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Section 1 - Overall Revenue Position

Table 1: 2025/26 Revenue budget forecast by directorate

Service Area	Original Budget 2025/26	Budget Adjustments	Revised Annual Budget	Forecast	Forecast (Under) / Over Spend @ Update 3	Forecast (Under) / Over Spend @ Update 2	Variance from Update 2
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	77,916	271	78,187	77,710	(477)	149	(626)
Learning, Skills & Economy	73,030	(395)	72,635	73,098	462	169	293
Infrastructure	21,442	20	21,462	20,989	(473)	(314)	(158)
Place & Community Wellbeing	6,009	213	6,223	6,140	(83)	(21)	(62)
People, Performance & Partnerships	6,317	(43)	6,273	6,280	6	48	(42)
Legal & Governance	3,050	39	3,089	3,165	76	69	7
Resources	9,083	(280)	8,803	8,651	(151)	(145)	(6)
Corporate	29,147	350	29,497	30,013	516	680	(163)
Net Cost of Services	225,994	175	226,169	226,046	(123)	635	(758)
Appropriations	10,784	(175)	10,609	10,566	(43)	541	(584)
Expenditure to be Financed	236,778	0	236,778	236,612	(166)	1,176	(1,342)
Financing	(236,778)	0	(236,778)	(237,759)	(980)	(1,205)	225
Net General Fund (Surplus) / Deficit	0	0	0	(1,146)	(1,146)	(29)	(1,117)

Table 2: 2025/26 Revenue budget forecast by service

Service Area	Original Budget 2025/26	Budget Adjustments	Revised Annual Budget	Forecast	Forecast (Under) / Over Spend @ Update 3	Forecast (Under) / Over Spend @ Update 2	Variance from Update 2
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	47,536	284	47,821	46,959	(861)	(326)	(536)
Children Services	24,105	202	24,306	24,308	2	83	(81)
Housing & Homelessness	2,512	199	2,711	3,212	502	366	136
Public Protection	1,886	45	1,931	1,933	2	0	2
SCH Support	1,877	(459)	1,418	1,297	(121)	26	(147)
Social Care, Health & Safeguarding	77,916	271	78,187	77,710	(477)	149	(626)
Economy, Employment & Skills	853	(48)	805	812	7	12	(4)
Emergency Planning	178	0	178	195	17	16	0
Individual Schools Budget	58,790	0	58,790	58,665	(126)	6	(131)
Resources	1,217	(50)	1,167	1,280	113	59	54
Standards	11,992	(297)	11,695	12,146	451	77	375
Learning, Skills & Economy	73,030	(395)	72,635	73,098	462	169	293
Enterprise, Housing & Community Animation	559	(213)	345	332	(13)	5	(18)
Facilities, Fleet & Decarbonisation	11,739	84	11,823	11,980	158	385	(227)
Neighbourhood Services	8,668	(34)	8,634	8,528	(107)	(460)	353
Operations	476	183	659	149	(511)	(244)	(266)
Infrastructure	21,442	20	21,462	20,989	(473)	(314)	(158)
Culture and Community Learning	943	(82)	861	879	18	18	(0)
Countryside, Destination and Environment	1,149	(75)	1,074	1,013	(61)	(36)	(25)
Leisure and Wellbeing	1,764	(121)	1,643	1,443	(200)	(2)	(198)
Performance, Finance and Resources	1,639	316	1,954	1,781	(174)	(80)	(94)
Placemaking, Highways & Flooding	515	175	691	1,024	333	78	255
Place & Community Wellbeing	6,009	213	6,223	6,140	(83)	(21)	(62)
Chief Executives Office	2,917	(73)	2,844	2,880	35	48	(13)
People	1,934	(10)	1,924	1,894	(30)	(14)	(16)

Service Area	Original Budget 2025/26	Budget Adjustments	Revised Annual Budget	Forecast	Forecast (Under) / Over Spend @ Update 3	Forecast (Under) / Over Spend @ Update 2	Variance from Update 2
Policy, Scrutiny & Customer Service	1,466	39	1,505	1,506	1	14	(14)
People, Performance & Partnerships	6,317	(43)	6,273	6,280	6	48	(42)
Democratic Services	1,957	39	1,996	2,024	28	27	1
Legal and Land Charges	1,093	0	1,093	1,141	48	42	6
Legal & Governance	3,050	39	3,089	3,165	76	69	7
Commercial, Corporate & landlord Services	2,133	(41)	2,092	1,973	(118)	(151)	33
Corporate Health & Safety	163	0	163	163	0	0	0
Finance	3,791	(239)	3,552	3,540	(11)	24	(35)
Information Communication Technology	2,996	0	2,996	2,975	(21)	(18)	(4)
Resources	9,083	(280)	8,803	8,651	(151)	(145)	(6)
Precepts & Levies	28,699	0	28,699	28,666	(33)	(33)	0
Coroner's	278	0	278	318	40	18	22
Archives	228	0	228	228	0	0	0
Corporate Management	452	0	452	390	(62)	(67)	5
Non Distributed Costs (NDC)	387	0	387	387	0	0	0
Strategic Initiatives	(2,820)	350	(2,470)	(1,899)	571	761	(190)
Insurance	1,923	0	1,923	1,923	0	0	0
Corporate Costs & Levies	29,147	350	29,497	30,013	516	680	(163)
Net Cost of Services	225,994	175	226,169	226,046	(123)	635	(758)
Interest & Investment Income	(788)	0	(788)	(1,198)	(410)	(257)	(153)
Interest Payable & Similar Charges	7,624	0	7,624	7,759	135	429	(294)
Charges Required under Regulation	6,158	0	6,158	6,014	(144)	(215)	71
Other Investment Income	0	0	0	(2)	(2)	(1)	(1)
Borrowing Cost Recoupment	(3,918)	0	(3,918)	(4,020)	(102)	8	(110)
Contributions to Reserves	2,483	0	2,483	2,963	480	576	(96)

Service Area	Original Budget 2025/26	Budget Adjustments	Revised Annual Budget	Forecast	Forecast (Under) / Over Spend @ Update 3	Forecast (Under) / Over Spend @ Update 2	Variance from Update 2
Contributions from reserves	(775)	(175)	(950)	(950)	0	0	0
Contribution from Council Fund	0	0	0	0	0	0	0
Appropriations	10,784	(175)	10,609	10,566	(43)	541	(584)
Expenditure to be Financed	236,778	0	236,778	236,612	(166)	1,176	(1,342)
General Government Grants	(100,637)	0	(100,637)	(100,637)	0	0	0
Non Domestic Rates	(34,612)	0	(34,612)	(34,612)	0	0	0
Council tax	(110,596)	0	(110,596)	(111,076)	(480)	(785)	305
Council Tax Benefit Support	9,066	0	9,066	8,566	(500)	(420)	(80)
Financing	(236,778)	0	(236,778)	(237,758)	(980)	(1,205)	225
Net General Fund (Surplus) / Deficit	0	0	0	(1,146)	(1,146)	(29)	(1,117)

Section 2 - Directorate – Service Variance Comments

SOCIAL CARE, HEALTH & SAFEGUARDING	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	1,074	149	(477)	0

CHIEF OFFICER COMMENTARY

At update 3 the directorate is forecast to underspend by £477K, a further improvement of £626K since the last update.

