

Appendix 1 – 2024/25 Budget outturn report

Section 1	Revenue budget position at Outturn
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Section 1 - Overall Revenue Position

Table 1: 2024/25 Revenue budget outturn summary statement

Service Area	Original Budget 2024/25	Budget Adjustments	Revised Annual Budget	Outturn	Actual (Under) / Over Spend @ Outturn	Forecast (Under) / Over Spend @ Update 3	Variance
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	68,410	(193)	68,217	71,562	3,345	4,211	(866)
Learning, Skills and Economy	65,152	(6)	65,146	65,120	(26)	272	(298)
Infrastructure & Place	26,188	(126)	26,062	26,402	340	671	(331)
Customer, Culture and Wellbeing	8,304	(166)	8,138	7,461	(677)	(336)	(341)
People, Performance and Partnerships	3,288	140	3,427	3,347	(80)	(6)	(74)
Law & Governance	2,894	(70)	2,825	2,843	18	2	17
Resources	8,891	(148)	8,743	8,773	31	(430)	461
Corporate Costs & Levies	29,477	287	29,763	26,272	(3,491)	(1,607)	(1,883)
Net Cost of Services	212,603	(282)	212,321	211,781	(540)	2,776	(3,315)
Appropriations	7,301	590	7,891	8,148	258	(565)	823
Expenditure to be Financed	219,904	307	220,211	219,929	(282)	2,210	(2,492)
Financing	(219,904)	(307)	(220,211)	(220,426)	(215)	(617)	402

Net General Fund (Surplus) / Deficit	0	0	0	(497)	(497)		1,593	(2,090)
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Table 2: 2024/25 Revenue budget outturn detailed statement

Service Area	Original Budget 2024/25	Budget Adjust-ments	Revised Annual Budget	Outturn	Actual (Under) / Over Spend @ Outturn		Forecast (Under) / Over Spend @ Update 3	Variance
	'000's	'000's	'000's	'000's	'000's		'000's	'000's
Adult Services	42,816	(45)	42,771	44,129	1,358		2,040	(683)
Children Services	22,450	(133)	22,317	24,709	2,392		2,468	(76)
Public Protection	1,982	(32)	1,950	1,666	(284)		(279)	(5)
SCH Support	1,162	17	1,179	1,059	(120)		(18)	(102)
Social Care, Health & Safeguarding	68,410	(193)	68,217	71,562	3,345		4,211	(866)
Economy, Employment & Skills	299	(4)	295	131	(164)		(159)	(5)
Emergency Planning	170	(1)	169	183	14		25	(11)
Individual Schools Budget	52,459	8	52,467	52,529	62		41	21
Resources	1,032	13	1,045	1,081	36		17	19
Standards	11,192	(21)	11,171	11,196	25		348	(323)
Learning, Skills and Economy	65,152	(6)	65,146	65,120	(26)		272	(298)
Enterprise, Housing & Community Animation	2,735	(116)	2,618	2,621	3		(104)	107
Facilities & Fleet Management	10,124	489	10,612	10,993	380		539	(159)
Neighbourhood Services	11,305	(102)	11,204	11,327	123		459	(336)
Placemaking, Highways & Flood	2,024	(396)	1,628	1,461	(166)		(223)	57
Infrastructure & Place	26,188	(126)	26,062	26,402	340		671	(331)
Communications	434	(5)	429	332	(97)		(38)	(59)
Countryside & Culture	1,141	(6)	1,135	1,043	(92)		(65)	(27)
Finance & Business Development	4,336	29	4,365	4,314	(51)		44	(95)
Leisure, Youth & Outdoor Adventure	2,393	(184)	2,209	1,772	(437)		(277)	(160)
Customer, Culture and Wellbeing	8,304	(166)	8,138	7,461	(677)		(336)	(341)

Policy, Scrutiny & Customer Service	1,415	166	1,580	1,507	(74)		(28)	(46)
People	1,873	(26)	1,847	1,841	(6)		22	(28)
People, Performance and Partnerships	3,288	140	3,427	3,347	(80)		(6)	(74)
Democratic Services	1,847	(53)	1,795	1,814	19		(20)	39
Legal and Land Charges	1,047	(17)	1,030	1,030	(1)		21	(22)
Law & Governance	2,894	(70)	2,825	2,843	18		2	17
Commercial, Corporate & landlord Services	1,867	(218)	1,649	1,987	338		(39)	377
Corporate Health & Safety	92	63	155	151	(4)		(0)	(4)
Finance	3,936	4	3,940	3,626	(314)		(351)	37
Information Communication Technology	2,996	3	2,999	3,010	11		(40)	51
Resources	8,891	(148)	8,743	8,773	31		(430)	461
Precepts & Levies	26,532	0	26,532	26,528	(4)		3	(7)
Coroner's	278	0	278	290	12		0	12
Archives	213	0	213	219	6		6	(0)
Corporate Management	398	0	398	337	(61)		9	(70)
Non-Distributed Costs (NDC)	577	0	577	437	(140)		182	(322)
Strategic Initiatives	(350)	287	(64)	(3,068)	(3,004)		(1,766)	(1,238)
Insurance	1,828	0	1,828	1,530	(298)		(41)	(257)
Corporate Costs & Levies	29,477	287	29,763	26,272	(3,491)		(1,607)	(1,883)
Net Cost of Services	212,603	(282)	212,321	211,781	(540)		2,776	(3,315)
Interest & Investment Income	(1,176)	0	(1,176)	(1,313)	(137)		34	(171)
Interest Payable & Similar Charges	7,252	0	7,252	7,049	(203)		(339)	136
Charges Required under Regulation	6,230	0	6,230	6,779	549		168	381
Other Investment Income	0	0	0	(7)	(7)		0	(7)
Attributable Costs - Fixed Asset Disposal	0	0	0	3	3		0	3

Borrowing Cost Recoupment	(3,883)	0	(3,883)	(4,725)	(842)		(464)	(378)
Capital Expenditure Financed from Revenue	0	68	68	68	(0)		0	(0)
Contributions to Reserves	833	533	1,366	2,509	1,143		217	927
Contributions from reserves	(1,955)	(11)	(1,966)	(2,214)	(248)		(181)	(67)
Appropriations	7,301	590	7,891	8,148	258		(565)	823
Expenditure to be Financed	219,904	307	220,211	219,929	(282)		2,210	(2,492)
General Government Grants	(91,149)	0	(91,149)	(91,149)	0		0	0
Non-Domestic Rates	(34,871)	0	(34,871)	(34,871)	0		0	0
Council tax	(102,294)	(307)	(102,601)	(102,265)	336		(92)	428
Council Tax Benefit Support	8,410	0	8,410	7,858	(552)		(525)	(27)
Financing	(219,904)	(307)	(220,211)	(220,426)	(215)		(617)	402
Net General Fund (Surplus) / Deficit	0	0	0	(497)	(497)		1,593	(2,090)

