

Report

Cabinet



Part 1

Date: 13 November 2024

Subject September Revenue Budget Monitor

Purpose To highlight the current forecast position on the Council's revenue budget and the financial risks and opportunities that present themselves within the September position. This is the second Cabinet update of the 2024/25 financial year.

Author Service Manager – Finance Business Partnering / Head of Finance

Ward All

Summary The September 2024 revenue monitoring position reflects a forecasted underspend of £0.786m, taking into account the contingency budget. This compares to a forecast underspend of £0.112m reported in respect of July 2024, with the change in position largely due to an improvement in the Adult Services position. Service areas are collectively forecast to overspend by £6.215m, excluding schools. This significant service area overspending is offset by underspends in non-service areas, such as Capital Financing, producing a broadly balanced overall revenue budget forecast at this point.

The most significant areas of service area overspending are within Housing & Communities, due to the demand for temporary accommodation, and within Education, due to increased costs of ALN / special school transport, and expenditure on local ALN provision.

Schools are separately projected to overspend on their revenue funding by £3.765m and this is after the £600k recently invested in schools by Cabinet. The forecast in-year overspend and resulting balances would have been worse without this investment. This overspend will be funded from schools' own reserves. The overspending relates to both one-off as well as recurring expenditure, the latter being a key aspect of the secondary school's position. Going forward, there is a risk that this level of recurring expenditure, in excess of base budget funding will result in certain individual schools entering a deficit budget position i.e. negative reserves, unless they make the savings required to balance their individual budgets. Therefore, close monitoring will be required during the remainder of this year to ensure that schools are managing their finances as required and taking action to ensure that deficit positions are avoided wherever possible.

Whilst a broadly balanced position is currently forecast overall, demand for services, in particular homelessness and children's social care could further increase and is closely monitored. In the previous monitor reported to Cabinet, teacher's pay, and pension costs funding was a significant risk. It is likely that funding for these will now be available though the amount is yet to be confirmed. Similarly, NJC pay was a risk, but the pay offer has now been accepted and is within budget allowed.

The appendices to the report are as follows:

Appendix 1	Overall Budget Dashboard – September 2024
Appendix 2	Revenue Summary Monitor - September 2024
Appendix 3	School Balances Position
Appendix 4	2024/25 Forecast Reserve Movements

Proposal That Cabinet:

- **Note the overall budget forecast position outlined within this report**
- **Note the overall shortfall in the delivery of savings accepted as part of the 2024/25 revenue budget.**
- **Note the overall position in relation to schools, acknowledging the risk that further individual deficit positions could emerge by the end of the financial year.**
- **Note the forecast movements in reserves.**
- **Approve the recommended reserve transfers, as set out in 4.3**
- **Note the risks identified throughout the report and in the HoF comments, such as in relation to demand issues being faced and unconfirmed funding for Teacher’s pay awards and pension costs.**

Action by Cabinet Members / Head of Finance / Executive Board:

- HoS implement actions to ensure that agreed 2024/25 and previous year budget savings are achieved as soon as practically possible, but by the end of the financial year at the latest.
- Cabinet Members and HoS promote and ensure robust financial management and forecasting throughout all service areas.

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Strategic Directors
- Head of Finance
- Head of Law and Standards
- Head of People, Policy and Transformation

Signed

Background

- 1.1 As set out in the last monitoring report, the Council approved a net revenue budget of £400 million for 2024/25, on the 29th February 2024. This was again set against a challenging financial backdrop, driven by increasing demand for services, and relatively high inflation. Despite a better-than-expected settlement from Welsh Government, the Council were required to make £5.3 million of budget savings in order to balance the budget for 2024/25.
- 1.2 Both the 2024/25 budget and the 2023/24 revenue budget outturn reports identified a number of financial risks that have the potential to impact the new year. Budget investment was provided for a number of these, but challenges remain across several areas, in particular children's social care, and housing/homelessness.
- 1.3 To mitigate some of these risks, the Council has an unallocated contingency of £1.673m which can be used to offset unforeseen costs. However, in the context of a net budget totalling £400m and the number of service demand areas exhibiting significant challenges; this is relatively small, particularly if multiple issues present themselves in the year. In addition to this, a temporary contingency exists via a significant guaranteed underspend within the capital financing budget, since the capital programme was forward funded in 2021/22 and slippage in delivering the programme has resulted in this budget underspending. However, this is a temporary mitigation and cannot be relied upon in future years, as the full delivery of the capital programme will result in this budget being fully utilised.
- 1.4 The first monitoring position of the year, as of July 2024, confirmed that some of those known risks have materialised and are causing significant overspends, especially within Housing Services. The latest forecast, as at September 2024, whilst a small improvement, reflects a continuation of the issues reported in the July monitoring report. The September 2024 revenue monitoring position reflects a forecasted balanced position overall of a £0.786m underspend, taking into account the contingency budget and underspending on other budgets.

