)	(67)	(205)
Commissioning	1,431	(37)	1,394	1,163	(231)	(155)	(76)
Partnerships	436	0	436	436	(0)	(0)	0
Public Protection	1,523	18	1,541	1,372	(169)	(115)	(54)
Resources & Performance	560	47	607	590	(17)	(27)	10
Social Care, Health & Safeguarding	52,825	(182)	52,643	52,657	14	28	(14)
Individual Schools Budget	46,488	43	46,531	46,503	(28)	(29)	1
Resources	1,167	(91)	1,076	1,073	(3)	8	(11)
Standards	8,871	1	8,872	9,917	1,045	1,149	(104)
Children & Young People	56,526	(47)	56,479	57,493	1,014	1,128	(114)
Enterprise, Housing & Community Animation	3,024	(61)	2,963	2,715	(248)	236	(484)
Facilities & Fleet Management	5,487	(54)	5,433	4,992	(441)	(4)	(437)
Neighbourhood Services	11,233	(196)	11,037	10,749	(288)	(368)	80
Placemaking, Highways & Flood	2,140	(454)	1,686	1,067	(619)	183	(802)
Communities & Place	21,884	(765)	21,119	19,523	(1,596)	47	(1,643)
Countryside & Culture	1,422	(0)	1,422	1,361	(61)	92	(153)
Finance & Business Development	1,735	23	1,758	1,561	(197)	(107)	(90)
Leisure, Youth & Outdoor Adventure	794	(6)	787	701	(86)	446	(532)
MonLife	3,951	17	3,968	3,623	(345)	430	(775)
Policy, Scrutiny & Customer Service	2,912	(100)	2,812	2,676	(136)	(160)	24
Chief Executives	2,912	(100)	2,812	2,676	(136)	(160)	24

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance M9 to Outturn
Democratic Services	2,424	(54)	2,370	2,251	(119)	(85)	(34)
Emergency Planning	152	0	152	152	(0)	(0)	0
People	807	501	1,308	1,139	(169)	(94)	(75)
People & Governance	3,383	447	3,830	3,542	(288)	(179)	(108)
Finance	3,339	(970)	2,369	1,720	(649)	(325)	(324)
Information, Communication Technology	3,029	(813)	2,216	2,194	(22)	(21)	(1)
Commercial & Corporate Landlord	868	(489)	379	379	0	384	(384)
Resources	7,236	(2,272)	4,964	4,293	(671)	38	(709)
Precepts & Levies	21,362	0	21,362	21,376	14	13	1
Coroner's	147	0	147	191	44	(0)	44
Archives	182	0	182	182	(0)	(0)	0
Corporate Management	339	0	339	(74)	(413)	(94)	(319)
Non Distributed Costs (NDC)	643	0	643	648	5	62	(57)
Strategic Initiatives	(836)	823	(13)	(1,018)	(1,005)	(676)	(329)
Insurance	1,578	34	1,612	1,632	20	3	18
Corporate Costs & Levies	23,414	858	24,271	22,937	(1,334)	(692)	(642)
Net Cost of Services	172,130	(2,045)	170,085	166,744	(3,341)	640	(3,982)
Fixed Asset Disposal Costs	30	0	30	234	204	171	33
Interest & Investment Income	(134)	0	(134)	(303)	(169)	(69)	(100)
Interest Payable & Similar Charges	3,736	0	3,736	3,399	(337)	(403)	66
Charges Required under Regulation	6,404	0	6,404	6,391	(13)	(11)	(2)
Other Investment Income	0	0	0	(15)	(15)	(2)	(13)
Borrowing Cost Recoupment	(3,619)	0	(3,619)	(3,710)	(91)	(85)	(6)
Contributions to Reserves	195	1,554	1,750	1,750	(0)	(0)	0
Contributions from reserves	(777)	519	(257)	(257)	0	(0)	0

Service Area	Original Budget 2021/22	Budget Adjustments	Revised Annual Budget	Actual Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ M9	Variance M9 to Outturn
Capital expenditure financing	0	185	185	185	0	(0)	0
Appropriations	5,836	2,259	8,095	7,674	(421)	(400)	(21)
Expenditure to be Financed	177,966	214	178,180	174,418	(3,763)	240	(4,003)
General Government Grants	(69,465)	(214)	(69,679)	(71,049)	(1,370)	0	(1,370)
Non Domestic Rates	(32,018)	0	(32,018)	(32,018)	(0)	0	(0)
Council tax	(83,636)	0	(83,636)	(84,190)	(554)	(650)	96
Council Tax Benefit Support	7,152	0	7,152	7,219	67	100	(34)
Financing	(177,966)	(214)	(178,180)	(180,038)	(1,858)	(550)	(1,308)
Net General Fund (Surplus) / Deficit	0	0	0	(5,621)	(5,621)	(310)	(5,311)

DIRECTORATE – DIVISION VARIANCE COMMENTS

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTORATE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,665	1,181	28	14

SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:

Overall a closing 2021/22 position of £14k over spend, against a circa £53m budget is a good outcome, especially operating under extreme pressures brought about by the COVID pandemic, challenges of managing an ageing population, the need for more high cost care packages for children and younger adults, as well as the well-publicised difficulties in the health and social care sector.

Underpinning the outturn position are some £4m+ grants and funding assistance, of which £3m are one off payments from Welsh Government, as well as one off Intermediate Care funding from Health. If these funds were not made available, the outturn position would be more in the region of £4.5m adverse, coupled with closing unmet need weekly hours in Adult care of 1,860. Given this, the positive outturn position achieved this year should not mask the underlying significant resource challenges ahead.