Section 2 - Directorate – Service Variance Comments

SOCIAL CARE, HEALTH & SAFEGUARDING	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	2,494	3,897	4,211	3,345
The directorate outturn position shows an improvement with a variance of £866K since update 3. This is comprised of last minute WG grant monies distributed via Health (£500K) including slippage arising from the Gwent Regional Integrated fund and the 'Further, Faster' grant provided to increase community capacity within adult care. There was a further saving against held vacancies in direct care (£200K) and revenue savings of £166K following a WG grant to support the first year's implementation of a new case management system for social care. Whilst it is pleasing to see an improved year end position, the directorate nevertheless showed a deficit of £3.345M, reflective of significant challenges within social care (Adult and Children's services). <u>Adult Services</u> Aligned with the aging demographic, the needs of adult residents within the county who require social care and support are becoming more complex. For example, the numbers of adults entering residential placements continues to trend upwards. The cost of care is increasing in line with changes in Real Living Wage and inflationary pressures. This year there was a £230K shortfall against the budgeted cost of in-year fee increases for provider services (including domiciliary care, residential care and support service contracts). The service continues to implement a strategic change programme including the development of a reablement pathway; new approaches to commissioning; enhanced advice and support at the 'front-door'; improvements to hospital discharge arrangements and ensuring consistency around eligibility and the application of a strengths-based approach within assessments, care planning and reviews. The programme is aimed at achieving increased sustainability in the face of on-going demand. The challenges within adult services with respect to meeting both existing and new demand undermined our ability to meet the entirety of our expected savings in respect of 'practice change' albeit the workforce mandate was achieved in full. <u>Children's Services</u> Regarding children's services, although the number of children who are looked after by the Local Authority has maintained a slight downturn over recent years, the children who enter the care system tend to have more complex needs. This, together with on-going shortages in placements, continues to drive up the cost of children's care. The £2.4M overspend within children's services relates predominantly to the cost of new children coming into care (including those on a temporary basis) or where new placements have had to be sought following placement breakdowns.				

The service has a well progressed placement development strategy in place which is starting to support the ambition to achieve better outcomes for children using in-house placements representing better value for money. This is illustrated by the ability to generate savings of £1.2 M through effective care and progression planning for children (a deficit of just of £100K against the mandate).

The service remains committed to supporting children to remain living safely at home within their families and communities wherever possible. There is a suite of family support services in place to support this endeavour, although some of these services are currently dependant on WG grants creating some potential instability.

As in previous years, the directorate, benefited from a number of Welsh Government grants at approximately £3M including Workforce grant, Regional Integration Fund and the Radical/Eliminate grants, which were used to bolster core service provision. This represents 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 in the medium term. The directorate has additionally benefited from some savings in public protection, largely as a result of savings against posts.

ADULT SERVICES

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	1,534	2,505	2,040	1,358

Over the year the demand for adult services has remained high with referrals emanating from both the community and from hospitals. The needs and complexity of many residents are increasing requiring more intensive assessments and services.

The overspend for the Integrated Services has been due to the increased demand for care. For non- residential care provision, activity data shows an increase in the care provided towards the end of Qtr 2 and into Qtr 3 with a further increase in Qtr 4. At year end there 570 people supported and provided with 1,230 weekly care hours.

Another particular pressure is external care home placements. Care at home placements are not made without management oversight and where all other options for care provision have been explored. Nevertheless, care home placements have increased during the year by 10%, increasing from 310 at the start of the year to a close of 341. This includes both older adults, dementia care and younger people with complex learning disability or mental health support needs. This creates pressure within the budget, as the number of placements are hard to predict at budget setting (including existing and new placements).

A further pressure of £375K has arisen as contrary to previous indications, WG have confirmed that any potential increase to the non-residential weekly care charging cap will not go ahead. A small amount of grant totalling £70K has been awarded to offset this.

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. The new commissioning arrangements for domiciliary care in the South will offer better opportunities to accurately forecast spend as hours are purchased in blocks and premium rates eliminated from the pricing structure.

The ongoing programme of reviewing existing care remains challenging because of the pressure of managing new referrals and assessments; however additional resource has now been turned to reviewing care arrangements using some external funding. As health are re-trenching around their own cost pressures, we have been unable to make progress in successfully pursuing Continuing Health Care costs; however individual cases remain under regular review.

CHILDREN'S SERVICES

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	1,134	1,536	2,468	2,392

The first quarter of this year saw an increase in the population of Children Looked After (CLA) which rose from 199 at the start of the year to 208 at the end of July including an increase in the number of residential placements from 21 to 23. This created creating a pressure of £1M.

As at end of Update 2 the number of children looked after was 205 a reduction of 3. During this period 30 children became looked after and 24 children ceased to be looked after. The new entrants 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 resulted in 2 new entrant children being placed in residential care and 5 in For Profit Foster care. In addition, 8 children entered "Parent and Child" assessment placements which included 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. A further net pressure of £403K had arisen due to the needs of these children.

At the end of Update 3 although the numbers of children being looked after had remained stable, the degree of change and movement underneath the headline figure continued to have an impact. This included one high cost residential placement, a further 6 parent and child placements and extensions to 2 others. This created a further in-year pressure of £932K.

Some anticipated movements in placements were delayed in accordance with the needs of the children thereby reducing the amount of savings that could be achieved. In addition, this year has seen a higher than usual number of children's placements breaking down, such that there is then no option but to place in a higher-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 the opening of a step-down provision for young people aged 16+ expected which became operational in November 2024 and a children's residential home expected to be operational in July 25.

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 grant funded family support services that are in place to manage risk in the community and directly address parenting issues to ensure that all opportunities for

children to remain in family care or return to family care are maximised. This is despite the acknowledged complexity of children's needs and presentations which means there is not always a direct route out of care or high-cost placements.

In this way, the Children Services projected saving target has been almost achieved. The final quarter of the year has seen on-going work to stabilise placements and the planned reductions in CLA brining numbers down to 190 children, 12 of whom were UASC via the National Transfer Scheme. There was an increase in the numbers of children completing legal proceedings not on an order to the Local Authority and residing with family members which created a financial cost saving which mitigated the crisis demand previously seen within the year.

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	Outturn
Deficit / (Surplus) £'s	(175)	(147)	(279)	(284)

The underspend is mainly as a result of staff vacancies, including the head of service role. 2 posts having external funding and income above budget.

SCH SUPPORT

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	1	2	(18)	(120)

This budget area delivered an under spend at outturn due to a staff vacancy and end of year funding for work undertaken on the care management replacement system.

LEARNING, SKILLS and ECONOMY DIRECTORATE	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	468	523	296	(26)

CHIEF OFFICER COMMENTARY:

The Directorate's outturn is an underspend of -£26,286.

This is due to several Welsh Government grants being received since update 3, as well as a number of ALN pupils leaving Independent Schools and the costs for ALN pupils receiving EOTAS (Education Other Than At School) Bespoke packages, not being as much as previously forecast

Further additional costs across the Directorate have been offset with holding vacancies and through income generation.

Economy, Employment & Skills

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'s	0	(149)	(159)	(164)

An ability to passport core costs to grant funding, and a reduction in supplies and services.

Emergency Planning

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'s	16	16	14	14

The overspend is due to employee related savings not being met.

Individual Schools Budget

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	(4)	0	41	62

The additional overspend since Update 3 is due to expenditure relating to the Mounton House site (£14k), along with several other unforeseen costs, such as Box-It Charges, a BT PSBA line upgrade for OLSM School etc

Resources

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	17	43	51	36

The reduction in the overspend since Update 3 is due to a further reduction in income against the Photovoltaic Grids, which has been offset by the Teacher Pension Costs not being as much as expected and receipt of grant funding.