The additional improvement is mainly attributable to the full utilisation of the £914K Pathways of Care Transformation (hospital discharge) which has helped support the costs of care and service provision within adult services. The service also largely benefits from the continuation of the £1.1M Social Care Workforce Sustainability grant, as well as the Regional Integration funding which helps to support core costs. However, there remains underlying pressures and risks within adult social care particularly the on-going increased demand for residential placements; the extent of grant funding which supports essential services; increased workforce / operational pressure across the social care and health system.

In terms of the directorate savings target when this year's budget was set, if Housing is excluded, has not only been met in full but has been exceeded slightly by £63K due to Adult review savings pushing past its target. Once Housing's savings are considered, the directorate then falls short of its savings target as Housing has not met its target by £135K due to the delayed opening of Severn View.

Debt due to clients not paying their adult assessed care charges has remained broadly similar to that of update 2, but this is still far too high at £2.3M. Unsecured debt remains an issue and will require further addressing moving forward.

As with Children's, Public Protection is predicted, within £2K, to spend its budget allocation. Support Services is estimating a £121K underspend due to the delayed recruitment to the Head of Housing and Public Protection. This post will more likely be appointed in the new financial year.

Adult Services				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	201	(326)	(861)	0

The position at update 3 highlights a projected underspend at year end of £861K, which is a considerably improved position of a further £535K since update 2.

It is a somewhat complicated picture across the service with a number of over and underspends against different service areas, reflecting both changing patterns of demand, the allocation of grants part way through the year, and the on-going impact of service re-organisation.

The improved position has largely been achieved through the allocation of £914K via the Pathways of Care Transformation Grant, and through ensuring full spend against the Regional Integration Fund revenue grant. The pathways of care transformation grant were allocated part way through the year. Recruitment against the grant is on-going and is now fully committed against spend into the next financial year. We also benefit from the continuation of the £1.1M Social Care Workforce Sustainability grant.

Savings are also being made against the internal care at home staffing salary with increasing amounts of care being commissioned through external providers. Although there are challenges in recruiting to in-house carers, the service is seeking to increase the number of carers employed into our in-house reablement services. This is in line with our service transformation plan to expand reablement so that more people have the opportunity to maximise their independence. This represents cost avoidance for the Local Authority as we continue to reduce the number of people who do not need care and support at the end of a period of reablement.

The main pressure includes the full year effect of care provision and adult placements made at the end of the previous financial year and the ongoing rise in residential placements. There have been an additional 7 residential placements since update 2. Across the County there are a total of 367 residential placements demonstrating the on-going increased demand throughout the year. This is in keeping with the aging demographic of the county together with the complexity of needs experienced by our older residents. Residential placements for people living with later stage dementia are generating a particular budgetary pressure. The demand for care at home is also showing an increase since update 2.

This picture of on-going increased demand reflects the underlying budgetary pressure within adult social care, with the improved position largely being attributable to additional grant money. At month 9 we are still in the middle of winter pressures, whereby the numbers of people needing services to support their discharge from hospital continues to increase and place further pressure on the service.

Since update 2 the service has continued to achieve its target of reviewing cases and has validated the outcomes from the reviews that have already taken place. This has yielded savings of £313K meaning that the service has exceeded its saving target by £63K.

We are still experiencing difficulties in progressing CHC cases for younger people with mental health and learning disabilities that is impacting on our ability to move eligible adults into health service budgets. This is an issue for all Welsh Local Authorities

Despite the unpredictability of the coming months, the service continues to take every opportunity to adopt cost avoidance approaches to care. Our information advice and assistance service (IAA) is now in the initial stages of implementation with 5 new IAA workers now operational. This allows us to develop our preventative offer and will feed our new intake model where reablement is the first consideration to mitigate or prevent care.

Debt due to unpaid Adult social care charges remains a challenge but has not increased since update 2. We are continuing to take actions both preventatively and in ensuring appropriate recovery actions are taken.

Children's Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	598	83	2	0

At the end of update 1 there were 190 children looked after including 15 unaccompanied asylum-seeking children, increasing to 199 (with 16 unaccompanied asylum-seeking children) at the end of October. At the end of December there were 206 children looked after (including 16 unaccompanied asylum-seeking children). This year has seen the first significant increase in

numbers of children looked after for some time, although the underlying trend remains relatively stable now.

The service activity of assessment, family support and risk management remains intense. For example, during this first 6 months of the year 28 children became looked after and 23 children left care. This level of service activity with children entering and leaving care has continued.

The cost pressure of additional children has been mitigated through placing children within fostering and kinship placements (in line with our placement strategy). Nevertheless, there are cost pressures associated with placement costs at month 9, offset through grant funding for UASC and through a slight delay in our in-house residential provision becoming fully operational.

At update 2 the service showed an improved position because through successful negotiations the costs related to annual uplifts of external placements were contained.

There remains a significant pressure related to the use of external counsel / barrister costs for children who are in a public law process in the family courts. This represents a pressure of £368K based on current activity which is a deterioration of £5K. The service only refers children to the family court if it is the only way to secure a child's safety and long-term stability / welfare. The costs associated with a court process are high, and the use of barristers is often unavoidable. Court costs were inflated this year because of 2 specific complex cases. In terms of corrective action, the service will continue to liaise with the legal team to explore any potential to reduce the costs associated with court.

Another area of reported overspend relates to pressure that has arisen through a reduction in the Welsh Government grant that supports our Family Support services. This is a current pressure of £332k. Family support is critical to supporting children to remain safely at home wherever possible and helps both to safely reduce the numbers of children who need to come into care and safely return children to their families and communities at the earliest opportunity. Although it represents a cost pressure, the service has maintained family support despite the significant reduction in the WG grant. Family support is fundamental to cost avoidance (particularly given the cost of placements) and helps us to secure best outcomes for children and families. Most children open to children's services (normally around 550 at any one time) will be receiving family support of some description, with many others receiving services through early help and community-based support. If these services were disrupted or reduced more children would need to come into care.

Maintaining family support services at their current level has been put forward as a proposal in the 2026/27 budget.

At update 3 the service is on track to achieve 100% of its £1.9M savings related to practice change in care planning for children and placement development.

The current position is predicated on there being no new high-cost demand into the service, something which is not always predictable.

HOUSING & HOMELESSNESS

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
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Deficit/(Surplus) '000s	238	366	501	0
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Housing services is predicting an overspend of £501K, a further deterioration since last update of £135K.

