

Section 1	Revenue budget summary forecast
Section 2	Detailed service commentary
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Section 1 - Overall Revenue Position

Table 1: 2024/25 Revenue budget forecast by directorate

Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Surplus) / Deficit
	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	68,410	(94)	68,316	70,810	2,494
Children & Young People	64,853	0	64,853	65,321	468
Communities & Place	27,249	41	27,291	28,254	963
MonLife	8,088	0	8,088	8,042	(46)
Chief Executives Unit	3,288	(8)	3,279	3,348	68
Law & Governance	2,894	0	2,894	2,945	51
Resources	8,344	29	8,373	8,391	18
Corporate Costs & Levies	29,476	0	29,476	29,482	6
Net Cost of Services	212,603	(32)	212,571	216,592	4,021
Appropriations	7,301	32	7,333	7,050	(283)
Expenditure to be Financed	219,904	0	219,904	223,642	3,738
Financing	(219,904)	0	(219,904)	(220,254)	(350)
Net General Fund (Surplus) / Deficit	0	0	0	3,387	3,388

Table 2: 2024/25 Revenue budget forecast by service

Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Surplus) / Deficit
	'000's	'000's	'000's	'000's	'000's
Adult Services	42,816	(40)	42,776	44,310	1,534
Children Services	22,450	(54)	22,396	23,530	1,134
Public Protection	1,982	0	1,982	1,806	(175)
SCH Support	1,162	0	1,162	1,163	1
Social Care, Health & Safeguarding	68,410	(94)	68,316	70,810	2,494
Emergency Planning	170	0	170	186	16
Individual Schools Budget	52,459	0	52,459	52,454	(4)
Resources	1,032	0	1,032	1,049	17
Standards	11,192	0	11,192	11,632	440
Children & Young People	64,853	0	64,853	65,321	468
Enterprise, Housing & Community Animation	3,250	(16)	3,233	3,126	(107)
Facilities & Fleet Management	11,608	(42)	11,565	12,432	867
Neighbourhood Services	10,521	132	10,653	10,916	263
Placemaking, Highways & Flood	1,870	(32)	1,838	1,780	(58)
Communities & Place	27,249	41	27,291	28,254	963
Communications	218	0	218	218	0
Countryside & Culture	1,142	0	1,142	1,136	(6)
Finance & Business Development	4,336	0	4,336	4,398	62
Leisure, Youth & Outdoor Adventure	2,393	0	2,393	2,290	(102)
MonLife	8,088	0	8,088	8,042	(46)
Policy, Scrutiny & Customer Service	1,415	0	1,415	1,415	(0)
People	1,873	(8)	1,865	1,933	68
Chief Executives	3,288	(8)	3,279	3,348	68
Democratic Services	1,847	0	1,847	1,825	(22)
Legal and Land Charges	1,047	0	1,047	1,120	73
Law & Governance	2,894	0	2,894	2,945	51
Commercial, Corporate & landlord Services	1,320	0	1,320	1,552	232
Corporate Health & Safety	92	0	92	92	0
Finance	3,936	29	3,965	3,766	(199)
Information Communication Technology	2,996	0	2,996	2,981	(15)
Resources	8,344	29	8,373	8,391	18
Precepts & Levies	26,532	0	26,532	26,532	(0)
Coroner's	278	0	278	278	(0)

Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Forecast Outturn	Forecast (Surplus) / Deficit
Archives	213	0	213	219	6
Corporate Management	398	0	398	398	(0)
Non Distributed Costs (NDC)	577	0	577	577	(0)
Strategic Initiatives	(350)	0	(350)	(350)	0
Insurance	1,828	0	1,828	1,828	0
Corporate Costs & Levies	29,476	0	29,476	29,482	6
Net Cost of Services	212,603	(32)	212,571	216,592	4,021
Interest & Investment Income	(1,176)	0	(1,176)	(1,127)	48
Interest Payable & Similar Charges	7,252	0	7,252	7,210	(42)
Charges Required under Regulation	6,230	0	6,230	6,189	(41)
Other Investment Income	0	0	0	(1)	(1)
Borrowing Cost Recoupment	(3,883)	0	(3,883)	(4,131)	(248)
Contributions to Reserves	833	0	833	833	0
Contributions from reserves	(1,955)	32	(1,923)	(1,923)	0
Contribution from Council Fund	0	0	0	0	0
Appropriations	7,301	32	7,333	7,050	(283)
Expenditure to be Financed	219,904	0	219,904	223,642	3,738
General Government Grants	(91,149)	0	(91,149)	(91,149)	0
Non Domestic Rates	(34,871)	0	(34,871)	(34,871)	0
Council tax	(102,295)	0	(102,295)	(102,295)	0
Council Tax Benefit Support	8,410	0	8,410	8,060	(350)
Financing	(219,904)	0	(219,904)	(220,254)	(350)
Net General Fund (Surplus) / Deficit	0	0	0	3,388	3,388