Standards

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	440	614	348	25

The large reduction in the overspend since Update 3 is due to a number of ALN pupils leaving Independent Schools, the costs for ALN pupils receiving EOTAS (Education Other Than At School) Bespoke packages, not being as much as previously forecast, and receipt of additional grant funding, which could be used to offset existing costs.

INFRASTRUCTURE & PLACE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	963	955	671	340

INFRASTRUCTURE & PLACE DIRECTOR'S COMMENTARY:

The directorate reported an overspend of £340k, representing an improvement of £331k since Update 3. A detailed breakdown by service area is provided below. The financial performance for 2024/25 was primarily impacted by overspends in demand-led services—namely School & Passenger Transport, Homelessness, and Waste Services—as well as reduced income in areas affected by economic uncertainty, such as Planning & Building Control.

The directorate achieved £470k (50.7%) of its £927k savings target. The shortfall is largely attributable to two factors: the inability to realise the £400k savings anticipated from relocating tenants to Severn View, due to delays in the site becoming operational, and a shortfall in planning fee income.

Enterprise, Housing & Community Animation

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(107)	54	(104)	3

Enterprise & Community Animation has over spent by £3k, this is mainly due to: -

- **Enterprise Mgt** - £339k underspent – due to employee savings through the removal of vacant senior management posts as part of the in-year SLT restructure, a late year grant windfall relating to the project administration of the Marches forward programme, further staff savings within our Strategic Operations team by not backfilling a senior officer post during maternity leave and leaving a vacant IT officer post unfilled (£38k). In addition, a £62k saving was achieved on our City Deal contribution as this has been moved to capital in line with the authority's in-year budget recovery plan.
- **Housing** - £342k over spent, broken down into these main areas: -
 - **Homelessness** - £398k net overspend – there are a number of factors that have contributed to the overspend this year. As previously reported, the planned £400k saving from relocating tenants to Severn View could not be realised this year due to delays in planning permission and subsequent refurbishment of the site. Additional cost pressures have arisen from increased rental, repairs, maintenance, and ancillary expenses, linked to the expansion of our leasing portfolio as we transition away from B&B placements. These pressures

have been partially offset by a £163k reduction in the Housing Benefit Subsidy penalty, reflecting the financial benefits of reducing B&B use (currently 20 placements, down from 44 in May 2024). Further mitigation came from a £232k Welsh Government discretionary homelessness grant and £63k in staffing savings (due to vacancies and grant recharges). This is a £201k increase in overspend compared to Update 3. This rise is attributed to unforeseen maintenance costs, lower-than-expected Housing Benefit income, and year-end bad debt write-offs.

- **Assistive Technology (Formerly Careline)** – £56k under spent – mainly due to the receipt of grant funding which allowed us to offset staff costs, a positive increase in the client base and the reduction in equipment expenditure, as stock replenishment funded through grants in 2023/24 reduced the need for additional purchases during the current year.

Facilities & Fleet Management

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	867	773	539	380

Facilities, Fleet & De-carbonisation has over spent by £380k, this is due to:-

- **Decarbonisation** - £111k net underspend – this can be attributed to the following factors:-
 - Corporate Mileage Saving - £100k over spent – no change from Update 3 – with the required changes to the corporate travel and disbursement policy not being implemented in 24-25 we weren't able to roll-out the Pool car scheme and other saving initiatives resulting in all the £100k budget saving not being achieved.
 - Corporate Energy Saving - £111k under spent – final consumption figures for the authority came in below budget generating an underspend on our utilities cost.
 - Solar Farm - £69k over spent – income improved in the latter half of the year but poor weather and grid outages earlier in the year impacted on the budget, the solar farm made a surplus of £304k in 24/25 but this is £69k less than the budgeted surplus of £373k.
 - De-Carbonisation Team - £212k under spent – because of staff savings due to 3 posts that have remained vacant all year (2 posts have since been filled with only 1 energy officer position left to appoint) and an increase in carbon reduction grant funding.
 - Sustainability - £28k under spent – due to energy savings generated from our renewable energy infrastructure that is installed throughout our buildings.
- **Passenger Transport** – £555k net over spend – this is due to increased service demand as pupil numbers have increased resulting in additional contract costs. Since update 3 there has also been further increases in external contract costs due to one operator handing all contracts back due to ill health which were retendered and resulted in an increase in prices. This has been offset in part by being able to move further staff costs to capital grants and by the receipt of administration funding for the regional Bus Network Grant in 24/25 plus a one-off windfall payment relating to a balance owing from 23/24. In addition, we have also benefitted from the receipt of income from the sale of 2 coaches during the year.

- **Fleet Maintenance** - £11k over spent – The budget has been impacted in-year by the rising cost of parts, supply chain delays, the growth in hire vehicles and increased borrowing spend as we transition our fleet to EV, but we were able to move qualifying ICT, EV and maintenance costs to capital (as per budget recovery plan) and this helped reduce the net overspend to £11k.

Neighbourhood Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	263	237	459	123

Neighbourhood Services has over spent by £123k, due to:-

- **Streetlighting** – £21k under spent – due to a reduction in maintenance as we were able to passport qualifying costs to capital as part of in-year budget recovery.
- **Highways Operations** – On Budget.
- **Highways External** - £136k under spent – income received from external works has exceeded original budget. The partnership works we do for SWTRA (South Wales Trunk Road Agency) came in on budget as per the cost recovery arrangement.
- **Highways Design & Road Safety** - £120k under spent – mainly as a result of 4 staff vacancies, a decision was made part way through the year to not fill these posts to aid with in-year budget recovery. It is the intention that these posts will be filled in 25/26.
- **Waste & Grounds Maintenance** - £399k overspent – a £279k improvement from Update 3 – volatility in the market in 24/25 reduced the value of our re-cyclate and a delay in entering into a new recycling contract impacted savings further although this was resolved in February enabling some savings in the latter part of the year. Income was affected by the introduction of Workplace recycling regulations, the changes we have made to charging structures to accommodate this has resulted in a large reduction in trade waste collection income plus additional recycling collection costs. These coupled with the volatility of end market values has resulted in a pressure on the bottom line. In addition, the 24/25 budget was built on the premise that our poly-prop service would be fully operational from the 1st of April, delays in vehicle delivery meant that the service did not start in full until November resulting in our early year disposal costs being higher than originally anticipated. The service was able to passport £213k of qualifying spend to the capital programme and this coupled with the new recycling contract agreement helped reduce the overspend to £420k and is the reason for the improvement since update 3. Grounds maintenance returned a £22k under spend for the year mainly driven by increased income.