The main salient causes of the continued and worsening overspend remain as:

- the delayed opening of Severn View leading to additional costs within Bed and Breakfast provision plus the need for extra costs once occupied,
- several voids within existing provision,
- costs associated with the maintenance and repair of existing provision,
- making-good following hand-back of Bed and Breakfast provision,
- costs within private leasing arrangements driven by increased repair, maintenance, and cleaning costs,
- reduced income due to rent arrears and bad debt and,
- staffing costs.

These issues are indicative of providing emergency and temporary housing for people who have high support needs. The bottom-line position within housing has benefitted from £254K due to the Housing benefit clawback reduction; however, this has not been sufficient to offset the current costs.

The service is looking at potential mitigating actions including reducing voids where possible. As the new temporary accommodation service in Severn View settles, the plan is this can help alleviate future budgetary pressure, dependant on demand patterns. On a positive note, the usage of B&B accommodation continues at the lowest level for many years.

Public Protection

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(5)	0	2	0

At update 3 the division is forecast to be within £2K of its allocated budget.

SCH Support

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	42	26	(121)	0

There is a £121K underspend forecast as a result of delayed recruitment to the Head of Housing and Public Protection. This delayed recruitment has helped to mitigate the budget pressure currently forecast in SCH support due to changes in payroll costings following the Chief officer pay review, changes to employer national insurance contribution rates, and from pay awards.

Learning, Skills & Economy DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	40	169	462	0

CHIEF OFFICER COMMENTARY

The Directorate's current position is a forecasted overspend of £462,350. The increase in deficit since update 2 is due to an increase in pupils accessing ALN bespoke support, which is costly, as we are currently having to use third party providers. During 2026-27, we are planning to open an SEMH (Social & Emotional Mental Health) Provision, which will be able to support these pupils and reduce our costs. School balances have deteriorated further by £449,643 with many schools seeing higher supply costs. All schools that are in a deficit budget have a recovery plan in place and where they are not meeting their recovery plan further challenge is being provided by the Local Authority to understand the reasons and to look at mitigating actions that can be taken to ensure recovery plans are met.

Economy, Employment & Skills

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	0	12	7	0

Economy, Employment & Skills are currently reporting an overspend of £7k due to not being able to fully meet employee related savings. We have been able to reduce the overspend since Update 2, by being able to fund some salary costs by a grant.

Emergency Planning

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	0	16	16	0

Emergency Planning are currently reporting an overspend of £16k due to not being able to meet employee related savings.

Individual Schools Budget

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	6	6	(126)	0

The Local Authority funds the actual cost of rates for every school, with King Henry VIII 3 – 19 school opening in April the rates costs were unknown, the actual costs are lower than had been funded and therefore the saving has been taken centrally.

Resources

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	31	59	112	0

The current forecasted overspend of £112k is due to the following:

- £32k increase in Teacher Pension estimate.
- £65k decrease in Photovoltaic Recharge Income, as solar panels on the schools are not generating as much income as expected.
- £8k increase in staff costs (Support Services), as funding does not fully cover costs.
- £2k increase in School & Student Access staff costs, due to a secondment continuing for the remainder of the financial year, and not being able to meet employee related savings

(this was previously an overspend of £14k at Update 2, but we have been able to use a grant to offset staff costs).

- £6k overspend in the Financial Management Services Team (this was previously £14k due to no longer receiving income for the administration of the EIG and being unable to meet employee related savings, but we have been able to use a grant to offset staff costs).
- -£1k saving on Support Services ICT.

Standards

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	3	77	451	0

The current forecasted overspend of £451k, is due to the following

- £55k increased costs across Expansion of Early Years, as WG are not fully covering the costs of the provision (this was an overspend of £89k at Update 2 but has reduced due to take up not being as high as expected).
- £45k increased catering and staff costs regarding Breakfast Clubs (a further increase of £4k since Update 2).
- £5k increase in ALN Equipment Budget (reduced from £10k at Update 2).
- £22k increase in MOST staff costs, due to absence, and loss of SLA income for Autumn & Spring Terms.
- £42k less ALN Recoupment Income due to pupils either moving from a neighbouring LA to Monmouthshire or leaving Monmouthshire Schools (an increase of £15k since Update 2).
- £427k overspend on the LA IDP and Contingency Pot 2 Budgets due to an increase in pupils requiring support (an increase of £234k since Update 2).
- £26k overspend on ALN Independents Budget, due to increase in pupils accessing ALN Bespoke Support (we had previously forecast an underspend of £311k at Update 2, due to several pupils leaving Independent Placements).
- £12k overspend on ALN Management due to a vacancy being filled on a higher pay band and not being able to meet employee related savings.
- £20k overspend on ALN Administration Services, due to training, software and supply covering an absence (increase of £14k since Update 2).
- £6k overspend on Psychology Service, as unable to fully meet the employee related savings.
- -£78k saving on Out of County, as several of our pupils have left out of county schools.
- -£51k saving on ALN Transport, due to a reduction in Personal Travel Budgets.
- -£80k saving on Early Years, due to grants funding staff costs.

INFRASTRUCTURE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(61)	(315)	(473)	0

CHIEF OFFICER COMMENTARY

The Directorate is forecasting savings of £473k which is an improvement of £158k since the last update. Whilst Storm Claudia has resulted in additional costs these have been offset by corporate energy savings and an uplift in the unit rate for Universal Free School Meals. There have been

adjustments to service budgets as £487k has been transferred from the Waste budget to partially offset overspends in Fleet (£246k) and PTU (£241k).

Underspends are also being realised through improved renewable energy income and staff vacancies and Welsh Government have recently confirmed that the Sustainable Waste Management Grant will be paid for the current financial year.

Enterprise				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	2	5	(13)	0

The Infrastructure management team is projecting a £13k underspend due to a managed underspend in supplies & services and a part-year staff vacancy. Our forecast for update 2 included the assumption that the Head of Highways post would be filled by January, but this will not now happen until the new financial year and is the reason for the £18k improvement in position.

Facilities & Fleet				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	563	385	157	0

Facilities and Fleet are forecasting a projecting a £157k overspend, due to:

- **Fleet Maintenance** - £43k overspend – due to in-year pressures including an increase in vehicle maintenance & fuel costs, fleet & pool car hire charges, EVCI maintenance expenses and software costs. There is an improvement in outturn position since update 2 and is due to the reallocation of spare budget from Waste.
- **Passenger Transport** – net £138k overspend – The service is projecting a £223k overspend on external operator costs. This is primarily due to a shortfall against the distance-eligibility saving assumed in the 2025/26 budget, as updated pupil numbers differ from original projections and some routes have subsequently been assessed as unsafe, requiring transport to continue. Additional pressures include growth in PRS contracts, increased costs of pupil season tickets purchased from external operators, and unbudgeted expenditure on external safer walking route assessments. Internal operations is forecasting a £98k overspend, driven by income losses following the return of several contracts due to high sickness levels. These pressures are partially offset by a £51k staffing saving within the regional transport team through capitalising core staff costs, £115k of transport administration grant income, and a £17k increase in Public Transport Subsidy Grant. As with Fleet Maintenance, the improvement in the outturn position since Update 2 reflects the budget reallocation from Waste Services.