Section 2 - Directorate – Service Variance Comments

SOCIAL CARE, HEALTH & SAFEGUARDING	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	2,494	0	0	0

The directorate projected overspend position at Update 1 is attributable to ongoing demand pressures within Adults and Children's services.

External residential care home placements in Adult services have increased by 17 since the budget was set, causing a £520K pressure on the budget. Care at home placements are not made without management oversight and where all other options for care provision have been explored. Currently, the number of care home placements is increasing by 1 per week on average, presenting an ongoing risk to the budget; however, it is hard to predict whether care home placements will continue to increase at this rate. The service will continue to monitor the net effects of movement within the care home population over the rest of the year.

The service is finding it challenging to achieve savings set out within the practice change and partnerships mandates resulting in £729K of pressure. The service has put in additional controls around how new care services are provided, which is helping to ensure that care is provided with parity across the area and allocated according to the most pressing needs. As and when opportunities arise, care at home is being re-brokered to ensure that costs are minimised as far as possible without compromising people's care and support needs. However, the ongoing programme of reviewing existing care remains challenging because of the pressure of managing new referrals and assessments. Equally, there remain challenges around pursuing Continuing Health Care costs with Health.

A further pressure of £375K has arisen as contrary to previous indications, it appears unlikely that the potential increase to the non-residential weekly care charging cap will be considered in time to have an effect this year.

In response to the ongoing challenges there is a comprehensive reform agenda in place across the service covering domiciliary care commissioning, service delivery models particularly reablement and ensuring there is a robust and co-ordinated preventative/community wellbeing offer in place. Reviewing the structure of the workforce remains a priority, ensuring that are resources are used to best effect, and it is pleasing to note that the staffing mandate in place for this year has been achieved.

With Children's service the Head of Service commentary sets out the challenges arising from the number of children entering the care system and the pressure on the service, placements and costs this creates. There is a comprehensive suite of family support services in place that helps to mitigate risks, and to ensure that children come into care only when there is absolutely no alternative. Equally work continues around supporting children to return to family care or move to semi-independence at the earliest opportunity (where is safe and, in the child's, best interests). The progression plan for child takes dedicated resource and carefully implemented multi-agency approach. This period has included the step down of 2 children from residential care which is being commended. Nevertheless, despite achieving £800K against the saving mandate, with another £550K being projected, the pressure of new referrals has generated a £1.13M projected overspend. There are risks associated with the projected savings of £550K because of the dynamic nature of care planning for children. Equally it is hard to predict whether the current rate of children entering care or requiring intensive services in the community will continue.

As in previous years, the directorate bottom line, continues to benefit from a number of Welsh Government grants approximately £2M including Workforce grant, Regional Integration Fund and the Radical/Eliminate grants, used to bolster core service provision. This creates an additional risk and potential pressure for the service in that there is little certainty over the extent to which these grant streams will be maintained.

ADULT SERVICES				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1,534	0	0	0

There are ongoing risks around increased costs of care and the complex needs of an ageing population and processes are in place to manage new demand and reduce the cost of existing packages via a program of reviews. Efforts to embed practice change are ongoing with a recognised need to contribute to support the workforce to understand budget impact whilst also maximising opportunities to re-provision resource firmly around prevention of escalation throughout the care pathway and work closely with providers to maintain quality and cost effectiveness of provision.

CHILDREN SERVICES				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1,134	0	0	0

The first quarter of this year has seen an increase in the population of Children Looked After (CLA) which has risen from 199 at 2023/24 year end to 208 at the end of July, including an increase in the number of residential placements from 21 to 23, creating a pressure of £1M.