Placemaking, Highways & Flood

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(58)	(110)	(223)	(166)

Placemaking, Highways & Flooding has under spent by £166k, due to:-

- **Building Control** – £76k over spent – this is due to 2 main reasons 1) the uncertainty around the economy has resulted in a drop off in applications reducing rechargeable fee income 2) 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** - £80k over spent – no change from update 3 – over spend due to a reduction in planning fee income (inc Fast Track) compared to budget expectations mainly driven by the uncertainty around the economy impacting on application numbers.
- **Car Parks & Civil Parking Enforcement** - £16k over spent – a £75k adverse swing from Update 3 – parking & PCN income dropped off towards the end of the year and fell short of our Update 3 forecast by £56k, pay & display activity was showing an upward trend through to Christmas and we were anticipating that this would continue through to year end, unfortunately activity fell and is the main reason for the variance in outturn. In addition, there were late year costs relating to drainage surveys (£4k) and additional employee back pay as a member of staff had to leave due to long term sickness (£15k), both of which were not known in December.
- **Highways Development & flooding** - £126k under spent – a £43k adverse swing from Update 3 - mainly due to improved income because of additional Highways development fees and capital programme fees that have exceeded budget. These have been part offset by increased costs within flooding where late year spending mainly on Tintern flood watch and sandbagging have pushed the service into a £20k overspend and is the reason for the adverse swing at outturn.
- **Schools Catering** - £156k under spent – mainly due to in-year staff savings (£100k) resulting from delays in replacing staff who left during the year and a net increase in UFSM income (£56k) due to 24/25 grant income exceeding budget, the level of grant cannot be confirmed until end of year and is the reason for the increase in underspend at outturn.
- **Monmouthshire Regeneration Team** - £56k under spent – the regeneration projects team has underspent by £56k, this is due to the ability to claim staff time back through the regeneration grants that the team oversee. The level of recharge could not be finalised until year end and is the reason for the improvement in position at outturn.

Customer, Culture and Wellbeing Directorate	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	(46)	(165)	(336)	(677)

At outturn the directorate has underspent by £677k, representing a significant improvement of £341k compared to financial update 3. During the financial year we have seen delays in the implementation of the area management restructure, alongside deferred staff savings within the museums service and reduced income at our attractions, all of these have been offset by increased revenues from our leisure services, markets and countryside departments leading to an overall positive outturn position for the directorate.

This improvement has mainly been due to increased one off grants. £90k (additional SPF funding), £25k ATF Communications and Engagement Funding, £30k capitalisation as per update 3 recovery plan. Along with improvement in leisure centre income of £196k. This improvement in income is attributable to our marketing campaigns and the diligent efforts of our sections to enhance customer experiences. Consequently, these efforts have resulted in the addition of new members and improved membership retention. Notably, a 35% increase in Monthly Direct Debit memberships post pandemic, increase in

membership retention averaging at 21 months retention period an improvement from 19 months in 24-25 and this year's January annual campaign has generated an annual income of £135,882.

This year, we have made significant strides in enhancing accessibility to our sites, ensuring they are welcoming and accessible to all. A key achievement has been the notable increase in our passport to leisure memberships, which has risen from 106 members to 223 members. We remain committed to engaging with our customers and will continue to foster growth in this area.

Additionally, we have observed positive trends in several key matrix, including an increase in the number of members successfully completing the exercise referral scheme, higher participation rates in national exercise referral sessions, a growing number of members utilising a My Wellness Account, increase in the number of green infrastructure projects delivered across the county and the number of active travel routes delivered/being developed, these improvements highlight the support our services provide in our communities health and well-being.

Countryside & Culture

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	(6)	(39)	(66)	(92)

Countryside & Culture section

The section has underspent by £92k an improvement of £26k from update 3 this is due to additional grant income, thereby reducing our reliance on core funding.

Communications

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	0	(44)	(38)	(97)

Central Communications

The section achieved a significant underspend of £97k. This financial efficiency has been realised through strategic allocation of staffing costs to individual grants within the community and partnership division, £50k of Active Travel funding to support promotional works and the secondment of one member of the team to WG, thereby reducing our reliance on core funding.

Finance & Business Development

Outturn Forecast	Update 1	Update 2	Update 3	Outturn
Deficit / (Surplus) £'000s	62	174	44	(51)

Finance, Business and Development

The section has underspent by £51k, this is a substantial improvement on Month 3 update of £95k, this is due to additional capitalisation directive funding of £30k and improved income positions in both our markets and Bourgh Theatre.

Attraction sites have overspent by £62k due to lower than expected visitor numbers, which were affected by adverse weather during the summer. Efforts have been made to offset the reduction in income through one-off events and grant opportunities.

The **Borough Theatre** has overspent by £16k due to lower than anticipated income. This is an improvement on update 3 of £14k. The section is still recovering post-pandemic and from site closures, but we continue to see improvement month on month. Additionally, there has been a reduction of 50 seats, limiting opportunities for larger performances. However, there has been an improvement in the third quarter of 24-25, which is hoped to continue into the next financial year, reducing reliance on core funding.

Learning has overspent by £17k due to reduced income.

Museums have overspent by £44k due to delayed staff savings and higher than anticipated expenditure. The section will seek to use any available grant opportunities or reserve balance to mitigate this where possible.

Community Hubs have overspent by £62k, due to higher than anticipated staffing costs, one off photo copier replacements to allow for public printing to return and lower than anticipated income.

Management has overspent by £25k due to delayed implementation of the area management structure. This process is underway, and the changed structure is likely to be implemented in the final quarter of 24-25.

These overspends have been offset by underspends in other areas: **markets (£154k)**, **business support (£32k)**, **Community Education (£25k)** and the **contact centre (£54k)** due to increased income, reduced overheads, and staff vacancies.

Leisure, Youth & Outdoor Adventure

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(102)	(257)	(276)	(437)

Leisure, Youth and Outdoor Adventure has underspend by £437k, an improvement from update 3 of £161k this is due to increase income at our four leisure facilities, we have seen continued growth in our monthly Direct Debit memberships, improved membership retention due to improving our

customers journey and investing in digital and site improvements. Along with additional grants which have been used where applicable to offset core staffing costs whilst still delivering the outcome of the grant.

Pre covid monthly memberships were £160k per month we are currently running at a month DD collection of £215k this is an improvement of £55k per month a 35% increase in membership post pandemic.

The Outdoor Adventure Centre has improved its residential income position on 23-24, moving from an overspend position in 23-24 to a slight underspend in 24-25 of £5k.

People, Performance and Partnerships Department	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	68	94	(6)	(80)

CHIEF OFFICER COMMENTARY:

People, Performance & Partnership has under spent by £80k. The overall picture has masked financial pressures in some areas such as occupational health services and Welsh language translations. Overall, the budget has been balanced by leaving some posts vacant with the work being covered by other members of the team. This has led to increased pressure and is not sustainable longer term. Plans to partner with a neighbouring authority to reduce translation costs are being taken forward during 2025-26.

Policy, Scrutiny & Customer Experience

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	19	(27)	(74)

Policy, Scrutiny & Customer Relations has underspent by £74k, this is due to:-

- **Corporate** - £28k under spent – staff management costs have been partially covered by Ukraine grant funding as capacity is diverted to manage this project.
- **Customer Relations** - £24k over spent – due to the cost of undertaking independent complaint investigations exceeding our available budget.
- **Scrutiny** - £4k over spent – due to the inability to make staff vacancy factor savings and a small overspend in supplies and services.
- **Policy & Partnerships** – £74k underspent – an improvement of £39k since update 3 – mainly due to underspends in GIS (£35k) and Community Safety (£25k) due to part year staff vacancies and a £50k saving in Performance & Data as we passported core staff costs to capital alongside an in-year vacancy saving due to a career break. These have been offset by an overspend in our corporate subscription costs of £21k and an £18k

overspend in Equalities and Welsh Language where translation demand outstripped available budget, the final overspend on translation was not as high as we originally forecast and is the main reason for the £39k improvement from update 3.