Neighbourhood Services				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4

Deficit/(Surplus) '000s	(381)	(460)	(106)	0
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Neighbourhood services is forecasting to return a £106k underspend, due to :-

- **Waste Services** – Break-even – Waste Services reported a £299k underspend at Update 2, driven mainly by a one-off gain-share receipt from the waste-to-energy partnership, improved income, savings on disposal and recycling contracts, and staff underspends due to vacant posts. Although these efficiencies are still expected to be achieved, DMT has reallocated the available budget to help offset pressures within Passenger Transport and Fleet Maintenance. This reallocation accounts for the adverse movement since Update 2. Welsh Government has now confirmed full allocation of the Sustainable Waste Grant, removing this as a budget risk.
- **Grounds Maintenance** – Break-even – Grounds Maintenance is now forecasting a break-even position. Income projections have been revised down from Update 2, and the service has incurred additional staffing, plant, and material costs in response to Storm Claudia. These pressures were not reflected in the previous forecast and account for the £76k adverse movement.
- **Highways Operations & External Clients** – On Budget
- **Streetlighting** – On Budget
- **Highways Design, Flooding & Road Safety** – £106k net underspend – The service is projecting a net underspend of £106k, primarily due to savings on professional fees, software costs, supplies & services, and staff vacancies across the department. These savings have been partially offset by a £52k increase in flooding related spend including tide watches, sandbagging provision and the recent costs incurred in the response to Storm Claudia.

Operations				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(245)	(245)	(511)	0

Operations are forecasting to underspend by £511k, due to:

- **Schools Catering** - £214k underspend – driven by part year staffing savings, increased Universal Free School Meals (UFSM) income, and reduced supplies and services expenditure. The £126k increase in the underspend since Update 2 reflects a £97k rise in UFSM income following the Welsh Government's £.20p per meal uplift to £3.40 from September (this was not known until December), a £9k reduction in forecast ingredient costs due to a higher take-up of the lower-cost snack option (jacket potato) over the main meal option, and £20k of additional staffing savings arising from continued vacancies and some posts being held pending confirmation of required staffing levels. The unit is projected to serve 791,000 meals by year end, with current take up averaging around 71% (average take up was 58% before introduction of UFSM). Ingredient cost is currently £1.03 per meal.
- **Decarbonisation** - £173k underspend – driven by improved income from the solar farm and wider renewables portfolio because of higher ROC rates, favourable weather conditions, and improved inverter performance. Additional savings have arisen from a part-year staffing

vacancy within the team. These benefits are offset by a £102k pressure relating to a prior-year corporate mileage saving, the pool car scheme is due to become operational in March, although it will not generate material savings in the current financial year.

- **Corporate Energy Saving** - £123k underspend – latest projections indicate that our energy costs will be £123k below budget due to reduced consumption during the year, figures were not finalised until recently, so this underspend was not factored in at update 2.

PLACE & COMMUNITY WELLBEING	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	142	(21)	(83)	0

CHIEF OFFICER COMMENTARY

The Place and Community Wellbeing Directorate is presently forecasting an underspend £83k. This favourable variance is principally attributable to increased income generation within Leisure and Wellbeing along with reduced expenditure within our Countryside, Destination and Environment services as well as the delayed recruitment to vacant posts, which has helped to offset pressures arising from the under-recovery of parking penalty charges, planning fees and building control fees.

The directorate continues to closely monitor areas exposed to income volatility and has proactively implemented mitigation strategies wherever feasible to strengthen the financial position since update 2.

The variance from update 2 to 3 is largely a result of higher than anticipated expenditure due to storm Claudia in particular increased staff costs, reduced income within car parks due to free parking in December and damage to our pay and display machines. A reduction in the level of predicted planning fees due to one large planning application being delayed until 26-27 £65,000. This has been more than offset by continued growth within our leisure income, improvements in sports development, play and outdoor adventure and deferred filling of vacant positions, all of which have contributed to the overall positive outturn.

Culture and Community Learning

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	38	18	18	0

The Culture and Community Learning division is projected to experience an overspend of £18k. This is primarily due to higher than budgeted staffing costs, inflationary pressures and increased expenses relating to supplies and services contracts.

Countryside, Destination and Environment

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(14)	(36)	(61)	0

The Countryside, Destination and Environment division is forecast to underspend by £61k primarily due to income exceeding budget because of increased grants. The positive variance between

update 2 and update 3 is attributable to the Destination Managers post becoming vacant. Recruitment to this post is underway but this is unlikely to be completed until after year end, the section will therefore see a financial benefit from this vacancy.

Leisure and Wellbeing

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	0	(2)	(200)	0

The Leisure and Wellbeing division expects to underspend by £200k, as higher income from leisure facilities has offset the £89k loss of income due to Abergavenny LC's closure and reduced service agreement income. Quarter 3 has seen the deployment of our annual membership campaign which again has seen high success rate increasing forecasted income, Outdoor Adventure, sports development and play have also seen a substantial improvement in quarter 3 contributing to the overall improved position between update 2 and update 3.

Performance, Finance and Resources

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(5)	(80)	(174)	0

The Performance, Finance and Resources division is forecasting to underspend by £174k due to staff vacancies. The variance from update 2 to update 3 relates to the delayed implementation of the support services restructure.

Placemaking, Highways & Flooding

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	123	78	333	0

The Placemaking, Highways and Flooding division is forecasting to overspend by £255k due to:

- Development Management and Building Control** – The section is forecasting an overspend of **£127k**, relating to under-recovery of building control fees and increased software costs. Along with lower than anticipated planning fees in particular the delay in one substantial planning application (£65k) until 26-27 has seen an adverse impact on previously forecast income.
- Planning Policy** – This section is currently on budget. Spending levels will be closely monitored and aligned with the approval of the RDLP.
- Highways Development and Car Parks** – The section is forecast to overspend by £206k. This is due to the under recovery of fixed penalty charges, filling of previously vacant posts, higher than anticipated publication costs associated with the implementation of the new fees and charges. The adverse variance between update 2 and update 3 relates to increased maintenance costs of £30k to replace damaged pay and display machines due to storm Claudia, free carparking in December as a response to Storm Claudia and an overall downturn in pay and display income.

- **Strategic Projects** – This area is currently on budget.

PEOPLE, PERFORMANCE & PARTNERSHIPS	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	99	48	6	0

CHIEF OFFICER COMMENTARY

People, Performance & Partnerships and the Chief Executives Office are forecasting a combined overspend by £6k. There remains a degree of risk associated with the implementation of changes to the Welsh language translation service, which are scheduled for completion in the second half of the financial year.

