



## **CABINET**

**IMMEDIATELY FOLLOWING SCRUTINY COMMITTEE  
WEDNESDAY, 23 May 2018**

**COUNCIL CHAMBER - PORT TALBOT CIVIC CENTRE**

### **Part 1**

1. Declarations of Interest

#### **To receive the Report of the Assistant Chief Executive and Chief Digital Officer**

2. To receive the Forward Work Programme 2018 *(Pages 3 - 6)*
3. Margam Crematorium - Minutes 19 January 2018 *(Pages 7 - 10)*
4. Welsh Audit Office Certificate of Compliance for the Audit of Neath Port Talbot County Borough Council 2018 - Improvement Plan *(Pages 11 - 14)*
  - (a) Appendix 1 - Welsh Audit Office - Audit of Neath Port Talbot County Borough Council's 2018-19 Improvement Plan
5. Annual Governance Statement 2017-18 *(Pages 17 - 22)*
  - (a) Appendix 1 - Annual Governance Statement

#### **Report of the Director of Finance and Corporate Services**

6. Revenue Outturn and Reserves Position Statement 2017-18 *(Pages 59 - 80)*

**To receive the Report of the Head of Financial Services**

7. Capital Programme Outturn 2017-18 (*Pages 81 - 86*)

**To receive the Report of Corporate Directors Group**

8. Pay Award Budget Virement 2018/19 (*Pages 87 - 90*)
9. Any urgent items (whether public or exempt) at the discretion of the Chairman pursuant to Statutory Instrument 2001 No.2290 (as amended)

**S.Phillips**  
**Chief Executive**

**Civic Centre**  
**Port Talbot**

**Thursday, 17 May 2018**

**Cabinet Members:**

Cllrs. R.G.Jones, A.J.Taylor, C.Clement-Williams, D.W.Davies,  
D.Jones, E.V.Latham, A.R.Lockyer, P.A.Rees, P.D.Richards and  
A.Wingrave

## 2018 FORWARD WORK PLAN

### CABINET

Meeting Date	Agenda Items	Type (Decision/ Monitoring Or Information)	Rotation (Topical, Annual, Bi-Annual, Quarterly, Monthly)	Contact Officer/ Head of Service
<b>7 June 2018</b>	Treasury Management	Information	Monthly	Dave Rees

Cabinet – Forward Work Programme

Meeting Date	Agenda Items	Type (Decision/ Monitoring Or Information)	Rotation (Topical, Annual, Bi-Annual, Quarterly, Monthly)	Contact Officer/ Head of Service
27 June 2018	Corporate Governance Improvement Action Plan 2017/18 full year progress	Monitoring	Annual	Karen Jones/Caryn Furlow
	Report/Corporate Governance Improvement Action Plan			
	Welsh Language Standards Report 2017/18	Monitoring	Annual	Karen Jones/Caryn Furlow

Cabinet – Forward Work Programme

Meeting Date	Agenda Items	Type (Decision/ Monitoring Or Information)	Rotation (Topical, Annual, Bi-Annual, Quarterly, Monthly)	Contact Officer/ Head of Service
<b>18 July 2018</b>	Contact Policy	Decision	Topical	Karen Jones
	Quarter 4 Performance Report – 2017/18	Monitor	Quarterly	Karen Jones
	Asset Based Approach (Wigan)	Decision	Topical	Karen Jones

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## MARGAM JOINT CREMATORIUM COMMITTEE

(Acting with Plenary Powers)

**Members Present:**

**19 January, 2018**

**Representing Neath  
Port Talbot County  
Borough Council:**

**Councillors** E.V.Latham, R.G.Jones,  
S.M.Penry, R.L.Taylor and S.Bamsey

**Representing  
Bridgend County  
Council:**

**Councillor** A.Pucella

**Officers in  
Attendance:**

D.Michael, H.Jenkins, C.Phillips, Mrs.A.Dixon,  
C.Griffiths, R.Jenkins and T.Davies

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1. **MINUTES OF THE PREVIOUS MEETING OF THE JOINT  
COMMITTEE HELD ON 22 SEPTEMBER, 2017**

**RESOLVED:** that the Minutes of the previous meeting held on the 22 September, 2017 be confirmed as a true and accurate record of proceedings.

2. **ANNUAL BUDGET REPORT**

Members were provided with the Margam Crematorium Joint Committee revised budget for 2017/18 and the Estimate for 2018/19 as detailed in the circulated report.