A summary of the key areas contributing to the overall position, excluding schools, is below:

Overspending across service areas budgets	£6.215m
Underspending across non-service budgets	
General revenue budget contingency	(£1.636m)
Capital Financing underspend	(£2.559m)
Other non-service budgets	(£2.806m)
TOTAL	(£0.786m)

2 Key Areas Contributing to Position

- 2.1 The following section details some of the key areas that feature within the position, with Appendices 1 and 2 providing further detail. As any under or overspend within schools is offset via a transfer to or from school reserves, the collective impact of this is neutralised within the overall position, and does not affect the overall Council net budget:
 - (i) Service Area budgets - Risk-based area variances
 - (ii) Service Area budgets - Other variances
 - (iii) Non-service budgets - Variances
 - (iv) Delivery of budget savings

(i) **Service Area budgets - Risk based area variances**

2.2 The Council takes a risk-based approach to budget monitoring, with additional focus being given to those areas that tend to exhibit volatility or have a history of significantly overspending. Those risk-based areas, which often reside within demand-led services, are collectively forecasting a net overspend of £6.888m, an increase of £0.582m from the position reported in the July monitor. Significant overspends within that net figure are outlined below:

- Housing Services homelessness provision (£3.129m overspend).

This overspend is mainly due to ongoing increasing demand for temporary accommodation, and the fact that income, in the form of housing benefit or recharges to service users, is insufficient to cover the cost. As per the 2024/25 budget report, this pressure was anticipated as the service implements its transformation changes to manage demand and reduce costs. The service area expects its transformation initiatives to have an impact in the current year and therefore forecast overspending was anticipated to reduce. However, demand increases to date means the overall position here is deteriorating it is also possible that further demand could increase further as the year progresses.

- Children Services out of area placements (£1.042m overspend).

The budget available, which is supplemented by external grant funding, allows for an average of 23 placements per month at an average cost of £5,593 per week. Currently there are 24 placements and average costs are also above the amount the budget can afford. It is worth noting that this is despite a £2.2m budget pressure being included for 2024/25 in the budget.

- Children Services emergency placements (£0.609m overspend).

The budget and eliminate grant funding can afford 75 weeks of placement costs at an average of £16,236 per week. The forecast includes 152 placement weeks at an average cost of £13,706. Additional residential homes are planned for 2025/26 as part of the elimination of profit from the care agenda. This should lead to spend on emergency placements reducing to budgeted levels for 2025/26. This pressure is partly mitigated by the use of a specific contingency held in non-service budgets for this specific scenario.

- Adult Services non-residential community care (£2.160m overspend).

The budget can accommodate 901 service users at an average cost of £373 per week. The September forecast includes 1,028 service users and, of that figure, the care packages of 47% of service users exceed the average weekly cost that the budget allows for. Transport costs are also forecast to overspend by £175,000 for the year. These pressures are partly offset by a forecast overachievement of income of £0.800m due to the increase in the number of service users who contribute to their care costs.

- Adult Services Supporting Living service (£0.957m overspend).

The budget can accommodate 167 service users at an average cost of £1,789 per week. In September there were 176 service users and this is forecast to increase to 180 by March 2025. The care packages of 41% of service users exceed the average weekly cost that the budget allows for.

- Education ALN local provision development (£0.743m overspend).

In addition to the two block contracts for Catch 22 and Sporting Chance, the budget is also supporting several pupils in schools to maintain placements within these settings, providing alternative local provision for pupils currently at the Bridge Achievement Centre, and

supporting safe levels of staffing at Ysgol Bryn Derw as cost avoidance measures to negate the need for more expensive out of county placements.

- Education ALN / Special Home to School Transport (£1.215m overspend).

Demand has increased resulting in additional transport contracts, and changes to existing contracts at a projected annual cost of £871k at current rates. In addition, this financial year includes an additional 10 academic school days compared to 23/24, at a cost of £310k at current rates.

2.3 Partly offsetting the overspends outlined above, and detailed in Appendix 1, are a few risk-based areas that are identifying underspends, which are set out in the following paragraph.

- Children Services Independent Fostering Agency placements (£0.645m underspend).

The budget can afford 51 placements, and at the end of September there were 33.

- Adult Services residential community care (£2.528m underspend).

The budget can accommodate 553 service users at an average cost of £1,268 per week. There are currently 517 service users of which 84% cost less than the average weekly cost that the budget allows for. An increase in the number of full cost payers is also contributing to a £1.348m forecast overachievement of income. This includes an estimated £0.485m increase in the bad debt provision.

(ii) Service Area budgets - Other variances

2.4 As well as those areas that have been assessed as requiring a risk-based approach to monitoring, there are other variances that emerge and contribute towards the overall position forecasted.

2.5 Other material variances across service areas include:

- Estate Management (£488k overspend). Works were required to be undertaken at Brynglas House to allow its continued use for the temporary relocation of Millbrook School. In addition, the forecast includes an £80k for a new rolling programme of condition surveys of the Operational Estate, and £148k professional fees for a survey of fire doors.
- Station Buildings (£264k overspend). Rental income shortfall partly due to under occupancy as the fourth floor is currently unusable.
- Fleet (£171k overspend). Additional costs in respect of hire of vehicles and fleet maintenance.
- Tree Surveys and Inspections (£174k overspend). Additional maintenance costs, specifically parks and highways.
- Legal (£270k overspend). Additional agency costs, partly mitigated by underspends on core staffing budgets. Also, a shortfall of £59k is forecast for fines income.
- Central Library and Museum (£358k underspend). A one off rates rebate of £360k has been received in respect of prior years.
- Community Cohesion (£370k underspend). Forecast expenditure on resettlement initiatives has fallen due to reduced demand.