Within the CEO's Office, the overall forecast reflects a mixed financial position. Overspends are primarily driven by staffing pressures and reduction in income. Whilst some overspends are offset by other service area underspends, pressures persist and officers will continue to seek mitigation strategies as the year progresses.

Chief Executives Office				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	117	48	35	0

The Chief Executives Office is currently forecasting an overspend of £35k. The principal factors contributing to this position are as follows:

- **Communications - £60k overspend** – The overspend is primarily attributable to a budget pressure of £56k arising from the creation of the Head of Communications and Active Travel post, coupled with a reduction in active travel income of £25k. These pressures have been partially offset by a contribution from Welsh Government relating to the secondment of the Head of Communications.
- **Contact Centre - £50k underspend** – An underspend has been achieved due to system and licence spend coming in below budgeted levels.
- **Strategic Change & Programme Assurance - £8k underspend** – The underspend is due to the capitalisation of the change management program.
- **Libraries, Hubs, and Community Learning** – This area is forecast to **underspend by £14k**, with no significant variances expected.
- **Procurement - £45k overspend** – The overspend is due to higher than anticipated contract costs.

People				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4

Deficit/(Surplus) '000s	(14)	(14)	(30)	0
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The People sections is forecasting an underspend of 30k for the financial year. The principal factors contributing to this position area as follows: -

- **Organisational Development & Training- £10k overspend** – The overspend is attributable to staff costs exceeding budget, primarily due to the inability to achieve vacancy factor savings offset by a small saving withing the training budget.
- **Payroll & System Support - £113k underspend** – An underspend has been achieved as a result of a reduction in system and supplies & services expenditure of £36k alongside net staff saving of £78k arising from changes in hours and a payroll technician post being held vacant.
- **People Management - £51k overspend** – Additional costs have been incurred due to unachievable staff vacancy factor and extra staff resource being put in place to bolster team capacity.
- **Occupational Health - £23k Overspend** – due to increased demand

Policy, Scrutiny & Customer Service				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(4)	14	1	0

Policy, Scrutiny & Customer Services is forecasting to overspend by £1k, broken down as follows:

- **Corporate - £32k overspend** – mainly due to the inability to achieve staff vacancy factor savings, SLT Pay award and an increase in subscription costs.
- **Scrutiny and Customer Complaints - £6k overspend** – unable to achieve staff vacancy savings.
- **GIS - £24k underspend** – saving in system and supplies & services spend.
- **Levies & Subscriptions - £36k overspend** – corporate subscription costs (WLGA, LGA) have exceeded available budget, in addition the authority has made the decision to renew the membership of New Local causing a further pressure as this budget was removed as part of 25/26 budget savings.
- **Performance & Data - £29k underspend** – due to staff savings from part year vacant posts.
- **Equalities & Welsh Language - £3k overspend** – the authority is due to enter a new translation SLA with Torfaen, discussions are ongoing around implementation timescales.
- **Community Safety – Net £23k Underspend**– due to staff savings from part year vacant posts.

LAW & GOVERNANCE DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	64	69	76	0

CHIEF OFFICER COMMENTARY

Law & Governance is forecasting a £76k overspend, an increase of £7k since Update 2. The variance is mainly due to staffing pressures, by-election costs and income shortfalls across service areas. Officers will continue to explore measures to mitigate deficit before year-end.

Democratic Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	39	27	28	0

Democratic services is forecasting to overspend by £28k, this is due to:

- **Members** - £43k overspend – primarily due to staffing where there is an overspend against superannuation contributions plus an inability to achieve vacancy factor savings, coupled with an increase in Mod Gov system charges.
- **Committee & Election services** - £15k underspend – due to staff savings from part year vacancies and grant support for an apprentice post in Elections, this has been partially offset by an overspend in by-election costs.

Legal and Land Charges

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	25	42	48	0

Legal & Land Charges is forecasting to overspend by £48k, due to:

- **Legal** - £64k overspend – This is due to a projected reduction in fee income and the inability to achieve staff vacancy factor savings.
- **Land Charges** - £16k underspend – due to savings from a vacant part-time post.

RESOURCES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(95)	(145)	(151)	0

CHIEF OFFICER COMMENTARY

The Resources Directorate is forecasting a £151k underspend at Update 3, a small improvement on the previous period. This reflects strong vacancy management across several areas, alongside targeted control of non-pay costs.

Despite pressures with investment properties Landlord Services are forecasting an under spend of £118k. These pressures stem mainly from unoccupied units and associated running costs and are more than offset by vacancy savings ahead of a wider staff restructure.

While Benefits and Council Tax show overspends due to increased bad-debt provisions and service pressures, these are balanced by strong vacancy savings, reduced non-pay costs, and modest grant income.

Overall, the directorate remains in a stable financial position, with most pressures mitigated through vacancy management, active cost control, and ongoing recovery work in commercial estates to reduce vacant units. One remaining risk as the directorate approaches year-end is a level of significant arrears accrued by a commercial tenant. Negotiations are ongoing with the aim

of reaching agreement around the recovery of arrears and the tenant securing a viable and sustainable way forward. Consideration will need to be given at year-end to a prudent level of bad debt provision.

Commercial, Corporate & landlord Services

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(27)	(151)	(118)	0

Commercial, Corporate and Landlord services is forecasting to underspend by £118k, due to:

- **Investment Properties** - £121k overspend, due to:
 - **Newport Leisure Park** - £28k overspend – NLP is projecting a surplus of £295k in 25/26, however this is £28k below budget due to unbudgeted costs (such as electricity and rates) associated with a vacant unit. There is potential for this position to improve if a tenant can be found for the unit before year end.
 - **Castlegate Business Park** - £93k overspend – primarily due to increased operating costs associated with vacant units that fall to the authority to manage, including higher-than-expected rates, electricity charges, and one-off fees. As above there is potential for this position to improve if tenants can be found before year end.
- **Landlord Services** – £292k underspend – mainly due to staffing savings arising from in-year vacancies. Staff consultation is shortly to commence for a proposed restructure which would re-establish capacity, strengthening the ability to generate financial returns and placing the department on a sustainable footing to deliver the Council's Asset Management Strategy. Recruitment of two vacant managerial posts are anticipated in March. Update 2 had assumed the two managers posts would be filled by January, and this later recruitment timeline is the principal driver of the increased underspend. These savings are partly offset by a shortfall in rental income.
- **County Farms** - £77k overspend - Mainly due to void property costs of £68k from covering the running costs of vacant farms and cottages, which aren't included in the base budget (this issue is expected to resolve next year as a farm has been re-let and cottage disposals are being considered), and an increase in professional fees of £20k due to increased demand for valuations and succession reports needed for tenancy management. These have partially been offset by improved income of £8k.
- **Cemeteries** – £21k under spend primarily due to savings on supplies and services. There is potential that this could change if any unforeseen repairs or emergency tree works are required between now and year-end.
- **Building Cleaning & Public Conveniences** - £37k underspend – driven by staffing vacancies, along with savings on maintenance and business rates for public conveniences. This represents an £87k adverse movement from Update 2 due to additional agency and overtime costs required to cover staff shortages, which had not been fully reflected in the previous forecast.
- **Property Services** – £6k overspend – Pressures from maintenance and business rates within office accommodation, along with a shortfall in external fee income, have been largely offset by employee underspends resulting from managed staff vacancies.