It has been a particularly pressurised period for the service with 30 children becoming looked after and 19 children ceasing to be looked after. The new entrants have included a family of 5 siblings, a family of 3 siblings and 5 families of 2 siblings. The needs of the children and the lack of suitable alternative in house placement options has resulted in 2 new entrant children being placed in residential care and 5 in For Profit Foster care. In addition, 8 of these children have entered "Parent and Child" assessment placements which includes a parent with 4 siblings and 3 individual children with their respective parents. Whilst such placements are time limited (approx. 12 weeks) they are high cost with each placement mandated by Family Court during proceedings.

In addition, during the first part of the year, a higher than usual number of children's placements have broken down, such that there is then no option but to place in high-cost placement.

Lack of placements for children remain a significant challenge within the service with ongoing instability and uncertainty within external providers of both residential and IFA placements, resulting in increased costs for external placements, more competition for placements and less movement. The recruitment of in house foster carers also remains a challenge. The service is continuing to develop its own provision including a step-down provision for young people aged 16+ expected to be operational from November and a children's residential home expected to be operational by the end of this financial year.

The service continues to review all CLA children's placements with a focus on high-cost placements. The service is able to utilise the suite of family support services that are in place to ensure that all opportunities for children to remain in family care or return to family care are maximised.

In this way, approximately £800K of the £1.3M saving target has already been achieved with a further projected saving of approximately £550K profiled into the rest of the year. This does present some ongoing risk of achievability, in that the current cohort of children looked after having longer standing histories of being in care and more complex trauma presentations, making it harder to achieve step down placements.

Alongside the pressure arising from children's placements, there is a further pressure of approximately £200K within the Family Time team out of hours service. The establishment of the out of hours service in 2023 was in response to the significant costs of using private nursing agencies to manage risk in the community (keeping children at home or under supervision in a hospital whilst safeguarding investigations

are ongoing). This is a cost avoidance (overspend management) strategy which has seen a reduction of up to 60% in the use of external agencies despite the service supporting 2 children to step down from residential care placements.

PUBLIC PROTECTION

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	(175)	0	0	0

The underspend is mainly as a result of staff vacancies, 2 posts having external funding and expected income above budget.

SCH SUPPORT

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	1	0	0	0

This budget area is forecast, within £1K, to spend to its budget allocation.

CHILDREN & YOUNG PEOPLE DIRECTORATE

	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	468	0	0	0

The Directorate's current position is a forecasted overspend of £467,940.

This is largely due to ALN, with an unexpected increase in ALN placements at Independent Schools, an ALN pupil staying on for Year 14, additional support for 2 existing ALN pupils and CYP being liable for £56k of the Post-16 Specialist Placement Costs for 23-24, as we had thought the Joint Contribution was being funded. We are currently disputing these costs for the Summer Term, but we may be liable for a further £28k.

Further additional costs across the Directorate are £55k of employee related savings, which are unlikely to be met (although grant funding may be able to meet these costs) and a forecasted overspend of £33k for ALN transport, mainly due to a 2% increase in external contracts from September.

Emergency Planning

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	16	0	0	0

The overspend of £15,736 is due to employee related savings not being met (although, as previously advised, grant funding may be able to meet these costs)

Individual Schools Budget

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(4)	0	0	0

The division is currently forecasting a small underspend of -£4,360

Resources

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	17	0	0	0

The overspend of £16,728 is mainly due to employee related savings not being met (although, grant funding may be able to meet these costs)

Standards

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	440	0	0	0

The overspend of £439,836 is due to the following:

- £366k ALN – Independents (5 new starters at Independent Schools (£254k) + 1 pupil staying on for Year 14 (£49k) + additional support for 2 existing pupils (£7k) + liable for £56k of Post-16 Specialist Placement Costs for 23-24 (as we had thought the Joint Contribution was being funded). We are disputing these costs for the Summer Term, but we may be liable for a further £28k
- £10.2k ALN – OOC (2 new starters in out of county schools (£29k), reduced by estimated costs for another pupil being less than expected (-£19k))
- £33.4k ALN Transport (£12k invoice received regarding 23-24. Estimated £20k increase due to 2% increase in external contracts from Sept)
- £25.2k Employee Related Savings not met (although grant funding may be able to meet these costs)

COMMUNITIES & PLACE DIRECTORATE

Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	963	0	0

The directorate is currently forecasting a £963k overspend. A detailed explanation for each service area is provided below but the overspend can be mainly attributed to School & Passenger Transport and Housing which are demand led services and are both reporting severe budget pressures for this year.