People

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	68	75	22	(6)

People Services has under spent by £6k, the main reasons are as follows:

- **Payroll & People Management** - £13k net underspend – mainly due to savings through the reduction in temporary support hours and the covering of maternity leave in-house rather than backfilling the post which has helped reduce staff spend.
- **Occupational Health** - £20k overspent – the cost of occupational health appointments exceeded the available budget due to increased volume, although overall activity was not as high as predicted in December meaning the final overspend was £11k less than reported in Update 3.
- **Corporate Training** – £44k underspent – due to income exceeding budget expectations and staff savings due to a delay in a post being filled in-year.
- **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	48	2	18

CHIEF OFFICER COMMENTARY:

Law & Governance has reported an £18k overspend for the 2024/25 financial year. While officers have worked diligently throughout the year to manage budget pressures within the directorate, there has been an adverse variance of £20k compared to the position reported at Update 3. This variance was outside of our control, due to a late-year VAT adjustment in Elections that was not known at the time of the previous update.

Democratic Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(22)	(19)	(19)	19

Democratic Services has over spent by £19k, this is due to:-

- **Members** - £4k over spent – a small over spend spread across employees (£1k) and supplies and services (£3k). This is a £25k adverse swing from Update 3 and is due to projected staff savings from vacancies and reduced co-opted member costs not materialising as expected at outturn.

- **Committee & Elections** – £15k overspent – an increase of £13k since update 3 – this is due to a minor overspend in supplies and printing costs (£2k) coupled with a late year Vat adjustment, resulting from changes in how election grant costs are recovered from central and Welsh government.

Legal and Land Charges

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'s	73	67	21	(1)

Legal and Land charges have underspent by £1k, due to:-

- **Legal Services** - £9k over spent – overspend is due to a shortfall in rechargeable income and court fees, this was offset by a part year staff saving and an underspend in supplies and services. Final income figures exceeded previous projections and is the reason for the £17k improvement from Update 3.
- **Land Charges** – £10k under spent – mainly as a result of improved income, savings from a vacant post and reallocation of IT server costs to capital.

RESOURCES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	18	(201)	(430)	31

DIRECTORS COMMENTARY:

The Directorate has generally seen strong financial and budgetary control throughout the year. This has benefited the wider corporate need to support budget recovery efforts. Update 4 and Outturn has however seen an adverse overall swing, with a £430k forecast under spend at month 3 moving into a £31k over spend at outturn.

This swing was caused principally by a need to make prudent provision against potential future costs in respect of its Council's commercial investment portfolio, specifically with Castlegate Business Park. Furthermore, a conscious decision has been taken in light of the Council's overall positive outturn position to fund the 24/25 SOC/SIEM cyber security cost from within the service budget rather than the IT reserve.

More generally the directorate has been able to generate and hold vacancy savings across the directorate in line with wider budget recovery efforts. Further savings have been achieved from hold backing on non-essential spend and only project work being progressed. Income generation more generally has been variable with unique one-off circumstances impacting on overall performance, coupled with out performance in some areas (e.g.

cemeteries). I am comforted at least that forecasts for 2025/26 provide a stronger outlook as tenancies take their full effect with rent free periods falling away and rent reviews and uplifts having a full year effect.

Finance

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(199)	(197)	(351)	(314)

Finance has under spent by £314k, this is mainly due to -

- **Revenues, Systems & Exchequer** - £107k net underspend:-
 - **Benefits** - £43k under spent - Housing Benefit Subsidy spend was £11k under budget (a £25k swing since update 3). This reflects the benefit applications made during the year, housing benefit subsidy received and outstanding debt at year end. In addition, there was a £32k in year saving which was a combination of additional one off grant income and managed service savings.
 - **Council Tax** - £14k over spent – there are a number of factors that make up this position. There is a £16k residual budget pressure from the Finance restructure against this cost centre. Also, the bad debt provision for court costs had to be topped up by £25k, non-pay costs incurred by the Shared Service were £8k over spent reflecting increases in printing and posting costs. However, these additional costs were partially offset by one off administration grant income of £17k from the Welsh Government and £20k additional summons fee income. The £8k improvement since update 3 is largely associated with additional summons fee income.
 - **Debtors** - £9k under spent - The underspend is due to vacancies within the team that were filled during the year.
 - **Financial Systems Support & Vat** - £53k under spent - A combination of items contribute to this underspend. The salary budget underspent by £23k due to vacancies. There was a £6k managed saving against the system maintenance and development budget as only essential work was undertaken, and recharge income was £24k more than budgeted. This income reflects the work the Team undertakes for schools and administering payments for Homes for Ukraine. The underspend has increased by £7k since update 3, as the team waited for approval to appoint to a vacancy within the Creditors Team.
 - **Revenues System Administration** - £21k over spent - The overspend reflects increased annual contract costs of £24k for the Revenues and Benefits System plus £1k of unmet budgeted employee efficiency savings, offset by £4k managed savings against the system development budget.
 - **Cashiers** - £30k under spent - A vacancy was not filled this year, generating a saving of £21k. All non-essential developments of the income system also remained on hold and generated further savings of £9k. Both these managed savings were included in the council's in year budget management plan.
- **Finance** - £193k under spent – due to full and part year staff vacancy savings.
- **Audit** – £14k under spent – staff savings due to part year vacancies.

Corporate Health & Safety

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

Corporate Health & Safety has returned a £4k under spend due to a saving in supplies & services spend.

Information, Communication & Technology

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(15)	(15)	(41)	11

The ICT division has over spent by £11k, this is due to:

- **Digital Programme Office** – £44k overspent - previously reporting an underspend due to managed savings in supplies & services but a late decision to fund the 24/25 SOC/SIEM cyber security cost from within the service rather than the IT reserve has pushed the budget into an overspend and is the reason for the adverse swing at outturn.
- **Digital Design & Innovation** - £26k under spent – because of managed staff vacancies.

Commercial & Corporate Landlord

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	232	11	(38)	338

Commercial & Corporate Landlord has over spent by £338k, due to:

- **Investment Properties** - £541k over spent, due to:–
 - **Newport Leisure Park** - £126k overspent – Newport Leisure Park generated a surplus of £220k in 2024/25 after expenses and loan repayments; however, this was £126k below the budgeted target of £346k. The variance was primarily due to changes in existing tenancy agreements, which led to reduced annual rental income. Additionally, the surrender of previous tenants resulted in increased electricity standing charges. The financial position of Newport Leisure Park is projected to improve in 25-26, due to the elimination of rent-free periods, the reduction of one off cost associated with new tenancy agreements, and a decrease in rates associated with vacant units.
 - **Castlegate Business Park** - £415k overspent – This overspend is primarily driven by two factors, £48,000 incurred as a result of heightened site maintenance costs and service charges associated with vacant units, and £367,000 due to year-end bad debt provisions. The bad debt provisions were prudently assessed to mitigate future risks. The need for these adjustments were highlighted in update 3 and have since been included, representing the main contributors to the increased overspend. If the impacts were to crystallise this is anticipated to take place during 2025/26 and 2026/27. To the extent that the impacts don't fully crystallise this benefit will be released in those future financial years.