Corporate Health & Safety				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	0	0	0	0

Corporate Health & Safety – Break Even – No change from update 2 - all costs incurred in response to directorate H&S matters will be accommodated from within services and reported as part of their outturn position.

Finance				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(58)	24	(11)	0

The Finance division is forecasting to under spend by £11k, this is mainly due to:

- **Revenues, Systems & Exchequer** - £45k net overspend:
 - **Benefits** - £53k overspend - Housing Benefit Subsidy is currently forecast to overspend by £76k and the bad debt provision is estimated to increase by £30k, reflecting current caseload and debts. These pressures are partially offset by a reduction in non pay costs and additional grant income totalling £53k.
 - **Council Tax** - £32k overspend – The overspend comprises £19k of additional service running costs, an £11k increase in the bad debt provision for unpaid court costs and £2k of unmet vacancy-factor savings. These pressures are partially offset by £12k of one-off Welsh Government grant income for administering this year's Retail Rate Relief scheme.
 - **Charity Relief** - £4k underspend – projections indicate that 25/26 awards will be lower than budget.
 - **Debtors** - £6k overspend - Unmet vacancy factor savings and additional National Insurance costs.
 - **Cashiers** - £14k underspend – Although card payment fees are projected to overspend by £21k due to increased card-based transactions, these additional costs are more than offset by savings from reduced security carrier charges, deferring system development work, and temporarily holding a cashier vacancy. The increased underspend since Update 2 reflects a revised, lower estimate of card payment fees based on current activity levels.
 - **Revenues System Administration** - £18k overspend - no change from update 2, primarily due to increased annual contract costs for the Northgate system.
 - **Financial Systems Support & Vat** - £46k underspend – £25k saving resulting from vacant posts plus a £11k saving against the non pay budget and £10k additional recharge income. The underspend has increased by £11k since update 2 due to an additional vacancy and lower than initially anticipated consultancy costs for the Business World System upgrade.

- **Finance** - £56k under spent - due to part year staff vacancies and the reallocation of core staff costs to council tax.

Information, Communication & Technology

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(10)	(18)	(21)	0

The ICT division is forecasting to underspend by £21k, this is due to:

- **SRS & Digital Programme Office** – £4k underspend - The latest information from SRS indicates a £2k overspend on the service contribution, driven by increased costs for O365 licences and PSBA line rentals. However, this pressure has been fully offset by a managed underspend on supplies and equipment, resulting in a net underspend of £4k within the section.
- **Digital, Design & Innovation** – On budget – No Change from Update 2 - As of August 2025, the team moved under the Shared Resource Service (SRS) via the Cabinet-approved Digital, Data and Technology agreement. This caused a forecasted £33,000 overspend due to higher collaboration costs, exceeding the current budget. In line with Cabinet's decision, this shortfall will be covered by the IT reserve, so there is no negative effect on the Directorate's overall financial position in 25-26, with future funding being built in as part of the 26-27 budget proposals.
- **Cyber Security Partnership** - £12k underspend – no change from update 2 - the Cyber Security Partnership has now transferred to SRS (from 1st September 2025), early projections indicate an in-year underspend of £12,000 due to vacancy savings.
- **Telephony** - £6k underspend – no change from update 2 – saving due to a reduction in call charges.

CORPORATE COSTS & LEVIES DIRECTORATE	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(27)	680	516	0

Coroners

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	18	18	40	0

Final levy is expected to be higher than budgeted due to additional requirements of the services following Chief Coroner review.

Precepts & Levies

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(33)	(33)	(33)	0

Forecast saving due to the South Wales Fire Service precept being lower than originally anticipated for the financial year.

Archives

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

No variance forecast

Corporate Management

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(13)	(67)	(62)	0

Unbudgeted income that cannot be attributed to services

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	761	571	0

Funding shortfall in relation to increased employer's national insurance contributions. The final funding allocation received from Welsh Government was considerably short of the increased costs incurred.

Insurance

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

No variance forecast

TREASURY & RESERVES

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	486	541	(43)	0

Interest & Investment Income

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(257)	(257)	(410)	0

Cash balances have further increased since update 2 while investment rate return hasn't reduced at the expected rate. The subsequent increase in investment income has increased the underspend to £409k.

Interest Payable & Similar Charges

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	423	429	135	0

The authorities borrowing requirement has been less than expected reducing borrowing costs. These have further been reduced due to the authority utilising advantageous rates when available. This has reduced the overspend to £135k.

Charges Required Under Regulation

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(215)	(215)	(144)	0

Capital slippage funded from borrowing was higher than anticipated at the end of the previous year which has resulted in lower than anticipated charges. Underspend has decreased due to disposal of vehicles in year resulting in additional MRP charges being made. The adverse movement is matched by an increase in underspend against borrowing recoupment.

Other Investment Income

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

Minor income received. Slightly increased from Update 2.

Borrowing Cost Recoupment

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	0	8	(102)	0

The underspend is due to several vehicles being disposed of in year and all remaining borrowing charges being made in year. This underspend is offset by an increase in charges required under regulation.

Contributions to / from Reserves

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	535	576	480	0

An unbudgeted contribution to Council Tax Premium reserve is forecast and has increased since update 1. This will be mirrored by a corresponding underspend within Council tax.

FINANCING	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(1,185)	(1,205)	(980)	0

Council Tax Reduction Scheme

Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(400)	(420)	(500)	0
Anticipated underspend as in year caseloads are lower than the budget set, a continuing trend throughout the year.				
Council Tax				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	(785)	(785)	(480)	0
The tax base for the year has been met and continues to increase. However since update 2 there has been a significant upward shift in the number of properties awarded an exemption or discount. This is partly as a result of the recent floods which have rendered some properties uninhabitable and requiring significant remedial works. The Council Tax Premium collection rate for 2024/25 is currently at 76%, which is higher than anticipated when the budget was set. The downward shift since update 2 reflects adjustments to in year premiums applied to rate accounts as ratepayer circumstances change.				
General Government Grants				
Outturn Forecast	Update 1	Update 2	Update 3	Update 4
Deficit/(Surplus) '000s	0	0	0	0
No Variance forecast				

2. 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.