**RESOLVED:**

- (a) that the Revised Budget for 2017/18, as detailed in the circulated report, be approved (including the refund of £100,000 to the constituent Authorities);
- (b) that there be no charge for a cremation service and certificate for children up to and including the age of 17, with immediate effect;
- (c) that the Budget for 2018/19, as detailed in the circulated report, be approved;

- (d) that the precept to be levied for 2018/19 be agreed as:
- Neath Port Talbot County Borough Council - £559
  - Bridgend County Borough Council - £441
- (e) that the fees for 2018/19 be approved, as detailed at Appendix 2 to the circulated report;
- (f) that the projected position in relation to the Reserve, as detailed in the circulated report, be noted;
- (g) that a sum of £100,000 be used to support the following projects:
- CCTV rewiring and camera for the driveway
  - Waiting room improvements
  - Book of Remembrance
  - Generator upgrade

### 3. **CHRISTMAS MEMORY TREE**

Members noted the circulated report concerning the outcome of placing a Memory Tree in the Chapel of Remembrance over the Christmas period, 2017. The cost of the Christmas tree and cards was covered by an anonymous donation.

**RESOLVED:** That the report be noted.

### 4. **APPLICATIONS FOR CREMATIONS**

Members received information regarding applications for cremations, for the period 1 July 2017 to 31 December 2017.

**RESOLVED:** That the report be noted.



5. **BUILDING PROJECTS AND FORWARD MAINTENANCE**

Members discussed the circulated report, and gave direction for the Technical Officer and his Officers to explore options and undertake a costing into an extension for the Chapel.

**RESOLVED:** That the report be noted.

6. **CREMATION STATISTICS**

**RESOLVED:** That the report be noted.

7. **THE CREMATION (ENGLAND AND WALES) (AMENDMENT) REGULATIONS 2017**

Members discussed the circulated report concerning the making of new regulations in relation to cremation, and the requirement to revise forms used by Margam Crematorium.

**RESOLVED:** That the Superintendent Registrar be authorised to produce amended forms for use at the Crematorium, as detailed within the circulated report.

8. **URGENT ITEM**

Because of the need to deal now with the matter contained in Minute No. 9 below, the Chairperson agreed that this could be raised at today's meeting as an urgent item pursuant to Statutory Instrument 2001 No. 2290 (as amended).

Reason:

Due to the time element

9. **APPOINTMENT OF VICE CHAIR**

**RESOLVED:** that in the absence of the new Member for Bridgend County Borough Council, the appointment of Vice Chair of the Margam Joint Crematorium Committee for the

remainder of the Civic Year 2017/18, be deferred to the next meeting.

10. **ACCESS TO MEETINGS**

**RESOLVED:** that pursuant to Section 100A(4) and (5) of the Local Government Act 1972, the public be excluded for the following items of business which involved the likely disclosure of exempt information as defined in Paragraphs 12 and 14 of Part 4 of Schedule 12A to the above Act.

11. **3 GREENACRES, MARGAM**

**RESOLVED:** That the private report be noted.

**CHAIRPERSON**

## CABINET

### REPORT OF THE

#### ASSISTANT CHIEF EXECUTIVE AND CHIEF DIGITAL OFFICER

K. JONES

23<sup>rd</sup> MAY 2018

### SECTION B - MATTER FOR INFORMATION

#### WARD(S) AFFECTED: ALL

#### Title of Report

**Wales Audit Office Certificate of Compliance - Audit of Neath Port Talbot County Borough Council's 2018-19 Improvement Plan**

#### Purpose of Report

To present to Cabinet the Wales Audit Office's Compliance Certificate (Appendix 1), following the audit of the Council's Corporate Plan 2018-2022 *Shaping NPT – A better life in a better place for a better future.*

#### Background

#### **Respective responsibilities of the Council and the Auditor General for Wales under the Local Government (Wales) Measure 2009**

Under Section 15 of the Local Government (Wales) Measure 2009, the duty on the Council to prepare and publish an Improvement Plan which describes its plans to discharge the following duties remains extant:

- Make arrangements to secure continuous improvement in the exercise of its functions (Section 2(1));
- Make arrangements to secure achievement of its improvement objectives (Section 3(2)); and

- Make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met (Section 8 (1)).

The Council's Corporate Plan 2018-2022 – Shaping NPT – *A better life in a better place for a better future* - is Neath Port Talbot County Borough Council's Improvement Plan, prepared under Section 15 of the Local Government (Wales) Measure 2009 and discharges the above duties in addition to discharging duties contained within the Well-being of Future Generations (Wales) Act 2015.

Under Section 17 and Section 19 of the Local Government (Wales) Measure 2009, the Auditor General for Wales is required to carry out an audit of the Council's Improvement Plan, to certify that he has done so, and to report whether he believes the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in Section 15 of the Measure and associated statutory guidance.

### **Main Findings**

The Audit comprised a review of the Plan to ascertain whether it included elements prescribed in the legislation, whether the arrangements for publication complied with the requirements of the legislation and that the Council had regard to statutory guidance in preparing and publishing the Plan.

It is pleasing to report, the Auditor General concluded that: "the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in Section 15 and statutory guidance".

### **Financial Impact**

The audit work undertaken by the Wales Audit Office has been delivered within the budget allocated for audit and inspection work.

## **Workforce Impacts**

There are no workforce impacts.

## **Legal Impacts**

Under Sections 17 and 19 of the Local Government (Wales) Measure 2009, the Auditor General for Wales is required to carry out an audit of the Council's Improvement Plan.