- **Landlord Services** – £208k net under spent – mainly due to a £249k underspend in employee costs resulting from full and part year staff vacancies, offset by a shortfall in the 24/25 Property Rationalisation saving, the work to rationalise or repurpose our buildings continues and even though the full saving was not achieved in 24/25 a late improvement in rental income helped mitigate the deficit to only £45k of the original £215k saving target.
- **County Farms & Industrial units** - £138k over spent – Budgeted rental income was not fully realised due to the timing of rent review uplifts and new tenancies, many of which commenced mid-year. As a result, only a partial receipt of the anticipated additional income in 24/25 was achieved. In addition to this, we have seen an increase in expenditure due to an overspend on water rates and the additional in-year running costs of unoccupied units, these void costs were not budgeted and contributed further to the overspend.
- **Cemeteries** – £17k under spent – due to burial income exceeding budget estimates.
- **Building Cleaning & Public Conveniences** - £114k underspend, primarily due to a combination of full-year and part-year staff vacancies, as well as savings on maintenance and business rates for public conveniences. Additionally, income from external Service Level Agreements increased following a late-year rate uplift. These factors, along with further staff savings from delays in filling vacant posts, contributed to an £83k improvement compared to Update 3.
- **Property Services** – £3k net under spent – employee underspends due to part year staff vacancies have been partially offset by overspends on maintenance and rates within office accommodation.

CORPORATE COSTS & LEVIES	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	31	(1,607)	(3,491)
Precepts & Levies				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	3	3	(4)
Minor variances.				
Coroners Services				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4

Deficit / (Surplus) £'000s	0	12	12	12
The Coroner Service has overspent due to the urgent restructuring of the service as required by the Chief Coroner of England and Wales.				
Archives (Gwent Joint Records)				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	6	6	6	6
Final fees marginally above budgeted precept.				
Corporate Management				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	23	9	(61)
Primarily rate refunds on MCC owned properties following appeal.				
Non-Distributed Costs				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	182	209
Pension strain (enhancement) costs were above budgeted levels following decisions made by services to permit retirement earlier than the normal pension age.				
Strategic Initiatives				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	(1,766)	(3,354)
WG award of Funding in relation to support for additional NJC pay pressures that have been incurred in services.				
Insurance				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	(41)	(298)

A reduction in the provision for unsettled insurance claims made against the authority has led to an underspend at the financial year-end. This reduction in potentially payable claims could not be predicted with certainty at Update 3.

TREASURY & RESERVES	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(283)	(480)	(565)	258
Interest & Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	48	(15)	34	(137)
Cash balances were higher than anticipated in the final quarter allowing larger investments in Money Market Funds and Government deposits. This increased investment and slower than anticipated cuts to interest rates improved returns.				
Interest Payable & Similar Charges				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(42)	(175)	(339)	(203)
Additional long term borrowing was secured during the final quarter to provide greater cost certainty over future year. This led to a short-term cost of carry which added costs in 2024/25.				
Charges Required Under Regulation				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(41)	(41)	168	549
Additional vehicles have been disposed of in Q4 with any outstanding MRP charges provided for in year. The movement will be matched with an equal and opposite movement in Borrowing Cost Recoupment.				
Other Investment Income				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	(1)	(1)	(7)

Minor unbudgeted income.

Borrowing Cost Recoupment

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(248)	(248)	(464)	(842)

Additional borrowing recoupment income was charged for any vehicles disposed of in the final quarter of the year. This improvement is matched by an opposite movement in Charges Required Under Regulation.

Attributable Costs - Fixed Asset Disposal

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

Minor variance.

Transfer to/from Earmarked reserves

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	0	0	0	895

This reflects year-end decisions to make additional contributions to/from earmarked reserves that were not budgeted.

FINANCING	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	(350)	(617)	(215)

Council Tax Benefit Support

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s	(350)	(350)	(525)	(552)

Caseload has shown a gradual reduction throughout the year as less claimants have come forward. The number of claimants was below what was envisaged when the budget was set.

Council Tax

Outturn Forecast		Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s		0	0	(92)	337
Council tax income is £337k less than budgeted. The council tax base remains healthy and was ahead of the tax base set for the year. However, council tax discounts and exemptions continue to rise which has had a negative impact on the overall outturn position. Council Tax Premium: Taking account of payments made and unpaid premiums turning bad in the future, an additional £307k has been collected this financial year. This has been transferred to the Council tax premium reserve to support future housing pressures.					
General Government Grants					
Outturn Forecast		Update 1	Update 2	Update 3	Update 4
Deficit / (Surplus) £'000s		0	0	0	0
Income received to budget.					

3. School Balances

3.1. 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 in £000's	(A) 2024/25 Opening Reserves (Surplus) / Deficit	(B) Draw / (Contribution) @ Update 1	(C) Draw / (Contribution) @ Update 2	(D) Draw / (Contribution) @ Update 3	(E) Draw/ (Contribution) @ Outturn	(A+E) 2024/25 Year-end Deficit
Cluster						
Abergavenny	143	1,133	1,278	1,592	1,207	1,351
Caldicot	(87)	1,152	776	775	49	(37)
Chepstow	658	800	949	804	330	989
Monmouth	(552)	1,066	1,165	1,180	696	144
Pupil Referral Service	741	778	719	889	906	1,645
Total	904	4,929	4,887	5,240	3,187	4,092

3.2. Collective School balances at the beginning of the Financial Year amounted to a deficit of £903,636. The anticipated further draw on reserves at Update 1 was £4,928,604, against a budgeted draw on reserves of £5,015,104, which resulted in a forecast deficit balance of £5,832,251 by year end. At Update 2, the draw on reserves had reduced slightly, however at Update 3, the draw on reserves has increased to £5,240,192, resulting in a forecast deficit balance of £6,143,839 by year end. The outturn draw on reserves is £3,188,083 leaving an overall deficit reserve for schools of £4,091,731