On a more positive note, Children Looked After numbers have stabilised at a closing number of 208, we have successfully navigated the service through the COVID pandemic, supporting our care providers, managing the number of Welsh Government initiatives and our Public Protection service leading up Track, Trace and Protect.

There are a significant number of staff vacancies currently being carried within services, however these are one-off in nature and the resource gap is currently being filled by external agency whilst work is actively ongoing to fill these posts and to ensure suitable and sustainable structures are in place after an extended period of disruption.

Adult Services

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	289	629	(4)	170

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

Children Services

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,127	695	397	534

Even with reducing CLA numbers, new children have required high cost residential placements as a result of increased complexity, as opposed to those leaving which have been more in the lower cost fostering/kinship/family placements, accounting for £346k of the over spend.

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, along with increased fostering placements, producing £329k of the over spend. Legal costs associated with court proceedings accounting for £154k of the over spend, with the remaining £47k within staffing budgets.

There are £150k of compensating savings through the delayed recruitment to the Head of Children's Services post, reduced partner contribution into the Youth Offending Service and reduced contracted

transport costs achieved due to the pandemic, and £192k as a result of delayed implementation of the partnership accommodation project.

This service area has benefited by reducing it's in year costs by £1,789,000 from one off ICF funding and various Welsh Government grants and funding assistance.

Community Care

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	397	95	(67)	(272)

The over spend 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, the new Social Care Recovery fund and a one off injection from Welsh Government to cover Social Care over spends have helped to offset the potential over spend by £3m.

Commissioning

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	(134)	(162)	(155)	(231)

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

Public Protection

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'s	2	(60)	(115)	(169)

Due to delayed recruitment into vacant posts.

Resources & Performance

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(16)	(16)	(27)	(17)

Vacant post within the Finance team.

CHILDREN & YOUNG PEOPLE DIRECTORATE

	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	832	1,262	1,128	1,014

CHILDREN & YOUNG PEOPLE DIRECTOR'S COMMENTARY:

The Directorate's Outturn position is an over spend of £1,014k, which can mainly be attributed to ALN. The detail of this can be found below, in the Standards section.

This pressure has been forecast throughout the financial year and the pressure on the budget is expected to continue into 2022-23 and was subsequently added as a budgetary pressure during the 2022-23 budget process.

Individual Schools Budget																
Outturn Forecast	Month 2	Month 6	Month 9	Outturn												
Deficit / (Surplus) £'000s	0	166	(29)	(28)												
Back pay due to school staff is less than anticipated and there is an under spend on Covid-19 expenses from the 2020-21 grant.																
Resources																
Outturn Forecast	Month 2	Month 6	Month 9	Outturn												
Deficit / (Surplus) £'000s	3	18	8	(3)												
The decrease in over spend is due to staff cost savings within the service.																
Standards																
Outturn Forecast	Month 2	Month 6	Month 9	Outturn												
Deficit / (Surplus) £'000s	829	1,078	1,149	1,045												
The below over spends have impacted the service during the financial year:																
<table border="1"> <tbody> <tr> <td>Recoupment decreased by (income received from other LA's)</td> <td>£227,000</td> </tr> <tr> <td>Independent placement costs overspent</td> <td>£195,000</td> </tr> <tr> <td>Other LA placement costs overspent</td> <td>£228,000</td> </tr> <tr> <td>Additional support for pupils attending our schools overspent</td> <td>£381,000</td> </tr> <tr> <td>Breakfast Club reduction in income & increased costs</td> <td>£42,000</td> </tr> <tr> <td>Deri View SNRB/Virtual School Staff & Overmonnow SNRB</td> <td>£63,000</td> </tr> </tbody> </table>					Recoupment decreased by (income received from other LA's)	£227,000	Independent placement costs overspent	£195,000	Other LA placement costs overspent	£228,000	Additional support for pupils attending our schools overspent	£381,000	Breakfast Club reduction in income & increased costs	£42,000	Deri View SNRB/Virtual School Staff & Overmonnow SNRB	£63,000
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These have been partially offset by the following savings:																
<table border="1"> <tbody> <tr> <td>Staff cost savings in Psychology Service</td> <td>(£20,000)</td> </tr> <tr> <td>Recent Early Years grants released to cover staff costs</td> <td>(£26,000)</td> </tr> <tr> <td>ALN Management Grant released to cover staff costs</td> <td>(£50,000)</td> </tr> </tbody> </table>					Staff cost savings in Psychology Service	(£20,000)	Recent Early Years grants released to cover staff costs	(£26,000)	ALN Management Grant released to cover staff costs	(£50,000)						
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COMMUNITIES & PLACE DIRECTORATE	Month 2	Month 6	Month 9	Outturn												
Deficit / (Surplus) £'000s	2,470	913	47	(1,596)												
COMMUNITIES & PLACE DIRECTOR'S COMMENTARY:																
The Communities and Place directorate has returned a £1.596m under spend in 2021-22.																
The directorate received over £4.28m of Covid-19 funding during 21-22, which has covered in full our main pressures found within Homelessness (B&B and Security costs), Car Parking (loss of P&D and PCN income) and Waste (Staff cover and vehicles).																
The non-Covid-19 related under spend of £1.596m is considerable, all departments have under spent with contract savings, improved income and staff vacancies being the main reasons. In respect of staff vacancies, work is actively ongoing to fill these posts and to ensure suitable and sustainable structures are in place following a period of sustained disruption to service delivery.																
It is unlikely that the other savings will re-occur in 22-23 as some have already been built in as part of the MTFP (contract savings) or were a one-off contribution (windfall grants).																
More detailed explanations and the reason for the overall improvement in non-Covid-19 related variance of £685k from month 9 will be explained in detail in the sections below.																