## **Risk Management**

The Audit has not identified any corporate governance issues.

## **Consultation**

There is no requirement under the Constitution for external consultation on this item.

## **Recommendation**

That Cabinet note the WAO report and authorise the Assistant Chief Executive and Chief Digital Officer to publish the report on the Council's website.

## **Appendices**

Appendix 1 – Audit of Neath Port Talbot County Borough Council's 2018-2019 Improvement Plan

## **List of Background Papers**

Neath Port Talbot County Borough Council - Corporate Plan 2018-2019  
'Shaping NPT – A better life in a better place for a better future'

## **Wards Affected**

All

**Contact Officers:**

Karen Jones, Assistant Chief Executive and Chief Digital Officer  
Telephone: 01639 763284, email: [k.jones3@npt.gov.uk](mailto:k.jones3@npt.gov.uk)

Nita Sparkes, Corporate Strategy & Performance Manager  
Telephone: 01639 686172, email: [n.sparkes@npt.gov.uk](mailto:n.sparkes@npt.gov.uk)



**Reference:** 553A2018-19

**Date issued:** May 2018

## Audit of Neath Port Talbot County Borough Council's 2018-19 Improvement Plan

### Certificate

I certify that, following publication on 29 March 2018, I have audited Neath Port Talbot County Borough Council's Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

### Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.



**Huw Vaughan Thomas**  
**Auditor General for Wales**

CC: Alun Davies – Cabinet Secretary for Local Government and Public Services  
Colin Davies, Performance Audit Manager  
Alison Lewis, Performance Audit Lead



## CABINET

### REPORT OF THE

#### ASSISTANT CHIEF EXECUTIVE AND CHIEF DIGITAL OFFICER

K. JONES

23<sup>rd</sup> MAY 2018

### SECTION C: MATTER FOR DECISION

#### WARDS AFFECTED: ALL

#### TITLE OF REPORT:

#### **ANNUAL GOVERNANCE STATEMENT 2017/2018**

#### **Purpose of Report**

To present to Cabinet the Council's Annual Governance Statement 2017/2018 for approval.

#### **Executive Summary**

The Annual Governance Statement (AGS) for 2017/2018 (attached at Appendix 1) has been prepared by the Corporate Governance Group and complies with the Delivering Good Governance in Local Government Framework: (CIPFA/SOLACE, 2016).

The AGS demonstrates the system of internal controls which have been in place within the Council for the year ending 31<sup>st</sup> March 2018 and provides examples of how the Council demonstrates compliance with good practice and meets the core and sub principles of effective governance. The AGS also provides details on the assurances taken during the year on the effectiveness of our governance arrangements.

## **Background**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Annual Governance Statement forms part of the Statement of Accounts and reports on the extent of the Council's compliance with its principles and practices of good governance, including how the Council has monitored the effectiveness of its governance arrangements in the year ending 31<sup>st</sup> March 2018.

The Statement is prepared by the Corporate Governance Group which is made up of Heads of Service who are directly responsible for governance aspects.

The Statement contains an update on the progress made during 2017/2018 against the improvement areas that were identified during the development of the 2016/2017 Statement and those improvement areas that are proposed for improvement during 2018/2019 following the development of 2017/2018 Statement.

## **Progress on improvement work undertaken during 2017/2018**

Overall, good progress has been made on most of the 12 improvement actions contained within the 2017/18 Improvement Action Plan. Progress includes:

1. Revising and updating the Council's existing Corporate Risk Management Policy and the Council's corporate risk management arrangements.
2. Ensuring the Council has discharged its statutory duties contained within the Well-being of Future Generations (Wales) Act 2015 in terms of both corporate planning and partnership planning.
3. Ongoing implementation of the Welsh Language Standards.
4. Producing a draft Corporate Workforce Plan which is currently being reviewed to ensure alignment with the Council's recently published Corporate Plan 2018-2022.

5. Completing a review of the recently revised corporate performance appraisal process.
6. Rolling out of a programme of Data Protection training across the Council.
7. The Council's Information Strategy, Security and Governance issues were presented to Members via an All Member Seminar.

### **Improvement work proposed to be undertaken during 2018/2019**

1. Equalities – roll-out of training, implementation, review and evaluation of the revised Impact Assessment Tool
2. General Data Protection Regulation (GDPR) – monitoring of arrangements
3. Information Management – update the Information Strategy and bring forward for approval
4. Code of Corporate Governance – review of assurances in place to fully comply with Core Principle A on Behaviours and Values.

Cabinet will receive a six month update on the progress made against the above proposed improvement work in the autumn.

### **Financial Appraisal**

The improvement work undertaken during 2017/2018 was delivered against a challenging financial backdrop.

No additional financial resources have been made available by the Welsh Government to implement the Welsh Language Standards.

Meeting the duties set out in the Well-being of Future Generations (Wales) Act 2015 has created additional unfunded duties on the Council which have been met from the Council's base budgets.

### **Equality Impact Assessment**

There are no equality impacts associated with this report.