We are projecting to make £563k (60.7%) of our £927k budgeted saving target. The shortfall of £364k is mainly due to the delay in the relocation of tenants into Severn View which will now not happen until late in the financial year resulting in £320k of the £400k saving target not being met, although this has been mostly offset by unbudgeted discretionary housing grant.

Officers are working to reverse this position and will be looking at all avenues to mitigate the overspend including reviewing and stopping all non-essential spend, reviewing vacant posts, ensuring we maximise all grant funding streams and maximising income generation.

Enterprise, Housing & Community Animation

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(107)	0	0	0

Enterprise & Community Animation is forecasting to under spend by £107k, this is mainly due to: -

- **Enterprise Mgt** - £128k underspend – Employee savings due to senior staff vacancies of £144k have been offset by a £17k overspend on our City Deal contribution.
- **Community & Partnership Development** - £27k underspend – Staff savings as we can use grant funding to pay for core staff costs.
- **Housing** - £158k over spent, this can be broken down into these main areas: -
 - **Housing** - £209k net overspend – we are currently forecasting a net overspend across our B&B and leased accommodation portfolio. We have reduced the number of B&Bs in recent months (49 rooms in August) but this has resulted in an increase in leased properties and even though this is the cheaper option it still comes with a cost. We have seen a 35% increase in properties since April 21 (154 to 208) to service increasing demand and as a result we are predicting our annual operating costs, and in particular damage repair & maintenance will exceed available budget. The relocation of tenants to Severn View has been delayed as planning permission for change of use was not granted until July, refurbishment works can now start but the delay has meant the accommodation will now not be ready until February. This has impacted on the ability to make the £400k saving that was built into the budget, it is anticipated that only an £80k saving will be generated this year resulting in a shortfall of £320k. It is fortunate this year that this pressure has been mostly covered by the receipt of one-off WG discretionary homelessness grant, resulting in an overall net budget overspend of £209k for 24-25.
 - **Careline** – £51k under spent – the underspend is due to the ability to offset staff costs against grant funding and also in the reduction in equipment spend as stocks were replenished last year (via grant) reducing the need for in-year spending this year.
- **Business Growth & Enterprise** – £110k under spent – this is due to a £74k increase in grant funding allowing us to offset core costs, a £27k saving in employee costs as a post currently on maternity leave is not being backfilled and a £6k saving on professional & specialist fees.

Facilities & Fleet Management

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	867	0	0	0

Facilities, Fleet & De-carbonisation are forecasting a £967k overspend, this is due to :-

- **Decarbonisation** - £106k net overspend – this can be attributed to the following factors :-
 - Corporate Mileage Saving - £80k over spend – We are anticipating that the amendments that are required to the current corporate travel and disbursement policy will be made in the coming months, and this will allow us to implement the roll-out of the Pool car scheme and other initiatives, with the potential that £20k of the original £100k saving will be found this year.
 - Solar Farm - £129k deficit – early year projections are forecasting that income will be down this year due to poor weather and grid outages, both of which are out of our control, we are forecasting that the farm will still make a £271k surplus this year but this is £129k less than the budgeted surplus of £400k.
 - De-Carbonisation Team - £111k under spend – Recruitment into the team is proving difficult and we are forecasting that 3 vacant posts will only be part filled this year creating a saving in staff costs.