Enterprise, Housing & Community Animation

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,143	534	235	(248)

Enterprise, Housing & Community Animation has returned a £248k under spend, this is mainly due to:

- **Business Growth & Enterprise** – £52k under spend – Mainly in our Employment & Skills service where we were able to claim budgeted core costs against WEFO grant funding. The availability of funding is not confirmed until year end so this under spend could not be factored into earlier reporting periods.
- **Communications** – £6k under spend – improved income generation in the last quarter has pushed this service into an under spend, the level of which was not known at M9 and is the reason for the £12k swing in performance.
- **Community & P/Ships development** - £71k under spend – mainly due employee under spends as the service was able to claim core staff costs against grant funding and the capitalisation directive. The level of available grant funding was not known at M9 and is the reason for the £37k improvement in outturn position.
- **Housing** - £75k under spend, this can be broken down into these main areas:
 - **Homelessness** – £37k under spend – All Covid related expenditure (£2.2m) has been covered by WG Covid fund in 21-22. The remaining net under spend is mainly due to staff vacancies and a small reduction in premises costs.
 - **Sewage Treatment Plants** - £19k over spend – Delays in NRW decision to approve a replacement system at Shirenewton has meant that the plant still needs to be emptied on a regular basis to avoid leaks.
 - **Social Housing Grant** - £60k over spend – Change in grant T&Cs meant that core staff costs were no longer claimable causing a budget pressure.
 - **Shared Housing & Private Leasing** - £97k net under spend - Rental income within Shared housing and Private leasing has exceeded budget in 21-22 creating a bottom-line under spend.
 - **Careline** - £22k under spend – Mainly due to reductions in equipment spend and income increase from recharges to other LAs.
- **Enterprise Management & Procurement** - £42k net under spend – Mainly due to employee savings as not all posts have been appointed within the new Strategic Operations team.

The improvement in forecast position from Month 9 can mainly be attributed to the receipt of Covid-19 funding in the 4th quarter of the year. The non-covid related improvement for the department between Month 9 and 12 was £51k and is mainly due to the ability to fund core staff costs from grants late in the year.

Homelessness remains a particular concern, all costs incurred in 21-22 were covered by the Covid Hardship fund but this ended in March. WG will continue to provide financial assistance but at a reduced level so if activity remains the same as 21-22 then there is potential for a significant budget pressure in 22-23.

Facilities & Fleet Management

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	551	437	(4)	(441)

Facilities & Fleet management have underspent by £441k, due to:

- **Schools Catering** – £144k under spend – Covid 19 funding has supported losses caused by the pandemic and alongside improved meal uptake has meant that we have been able to maintain our income at pre-pandemic levels, in addition we have seen a number of staff vacancies during the year that have reduced employee costs – this has meant that the service has come in under budget. We were not able to accurately forecast income levels until quarter 4 and is the reason for the £144k improvement from Month 9.
- **Building Cleaning & Public Conveniences** - £92k under spend – mainly due to improved income generation due to contracts coming back in-house, a reduction in rates & utilities in public conveniences and a reduction in equipment costs. We were able to claim some staff costs back via the covid hardship fund – this was not known at M9 and along with the improvement in income is the reason for the £92k swing at outturn.
- **Passenger Transport** – £458k under spend – this is a favourable variance from month 9 of £189,000 and is mainly due to us not needing to utilise the contingency on external contracts, we saw very few hand backs in the last quarter in comparison to the first three quarters of the financial year – in addition we were holding back a contingency of £100k on external contracts at month 9 for expected cost of living price inflations, these were finally agreed to be paid from the 1st April so no in-year impact on 21-22. The section has also received additional BES funding to mitigate the gross contract costs of £60,386, this additional grant was unknown at month 9.

The likelihood of this underspend re-occurring in 22-23 is low, the service bottom line benefited from Covid due to income loss being covered but also by our contractor payments reducing to 75% when the schools were closed, this had a positive impact on our budget that will not happen in the new year. In addition expected inflation increases on contracts were delayed until 1st April, this helped 21-22 outturn figures but the service will now have to bear these in the new financial year.

- **Fleet Maintenance** - £224k over spend – The cost of maintaining the authority's fleet has exceeded available budget by £211k. In addition, the number of members of the car salary sacrifice scheme have reduced meaning savings are below budgeted levels by £13k.

The outturn position has improved by £437k from month 9, this can be attributed to the receipt of covid funding in quarter 4 but also to improvements in non-covid areas such as :-

- Catering & Cleaning - £236k improvement – income levels could not be accurately predicted until late in the year so prudent forecasts were put in for earlier reporting periods.
- Passenger Transport - £189k improvement – expected external contract spend did not hit expected levels due to a reduction in contract hand backs and the need not to use a contingency held back for contract inflation.

Neighbourhood Services

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	346	(185)	(367)	(288)

Neighbourhood Services underspent by £288k, this is due to:

- **Highways, SWTRA & Streetlighting** – £89k under spend - This is mainly due to Streetlighting (£124k), the LED replacement programme is now complete and the resultant reduction in KWH output means our energy costs have reduced below budget. We have also seen a saving in our maintenance budget as our Havard monitoring costs have reduced. This has been partially offset by an over spend in Highways Operations of £20k due to a potential backdated pay adjustment and a £7k over spend in SWTRA & External Clients due to increased maintenance spend on Wonastow Road Pumping Station in Monmouth.