- Frailty (£180k underspend). NCC agreed contribution to the pooled budget has been maintained at 2023/24 level. NCC budget included an allowance for inflation which is not required.
- Direct Payments (£160k underspend). This relates to the claw back of unused funds built up over the last few years, identified by a review of service user accounts.
- Adult Placements (£137k underspend). The budget can afford 43 service users at an average weekly cost of £425.45, in September there were 37 service users with an average weekly cost of £327.

(iii) Non-service budgets - variances

2.6 There are a number of budgets within non-service areas that are projecting underspends and, ultimately, enabling a broadly balanced position at this time. The main variances are listed below:

• General unallocated contingency	(£1.636m)
• Other Income and Expenditure items	(£1.622m)
• Capital financing	(£2.559m)
• Council Tax Reduction Scheme (CTRS)	(£0.456m)
• Council Tax Surplus – tax base increase	(£0.637m)

2.7 The most significant of these variances is the capital financing underspend, which is the product of underspends against the budgets for Minimum Revenue Provision (MRP) and external interest payable, as well as a projected surplus in relation to interest receivable. The underspends on MRP and interest payable were expected, due to having forward funded the budgets necessary to meet the cost of the total capital programme. Slippage in delivering the programme has resulted in the full utilisation of this budget being delayed, which has led to a temporary underspend in this financial year, as well as potentially, although to a much lesser extent, in the next year. Regarding the additional interest receivable being generated, this is the result of higher interest rates, meaning the return on investments made is greater than the budget assumes, coupled with higher-than-expected investment balances, resulting from the aforementioned slippage and the consequent deferral in new external borrowing this has led to.

2.8 The forecast underspend in relation to CTRS follows a significant budget reduction as part of setting the 2024/25 budget. Despite this reduction, numbers are remaining relatively stable, meaning that the headroom that was retained within the budget for growth in numbers has not been required to date.

2.9 The forecast council tax collection surplus is mainly the result of increases to the council tax base more than that budgeted for.

(iv) Delivery of budget savings

2.10 As outlined in the background section to this report, the 2024/25 budget setting process was set against a particularly challenging financial backdrop, culminating in the need for savings totalling £5.28m being required in order to balance the budget. The table below outlines the progress made to date in delivering those savings and highlights the fact that £0.471m is not expected to be achieved by the end of the year. In addition, there remains £1.270m of unachieved savings from previous years. These shortfalls are part of the overall position being reported (where temporary mitigation does not exist) and, if not addressed, will be carried forward as a budget overspend into future years or require reversal.

Summary by Portfolio	Social Services	Environment & Sustainability	Transformation & Corporate	Cross Service	Non Service	Total
2024/25 MTRP Target (£) Total	1,674	1,522	865	345	874	5,280
Total Savings Realised by Year End 2024/25	1,695	1,093	802	345	874	4,809
Variation to MTRP Target	21	-429	-63	0	0	-471
Variation % to MTRP Target	1%	-28%	-7%	0%	0%	-9%
Undelivered Savings from Previous Years	-860	-296	-114	0	0	-1,270
Total Undelivered Savings	-839	-725	-177	0	0	-1,741

- 2.11 In terms of the specific undelivered savings to date, the majority of the shortfall is within Children services and the Housing & Communities service. In respect of Children services this relates to 2 proposals to change the funding arrangements for the strategic partnership with Barnardo's Cymru, and a restructure of the Family Time Supervised Contact Offer (CWTCH Centre). Expenditure has not been reduced in line with the original proposal, however, it has been possible to temporarily use grant funding to mitigate this in year. Although a budget pressure remains for future years.
- 2.12 Within the Housing & Communities service the shortfall mainly relates to 2 proposals to reduce expenditure on temporary accommodation via a range of methods, including (i) increasing move-on opportunities and the level of support given to those individuals in this type of accommodation, and (ii) introduce a rent guarantor scheme. To date, it has not been possible to evidence achievement of these savings, given the overall overspend which is worsening in this area. However, the service area does expect these, and other initiatives, to begin to reduce budget pressures from temporary accommodation by the end of the financial year but this cannot be quantified at this time, especially in the context of increasing demand.