- **Schools Catering** - £20k under spent – we are forecasting a £50k underspend in employee costs due to the delay in recruiting staff into posts, this has been offset by a £30k cost of providing laptops into the kitchens.
- **Building Cleaning & Public Conveniences** - £51k under spent – mainly due to a staff underspend in Building Cleaning due to difficulties in recruiting into vacant posts and a £6k rates saving in Public Conveniences.
- **Passenger Transport** – £623k over spent– we are projecting a major budget pressure within the PTU section, this can be attributed to these main factors :-
 - Service Demand – The demand for school transport has increased significantly over the last number of years, we are expecting to transport 2,813 pupils a day this year (based on Sept 24 numbers), this is a 10% increase from 3 years ago and means we have had to add extra bus contracts to service this uplift.
 - Operator market – There is a scarcity of operators within the area, this means prices are set at a premium increasing contract cost. The commissioning team has retendered contracts and re-worked routes and despite of a 2% contracted inflation uplift have managed to avoid further increases of £200k on top of the existing outlay. In instances where we cannot procure external provision then the authority has to step in as the operator of last resort, this increases the financial burden as we have to procure vehicles and drivers to service the contracts.
 - Reduction in grants – last financial year we benefitted from windfall bus operator grant which helped offset core operating costs, we are not expecting any such grant this year so net spend will be higher.
 - Public Bus Service funding – Following the retendering of all services last winter the authority ended up having to operate some routes (A5/A6 and 2 journeys on route 65) from April to August this year without sufficient funding. We did receive some Bus Network Grant funding for routes A5/A6, but not sufficient to cover net operating costs. The decision was also made to reinstate two journeys on route 65 to the timetable where no BNG was available, resulting in the service having to cover the cost of provision. From September the service will not be running any public bus routes as they have all been allocated to external operators.
- **Regional Transport Team** - £51k under spent – Underspend due to staff being funded 50% from capitalisation directive and core costs being funded from transport grants.
- **Fleet Maintenance** - £270k over spend – The pressures that we faced in 23-24 are continuing to impact on the budget in 24-25, where inflation, supply chain issues, vehicle hire growth and increased borrowing spend have driven operating costs over and above available budget. There are also additional spend requirements this year around EV charge points and a new vehicle management system.

Neighbourhood Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	263	0	0	0

Neighbourhood Services is forecasting to overspend by £365k, due to :-

- **Highways & Streetlighting** - £30k overspend – this is due to an overspend in Streetlighting where annual maintenance contract inflation coupled with an increase in the number of adhoc repairs has

resulted in the budget being exceeded. Highways operations and SWTRA are forecasting to be on budget.

- **Waste & Grounds Maintenance** - £233k over spend – The 24/25 budget was built on the premise that our polyprop service would be fully operational from the 1st April, delays in vehicle delivery have meant that the service won't start until early Autumn resulting in our early year disposal costs being higher than originally anticipated. Our Grounds service is currently forecasting a break even budget.

Placemaking, Highways & Flood

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(58)	0	0	0

Placemaking, Highways & Flooding is forecasting to under spend by £58k, due to :-

- **Building Control** – £69k over spent – early year forecasts are indicating a similar position to last year where fee income was impacted by the economy resulting in reduced applications. In addition, the introduction of the Building Safety Act 2022 has increased the amount of statutory non-chargeable works having to be undertaken adversely affecting staff and income budgets.
- **Planning & Development Control** - £45k over spent – as with Building Control above early year indications are that application fee income will mirror last year and be lower than budget as per the economy downturn. Income levels are influenced by the amount of potential development opportunities and the adoption of the Replacement Local Development Plan will address this current deficit in land availability, but we will not see the benefit of that in this financial year. Councils are currently lobbying WG to increase the planning fee rate given that they have not risen with inflation and have remained fixed since 2020. WG are currently reviewing this matter.
- **Car Parks & Civil Parking Enforcement** - £60k under spent – Underspend is mainly due to improved income as our annual pay & display projection is currently exceeding budget, in addition the position has been helped by employee savings due to full year vacant posts.
- **Highways management & flooding** - £111k under spent – Employee under spend due to full and part year vacancies and improved income from capital programme fees.

MONLIFE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(46)	0	0	0

The Directorate is forecast to underspend by £46k. Delayed implementation of the area management restructure, delayed staffing savings which had been anticipated within the Museums service and reduced income at our attractions has been offset by increased income from our leisure services and markets this is due to increased income from marketing campaigns along with the sections ability to retain new members and tenants. There is still a significant risk around income predictions at both our leisure facilities, outdoor adventure centre and borough theatre with the forecast relying on £5.1m of income from these 3 service areas alone. We will continue to monitor income forecast closely as the year continues.

(Monlife) Countryside & Culture

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(6)	0	0	0

Countryside and Culture are forecast to underspend by £6k due to lower than anticipated supplies and services.

(MonLife) Communications

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0

Central communications are forecast to achieve a balanced position.