- **Waste & Street Scene** - £198k under spend – we had forecast in previous reporting periods the possibility of a non-covid-19 related under spend in Waste & Street Scene and it has materialised at year end. The main reasons for this is an under spend on the HWRC transfer station contract due to a move to a new provider and the buoyancy of the recycle market, in addition the planned investment into depot infrastructure in the South of the county did not take place due to the lack of suitable site availability to house recycling and waste fleet which reduced expected service expenditure in 21-22. Outturn is a little lower than originally forecast due to lower than expected income in Grounds and a late adjustment in the accounts to reflect a potential backdated pay issue.

Placemaking, Highways & Flood

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	430	127	182	(619)

Placemaking, Highways & Flood has underspent by £619k, due to:

- **Planning & Building Control** – £47k under spend – Building Control has come in on budget, this is because the forecast shortfall in income has been covered by WG Covid-19 funding. Planning has returned a £47k under spend, this is due to an increase in planning income as a large site application came in at the end of quarter 4. This was not known at M9 and is the reason for the improvement in outturn position.
- **Planning Policy & LDP** – £167k under spend – The delay in the LDP means that there has been a marked reduction in spend on professional & specialist fees in 21-22, the level of drop-off could not be quantified at M9 and is the reason for the £167k improvement at outturn.
- **Car Parks** - £90k over spend – Mainly due to over spends in expenditure and primarily transport, premises & software costs. All pandemic income losses have been covered by the WG Covid-19 grant.
- **Highways Management & Flooding** - £503k under spend – The service overall has a number of staff vacancies that they have struggled to fill during the year but which are being actively advertised. The resource gap is currently being filled via external expertise but it is hoped that the service will return to a more sustainable footing in the near term following a period of significant disruption. In addition income levels have improved in Quarter 4 and we have seen a marked increase in Road Closure income and recharges to grant schemes.

The improvement in outturn position since month 9 of £801k is down to a number of elements :-

- The receipt of Covid-19 funding in Quarter 4.
- Better than expected income in Planning and Highways & Flooding.
- The delay in filling vacant posts that have increased staff under spends.

MONLIFE DIRECTORATE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	3,010	1,228	430	(345)

MonLife DIRECTOR'S COMMENTARY:

The MonLife Directorate has returned a £345k under spend in 21-22.

The directorate received over £2.121m of Covid-19 Income loss funding during 2021-22, which mainly supported our leisure services along with £78k of Covid-19 Hardship funding to support additional expenditure.

The non-Covid-19 related under spend of £345k is considerable and across all departments, the majority of this under spend is due to staff vacancies, and improved grant income. In respect of staff vacancies, work is actively ongoing to fill these posts and to ensure suitable and sustainable structures are in place following a period of sustained disruption to service delivery.

A more detailed explanation for the overall improvement from month 9 will be explained in detail in the sections below.

(Monlife) Countryside & Culture

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	54	72	92	(61)

Countryside & Culture has underspent by £61k, this is due to:

- **Museums** - £2k over spend – our sites have had limited opening this year due to the pandemic resulting in a loss of income from retail sales and event income, £78k has been funded by the WG Covid-19 fund which mitigates the impact of this loss of income resulting from the pandemic.
- **Learning** - £10k over spend – reduced income as the service hasn't been able to fully deliver programmes and events as planned due to the pandemic. The section has received £19k WG Covid-19 funding to help mitigate the loss of income.
- **Countryside** - £35k under spend and the section has received £10k of WG Covid-19 funding to offset the loss of income due to the pandemic.
- **Play** - £42k under spend - the section has received additional unbudgeted grants
- **Tourism** - £4k over spend – sections inability to achieve employee related savings and slightly higher than expected supplies and services.

The improvement in outturn position since month 9 of £153k is down to a number of elements-

- The receipt of Covid-19 funding in Quarter 4
- Additional Grants

(Monlife) Finance & Business Development

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	8	(107)	(197)

Finance & Business Development has under spend by £197k, this is due to:

- **Attractions** - £84k under spend – due to senior staff savings in attractions management and overtime savings in our TICs, the section has received £141k in WG Covid-19 funding to help offset the loss of income at both the Castle and Old Station Tintern.
- **Leisure Services Management** - £128k under spend – due to savings from staff vacancies due to delays in filling posts.

- **Business Support, Sales & Marketing** - £14k over spend – mainly due to a reduction in grant funding and higher than anticipated supplies and services.

The improvement in outturn position since Month 9 of £91k is down to a number of elements-

- The receipt of Covid-19 funding in Quarter 4.

Further staff savings due to delays in filling vacant posts.

(Monlife) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	2,956	1,148	445	(86)

Leisure, Youth & Outdoor Adventure has underspent by £86k, this is due to:

- **Leisure Services** - £49k under spend - Leisure Centres were able to reopen during the year but remained affected by the pandemic, we have seen high levels of membership cancellations and reductions in general bookings with some memberships remaining frozen, the WG Covid-19 fund has supported this loss of income with the section receiving £1.404m in funding during 21-22.
- **The Outdoor Adventure Service** - £9k under spend – Covid-19 Restrictions have impacted on residential visits for schools, significant impacting on income with no visits between April and August and limited bookings for the rest of the financial year, customers remained hesitant about returning, although the service is hopeful that as confidence returns that income levels will improve through to year end. These income losses were supported by the WG Covid-19 fund with the section receiving £469k of funding during 21-22.
- **Sports Development** - £27k under spend – The sections ability to attract a wide range of funding allowed them to deliver the necessary services and under spend by £27k.