3 Schools

- 3.1 The table below and Appendix 3 provide an overview of the position regarding individual school balances. As can be seen, the total balances (school reserves) brought forward into 2024/25 reflected a combined surplus position of £12.452m. Within this total, 5 schools had an individual deficit balance (1 secondary school, 4 primary schools).
- 3.2 For 2024/25, 44 out of 56 schools are forecasting an in-year overspend on their revenue funding, which in the majority of cases can be funded from the individual school's existing reserves. However, the latest monitoring position shows that several schools are forecasting relatively low reserve balances for March 2025, and 3 schools are forecasting a deficit position (compared to 2 in the July monitor). These are being closely monitored by the finance team, and additional support has been put in place to help the schools with deficit avoidance / recovery.
- 3.3 Overall, school balances are forecast to reduce to £8.687m by the end of the financial year, which is a forecast in-year overspend of £3.765m. This includes assumed additional grants and other compensation of £1.650m which has not yet been confirmed, and a £100k internal contribution from the Chief Education Officer grant. An analysis of the forecast overspend has identified that approx. 74% is to fund recurring expenditure, in particular from the secondary sector. For some schools, this is an unsustainable position, as surplus balances are limited, and, therefore, there is a risk of entering a deficit position in future years. Because of this, robust monitoring will be required for the remainder of the year to ensure that schools plan for this risk and take the necessary steps to avoid this or minimum the impact.
- 3.4 The position is inclusive of the one-off investment of £600k agreed by Cabinet in September 2024 to assist secondary schools with the cost of examination fees. The forecast in-year overspend and resulting balances would have been worse without this investment.

	Reserves balance 31/03/24	In year Under/(overspend)	Reserves Balance 31/03/25	Schools closed/projecting Deficit at Y/End	
	£	£	£	2023-24	2024-25
Nursery	150,063	(95,694)	54,369	-	-
Primary	7,526,643	(2,269,263)	5,257,380	4	1
Secondary	4,499,399	(2,851,956)	1,647,443	1	1
Special	275,615	(299,131)	(23,516)	-	1
Total	12,451,719	(5,516,043)	6,935,676		
Assumed grant and other compensation		1,750,865	1,750,865		
Total	12,451,719	(3,765,178)	8,686,541	5	3

4 Use of reserves

- 4.1 Appendix 4 illustrates the planned movements in reserves throughout the year. The opening balance as of 31st March 2024 was £127.7m and the forecasted use during the year, which currently totals £18.6m, reduces balances to £109m. This includes the projected use of school balances, which accounts for £3.8m of that movement. The other movements are planned or budgeted and in line with the purpose of the earmarked reserve. Also contained with the total position is the General Fund Balance, which totals £6.5m, as it has for a number of years. This reserve would only be accessed in the event of last resort and where all other options had been considered. The general level of cover provided by this balance is low, standing at 2.5% of the net budget, excluding schools. This reinforces the fact that this should only be accessed where absolutely necessary and should be increased at the earliest opportunity as the HoF recommended to the Council when setting the current year's budget.
- 4.2 In total, the Council currently has good level of reserves, and these are currently diminishing, as shown by the reduction of £9.6m in 2023/24 and projected reduction of £18.6m this year. Whilst the total level of reserves is good; with the exception of the General Fund Balance and balances not yet earmarked from the 2023/24 underspend, all are either earmarked or ringfenced for specific purposes, including for managing the financial impacts of specific risks the Council is facing. Having said that, if necessary, earmarked reserves could be repurposed to meet an overspend or specific unforeseen costs. In doing so, it may result in a certain policy objective no longer being achievable, or the requirement to repay the reserve in future years. The requirement to repay reserves would place an immediate additional pressure upon the Council's Medium Term Financial Plan and, because of this, the unplanned use of reserves should be avoided wherever possible.

Allocation of prior year revenue underspend

- 4.3 The following reserve transfers are recommended to utilise the prior year residual underspend yet to be allocated:
- (i) Social Care Case Management System (WCCIS Replacement) – to fund 330k one off implementation costs and concurrent licence costs over the 18-month cross over period. This is in addition to the £160k allocated to fund project support costs at September 2024 Cabinet.
 - (ii) Heat Network Feasibility project – to fund a fixed term post and 200k additional external support in order to undertake initial development work over a 2-year period.

The following table sets out the allocation of the prior year underspend to date, including the above transfers proposed.

		£'000
23/24 revenue underspend		(5,433)
<u>Previously agreed:</u>		
Repurposing of existing reserves	Cabinet 18 Sep 2024	(1,808)
Norse JV Review - new reserve (Cabinet 17th July 2024)	Cabinet 17 Jul 2024	745
Replacement WCCIS System - new reserve	Cabinet 18 Sep 2024	160
Secondary schools funding - one-off spend 2024/25	Cabinet 18 Sep 2024	600
Customer Services Review - new reserve	Cabinet 18 Sep 2024	320
Road sign replacement - one-off spend 2024/25	Cabinet 18 Sep 2024	10
Funding to support the city centre over the Christmas period - one off spend 2024/25	Cabinet 18 Sep 2024	38
Funding to support city centre masterplanning - City Economic Development Reserve	Cabinet 18 Sep 2024	35
<u>New recommendations:</u>		
Social Care Case Management System - Replacement WCCIS System reserve		330
Heat Network feasibility project - new reserve		200
Balance remaining		(4,803)

5 Outlook for the remainder of the year

- 5.1 The position outlined in this report represents the second monitor of the year and reflects a slight improvement to the position reported in July. In previous years, the general trend has been for the position to improve throughout the year. This can be because of unexpected grant funding allocations from Welsh Government, which can offset core expenditure, or because of changes to forecasts resulting from vacancies, for example. In the case of the 2024/25 year, it is possible that further vacancies could arise, stemming from the recruitment challenges being experienced across all services, which would improve the financial position further.
- 5.2 There are also risks, though at a lower level to the July position that could negatively impact the position. These include:
- The cost of pay awards exceeding the level of provision contained within the budget:
 - o For teaching staff, a pay award of 5.5% has now been agreed. School forecasts reflect this, but also assume the additional cost over the budgeted 4% will be funded by Welsh Government. This funding is likely to be made available, however, the amount has not been confirmed to date. This is an improvement on the July position.
 - Funding for the increased contribution rate for Teachers Pensions not covering the cost to the Council. The budget assumes that this will be fully funded by central government and whilst it is likely to be made available, the amount has not been confirmed to date. This is an improvement on the July position.
 - Demand pressures increasing further and resulting in increasing overspends against demand-led services, such as Housing & Communities and Children Services.