(Monlife) Finance & Business Development

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	62	0	0	0

Finance and Business Development are forecast to overspend by £62k due to the delayed implementation of the area management structure £80k, £22k reduced income at the borough theatre, reduced income at our attractions £34k due to adverse weather and lower than anticipated staff savings within our museums service £16k. This has been offset by lower than anticipated expenditure at our contact centre due to vacancy savings and reduced supplies and services (£50k) and lower than anticipated expenditure within our support services of (£40k).

(Monlife) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(102)	0	0	0

Leisure, Youth & Outdoor Adventure are expected to underspend by £102k this is due to higher than anticipated income at our leisure facilities.

CHIEF EXECUTIVE'S UNIT DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	68	0	0	0

Chief Executives is forecasting to overspend by £68k.

The People function is in the middle of a period of change following the approval the People Strategy and appointment of our new Head of HR. We are introducing automation to improve customer experience and back-office efficiency. However, this is taking longer than anticipated and as a result savings have yet to be realised. We have taken the steps we can to lower costs, including entering a collaborative arrangement with other authorities for training which has reduced the cost of training systems.

The biggest financial pressure in Policy, Scrutiny and Customer Relations is for Welsh language translations. This is a statutory obligation. While we can do little about demand, a business case is being developed to provide the service in a different way which would help reduce supply side costs from 2024-25 onwards.

Policy, Scrutiny & Customer Relations

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
<p>Policy, Scrutiny & Customer is forecasting to return a net balanced budget, this is due to :-</p> <ul style="list-style-type: none"> • Corporate - £24k under spent – mainly as a result of core staff costs being funded by Ukraine grant funding as capacity is diverted to manage this situation. • Scrutiny - £6k over spent – due to the inability to make staff vacancy factor savings. • Customer Relations – On Budget. • Policy & Partnerships – £19k over spent – Equalities and Welsh Language is forecasting to overspend by £70k due to translation demand outstripping available budget and our corporate subscriptions costs are expected to exceed budget by £20k. These overspends have been part offset by a £45k underspend in GIS due to part year vacant posts and a £26k staff saving in Performance & Data as we have passported core staff costs to capital. 				
People				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	68	0	0	0
<p>People Services is forecasting to over spend by £68k, the main variances are as follows:</p> <ul style="list-style-type: none"> • Payroll - £46k under spent – Net underspend mainly due to staff secondment savings and system costs being lower than budgeted for this year. This underspend is being used to partly off-set a temporary increase in capacity in People Management. • People Management - £102k over spent – Employee costs are currently forecasting to exceed budget by £85k, this is mainly due to the requirement to uplift resources within the unit to cover service demand. In addition, SLA income is expected to come in £40k lower than budgeted and supplies and services have increased due to software increases and the purchase of IT equipment for additional staff. • Corporate Training - £7k over spent – due to income targets not being achieved, this is due to a drop off in external training requirements due to the cyclical nature of qualification updates, last year there was a major renewal on 3 and 5 year certificates so we are anticipating that 24/25 numbers will be down. • Organisational Development - £4k over spent – Inability to meet staff vacancy savings. 				
LAW & GOVERNANCE DIRECTORATE (PG)	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	51	0	0	0
<p>The overspend in legal is mainly a result of a significant shortfall in expected income for the commercial law team. This will be monitored to ensure opportunities to recoup income are taken, but also to assess whether the projected income continues to be realistic going forward. There has been also been an increase in staffing costs following the re-grading of a post to ensure the Council has a deputy monitoring officer as required by law, as well as honoraria payments made at the appropriate grade in the interim before the re-grading was finalised.</p>				
Democratic Services				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(22)	0	0	0

Democratic Services is forecasting to underspend by £22k, this is due to :-

- **Members** - £22k under spend – resulting from a reduction in payroll costs due to savings from a part-year vacant position and a reduction in co-opted member costs.
- **Committee & Elections** – On Budget

Legal and Land Charges

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	73	0	0	0

Legal and Land charges is forecasting to overspend by £73k, this is due to :-

Legal Services - £73k over spend – Mainly due to a projected shortfall in rechargeable income, and also an over spend in staffing due to a post regrading, honoraria payments and the inability to meet staff vacancy savings.

Land Charges – On Budget.