The improvement in outturn position since month 9 of £531k is down to a number of elements-

- Mainly the receipt of Covid-19 funding in Quarter 4.
- Additional grants

CHIEF EXECUTIVES UNIT DIRECTORATE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	53	(41)	(160)	(136)

HEAD OF POLICY, PERFORMANCE AND SCRUTINY COMMENTARY:

The Chief Executive's department underspent by £136k. This has primarily resulted from increased third party income in community education which could not be fully utilised as a result of the pandemic and which needed to be set aside in case it was clawed-back. An additional factor in the under spend is a delay in implementing a new telephony system which is being procured as part of a collaborative arrangement.

The overall under spend position masks over spends in Welsh language translation and difficulty achieving income targets in community hubs, including the operation of the Post Office in Usk which, like most similar operations, operates at a loss but delivers significant community benefits.

Policy, Scrutiny & Customer Experience

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	53	(41)	(160)	(136)

Policy, Scrutiny & Customer Experience has under spent by £136k, this is mainly due to:

- **Community Education** - £226k under spend – this is due to improved external partner income that has been carried forward from 2020-21 and a further grant windfall that came in late in the year, both of which have helped offset core service costs. These have been part offset by increased lecturer costs.
- **Contact Centre** - £47k under spend – due to budget savings because of the delay in the implementation of a new telephony system.

Offset by:

- **Community Hubs** - £104k over spend – caused by a shortfall in library and room hire income due to unachievable income budgets (£42k), the inability to make staff vacancy savings (£31k) and additional spend within Caldicot hub (£30k) – this spend is linked with the Adult Ed grant and is offset by under spends reported above. The income targets have been removed from the 22-23 budget making this service area more sustainable.
- **Corporate CEO** - £15k over spend – due to inability to meet staff vacancy factor saving and an increase in license costs.
 - **Policy & Partnerships** – £18k net over spend, this is mainly due to an over spend in Welsh Language translation costs of £66k due to a significant increase in translation requirements offset by a £50k under spend in Improvement due to staff vacancies.

The £24k adverse variance from Month 9 is mainly due to:

- Welsh Language - £29k additional translation costs not known at Month 9.

PEOPLE & GOVERNANCE DIRECTORATE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(8)	(176)	(179)	(288)

PEOPLE & GOVERNANCE DIRECTOR'S COMMENTARY:

People & Governance has returned a £288k under spend. It has been the first year of this new Directorate and it has seen the retirement of two people in management positions and a delay to the implementation of the major systems deliverables that are priorities for the Directorate. It is anticipated that there will not be a repeat of this under spend once the new structures and systems are in place. Similarly, the land charges income has eclipsed expectations as a result of the boom in house purchases during CV.

Democratic Services				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(8)	(122)	(84)	(119)

Democratic Services has under spent by £119k, this is due to:

- **Members Costs** - £8k under spend - savings in mileage and allowance claims due to more agile attendance of meetings has been offset by an increase in staff and advertising costs. Member equipment refresh has been fully funded by grant and reserve contributions.

- **Electoral Management** – £33k under spend – The service received late settlement figures from Central & Welsh Government for previous elections, this income was higher than expected so has helped push the service into an under spend at year end.
- **Committee Section** – Break-even – reported an £18k over spend at Month 9 but funding received to cover apprentice costs in Quarter 4 has moved the service back to on budget.
- **Legal Services** - £37k under spend – staff savings resulting from the delay of the employment lawyer
- **Land Charges** - £48k under spend – 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 have returned a break-even budget.

People

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(62)	(94)	(169)

- **People Services** - £153k under spend – due to a senior staff vacancy in People Management, an £18k under spend in Occupational Health due to a reduction in demand and a £50k under spend in HR due to a delay on the implementation of a new recruitment system.
- **Corporate Training** – £15k under spend – due a small staff saving resulting from a delay in filling a post and an increase in external training income.
- **Organisational Development** – overspent by £8k – increase in staff costs as a post has gone from part-time to full time.

The £75k improvement from Month 9 can be attributed to the delay in filling the posts in People services and Training and the delay in system implementation in HR.

RESOURCES DIRECTORATE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	1,107	1,504	38	(671)

RESOURCES DIRECTOR'S COMMENTARY:

The Resources directorate has returned a £671k under spend in 2021-22.

The under spend whilst significant was in part driven by vacancies held during the year and that contributed to assist in mitigating the wider Council budget pressures reported during the year. Vacancy savings are one-off as posts are subsequently filled as part of delayed restructuring needing to be completed within finance and landlord services. Work is actively ongoing to fill these posts and to ensure suitable and sustainable structures are in place after an extended period of capacity constraints that have impacted on service delivery.

Other savings have resulted from one-off late receipt of grant from Welsh Government and additional income across a number of departments that had not been anticipated at month 9.

A review will be undertaken ahead of the first formal reporting at month 4 to identify scope for recurrent

savings to be achieved and that if identified will be brought forward to support future budget savings.

More detailed explanations and the reason for the overall improvement in non-Covid-19 related variance of £709k from month 9 will be explained in detail in the sections below.