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

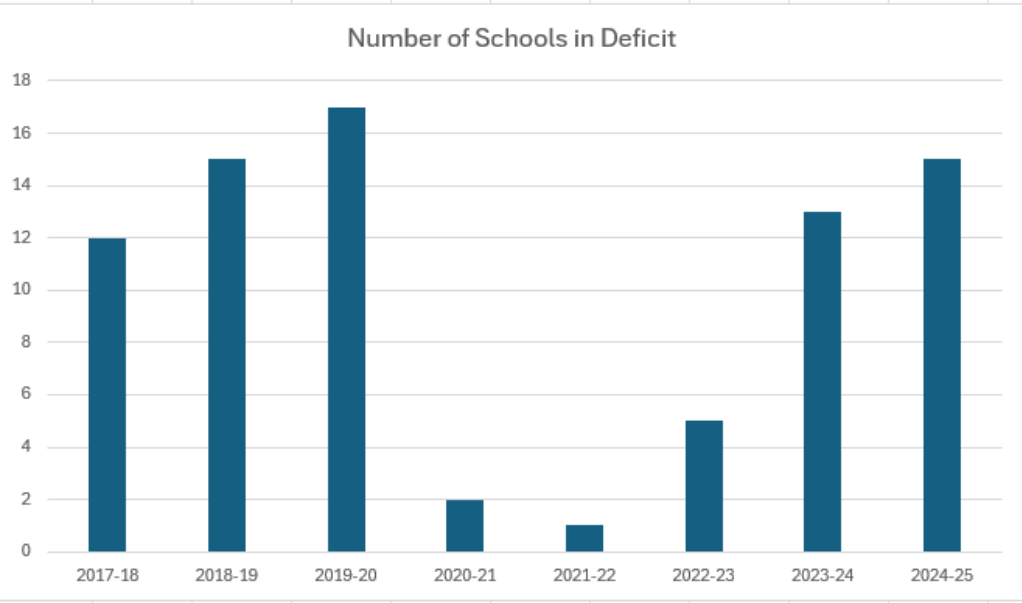
Start of year	Update 1	Update 2	Update 3	Update 4
Total: 13	Total: 19	Total: 20	Total: 24	Total: 15
Chepstow School	Chepstow School	Chepstow School	Chepstow School	Chepstow School
Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service
The Dell	The Dell	The Dell	The Dell	The Dell
Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)	Our Lady & St Michael's RC Primary School (VA)
Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni
Caldicot School	Caldicot School	Caldicot School	Caldicot School	Caldicot School
Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin
Osbaston	Osbaston	Osbaston	Osbaston	Osbaston
Overmonnow	Overmonnow	Overmonnow	Overmonnow	Overmonnow
Gilwern	Gilwern	Gilwern	Gilwern	Gilwern
Rogiet	Rogiet	Rogiet	Rogiet	Rogiet
Thornwell	Thornwell	Thornwell	Thornwell	Thornwell
King Henry VIII 3-19 School	King Henry VIII 3-19 School	King Henry VIII 3-19 School	King Henry VIII 3-19 School	King Henry VIII 3-19 School
	Goytre Fawr	Goytre Fawr	Goytre Fawr	
	Llantilio Pertholey	Llantilio Pertholey	Llantilio Pertholey	
	Dewstow		Dewstow	

	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	
	Llandogo	Llandogo	Llandogo	
	Usk	Usk	Usk	
		Castle Park	Castle Park	
		Cross Ash	Cross Ash	
			Ysgol y Trefynwy	Ysgol y Trefynwy
			Undy	
			Kymin View	Kymin View

- 3.4. 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.
- 3.5. 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 currently being reviewed, and where required, further support being given.

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	4,092



4. Capital budget Outturn

4.1. The summary Capital outturn position is as follows:

	Slippage B/F	Original Budget	Budget Adjustments	Slippage to 2025/26	Revised Budget 2024/25	Actual Outturn	Variance to budget at Outturn
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							
Capitalisation Directive	387	3,358	0	(63)	3,682	3,682	0
Development Schemes Over £250k	8,222	100	5,717	(9,083)	4,956	4,699	(257)
Development Schemes Under £250k	2,013	590	926	(3,304)	225	1,503	1,278
Schools & Education	8,604	19,507	(8,784)	(33)	19,294	19,294	0
Infrastructure	3,250	6,345	497	(3,958)	6,134	5,330	(804)
ICT Schemes	765	303	126	(272)	923	687	(236)
Property Maintenance	1,279	2,139	739	(667)	3,490	2,717	(773)
Renovation Grants	110	900	379	(192)	1,197	1,197	0
Low Cost Home Ownership	27	0	148	0	175	175	0
Section 106	1,156	0	656	(1,454)	358	358	0
Specific Grant Funded	2,795	500	10,889	(6,009)	8,175	8,167	(8)
Vehicle Leasing	0	1,500	60	0	1,560	930	(630)
Fixed Assets Purchased from Revenue	0	0	68	0	68	68	0
Total Expenditure	28,606	35,242	11,423	(25,033)	50,238	48,806	(1,430)
Financing							
Supported Borrowing	0	(2,436)	0	0	(2,436)	(2,436)	0
General Capital Grant	0	(2,502)	0	0	(2,502)	(2,502)	0
Grants and Contributions	(3,596)	(13,850)	(15,577)	8,860	(24,163)	(24,164)	0
S106 Contributions	(1,121)	0	(1,065)	1,621	(565)	(565)	0
Unsupported Borrowing	(22,325)	(10,554)	5,338	13,661	(13,880)	(14,583)	(703)
Earmarked Reserve & Revenue Funding	(148)	(253)	(166)	272	(295)	(282)	13
Capital Receipts	(1,415)	(4,148)	47	619	(4,897)	(4,275)	622
Leasing	0	(1,500)	0	0	(1,500)	0	1,500
Total Financing	(28,606)	(35,242)	(11,423)	25,033	(50,238)	(48,806)	1,430

4.2. The capital expenditure at outturn showed a net under spend £1,430,000. This was due to the following schemes:

Scheme	Budget	Over / (Under) spend	
Infrastructure	10,092	(804)	The total infrastructure budget for the year was £10m. £5.3m of this was spent in year, with a further £3.9m being carried forward to 2025/26 to complete specific works. The remaining budget of £804k will not be carried forward and will instead be repurposed in 2025/26 as a contingency budget to mitigate capital budget risks developing.
Property Maintenance	4,158	(773)	The total budget for the maintenance of assets for the year was £4.1m. £2.7m of this was spent in year, with a further £667k being carried forward to 2025/26 to complete specific works. The remaining budget of £733k will not be carried forward and will instead be repurposed in 2025/26 as a contingency budget to mitigate capital budget risks developing.
Vehicle Leasing	1,560	(630)	Expenditure required for the replacement of vehicles was lower than the anticipated budget following full assessment of service needs.
IT Schemes	1,194	(236)	System upgrades and Network replacement budgets have not been fully utilised in year and formed part of the re-purposing of budget as part of the 2025/26 budget build.
Crick Road Care Home	0	(166)	Final retentions lower than anticipated.
Other schemes	58,267	(121)	Minor underspends across a number of schemes that reflect variances in the final scheme costs.
Capital contingency fund	0	1,300	£1.3m of released budgets will be carried forward to 2025/26 as a contingency budget to mitigate capital budget risks developing in year. This can either be on schemes already in progress and facing additional cost pressures, or to meet new risks that were not foreseen at budget setting stage.
Total	75,271	(1,441)	

4.3. Capital Slippage

4.4. Capital slippage for the year was £25.032 million. Schemes reporting slippage are:

Scheme	Slippage £000's	Comment
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ATF Core Llanfoist Bridge & Meadow Links	4,368	Slippage required to align with revised scheme programme of works as agreed with the grant awarding body
Welsh Medium School and Nursery	2,696	Slippage required to align with revised scheme programme of works as agreed with the grant awarding body
Wye Bridge Monmouth	2,166	Initial phases of work were pushed back to allow wider programme of resurfacing works to be carried out within the area. These works faced delays due to external issues with third parties, which has meant that a revised schedule of works is required for Wye Bridge. Whilst some initial design and feasibility works will be carried out within 2025/26, it is recommended that this budget is slipped forward to 2026/27 to align with the revised schedule.
Capital Capital Region City Deal	1,948	Re-profiling of contributions as required by the programme of works delivered by the South East Wales Corporate Joint Committee
Property Acquisition for Children and Young People with Complex Needs	1,867	Multi-year scheme which relies on suitable properties being identified to match demand requirements
Asset Investment Fund	1,781	Remaining budgeted designated to cover any ongoing capital expenditure required on investment properties. This allocation ensures that sufficient funds are available to address maintenance, improvements, and other capital-related expenses, thereby safeguarding the value and functionality of our investment assets.
Housing Provision Borrowing Headroom	1,421	Acquisition strategy in development to formalise arrangements in respect of buying properties to address homeless issue & support the implementation of our Rapid Rehousing Transition Plan 2025-26.
Capital contingency fund	1,300	£1.3m of released budgets will be carried forward to 2025/26 as a contingency budget to mitigate capital budget risks developing in year. This can either be on schemes already in progress and facing additional cost pressures, or to meet new risks that were not foreseen at budget setting stage.
Carriageway Resurfacing	648	Contractor workload, has led to delays on planned works that will be completed in 2025-26
Flood Recovery Grant	595	Wye Bridge Resurfacing project was due to start in March but was put on hold as WG were undertaking works on the A40 in Monmouth so was pushed forward to April to accommodate - funding needs to be slipped in order to pay for the works.
Placemaking programme	412	Slippage due to Town Council / SPF contributions received, therefore required for 2025/26 applications against this scheme which require match funding.