RESOURCES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	18	0	0	0

The Resources directorate is forecasting a small over spend of £18k, primarily due to pressures within the corporate & commercial landlord budget, which is offset by savings within finance.

There is a shortfall against budgeted savings targets where rental income is currently below targets following some staggering of rent increases, and some vacant units remaining to be filled.

Commercial investments continue to fall short of budgeted net income targets though this is expected to improve as lettings are secured through the last half of the financial year.

Work continues into the review and rationalisation of our buildings portfolio, but this has been slower than originally anticipated and we are projecting a shortfall against the previous year's budget saving requirement. There are however several instances of rationalisation savings being realised that feature as part of other directorates forecasts. Officers continue work in this area and there is a possibility that this will change before year end.

These overspends have been part managed by employee savings due to staff vacancies only being filled part way into the year in both finance and commercial and landlord services.

The directorate will continue to support the wider budget recovery action and is exploring all opportunities of limiting expenditure, holding vacancies, and maximising all avenues of income and grants.

However the scope to introduce significant further levels of savings within the Resources budget at this stage of the year is very constrained, given the limited amount of controllable budget. However, work will continue to secure further savings which will be reported in future reporting periods.

Finance

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(199)	0	0	0

Finance is forecasting to return a £199k underspend, this is mainly due to -

- **Revenues** - £4k net under spend – £11k budget pressures within the Council Tax and Housing Benefit budgets have been offset by in year vacancy savings and one off grant income.
- **Systems & Exchequer** – £23k under spend – an increase in annual contract costs for the revenue and benefits system have been offset by managed staff vacancies, putting system developments on hold, reduced security carrier charges and an increase in in-year recharge income.
- **Finance** - £172k under spent – Underspend is due to a combination of staff vacancies and the ability to recharge core staff costs to other sources of funding.
- **Audit** – On Budget.

Future Monmouthshire

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0

Future Monmouthshire is forecasting to return a balanced budget.

Corporate Health & Safety

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0

Corporate Health & Safety is forecasting to return a balanced budget.

Information, Communication & Technology

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(15)	0	0	0

The ICT division is forecasting a £15k under spend, this is due to :-

- **Digital Programme Office** – On Budget.
- **SRS Contribution** – £11k over spend - SRS have informed us that early year forecasts are indicating an overspend against our contribution budget, this is mainly due to increases in Checkpoint Firewall costs and PSBA line costs.
- **Digital Design & Innovation** - £22k under spent - due to savings from managed staff vacancies.
- **Cyber Security Team** - £4.5k under spent – Due to staff savings through part year vacancy and a managed reduction in non-essential spend.
- **Telephony** – On Budget.

Commercial & Corporate Landlord

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	232	0	0	0

Commercial & Corporate Landlord services is forecasting to over spend by £232k, due to :

- **Investment Properties** - £97k over spent, due to –
 - **Newport Leisure Park** - £67k over spent – NLP is forecasting to achieve a surplus position of £279k after borrowing costs (an improvement of £188k on 23-24 outturn) but a variance of

£67k on the budgeted target due to changes in some of the existing tenancy agreements reducing the expected annual rental.

- **Castlegate Business Park** - £29k over spent – Castlegate is forecasting a £29k overspend due to increased rates and service charges relating to vacant units.

- **Landlord Services** - £68k over spend – Work continues into the review of our buildings but the rationalisation of our portfolio has been slower than originally anticipated and we are projecting that £207k of the original £215k budget mandate saving will not be found this year, officers will continue to work on this and there is the possibility that this will change before year end, in addition early year indications suggest that our rental income will be £43k under budget. These overspends have been part managed by employee savings due to staff vacancies only being filled part way into the year.
- **County Farms & Industrial Units** - £67k over spend – Income budgets were increased as part of the 24/25 MTFP to reflect the uplift in rent from filling our vacant farm properties and industrial units. Even though progress has been made in finding tenants rental agreements will be staggered resulting in only part year receipt of rent, in addition, as we currently have vacant properties we are now liable to cover the council tax - current forecasts assume a full year liability but this could change if we find tenants in-year.
- **Property Services** – On Budget.