Finance

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	756	760	(325)	(649)

Finance has underspent by £649k, this is mainly due to:

- **Revenues** - £275k under spend, this is due in the main to:
 - **Housing Benefits** - £2k over spend - The small over spend at outturn reflects the net overall position once all grants and funding has been accounted for. The position continued to improve into year-end following the decision for Monmouthshire to retain the administration funding associated with the Winter Fuel scheme (this was due to be transferred to the Shared Revenues and Benefits service based in Torfaen).
 - **Council Tax** - £27k over-spend – There was a £60,000 over spend against salary costs as the budget has been vired to other service areas pending the finance restructure. This over spend was offset by £34,000 one off unexpected income following news in January 2022 that local authorities were to be reimbursed for overpaid magistrate court fees paid for council tax liabilities between April 2014 and July 2018.
 - **Debtors and Charity relief** - £272k under spend – This is made up of £144,000 administration funding that was released by Welsh Government in January 2022 for the latest round of business grants and an under spend of £126,000 as the money set aside for NDR support was not utilised.
- **Finance** - £273k under spend – This is as a result of senior staff vacancies within Central Finance and the Departmental Management Team that have not been filled during 21-22.
- **Audit** - £20k under spend – This is due to staff vacancy savings.
- **Cashiers** – £29k over spend – The delay in fully implementing the decision to remove cheques has meant we have been unable to achieve the £20,000 staff saving that was carried over in the budget from 2020/21. Also there has been an increase of £18,000 in card payment fees, as more customers have moved to making payments themselves either online or by automated telephone. These over spends have been partially offset by a £9,000 savings against the security carrier contract, as not all services were operating at normal activity levels in 2021/22.
- **Financial Systems & Support** - £58k under spend - The staffing budget under spent by £18,000 as there were some unfilled vacancies in the team. There was also a £40,000 under spend against the system development budget. Of which £24,000 relates to the decision to move away from Oracle, the remaining £16,000 were in year savings resulting from delays in the planned upgrade to Business World. Additional income of £4,000 for procurement card fees was also received.
- **Payroll** – £82k under spend – 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 £325k since month 9, this can be attributed mainly to the receipt of income in Quarter 4 that was not known in December such as the late Covid Business support funding in Charity Relief and the reimbursement of overpaid magistrates costs in Council Tax, in addition delays in filling vacant posts will have pushed the under spend up further.

Information, Communication & Technology

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(17)	(21)	(22)

ICT has under spent by £22k mainly due to our SRS contribution for 2021-22 coming in under available budget and savings in cyber security where we have brought the service in-house reducing costs to external provider.

Commercial & Corporate Landlord

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	352	754	384	0

Commercial & Corporate Landlord has returned a balanced budget for 2021-22. This is due to:

- **Investment Properties** – £296k over spend – this is broken down into 2 main areas:
 - Newport Leisure Park & Castlegate Business Park – with the legitimate help of the WG Covid-19 fund we were able to maintain our rental figures at pre-pandemic levels – this subsequently results in actual income outperforming budgets by £302k (£177k NLP) and (£125k Castlegate) – this surplus has been transferred to the investment properties reserve.
 - Control Account Adjustment - £296k over spend – there was a requirement during the year to adjust for a control account imbalance which was raised during the 2020/21 financial accounts external audit. This issue has now been rectified and the over spend has been covered by other under spends within the department.
- **Landlord Services** - £104k under spend – mainly due to staff vacancies of £120k caused by delays in filling vacant posts offset by a small increase in premises and supplies & services costs (£5k) and a net loss on office rental due to vacant premises (£10k).
- **County Farms** - £32k over spend – due to additional consultant costs associated with dilapidation surveys and a reduction in rental income due to a reduction in tenants.
- **Cemeteries** - £31k under spend – due to improved income through the latter part of the year.
- **Industrial Units** - £15k under spend – reported a break-even position at month 9 but income has improved in the last quarter due to vacant units being filled.
- **Shared Accommodation** - £24k over spend – this is due to a bad debt adjustment that was not known at Month 9 and a reduction in rental due to vacant properties.
- **Solar Farm & Sustainability** - £108k under spend – we have seen savings on premises and supplies & services costs but the main reason is an improvement in income as the energy crisis has meant export tariffs have increased, this has meant that income from our Solar Farm and PV installations has exceeded budgeted targets.
- **Markets** - £50k over spend. Mainly due to premises and waste disposal cost increases.
- **Property Services** - £140k under spend. This can be split into 3 main areas:
 - **Accommodation** - £92k net over spend – mainly due to increases in building maintenance across our council offices and additional building supervisor costs.
 - **Corporate Building Maintenance** - £135k under spend – Previously reported as break-even this service area is now returning an under spend, we were able to move school

related spend across to grant funding that was provided by WG late in the year for School Refurbishment and Free School Meals. This was not known until Quarter 4 and is the reason for the large improvement in outturn position.

- **Property & Office Services** - £98k under spend. Reporting an over spend at month 9 the position has now improved due to project income coming in higher than expected for the year, staff savings improving due to vacant posts, under spends in photocopying and postage and an improved under spend in telephony as call costs were not as high as originally projected.

The outturn position for the division has improved by £381k from month 9, and can be attributed to :-

- The receipt of Covid-19 funding in Estates in quarter 4.
- Increased income in Property Services, Solar Farm, Cemeteries and Industrial units that was not known at Month 9.
- The late award of grant that allowed us to move school maintenance costs creating an under spend in Corporate Building Maintenance.

The delay in filling vacant posts increasing staff under spends.

CORPORATE COSTS & LEVIES DIRECTORATE	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	21	(132)	(692)	(1,334)

Precepts & Levies

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	13	13	13	13

The National parks levy was notified after budget was produced – an increase in levy of circa 10% was seen 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	44

During the year, the coroners' service has been engaged in an investigation into care homes, which involved unbudgeted costs. This, along with increased post mortem costs has resulted in additional cost being recharged to partners.