Risks

Detailed financial risks are included in the report and appendices where applicable

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Risk of overspending, due to increased demand, cost increases or unforeseen costs.	H	H	Regular forecasting and strong financial management. Services to identify ways to absorb pressures within existing budgets. Existence of contingency budgets to provide mitigation.	CMT / SFBPs and budget holders HoF
Poor forecasting	M	M	A revised approach to forecasting, which is intended to create capacity for Finance Business Partners to adequately review the forecasts submitted by budget holders within service areas. Review and refinement in service areas of risk-based modelling. Chief Executive and Cabinet setting out clear expectations of budget manager and HoS responsibilities for robust forecasting and financial management.	HoF SFBPs and budget managers CX / Leader

* Taking account of proposed mitigation measures

Balancing the Council's medium-term budget is also recognised as a risk within the Corporate Risk Register. Whilst a small underspend is forecast for 2024/25, the medium-term outlook remains challenging.

Links to Council Policies and Priorities

Managing the in-year financial position within available resources is a key requirement for the Council and a key component of sound financial management. The medium-term challenges being faced by all councils heightens the need for the Council to avoid an overspend within this financial year.

Options Available and considered

In terms of the overall forecast position and financial management there are no options – the Council needs to operate within its overall budget.

Allocation of Prior Year Underspend:

1. Cabinet can choose to accept officers' recommendation and allocate part of the prior year underspend into specific earmarked reserves, in line with paragraph 4.3 above;
2. To not approve the transfer, leaving the amounts in the prior year underspend reserve.

Preferred Option and Why

To note the monitoring position being reported and the risks that could cause this to change during the remainder of the year.

To approve the transfer of balances identified as available for repurposing into the prior-year underspend reserve, for future allocation.

Comments of Chief Financial Officer

The monitoring position outlined in this report reflects a broadly balanced, but improving position. This has been made possible due to the availability of contingencies and temporary underspends in non-service areas. The level of service overspending is a significant concern, particularly as the level of non-service mitigation is going to reduce in future years.

The report outlines a number of risks that could result in the position deteriorating as the year progresses, though the likelihood of funding of the teacher's pension costs and pay, two significant risks, have improved and is welcome. As always, upside opportunities exist but the risks outlined in the report are very real and challenging. Therefore, caution is still required during the year and all services need to ensure that they manage within their available resources and take mitigating action for any unforeseen costs that may emerge.

The level of unachieved savings outlined in the report requires action. Much of this comes from the Housing transformation programme and this is a key project to reduce and manage the financial risks coming from the demand issues being faced by the Council in this area.

Comments of Monitoring Officer

It is open to the Cabinet to approve the reserve transfers as set out in paragraph 4.3, having regard to the advice of the Council's s.151 officer, which is set out within the report.

The remainder of the report is for noting and comment only and there are no legal implications arising from it.

Comments of Head of People, Policy and Transformation

This report describes the current forecast position on the Council's revenue budget and the potential financial risks within this financial year.

The Well-being of Future Generations Act requires public bodies to apply the five ways of working to any financial planning, which balances short-term priorities with the need to safeguard the ability to meet long-term needs. This is supported through the analysis and review of reserves, which are critical for financial resilience over the long-term and is regularly undertaken by the Head of Finance and detailed in this report.

There are no direct HR implications associated with the report.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to

update Cabinet on the current year financial performance against the budget agreed for the year. However, fairness and equality are considered as part of service delivery and will feature in annual finance reports, such as the Budget Report and Capital Strategy.

In terms of the Wellbeing of Future Generations (Wales) Act, and the five ways of working contained within it, this report highlights examples of these being supported. For example, whilst this report is focussed on the current year, there are references to the longer-term impact, via medium term financial planning, and on taking preventative action, to ensure that financial problems existing now are addressed as quickly as possible, to ensure they do not have a detrimental impact in future years. Analysis and review of reserves, which are critical for financial resilience over the long term, is regularly undertaken by the Head of Finance and detailed in this report.

In the case of the Welsh Language, the service will continue to ensure that, wherever possible, services or information is available in the medium of Welsh.