Property Maintenance	387	Required for essential schemes delayed by contractor engagement
Reconstruction of Bridges and walls	352	Re-surfacing works delayed on Wye Bridge project. No compliant bids were received in the first tender process so have to go back out to tender and this will take us into the 2025/26 financial year.
RE:FIT Programme	292	Funding needed to pay for the outstanding costs on phase 1 including retention payment along with M&V (external monitoring and verification reporting) and O&M (ongoing maintenance and remote monitoring costs) that were capitalised as part of the Salix funding application business case.
NHLF Woodland Investment Grant	248	Due to unforeseen delays caused by contractors, it is necessary to defer the grant funding to finalise the scheme in 2025-2026.
Clydach Gateway Reinstatement and Devil's Bridge Associated Works A465	248	The grant funding will need to be deferred to the 2025-26 to complete the project, as agreed with the grant awarding body.
Shire Hall/Monmouth Museum Move	234	The Shirehall budget will need to be deferred, as agreed at the Business Cabinet on 20.05.2025, to partially finance the delivery stage of the project, subject to the outcome of the NHLF bid.
School Refurbishment	229	Delays in contractor engagement for urgent essential maintenance. Projects planned for 2025-26, and some have commenced.
Disabled Facilities Grants (Private)	192	Late unplanned grant has produced an underspend, which is requested to slip forward to invest in further works. We currently have 75 open referrals for vulnerable people who are in desperate need of an adaptation. We have already committed a large portion of this year's budget already, and so, any new applications we get from now onwards may have to wait until next year for delivery. This is having a negative effect not only on peoples' lives but also impacts Social Care and Health. The slippage will allow us to continue the DFG programme in earnest and try to make inroads into clearing the backlog and meeting our own internal targets and Welsh Government targets for delivering DFGs
Trellech Primary Nursery Childcare Scheme	191	Completion of Nursery scheme to be completed in 2025-26, as improvement works have commenced

Wye Bridge Chepstow	190	Scheme is shared with Glos C.C. - material sampling and testing works (£50k) are currently on hold as we are waiting on the results of a study being undertaken by SWTRA/TFW on the adjacent trunk road network that could influence what we need to do on the bridge
Solar Farm Development Cost	150	No progress was made in 2024-25 due to the uncertainty of availability of grid connections and the use for the energy generated. In addition, there was uncertainty over the service provider we were intending to use and the impact of the delay in the replacement LDP. Works will now be started in 2025/26 as scheme needs to progress alongside the RLDP
Depots – Feasibility works: Transport Depot South of County	149	Consultants have been commissioned to undertake the design and feasibility works. Initial discussions have taken place; however, progress has been stalled due to the amended timescale for the RLDP, health and safety priority works in existing depots and capacity issues. The replacement depot remains a key requirement to facilitate fleet transition and consolidate operations.
SRS Data Hall Migration	149	Decommissioning work did not start in earnest until late March, Torfaen have confirmed works will be completed this year so funding needs to be slipped.
Decarbonisation Investment / Surveys	144	Due to capacity issues, schemes delayed in delivering decarb investment projects, although progress was made with pool covers through MonLife. Surveys will be undertaken across our properties so further schemes will be identified.
Grant Match Funding Support Allocation / Schemes	136	Progress of schemes dependent upon identifying suitable grant streams, so reliant upon third parties. Slippage is to be repurposed to fund 2025/26 programme
MUCH Project (Magor with Undy Community Hall)	135	Final fitting out stage to be completed in 2025-26
Depot H&S Improvements	113	Work will be completed in 2025-26
Mounton House Refurbishment	104	Work will be completed in 2025-26
Footway Reconstruction	103	Work will be completed in 2025-26
Social Care Case Management System Replacement	98	Grant received during the year has allowed core budget to be carried forward and assessed as part of overall project costs.
Various small schemes	79	Small PROW schemes, Safety Fence upgrades, Signage upgrades and disabled facilities

Capitalisation Directive	63	Minor shortfall in qualifying spend which will be committed in 2025/26
Ash Dieback/Dangerous Trees works	58	This scheme is continuing into 2025-26 as affected woodland is identified
County Farms Maintenance & Reinvestment	51	Funding required for slurry lagoon works as a result of change in regs. Extra works to be carried out on two barns in 25/26 Insurance claim may not be successful for MCC due to poor maintenance.
Projects to Safely and Effectively Open Schools to the Community Outside Traditional Hours	49	Projects started and will be completed in 2025-26 as opportunities allow
Access for All	48	Slippage required to complete existing improvement programme
NLCF RUR2 Llanelly Hill Hub Project	45	Slippage required to complete scheme in 2025-26, contracts already agreed and work part complete.
Monmouth Leisure Centre/Pool Redesign	33	The funding will need to be deferred to cover the works that have been completed at Monmouth LC.
Brilliant Basics Fund – WG- Tintern Welcome	31	Due to unforeseen delays caused by contractors, it is necessary to defer the grant funding to finalise the scheme in 2025-2026.
SharePoint Online Implementation	24	Slippage required to ensure all costs of implementation have been met fully in year.
ATF - Caldicot Greenway	20	Scheme due for completion early 2025-26 due to slight delays out of Council control
Monmouth Sportsground Sport Courts Installation - SW	19	Due to unforeseen delays caused by contractors, it is necessary to defer the grant funding to finalise the scheme in 2025-2026.
Other Small Schemes	11	Work will be completed in 2025-26
S106 Schemes	1,454	Delays in planning / public consultations and contractor engagement, have led to delays on various schemes

4.5. Useable Capital Receipts Available

- 4.6. The table below outlines the latest forecast of capital receipts balances available to meet future capital commitments. The full balance of capital receipts is committed to future capital investment meaning there is little scope to support additional capital investment. This also means that the level of capitalisation direction support is profiled to taper down to zero over the medium term.

Capital receipt balances	2024/25	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's	£000's
Balance as at 1st April	9,984	6,082	4,033	1,877	422
Capital receipts used for financing	(418)	(557)	(50)	(50)	(50)
Capital receipts used to support capitalisation direction	(3,682)	(3,770)	(2,708)	(1,708)	0
Capital receipts Received	198	0	0	0	0
Capital receipts Forecast	0	2,278	603	303	0
Forecast Balance as at 31st March	6,082	4,033	1,877	422	372