Corporate Management

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(24)	(68)	(94)	(412)

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 (£86k)
- Business rate refunds in relation to the revaluation of Council owned properties (£232k)
- A larger than expected distribution from the Greater Gwent Crematorium arrangement as some reserves have been used to top up the overall level of surplus achieved (£83k)

Non-Distributed Costs

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	32	62	62	5

Additional pension strain costs of circa £50k were notified after the budget was 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.

This has been offset by lower than budgeted contributions in respect of legacy pension contributions relating the former Monmouth Borough Council & Gwent County Council which are administrated outside of the main Local Government pension scheme.

Strategic Initiatives

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	837	(676)	(1,005)

Primarily due to the notification of an unbudgeted grant of £1.019m from Welsh Government in relation to the reduction in Council tax collection rates during the period.

Insurance

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(140)	3	20

Primarily due to savings in premium costs for the year of £35k, savings in professional fees of £34k, and a saving in settlement expenditure. This has been offset by an 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 DIRECTORATE

	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(93)	(400)	(447)

The Appropriations budget surplus has increased by £47k from that forecast at month 9 to end in a surplus position of £447k. Whilst this represents a pleasing outcome, towards the end of the year the uncertainty in the UK and global economies grew considerably, with interest rate rises starting to impact on our position as a net borrower from the market. This uncertainty will continue into the 2022/23 financial year and is expected to have a significant impact on the budget position.

Fixed Asset Disposal Costs

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	136	171	179

An over spend due to additional security costs related to the sale of the Hilston Park Outdoor Education Site.

Interest & Investment Income

Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	11	(69)	(169)

Additional investments were made in year into pooled funds whose performance has been better than expected leading up to the end of the financial year. Commitment to longer term borrowing and low spending levels have also increased general investment balances which have also seen an increased rate of return given base rate rises in recent months.

Interest Payable & Similar Charges				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(230)	(403)	(337)
The short-term borrowing market has been at near historic lows over the last twelve months reducing borrowing costs. Further savings have been made by well-timed forward starting loans before rises in interest rates.				
Charges Required Under Regulation				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(10)	(11)	(13)
Slight under spend due to vehicles which were written off and where outstanding finance was therefore cleared ahead of schedule.				
Other Investment Income				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	(2)	(15)
A small number of unbudgeted Wayleaves + Easements income has been received since month 9.				
Borrowing Cost Recoupment				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	(85)	(91)
Under spend due to additional borrowing recoupment from vehicles financed at previous year end and that was therefore unbudgeted. An insurance settlement also allowed the clearance of finance earlier than planned on two vehicles.				
FINANCING DIRECTORATE				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(130)	(564)	(550)	(1,858)
Council Tax Benefit Support				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	370	186	100	67
This budget continues to be under pressure, as a direct result of Covid-19. However, over the course of the year some easing of demand was seen.				
Council Tax				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn
Deficit / (Surplus) £'000s	(500)	(750)	(650)	(554)
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.				
General Government Grants				
Outturn Forecast	Month 2	Month 6	Month 9	Outturn

Deficit / (Surplus) £'000s	0	0	0	(1,370)
The Authority received a late distribution from the Welsh Government which was un-hypothecated.				

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.

2021/22 School Balances Summary outturn position	(A) Opening Reserves (Surplus) / Deficit	(B) Draw / (Contribution) School Balances forecast @ Month 2	(C) Draw / (Contribution) School Balances forecast @ Month 6	(D) Draw / (Contribution) School Balances forecast @ Month 9	(E) Draw / (Contribution) School Balances Final	(A+E) Reserve Balances at 2021/22 Outturn
	£000's	£000's	£000's	£000's	£000's	£000's
Cluster						
Abergavenny	(1,158)	309	426	(197)	(987)	(2,145)
Caldicot	(1,091)	539	372	(197)	(1,075)	(2,166)
Chepstow	(349)	516	417	42	(346)	(695)
Monmouth	(794)	457	354	(318)	(1,074)	(1,869)
Special	(26)	(39)	(11)	(16)	(53)	(79)
Total	(3,418)	1,782	1,558	(687)	(3,536)	(6,954)

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 was 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. At month 9, the forecast was a contribution to reserves of £686,954, resulting in a forecast surplus balance of £4,105,074. However, several grants were awarded to schools at year end, which has resulted in a further increase in school balances and a surplus balance of £6,954,025. The additional grants received from Welsh Government are detailed below:

- £1,089,288 to cover revenue maintenance
- £117,306 Winter of Wellbeing
- £184,076 ALN new system funding
- £668,971 Recruit, Recover, Raise Standards funding
- £132,260 Attendance Support & Community Schools
- £742,181 Regional Consortia School Improvement Grant
- £57,380 Local Authority Education grant
- **£2,991,462 Total**

All schools are expected to provide investment plans setting out how they intend to spend these grants.