Consultation

N/A

Background Papers

Dated: 6 November 2024

Appendix 1 – Overall monitoring dashboard - September 2024

Revenue Monitoring Dashboard 2024-25

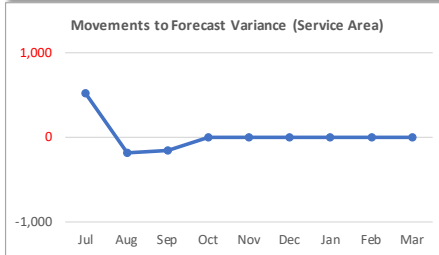
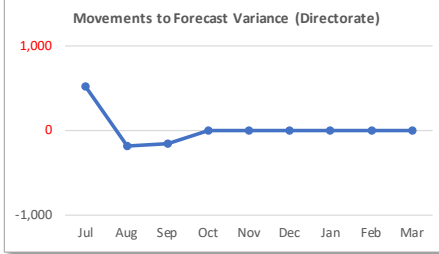
Select Month

Jul	Aug	Sep
Oct	Nov	Dec
Jan	Feb	Mar

- Environment & Sustainability
- Non Service
- Social Services
- Transformation & Corporate

- Children Services
- Education
- Housing & Communities
- Capital Financing Costs & I...
- Contingency Provisions
- Cross Service
- Environment & Public Prot...
- Finance
- Infrastructure
- Law & Standards
- Levies / Other
- People, Policy & Transform...
- Prevention & Inclusion
- Regeneration & Economic ...
- Reserve Transfers (includi...
- Schools

The following tables, charts and figures give an indication of the financial performance of each Directorate and Service Areas across the Council.



Subjective	Budget £'000	Forecast £'000	Variance £'000
Employees	260,946	270,408	9,461
Premises	28,966	33,395	4,429
Transport	11,805	14,627	2,822
Supplies & Services	87,087	88,517	1,429
Agency & Contracted Services	167,891	174,672	6,780
Transfer Payments	37,273	37,273	0
Capital Financing	11,432	10,405	-1,026
Income	-198,167	-221,758	-23,591
Miscellaneous	-7,210	-7,663	-452
Grand Total	400,025	399,876	-149

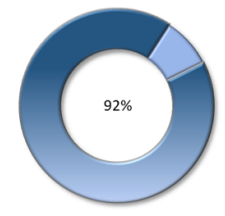
The following tables and charts provide an update on the financial performance for identified risk areas across the Council.

Risk Based Areas	Budget £'000	Forecast £'000	Variance £'000
Adult Services			
Community Care - Non Residential Service	17,518	20,479	2,961
Community Care - Residential Service	36,540	35,360	-1,180
Community Care - Supported Living	15,563	16,521	958
Community Care Income - Residential & Non Residential	-11,842	-13,991	-2,149
Children Services			
Emergency Placements	341	950	609
Independent Fostering Agency Placements (IFA's)	2,280	1,635	-645
In-House Fostering	3965	3845	-120
In-House Residential	2653	2623	-30
Out of Area Residential Placements	5,398	6,440	1,042
Remand	36	92	56
Special Guardianship Orders	1,451	1,468	17
Education			
ALN Local Provision Development	1,096	1,839	743
ALN Out of County	4,658	4,952	293
ALN Transport	2,718	3,245	526
Special Home to School Transport	1,338	2,016	678
Housing & Communities			
Homelessness	5,487	8,616	3,129
Grand Total	89,202	96,090	6,888

The figures and charts below report the performance against the 2024/25 savings target.

Service Area	MTRP Target	Savings Realised	Variation to MTRP Target	Variation % to MTRP Target
Adult Services	1,046	1,067	21	2%
Capital Financing Costs & Interest	50	50	0	0%
Children Services	476	476	0	0%
Contingency Provisions	524	524	0	0%
Cross Service	345	345	0	0%
Education	266	266	0	0%
Environment & Public Protection	498	498	0	0%
Finance	178	178	0	0%
Housing & Communities	559	130	-429	-77%
Infrastructure	206	206	0	0%
Law & Standards	20	4	-16	-80%
Levies / Other	300	300	0	0%
People, Policy & Transformation	401	354	-47	-12%
Prevention & Inclusion	152	152	0	0%
Regeneration & Economic Development	259	259	0	0%
Grand Total	5,280	4,809	-471	

2024/25 Delivery of Savings (forecast)



% of MTRP Target Achieved

Appendix 1 – Overall monitoring dashboard - September 2024

	Full Year Budget	Projection	(Under) / Over
	£'000	£'000	£'000
Summary Revenue Budget 2024/25			
Social Services			
Adult Services	74,045	74,113	69
Children Services	33,030	33,289	259
Prevention & Inclusion	839	681	(158)
	107,914	108,083	170
Transformation & Corporate			
Education	17,837	19,995	2,158
Schools	139,391	143,156	3,765
Finance	5,906	5,900	(6)
Law & Standards	5,322	5,627	305
People, Policy & Transformation	15,618	16,017	399
	184,075	190,695	6,620
Environment & Sustainability			
Housing & Communities	9,170	11,668	2,498
Infrastructure	15,541	15,774	233
Environment & Public Protection	17,120	17,493	373
Regeneration & Economic Development	6,009	6,095	86
	47,840	51,030	3,190
Sub Total - Service Areas (inc schools)			
	339,828	349,808	9,980
Earmarked Reserves: Transfer to/(from) Schools	-	(3,765)	(3,765)
Sub Total - Service Areas (net of schools reserves)			
	339,828	346,043	6,215
Capital Financing Costs and Interest			
Capital Financing & Public Finance Initiative	28,138	25,579	(2,559)
	28,138	25,579	(2,559)
Sub Total - Service/Capital Financing			
	367,966	371,622	3,656
Contingency Provision			
General Contingency	1,636	0	(1,636)
Other Income and Expenditure	3,651	2,029	(1,622)
Centralised Insurance Fund	647	647	-
Non Departmental Costs	40	40	-
	5,975	2,716	(3,258)
Levies			
CTAX Benefit Rebates	14,718	14,262	(456)
Discontinued Operations - Ex Gratia Payments	3	3	-
Discontinued Operations - pensions	1,405	1,337	(69)
All Levies	11,796	11,774	(22)
	27,922	27,376	(546)
Transfers To/From Reserves			
Base budget - Planned Transfers to/(from) Reserves	(1,838)	(1,838)	-
	(1,838)	(1,838)	-
Total			
	400,025	399,876	(149)
Funded By:			
WG funding (RSG and NNDR)	(307,464)	(307,464)	(0)
Council Tax	(92,561)	(93,198)	(637)
Total	0	(786)	(786)