## **Workforce Impact**

The Council will be undergoing significant transformational and budgetary challenges over the next five years and as a Council, we need to focus our resources, particularly our employees, on successfully delivering our corporate objectives and priorities. During 2017/2018, the Council's draft Workforce Plan was developed which will enable the Council to keep pace with the workforce implications of the Corporate Plan 2018-2022 Shaping NPT and sets out actions to help achieve the Council's priorities and objectives.

## **Legal Impact**

The Council has a general duty under the local Government (Wales) Measure 2009 to "make arrangements to secure continuous improvement in the exercise of its functions". In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions.

The Annual Governance Statement explains how the Council has met the requirements of Regulation 5(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to an annual review of the effectiveness of the Council's systems of internal control and the preparation and approval of an Annual Governance Statement.

## **Risk Management**

During 2017/2018, the Council has revised and updated the existing Corporate Risk Management Policy and the Council's corporate risk management arrangements to ensure they are robust and consistent across the Council.

## **Consultation**

There is no requirement in the Constitution for consultation on this item.

## **Recommended**

It is recommended that

1. Members note the progress made on the Corporate Governance improvement work undertaken during 2017/18
2. Approve the Annual Governance Statement 2017/2018 attached at Appendix 1.
3. Approve the proposed Corporate Governance improvement work to be undertaken during 2018/2019

## **Appendices**

Appendix 1 – Annual Governance Statement 2017/2018

## **List of Background Papers**

None

## **Officer Contact**

Karen Jones, Assistant Chief Executive & Chief Digital Officer  
Tel: 01639 763284 or e-mail: [k.jones3@npt.gov.uk](mailto:k.jones3@npt.gov.uk)

Caryn Furlow, Interim Corporate Policy and Democratic Services  
Manager  
Tel 01639 763242 or e-mail: [c.furlow@npt.gov.uk](mailto:c.furlow@npt.gov.uk)



## ANNUAL GOVERNANCE STATEMENT

Neath Port Talbot County Borough Council must ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Council has a duty to implement the Well-being of Future Generations (Wales) Act 2015, (which commenced on 1 April 2016). The requirements of the Act need to be applied to our governance structures to secure the type of changes the Act expects. The Act is about improving the social, economic, environmental and cultural well-being of Wales. To make sure we are all working towards the same vision, the Act puts in place seven well-being goals (a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language and globally responsible Wales). Furthermore, the Council must set well-being objectives that maximise the Council's contribution to the national well-being goals and embrace the sustainable development principle.

The Council also has a general duty under the Local Government (Wales) Measure 2009 to “make arrangements to secure continuous improvement in the exercise of [its] functions” and in discharging this duty, the Council must have regard in particular to the need to improve the exercise of its functions in terms of the following seven aspects of improvement:

1. Making progress towards an authority's strategic objectives (as set out in the Corporate Improvement Plan).
2. Improving service quality.
3. Improving service availability.
4. Fairness especially in reducing inequality in accessing or benefiting from services, or improving the wellbeing of disadvantaged groups.
5. Exercising functions in ways that contribute to the sustainable development of an area.
6. Improving the efficiency of services and functions.
7. Innovation and change which contributes to any of the above.

## **ANNUAL GOVERNANCE STATEMENT**

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

### **Section Two - The Purpose of the Governance Framework:**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have resulted in the delivery of appropriate, cost effective and efficient services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives and to evaluate the likelihood of those risks and the impact, and to manage them efficiently, effectively and economically.

### **Section Three - The Governance Framework:**

The Council has updated this Annual Governance Statement to comply with the new 2016, Delivering Good Governance in Local Government: Framework published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in association with the Society of Local Authority Chief Executives (SOLACE). The Framework demonstrates the system of internal controls which have been in place within the Council for the year ending 31<sup>st</sup> March 2018. The Framework illustrates examples of how the Council demonstrates compliance with good practice and meets the core and sub principles of effective governance. The Framework also provides details on the assurances taken during the year on the effectiveness of governance arrangements and the improvement work that arises from taking such assurances. The Council's governance environment embraces the seven core principles of the new Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE, 2016).



## **ANNUAL GOVERNANCE STATEMENT**

The improvement work identified following the development of the Annual Governance Statement is overseen by the Corporate Governance Group and progress is reported as follows:

- Corporate Directors Group receive a quarterly progress report on the improvement action plan;
- Policy and Resources Cabinet Board receive a half year and end of year progress report on the improvement action plan, the Cabinet will discharge this responsibility from 2018-2019 civic year, and;
- Audit Committee receive the end of year progress via the Annual Governance Statement.