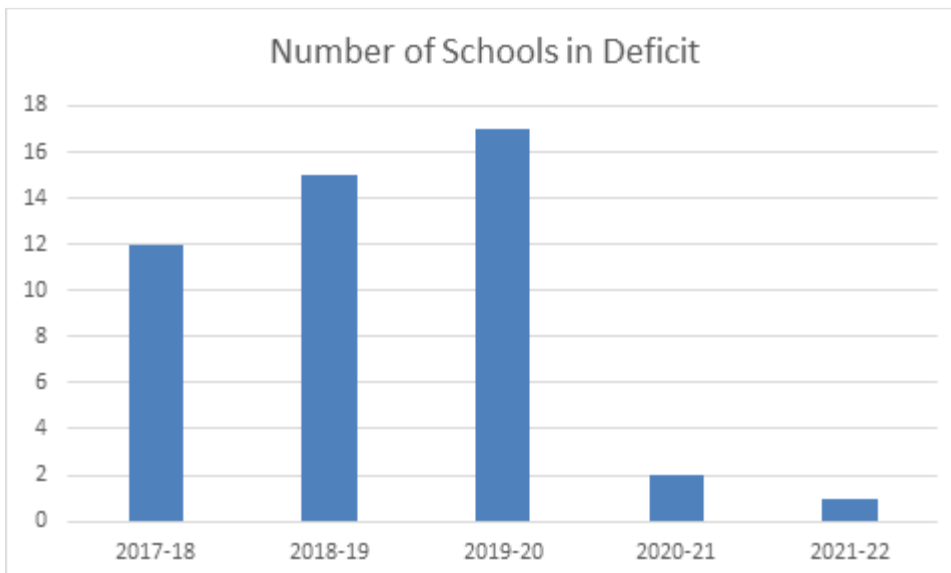
2.4. The movement of individual schools forecast to be in deficit since the start of the financial year is shown below:

Schools in deficit				
Start of Year	Month 2 (Forecast)	Month 6 (Forecast)	Month 9 (Forecast)	End of year
2	4	3	2	1
Chepstow Comprehensive	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. There is not a consistent picture of schools' balances. There has been a fluctuating trend with some schools showing a continuing reduction in schools balances, which is of concern, and others a more stable trend. However, as previously advised, grants awarded to schools at 2020/21 and 2021/22 year ends have resulted in a large increase in overall school balances. Schools have developed grant plans in line with the terms and conditions of these grants and the balances are expected to reduce during 2022-23.

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	(6,954)

- 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:-



3 CAPITAL OUTTURN

3.1 The Capital position at 2021-22 Outturn is as follows:

	Slippage B/F	Original Budget	Budget Revisions	Approved Slippage	Revised Budget 2021/22	Actual Outturn	Variance at Outturn
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Capitalisation Directive	0	2,208	0	0	2,208	1,567	(640)
Development Schemes Over £250k	28,216	185	4,713	(29,775)	3,339	3,291	(48)
Development Schemes Under £250k	350	360	372	(701)	381	368	(13)
Schools & Education	14,760	14,383	50	(27,865)	1,328	1,328	0
Infrastructure	1,434	3,428	290	(1,062)	4,090	4,074	(16)
ICT Schemes	296	361	791	(552)	896	645	(250)
Property Maintenance	1,830	2,190	1,845	(2,829)	3,036	3,036	0
Renovation Grants	602	900	140	(912)	730	730	0
Section 106	686	0	1,176	(1,147)	715	715	0
Specific Grant Funded	969	1,000	9,849	(3,715)	8,103	7,647	(456)
Vehicle Leasing	0	1,500	24	0	1,524	1,809	285
Total Expenditure	49,143	26,514	19,250	(68,558)	26,349	25,210	(1,139)
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)	(12,963)	31,846	(13,373)	(12,688)	685
S106 Contributions	(711)	0	(1,652)	1,854	(509)	(509)	0
Unsupported Borrowing	(27,031)	(4,094)	(2,000)	31,348	(1,777)	(3,463)	(1,686)
Reserve & Revenue Funding	(241)	0	(185)	192	(234)	(234)	0
Capital Receipts	(2,064)	(2,891)	(2,450)	3,318	(4,087)	(3,447)	640
Leasing	0	(1,500)	0	0	(1,500)	0	1,500
Total Financing	(49,143)	(26,514)	(19,250)	68,558	(26,349)	(25,210)	1,139

3.2 The capital expenditure at outturn shows a surplus outturn position of £1.139m.

3.3 It is important to note that a significant part of the surplus (£685k) represents grant funded schemes where the full grant allocation initially offered by funding partners was greater than the actual scheme costs required to deliver the schemes. This funding was not drawn down from the funding body during the year and does not represent surplus financing that can be carried forward to be used by the Authority.

3.4 An additional surplus of £640k relates to under-utilisation of the capitalisation direction and primarily where redundancy costs incurred within the revenue budget (and which were eligible to be capitalised) were significantly lower than budgeted. This subsequently releases £640k of capital receipts back to reserve for future capital investment.

3.5 This is offset by the use of unsupported borrowing to finance the purchase of the authority's additional vehicle fleet requirements instead of utilising the leasing budget as originally anticipated (£1,785k). It is important to note that borrowing is only utilised if it attracts a beneficial whole life cost to the Authority when compared to leasing, and that the service department will meet the cost in full from their existing revenue budget for vehicle fleet costs.

3.6 Capital Slippage at outturn is £68.558m (£54.353m at Month 9) as major schemes have been impacted by delays. A full breakdown of the slippage and the reasons sitting behind the delays is outlined in **Appendix 5**.

3.7 Useable Capital Receipts Available

3.8 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
	£0	£0	£0	£0	£0
Balance as at 1st April	9,581	9,030	11,904	11,818	10,873
Capital receipts used for financing	(1,880)	(4,264)	(1,294)	(1,194)	(1,094)
Capital receipts used to support capitalisation direction	(1,567)	(2,650)	(507)	(507)	(507)
Capital receipts Received or Forecast	2,896	9,788	1,715	756	104
Forecast Balance as at 31st March	9,030	11,904	11,818	10,873	9,376