Appendix 3 – School Balances Position

School Name	Opening Reserve 24/	Final ISB Allocation (inc Post 1£	In Year U/(O) Spend March 25	Closing Reserve 31/03/25
	£	£	£	£
Bassaleg School	617,163	10,072,587	(514,441)	102,722
Newport High	275,294	6,618,894	(177,947)	97,347
Caerleon Comprehensive	569,788	7,948,284	(465,171)	104,617
The John Frost School	578,544	8,586,206	(317,260)	261,284
Llanwern High	819,055	6,854,000	(291,840)	527,215
Lliswerry High	696,981	6,386,524	(210,307)	486,674
St Josephs R.C. High	580,015	7,768,801	(329,210)	250,805
St Julians School	846,493	8,562,012	(337,599)	508,893
Ysgol Gyfun Gwent Is Coed	(483,934)	3,246,551	(208,180)	(692,114)
Sub Total	4,499,399	66,043,860	(2,851,956)	1,647,443
Alway Primary	60,724	2,010,399	(18,578)	42,146
Caerleon Lodge Hill	130,951	1,542,763	(55,680)	75,271
Charles Williams CIW	590,284	2,066,308	(287,259)	303,024
Clytha Primary	(25,457)	1,007,787	33,496	8,039
Crindau Primary	336,389	1,836,678	(116,859)	219,530
Eveswell Primary	597,589	1,967,578	(121,411)	476,178
Gaer Primary	71,289	2,205,744	143	71,433
Glan Usk Primary	221,608	2,627,986	(74,733)	146,875
Glan Llyn Primary	373,476	1,922,935	(368,924)	4,552
Glasllwch Primary	20,479	1,008,124	(12,658)	7,821
High Cross Primary	33,668	1,180,565	5,989	39,657
Jubilee Park	204,365	1,653,847	(152,301)	52,064
Langstone Primary	141,386	1,433,654	(128,210)	13,176
Llanmartin Primary	103,109	840,719	(30,069)	73,040
Lliswerry Primary	122,067	2,683,563	(74,224)	47,844
Maesglas Primary	23,558	1,416,827	2,870	26,428
Maindee Primary	70,023	2,339,929	(44,213)	25,809
Malpas CIW Primary	80,242	1,350,526	(50,165)	30,077
Malpas Court Primary	294	1,378,545	(4,168)	(3,874)
Malpas Park Primary	186,785	1,048,024	(91,604)	95,181
Marshfield Primary	108,632	1,884,820	31,534	140,166
Millbrook Primary	239,197	1,403,247	(91,855)	147,342
Milton Primary	38,943	2,185,129	41,933	80,876
Monnow Primary	138,819	1,945,916	(100,175)	38,644
Mount Pleasant	79,703	1,132,157	(35,968)	43,735
Pentrepoeth Primary	123,997	1,898,564	(33,279)	90,718
Pillgwenlly Primary	(64,969)	2,892,701	109,372	44,403
Ringland Primary	(6,472)	1,247,818	10,013	3,541
Rogerstone Primary	110,509	2,539,577	(49,325)	61,184
Somerton Primary	169,107	871,159	12,875	181,983
St Andrews Primary	207,480	3,595,895	(15,082)	192,398
St Davids RC Primary	203,968	992,510	(86,772)	117,197
St Gabriels RC Primary	103,011	860,204	(56,182)	46,828
St Josephs RC Primary	89,462	916,154	(76,688)	12,773
St Julians Primary	440,698	2,773,671	(131,617)	309,081
St Marys Rc Primary	222,425	1,739,103	(138,836)	83,589
St Michaels RC Primary	68,387	1,046,364	(34,551)	33,836
St Patricks RC Primary	171,867	1,001,325	(22,654)	149,214
St Woolos Primary	(48,670)	1,516,372	51,454	2,784
Tredegar Park Primary	588,979	2,005,083	(142,334)	446,645
Ysgol Gym Bro Teyrnnon	298,759	958,684	(72,688)	226,071
Ysgol Gym Casnewydd	232,908	1,706,970	(117,697)	115,212
Ysgol Gym Ifor Hael	68,744	947,746	(43,467)	25,277
Ysgol Gym Nant Gwenlli	598,333	778,138	311,280	909,613
Sub Total	7,526,643	72,361,812	(2,269,263)	5,257,380
Newport Nursery	150,063	325,790	(95,694)	54,369
Sub Total	150,063	325,790	(95,694)	54,369
Maes Ebbw	103,080	4,760,292	(233,367)	(130,287)
Bryn Derw	172,534	3,357,390	(65,763)	106,771
Sub Total	275,615	8,117,682	(299,131)	(23,516)