# ANNUAL GOVERNANCE STATEMENT

## Section Three - The Governance Framework

Acting in the public interest requires a commitment to and effective arrangements for:

Core Principle A	Sub principle	Demonstrated by
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law Page 26	Behaving with integrity	<ul style="list-style-type: none"> <li>➤ The Council's political leadership have provided clear and consistent direction in terms of what is expected from senior officers, i.e. a workplace culture based on trust, respect, early and meaningful consultation.</li> <li>➤ <b>Anti-fraud, corruption and malpractice policy/whistle blowing policy:</b> conduct of Members is monitored by the Public Services Ombudsman for Wales and the Council's Standards Committee. During 2017-2018 there were no referrals from the Public Services Ombudsman for Wales that required the Standards Committee to hear a matter.</li> <li>➤ <b>Whistle blowing Policy/Procedure:</b> whistle blowing complaints are monitored by the Council's Audit Section to ensure that complaints are responded to.</li> <li>➤ <b>Standards Committee:</b> the Committee monitors the operation of the Council's adopted Members Code of Conduct throughout the Authority.</li> <li>➤ <b>Annual monitoring</b> of key employment policies, discipline, grievance, and whistle blowing takes place and is reported to Members in the annual equalities employment information report (published on the Council's website).</li> <li>➤ <b>Standing declarations register:</b> this is updated by Members as and when a declaration is made or amended when there has been a change in circumstances e.g. taking up new posts.</li> <li>➤ Officers' declarations are audited annually and Members on a cyclical basis.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle A	Sub principle	Demonstrated by
		<p>No material considerations were known during 2017-2018. The information for Members is provided on the Council’s website.</p> <ul style="list-style-type: none"> <li>➤ <b>Internal Audit Service:</b> the service undertakes, when required, case by case checks on officer compliance with the Employee Code of Conduct. Last year a number of special investigations were undertaken in relation to non-compliance of the Employee Code of Conduct.</li> <li>➤ <b>Audit Committee:</b> the Committee meets on a quarterly basis throughout the year and is responsible for examining, approving and keeping under review the adequacy and effectiveness of risk assessment, risk management and internal controls/compliance. The Committee is also responsible for reviewing the work and performance of both internal and external audit and receives reports from both. The terms of reference of the Committee are consistent with those recommended in the Public Sector Internal Auditing Standards (PSIAS). During 2017-2018, training on a number of topics was undertaken with members of the Audit Committee to support their role.</li> </ul> <p>The above arrangements ensure that Members and officers exercise leadership by behaving in ways that demonstrate high standards of conduct and effective governance.</p> <ul style="list-style-type: none"> <li>➤ <b>Corporate Comments, Compliments and Complaints Policy:</b> the Policy is published on the Council’s website and reports are submitted on a regular basis to Members. An annual report is reported to Policy and Resources Cabinet Board and as part of the Council’s wider performance management arrangements details of complaints and compliments received are included in quarterly performance reports to Cabinet Boards. The annual Ombudsman Complaint report is also submitted to the Policy &amp; Resources Cabinet Board.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle A	Sub principle	Demonstrated by
Page 28		<p>No systemic weaknesses have been identified over the last year.</p> <ul style="list-style-type: none"> <li>➤ The Customer Services Manager attends the quarterly all Wales Complaints meetings (which is also attended by the Public Services Ombudsman) to share good practice with representatives from the 22 Welsh Local authorities. This group visits the Public Services Ombudsman Wales office annually to strengthen working relationships.</li> <li>➤ Directorate complaints officers liaise regularly to discuss any issues arising across the Council. The Unreasonable/Unacceptable Customer Behaviour Policy has been utilised on a few occasions in respect of persistent face to face, telephone and email contacts in keeping with the policy. Within the Social Services Health and Housing Directorate there have not been any requirements for significant improvements as a result of complaint outcomes; as part of the quality assurance process, the Performance and Analysis Manager plays a lead role in ensuring the Directorate revisits practice as and when issues arise or if recurring themes are identified. Learning and training for front-line staff is continually monitored as part of 1-2-1/supervision on an individual basis, particularly when directly relating to complaints received.</li> </ul>
	Demonstrating strong commitment to ethical values:	<ul style="list-style-type: none"> <li>➤ Across the Council we have a number of professions that are obliged to comply with their relevant professional body's code of ethics. For example, all of our social workers must meet the standards set out in the code of conduct or code of practice from the Social Care Wales.</li> </ul>
	Respecting the rule of law	<ul style="list-style-type: none"> <li>➤ <b>Council's Constitution:</b> the Constitution sets out how the Council operates and the process for policy and decision making. Within this framework all the decisions are taken by Council, Cabinet or Cabinet Boards. The decisions are</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle A	Sub principle	Demonstrated by
		<p>presented in a comprehensive written format in a standard template. The Cabinet Scrutiny Committee considers any decisions directly before the Cabinet meets. This is referred to as contemporaneous scrutiny.</p> <ul style="list-style-type: none"> <li>➤ The Council complies with a number of different legislation to ensure the proper running of the organisation, for example Employment statutory obligations, Health &amp; Safety legislation and Financial Regulations, with an overall good track record (as confirmed by our regulators).</li> </ul>