Cluster	(A) Opening (Surplus) / Deficit 2025/26	(B) Draw / (Contribution) @ Update 1	(C) Draw / (Contribution) @ Update 2	(D) Draw / (Contribution) @ Update 3	(A+D) Closing (Surplus) / Deficit 2025/26
	£000's	£000's	£000's	£000's	£000's
Abergavenny	1,351	635	817	1,025	2,375
Caldicot	(37)	641	826	866	829
Chepstow	989	26	(27)	139	1,127
Monmouth	144	407	392	433	578
Special	1,645	1,126	961	963	2,608
Total	4,092	2,835	2,970	3,426	7,517

- 2.2. Collective School balances at the beginning of the Financial Year amounted to a deficit of £4,091,578. The anticipated further draw on reserves at Update 1 was £2,834,735, against a budgeted draw on reserves of £2,714,668, which resulted in a forecast deficit balance of £6,926,313 by year end. At Update 3, the draw on reserves has increased to £3,426,138, resulting in a forecast deficit balance of £7,517,453 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: 15	Total: 18	Total: 18	Total: 19	Total: 0
KHS VIII 3-19	KHS VIII 3-19	KHS VIII 3-19	King Henry VIII 3-19	
Gilwern	Gilwern	Gilwern	Gilwern	
Our Lady & St Michael's				
Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni	Ysgol y Fenni	
Caldicot School	Caldicot School	Caldicot School	Caldicot School	
Rogiet	Rogiet	Rogiet	Rogiet	
Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin	Ysgol y Ffin	
Chepstow School	Chepstow School	Chepstow School	Chepstow School	
The Dell	The Dell	The Dell	The Dell	
Thornwell	Thornwell	Thornwell	Thornwell	
Kymin View		Kymin View	Kymin View	
Osbaston	Osbaston	Osbaston	Osbaston	

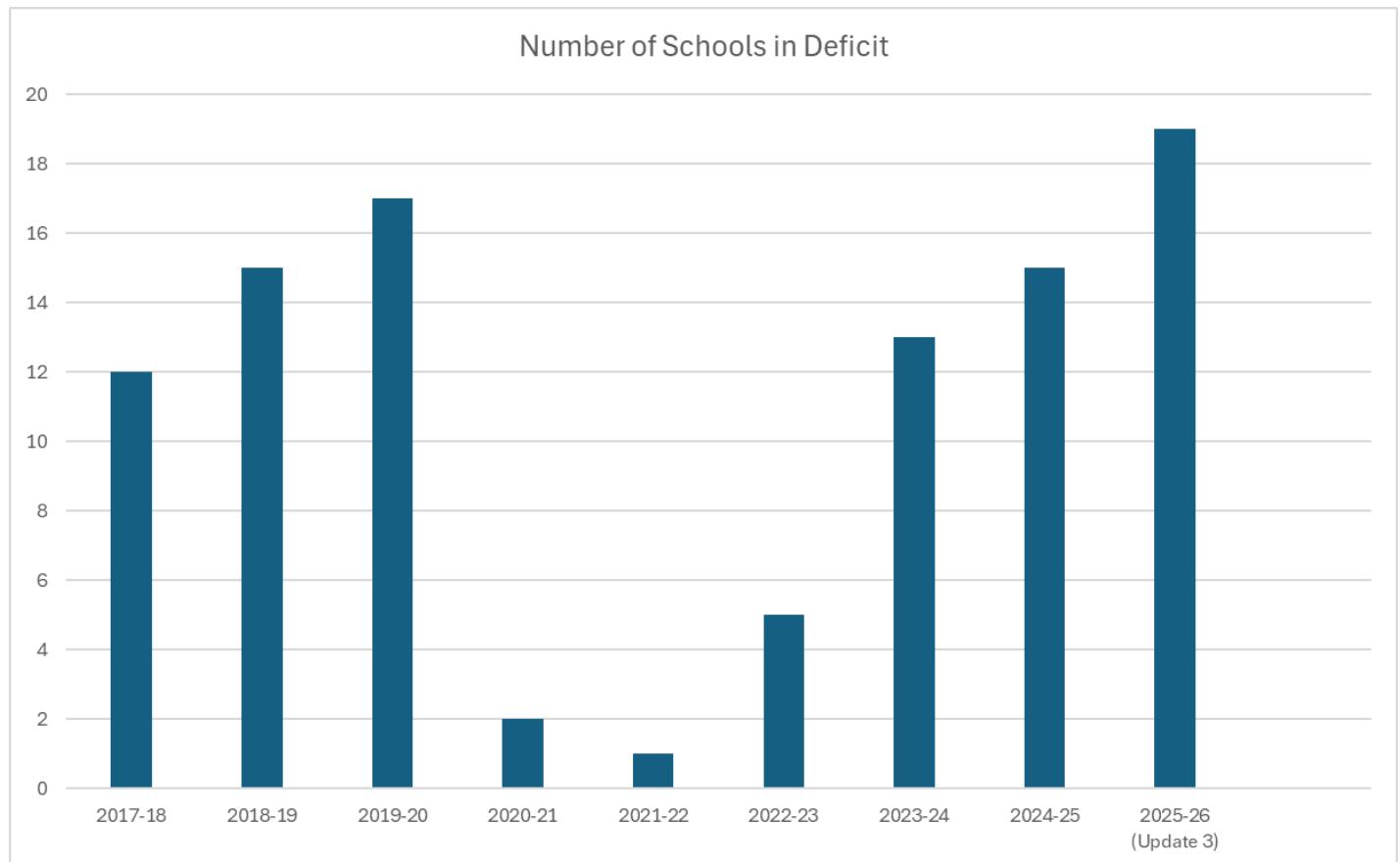
Overmonnow	Overmonnow	Overmonnow	Overmonnow	
Ysgol y Trefynwy	Ysgol y Trefynwy	Ysgol y Trefynwy	Ysgol y Trefynwy	
PRS	PRS	PRS	PRS	
	Castle Park	Castle Park	Castle Park	
	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	
	Cross Ash	Cross Ash	Cross Ash	
	Llandogo			

- 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.
- 2.5. All schools with a deficit budget must agree a recovery plan with the Local Authority, this plan will set out clear actions that the school and Governing Body must take to see the school to return to a surplus. These plans are monitored on a frequent basis and where schools do not meet their recovery plans further challenge is provided by the Local Authority to understand the reasons and to look at mitigating actions to bring plans back on track. The majority of the deficit (75%) relates to three schools, King Henry VIII 3 – 19 School, Chepstow School and the Pupil Referral Service, all three of these schools are a focus of support and challenge from the Local Authority to ensure budgets return to a surplus within the agreed recovery plan timeframe.