Assumed grants and other compensation

1,750,865

1,750,865

Grand Total **12,451,719** **146,849,143** **(3,765,178)** **8,686,541**

Appendix 4 - 2024/25 Forecast Reserve Movements

Reserve	Balance at 31-Mar-24 (£'000)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Balance at 31-Mar-25 (£'000) (Forecast)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund	(6,500)													(6,500)
es held by schools for future use	(12,452)												3,765	(8,687)
Earmarked Reserves:														
Music Service	(133)													(133)
Pay Reserve	(1,418)						1,418							(0)
Insurance Reserve	(1,518)													(1,518)
MMI Insurance Reserve	(602)													(602)
Schools Redundancies	(1,368)													(1,368)
l Investment Risk Reserve	(2,665)						68						748	(1,849)
European Funding IZA & CFW	(1,676)												36	(1,640)
reserve	(7,505)						167						1,200	(6,138)
GEMS Redundancies	(78)													(78)
SUB TOTAL - RISK RESERVES	(16,963)	-	-	-	-	-	1,653	-	-	-	-	-	1,984	(13,326)
Capital Expenditure	(14,924)												2,141	(12,783)
Capital Grants Unapplied	(2,889)												1,586	(1,303)
Feasibility Reserve	(154)													(154)
Transformation Fund	(6,056)												2,148	(3,907)
School Works	(267)													(267)
School Reserve Other	(27)						27							0
Schools ICT Sustainability	(150)												(50)	(200)
Norse JV Review	-				(745)								255	(490)
Usable Capital Receipts	(6,853)												2,349	(4,504)
SUB TOTAL - ENABLING RESERVES	(31,320)	-	-	-	(745)	-	27	-	-	-	-	-	8,429	(23,609)
Municipal Elections	(33)													(33)
Local Development Plan	(516)												116	(400)
Strategic Development Plan	(220)												(55)	(275)
Glan Usk PFI	(1,514)												157	(1,357)
Southern Distributor Road PFI	(38,294)												1,317	(36,977)
Building Control	(124)													(124)
odification technical reserve (IFRS 9)	(14)													(14)
an interest equalisation reserve	(1,808)													(1,808)
SUB TOTAL - SMOOTHING RESERVES	(42,524)	-	-	-	-	-	-	-	-	-	-	-	1,535	(40,988)

Appendix 4 - 2024/25 Forecast Reserve Movements

Reserve	Balance at 31-Mar-24 (£'000)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Balance at 31-Mar-25 (£'000) (Forecast)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Works of art	(21)												-	(21)
Theatre & Arts Centre	(232)												-	(232)
Environmental Health - Improve Air Quality	(49)													(49)
City Economic Development Reserve	(165)						(35)							(200)
Welsh Language Standards	(45)												45	(0)
Port Health	(20)													(20)
Financial System Upgrade	(106)												106	0
Events	(372)												-	(372)
Voluntary Sector Grants	(27)						27							-
Joint Committee City Deal Reserve	(2,246)													(2,246)
Civil Parking Enforcement	-													-
Business Support	(231)												-	(231)
Business Development Grants	(80)												-	(80)
IT Infrastructure	(107)												107	(0)
PSB Contribution	(5)													(5)
COVID Reserve	(171)												80	(91)
Chief Education Grant	(2,049)												100	(1,949)
Home to School Transport - St Andrews / Millbrook	(366)													(366)
Housing Supply review	(17)													(17)
Comms Development	(166)												50	(116)
Community Gardening Schemes	(152)												152	(0)
Market Arcade owner contributions	-													-
Parks & Open Spaces	(1,094)												1,060	(34)
Discretionary Rate Relief	(741)													(741)
Communications Corporate Requirement	(163)												121	(42)
Growing space - 2 years	(50)													(50)
Residential Care Home Equalisation Reserve	(1,684)													(1,684)
Partnership funding - ABUHB - Windmill Farm	(57)													(57)
Cost of living Support Scheme Reserve	(380)													(380)
Empty Homes	(218)												(55)	(273)
Transporter Bridge	(127)												(57)	(183)
Emergency Placements	(800)													(800)
Low Carbon Heat Reserve	(471)												471	(0)
Replacement WCCIS System	-						(160)						68	(92)
Customer Services review	-						(320)							(320)
Prior year underspend	(5,534)				745		(1,192)						648	(5,333)
SUB TOTAL - OTHER RESERVES	(17,947)	-	-	-	745	-	(1,680)	-	-	-	-	-	2,896	(15,986)
RESERVES TOTAL	(127,706)	-	-	-	-	-	-	-	-	-	-	-	18,610	(109,096)