Core Principle B	Sub principle	Demonstrated by
<p>Ensuring openness and comprehensive stakeholder engagement</p>	<p>Openness</p>	<ul style="list-style-type: none"> <li>➤ We aim to be an open and responsive Council that encourages those who use our services to tell us what is important to them and to suggest how services might improve. Examples of how we engage with individual citizens and service users effectively are listed under the sub principle included below.</li> <li>➤ <b>Corporate Communications and Community Relations Strategy:</b> On the 21<sup>st</sup> February 2018, the Policy &amp; Resources Cabinet Board approved the Corporate Communications and Community Relations Strategy which covers the period 2018-2020. The Strategy has been developed to help us meet the requirement under the Well-being of Future Generations (Wales) Act 2015 to involve people in the work that the Council carries out. It has also been designed to make our collective communications and community relations efforts more consistent, effective and relevant and to support the delivery of the new Corporate Plan approved by Council on 29<sup>th</sup> March 2018.</li> <li>➤ <b>Consultation Portal:</b> Since June 2017, the Council has used Snap Survey Software as the corporate consultation portal for internal and external</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle B	Sub principle	Demonstrated by
Page 30		<p>stakeholder engagement. The Council's Planning Policy Service continues to use the Objective consultation software as that software enables consultation at all stages of Local Development Plan preparation and improves management of their consultee database.</p> <ul style="list-style-type: none"> <li>➤ <b>Scrutiny Committees:</b> The Scrutiny Chairs and Vice Chairs are continuing to undertake specific training to enhance their skills. Training will continue throughout the new Council term on a Scrutiny by Scrutiny Committee basis, building on the Members' individual skills and interests and focussing their work as a team to best enable them to discharge their functions and responsibilities.</li> <li>➤ <b>Performance reports:</b> we have a number of channels where performance is reported to and scrutinised, e.g. quarterly budget and performance monitoring reports are submitted to chief officers and Cabinet Board / Scrutiny Committees and an Annual Report is published in October which contains an assessment of our overall performance in the previous financial year. The above information is available for our citizens to view on our website.</li> <li>➤ <b>Council Website:</b> we recently updated our website to make it easier for our citizens to use and for them to be able to access the information/service (bilingually) they want first time.</li> <li>➤ <b>Impact Assessment (IA) Framework:</b> The Equality Impact Assessment framework was revised during 2017-2018 to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016). Training for reporting officers is scheduled for 2018-2019.</li> </ul>

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Core Principle B	Sub principle	Demonstrated by
		<ul style="list-style-type: none"> <li>➤ <b>Record of decision making and supporting materials:</b> all publically accessible reports are published on the Council’s website via Modern.gov.</li> <li>➤ <b>Decision making protocols:</b> the Council agrees its meeting cycle at its Annual Meeting and this is published on the Council’s website. Forward work programmes are required to be maintained for the next 3 meetings of the relevant committee. Report templates ensure the relevant information and advice is presented to substantiate recommendations. During 2017-18, the Committee report template has been revised to ensure the Council is able to demonstrate how the requirements of the Well-being of Future Generations (Wales) Act 2015 have been taken into consideration when making decisions. The revised template will be rolled out early 2018-2019.</li> </ul>
	Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>➤ <b>Stakeholders:</b> we have a list of key stakeholders that we engage with on major policies and plans. These include: Youth Council; Older Persons’ Council; Black Minority Ethnic Community Association; and the Disability Network Access Group (whose members have direct experience of disability issues and offer to meet with service providers to help them address the needs of people with disabilities).</li> <li>➤ Working in partnership with trade unions and the Council’s formal employee relations framework is an important feature in how we engage with our employees. We have Staff Council at the highest level in the organisation, the LGS Green Book Negotiating Forum, LSPG (Schools trade union partnership forum), Service Joint Consultative Groups, and the Corporate Health &amp; Safety Trade Union forum. All of these groups meet regularly and are an opportunity for two-way information sharing, consultation (formal and informal) and where necessary, negotiation. As part of our approach to partnership working, trade unions have representation in other forums; so for example, trade unions sit as</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle B	Sub principle	Demonstrated by
		<p>an integral part of the Heads of Service Voluntary Redundancy Group.</p> <ul style="list-style-type: none"> <li>➤ <b>Partnership Governance Arrangements</b> (including Terms of Reference): the Council has in place governance arrangements for partnerships which:               <ul style="list-style-type: none"> <li>○ Clarify the roles of members both individually and collectively in relation to the partnership and to the Council;</li> <li>○ Clearly set out the legal status of the partnership; and</li> <li>○ Make clear the extent to which representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.</li> </ul> </li> <li>➤ <b>Partnership working arrangements:</b> during 2017-2018 we continued to participate in a number of partnerships as follows: the Public Services Board, Think Family Partnership, Community Safety Partnership, Low Income Families Partnership, Digital Inclusion Partnership, and Third Sector Partnership. The Public Services Board has commissioned a review of partnership governance and this should report in 2018-2019. Partnership working with our trade unions and teaching associations is a predominant feature of the Council's culture in relation to workforce engagement. It involves elected Members, managers, employees and trade unions developing and implementing a way of working based on mutual respect and trust, shared objectives and joint ownership of problem solving.</li> <li>➤ <b>Regional collaborative arrangements:</b> we continued with our regional working arrangements via Education through Regional Working, Western Bay, City Region and Waste Services. A number of reports have been brought forward to the Council to ensure the participation of the Council is properly authorised.</li> </ul>