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
2025-26 (forecast)	7,517

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:



3. Forecast Capital Budget Outturn

3.1 The summary Capital forecast outturn position at Update 3 is as follows:

Category	Slippage B/F	Original Budget	Budget Adjustments	Slippage to 2025/26	Revised Budget 2025/26	Forecast Outturn	Over / (Under) spend
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expenditure							

Capitalisation Directive	63	3,708	0	0	3,770	3,770	0
Development Schemes Over £250k	9,083	730	1,354	(6,097)	5,069	5,069	0
Development Schemes Under £250k	1,955	90	0	(1,357)	688	687	(1)
School modernisation programme	33	12,282	277	(2,608)	9,984	9,984	0
Infrastructure	3,958	6,076	829	(3,442)	7,421	7,421	0
ICT Schemes	272	463	(24)	(98)	612	617	6
Property Maintenance	2,016	2,659	579	(200)	5,054	3,754	(1,300)
Renovation Grants	192	900	341	(300)	1,132	1,132	0
LCHO	0	0	0	0	0	0	0
Section 106	1,454	288	0	(771)	970	970	0
Regeneration - Specific Grant Funded	6,009	500	15,574	(6,143)	15,939	15,899	(40)
Vehicles	0	1,500	0	0	1,500	1,500	0
Total Expenditure	25,033	29,195	18,929	(21,017)	52,139	50,803	(1,335)
Financing							
Supported Borrowing	0	(2,432)	(103)	0	(2,535)	(2,535)	0
General Capital Grant	0	(3,046)	0	0	(3,046)	(3,046)	0
Grants and Contributions	(8,860)	0	(19,103)	6,840	(21,123)	(21,083)	40
S106 Contributions	(1,621)	(288)	0	771	(1,137)	(1,137)	0
Unsupported Borrowing	(13,661)	(18,069)	253	12,841	(18,635)	(17,335)	1,300
Earmarked Reserve & Revenue Funding	(272)	(103)	24	248	(103)	(108)	(5)
Capital Receipts	(619)	(3,758)	0	317	(4,059)	(4,059)	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0
Total Financing	(25,033)	(29,195)	(18,929)	21,017	(52,139)	(50,803)	1,335

3.2 The capital expenditure forecasted at outturn demonstrates a net underspend £1,335,000 due to the following schemes:

Scheme	Budget £000's	Over / (Under) spend £000's	
IT Schemes	612	6	Forecast business world upgrade over spend. Alternative funding or minor under spends currently be sought to offset.
Grant Schemes	15,939	(40)	Minor under spends across numerous grant funded schemes where final costs were below initial estimates. This will not result in any useable funding being available for other schemes.
Property Maintenance	5,054	(1,300)	Capital contingency budget of £1.3m is to be released to fund 2026/27 capital investment in line with draft budget proposals

3.3 Capital Slippage

3.4 Capital slippage forecast for the year is forecast to be £21.017 million. The principal schemes reporting slippage are:

Scheme Category	Scheme Name	Slippage £000's	Comment
Specific Grant Funded	Chepstow Transport Hub & Connectivity Improvements	5,208	Multi-year scheme, to be completed by end of March 2028.
Development schemes	Capital City Region	2,678	Confirmation awaited from SEWCJC of future capital funding profile.
Education Development	King Henry VIII - Future Schools Tranche B	2,608	School remedial works to be completed by August 2026.
Infrastructure	Wye Bridge Monmouth works	2,166	Design / Survey stage progressing, main construction works 2026/27.
Development schemes	Asset Investment Fund	1,781	Budget remains available as required to support any requirement for further capital investment at existing commercial investment sites.
Social Care development Schemes	Property Acquisition for Children and Young People with Complex Needs	1,540	Acquisition of properties as and when suitable sites become available – dependant on supply.
Development schemes	Housing Provision Borrowing Headroom	773	Further housing purchases are unlikely to complete in 2025/26 – dependant on supply.
Specific Grant Funded	Grant –Match Funding Support Allocation	611	Funding has not been required to match any schemes to date in 2025/26. Full requirement for slippage will be assessed at year-end
Infrastructure	Reconstruction of Bridges & Retaining Walls	362	Funding required for Chainbridge Refurbishment - construction works for diversion routes need to be undertaken before the bridge is closed for refurbishment.
Infrastructure	Carriageway improvements - additional	340	Inclement weather has delayed planned highways refurbishment works
Renovation Grants	Disabled Facilities Grants (Private)	300	New procurement rules, extended lead times for works and increased pressure on housing surveyor are leading to an impact on delivery timelines. Slippage to ensure completion of planned committed adaptations.
Infrastructure	Carriageway Resurfacing - Various	245	Inclement weather has delayed planned resurfacing works
Development schemes	Shire Hall/Monmouth Museum Move	234	Multi-year project due for completion in 2026/27.

Scheme Category	Scheme Name	Slippage £000's	Comment
Infrastructure	Clydach Gateway Reinstatement and Devil's Bridge Associated Works A465	229	Scheme ongoing but now due for completion in 2026/27 following external factors.
Maintenance Schemes	County Farms Maintenance & Reinvestment	200	Funding required in 26/27 for refurbishment of two vacant cottages and other estate works. Works dependant on need.
Specific Grant Funded	Placemaking Grant programme	170	Delays due to sub-contractor work commitments
Development schemes	Solar Farm Development Cost	150	Initial feasibility works have yet to be progressed.
Development schemes	Depots – Feasibility works: Transport Depot South of County	149	Ongoing site evaluations are in progress but slightly behind schedule.
Specific Grant Funded	HLF Woodland Investment Grant	123	Slippage due to grant spending profile conditions
Infrastructure	Wye Bridge Chepstow works	100	Works to finish in 2026/27.
Development schemes	Decarbonisation Investment	98	Delay to planned de-carbonisation works in energy management systems.
Social Care development Schemes	Social Care Case Management System Replacement	98	To support Social Care Case management software implementation depending on final costs.
Development schemes	Fixed Asset disposal costs	51	Surplus assets are being assessed for disposal in 2026/27 – dependant on need.
Specific Grant Funded	Brilliant Basics Fund – WG- Tintern Welcome	31	Assessments being undertaken
Section 106 Schemes	Various S106 Schemes	771	Various community recreational improvement schemes are delayed mainly due to external factors.
Total		21,017	

3.5 Useable Capital Receipts Available

- 3.6 The table below outlines the latest forecast of capital receipts balances available to meet future capital commitments. Whilst overall balances remain healthy, it should be noted that all banked capital receipts have been committed to funding the indicative forward capital programme. Any further use will be dependent upon forecast capital receipts being realised.

Capital receipt balances	2025/26	2026/27	2027/28	2028/29	2029/30
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	£000's	£000's	£000's	£000's	£000's
Balance as at 1st April	6,083	4,627	4,430	3,474	2,819
Capital receipts used for financing	(289)	(367)	(50)	(50)	(50)
Capital receipts used to support capitalisation direction	(3,770)	(2,708)	(1,708)	(708)	0
Capital receipts Received	2,500	0	0	0	0
Capital receipts Forecast	103	2,878	803	103	103
Forecast Balance as at 31st March	4,627	4,430	3,474	2,819	2,871