CORPORATE COSTS & LEVIES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	0	0	0
Precepts & Levies				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast				
Archives				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	0	0	0
Final fees slightly above budgeted precept at budget setting.				
Corporate Management				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast				
Non-Distributed Costs				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast				
Strategic Initiatives				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4

Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast				
Insurance				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
No variance forecast				
TREASURY & RESERVES				
	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(283)	0	0	0
Interest & Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	48	0	0	0
Due to the reduction in market interest rates since budget setting, investment income is forecasted to be slightly reduced.				
Interest Payable & Similar Charges				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(42)	0	0	0
Reduced market interest rates have led to small saving				
Charges Required Under Regulation				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(41)	0	0	0
Underspend due to capital expenditure financed by borrowing in 23/24 being less than budgeted for.				
Other Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
Borrowing Cost Recoupment				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(248)	0	0	0
Budget was set before additional capital financing for 2023/24 vehicle purchases was finalised. Partially offset by additional MRP charges.				
FINANCING				
	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	0	0	0

Council Tax Reduction Scheme				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	0	0	0
Caseload currently remains below the budget set.				
Council Tax				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
No variance currently forecast, as It is too early in the financial year to accurately determine the outturn position. The council tax base remains healthy and is close to the tax base set for the year. However council tax discounts and exemptions continue to grow, which have a negative impact on the tax base. It remains unclear how much income will result from council tax premiums. Properties continue to move in and out of the lists. There is some evidence that the premiums are starting to bring properties back into use.				
General Government Grants				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	0
Income received to budget.				

2. Section 3 – School Balances

- 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 forecast Schools' balances position, for each Educational Cluster.

School Reserves	(A) Opening Reserves (Surplus) / Deficit Position 2024/25 £000's	(B) Draw / (Contribution) from / (to) School Balances @ Update 1 £'000	(C) Draw / (Contribution) from / (to) School Balances @ Update 2 £'000	(D) Draw / (Contribution) from / (to) School Balances @ Update 3 £'000	(E) Draw/ (Contribution) to Reserves at Update 4 £'000	(A+B) Forecast 2024/25 Reserves £'000
Cluster						
Abergavenny	143	1,133	0	0	0	1,276
Caldicot	(87)	1,152	0	0	0	1,065
Chepstow	658	800	0	0	0	1,458
Monmouth	(552)	1,066	0	0	0	514
Special	741	778	0	0	0	1,519
Total	904	4,929	0	0	0	5,832

2.2. Collective School balances at the beginning of the Financial Year amounted to a deficit of £903,636. The anticipated further draw on reserves is £4,928,604, against a budgeted draw on reserves of £5,015,104, resulting in a forecast deficit balance of £5,832,251 by year end.

2.3. The movement of individual schools forecast to be in deficit at the end of the year is shown below:

Start of year	Update 1	Update 2	Update 3	Update 4
Total: 13	Total: 19	Total:	Total:	Total: 0
Chepstow Comprehensive Pupil Referral Service	Chepstow Comprehensive Pupil Referral Service			
The Dell	The Dell			
Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)			
Ysgol y Fenni	Ysgol y Fenni			
Caldicot School	Caldicot School			
Ysgol y Ffin	Ysgol y Ffin			
Osbaston	Osbaston			
Overmonnow	Overmonnow			
Gilwern	Gilwern			

Rogiet	Rogiet			
Thornwell	Thornwell			
King Henry VIII 3-19 School	King Henry VIII 3-19 School			
	Goytre Fawr			
	Llantilio Pertholey			
	Dewstow			
	Monmouth Comprehensive			
	Llandogo			
	Usk			

- 2.4. The legacy impact of the pandemic continues within the school environment, particularly in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased overall costs of provision. Higher than budgeted pay awards have also impacted upon budgets.
- 2.5. All schools that are budgeting to register a deficit balance at the end of the 2024/25 financial year are required to bring forward budget recovery plans. These recovery plans will be confirmed with both the Local Education Authority, each School's Governing Body and, in some cases, the plans will need to be agreed by the relevant Cabinet Member. All recovery plans are expected to be received by October Half Term.

Financial Year-end	Net level of School Balances (Surplus) / Deficit in £000's
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232
2019-20	435
2020-21	(3,418)
2021-22	(6,956)
2022-23	(4,257)
2023-24	904
2024-25 (forecast)	5,832

- 2.6. The decrease in school balances has resulted in an increase in the number of schools in deficit, as illustrated in the following table:

Number of Schools in Deficit