## ANNUAL GOVERNANCE STATEMENT

Core Principle B	Sub principle	Demonstrated by
Page 33	Engaging with individual citizens and service users effectively	<p><b>Corporate communications and engagement activities:</b> It is important that our citizens and other stakeholders have a voice at an early stage to influence the development of policies and strategies that affect their lives and inform the way services are planned and delivered. However, due to the complexity of the differing needs of citizens it is not always possible to meet all needs, but a good understanding means we are better placed to divert valuable resource into the right places, at the right times and in the right ways.</p> <ul style="list-style-type: none"> <li>➤ <b>Corporate Communications and Community Relations Strategy</b> (see above)</li> <li>➤ <b>Consultation Portal</b> (see above)</li> <li>➤ <b>Public Services Board:</b> On 21st September 2017, the Public Services Board approved a Citizen Engagement Scheme to support and improve citizen engagement in the various consultations that will be conducted by the Board.</li> </ul> <p>We have a number of channels of communication in place with all sections of the community, stakeholders and staff. Our corporate communications and engagement system comprises of internal and external networks.</p> <ul style="list-style-type: none"> <li>➤ <b>Internal networks</b> include: <ul style="list-style-type: none"> <li>○ Staff monthly e-newsletter - features important information relevant to staff;</li> <li>○ Staff Intranet which acts as an internal information portal ( including press releases);</li> <li>○ Staff Portal - launched internally and is a web-based tool through which employees can access relevant information about the Council. It is due to be made available for staff to access from home during 2018-2019.</li> </ul> </li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle B	Sub principle	Demonstrated by
Page 34		<ul style="list-style-type: none"> <li>○ Staff consultations – during the year we undertook a number of staff consultations e.g. 2018-2019 budget proposals; Children and Young People Services staff survey; draft Well-being Objectives as contained within the draft Corporate Plan and;</li> <li>○ Chief Executive Roadshows – a series of Chat with the Chief sessions were held with staff to explain the Forward Financial Plan and its implications</li> <li>➤ <b>External networks</b> including:             <ul style="list-style-type: none"> <li>○ Key stakeholders that we engage with on major policies and plans. These include: Youth Council; Older Persons’ Council; Black Minority Ethnic Community Association; and the Disability Network Access Group (whose members have direct experience of disability issues and offer to meet with service providers to help them address the needs of people with disabilities).</li> <li>○ Community Engagement events: During 2017-2018, officers attended a number of community events as part of the consultation exercise on the Council’s draft well-being objectives.</li> <li>○ Public meetings - last year senior officers from the Council attended public meetings to brief the public on proposals for Cymer Afan Comprehensive and the Pantteg Landslip.</li> </ul> </li> <li>➤ <b>Corporate Plan 2018-2022:</b> an extensive public consultation exercise took place between 6<sup>th</sup> July and 8<sup>th</sup> September 2017 on the Council’s draft well-being objectives which generated a total of 520 responses via a combination of channels (on-line survey, community engagement events and post boxes).</li> <li>➤ <b>Budget 2018-2019:</b> an extensive public consultation exercise took place between 8<sup>th</sup> November 2017 and 15<sup>th</sup> January 2018 which generated over 303</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle B	Sub principle	Demonstrated by
		<p>responses from a wide range of stakeholders which shaped the final budget proposals.</p> <ul style="list-style-type: none"> <li>➤ The new Communications and Community relations Strategy sets out a range of measures designed to improve the effectiveness of the Council's mechanisms for involving people in its work.</li> <li>➤ <b>Citizen Engagement Scheme</b> (see above Public Service Board)</li> </ul>

Core Principle C	Sub principle	Demonstrated by
<p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<p>Defining outcomes</p>	<p>The key plans listed below, describe the Council's short term and long term priorities to ensure citizens receive high quality services whether directly, or in partnership.</p> <ul style="list-style-type: none"> <li>➤ <b>Corporate Plan:</b> The Council's previous administration set six well-being objectives based on the improvement priorities that had been pursued over their term of office. The administration also extended the Council's Corporate Improvement Plan until 30<sup>th</sup> September 2017 to enable the incoming administration (May 2017) to consider what its priorities would be over this term. During the summer those priorities were reviewed against the Manifesto commitments made to the electorate and replaced the six well-being objectives with three well-being objectives. Following a period of public consultation those three well-being objectives were adopted by Council at the end of September 2017, as was the revised Corporate Plan that set out how we would seek to fulfil the new objectives. The Plan was further refined over the period to 31<sup>st</sup> March 2018, when a further revised Plan was approved by Council.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle C	Sub principle	Demonstrated by
		<ul style="list-style-type: none"> <li>➤ <b>Strategic Equality Plan:</b> The Council has a Strategic Equality Plan to make sure we work towards treating all people fairly, promoting equality of opportunity, combating discrimination and harassment and promoting good community relations. Last year, the Heads of Service Equality and Community Cohesion Group continued to monitor progress against the equality objectives. Areas of success have included the development of the Violence against Women, Domestic Abuse and Sexual Violence Draft Strategy and work to better support and develop the Black Minority Ethnic Community Association. There were no complaints in relation to the Strategic Equality Plan during 2017-2018.</li> <li>➤ <b>Biodiversity Duty Plan:</b> The Environment (Wales) Act 2016 introduces a duty (the S6 Duty) on public authorities to maintain and enhance biodiversity, thereby promoting the resilience of ecosystems, in the exercise of its functions. The Council's Biodiversity Duty Plan was adopted on 8<sup>th</sup> December 2017. The Plan focuses on evaluating our existing work practices and assimilating the new statutory duty into wider Council functions. This will result in a more joined-up approach between services, fulfilling both the Environment (Wales) Act 2016 requirements and the sustainable development principle embedded in the Well-Being of Future Generations (Wales) Act 2015. The six objectives incorporated into the Plan, include requirements such as embedding biodiversity into decision making at all levels; managing and enhancing our habitats; improving our understanding and monitoring of biodiversity; and putting in place a framework for delivery. The Act further requires that before the end of 2019, and every third year thereafter, all public authorities must publish a report on what they have done to comply with the S6 Duty.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle C	Sub principle	Demonstrated by
Page 37		<ul style="list-style-type: none"> <li>➤ <b>Property Asset Management Plan:</b> Progress on the Property Asset Management Plan (2016-2021) is reported via annual Property Performance Reviews. The Plan and annual progress statements continue to link, feed off, and react to a range of other corporate plans, programmes and strategies, including the Forward Financial Plan, the ICT Strategy and the Council’s workforce planning arrangements. Property asset management is also included in the Council’s business planning process to ensure the identification of any property consequences of the delivery of the Council’s priorities.</li> <li>➤ <b>ICT Asset Management:</b> A new Asset Management IT system has been sourced and an audit of equipment is being undertaken to derive the information needed to populate the system. A detailed replacement programme will then be created and the necessary funding assigned. An interim replacement programme has been drafted and the costs required to facilitate have been profiled over the next four years. These costs to be met by the ICT Reserve but once this source has been exhausted then continued funding will be sought from the Capital Programme.</li> <li>➤ <b>Other Asset Management Plans:</b> we have well-established mechanisms in place to manage our many assets. Our asset management plans provide information on the number and condition of different classes of asset including Highways, Fleet, Bridges and Structures, Property and ICT. The asset management plans inform our risk register and are an important consideration when determining revenue and capital budget priorities and our wider strategies.</li> <li>➤ <b>The Corporate Asset Management Group</b> has continued to meet through 2017-2018. The emphasis has been to develop work streams from the reported accommodation strategy and the emerging agile working agenda. These</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle C	Sub principle	Demonstrated by
		priorities are being led by Property and ICT with support from HR and the remaining corporate members of the group.
	Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>➤ <b>Revenue and Capital Budgets:</b> the Council’s Annual Budget and Capital Programme were set in the context of the revised Forward Financial Plan and Corporate Plan. Monthly reports are produced for senior officers and quarterly reports for elected Members, to support the monitoring expenditure forecasts against the agreed cash limits for the revenue budget. A Capital Programme Steering Group meets regularly to review expenditure against budget on the capital programme and to update the capital programme as funding decisions are made on relevant specific grants with reports to senior officers and elected Members as appropriate. Capital expenditure is also monitored and reported to Members quarterly.</li> <li>➤ <b>Well-being of Future Generations Act 2015:</b> The Corporate Plan 2018-2022 sets out the steps we will take to achieve the Council’s well-being objectives and related improvement priorities through which we will maximise our contribution to the seven well-being goals and improve citizen’s social, economic, environmental and cultural well-being. The Plan also demonstrates how the sustainable development principle has been applied in developing those steps.</li> <li>➤ <b>Budget 2018-2019:</b> whilst the Council has made efforts to embrace the sustainable development principle in developing its budget proposals, it is inevitable, given the scale of changes that there will be some negative impacts arising from proposals.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle D	Sub principle	Demonstrated by
Determining the interventions necessary to optimise the achievement of the intended outcomes	Determining interventions	<ul style="list-style-type: none"> <li>➤ <b>Record of decision making and supporting materials</b> (see above)</li> <li>➤ <b>Decision making protocols</b> (see above)</li> </ul>
Page 39	Planning interventions	<ul style="list-style-type: none"> <li>➤ <b>Corporate Planning Arrangements:</b> the Council has a number of robust corporate planning and control arrangements in place in the following areas: Strategic Plans, Forward Financial Plan, Workforce Plan, Asset Plans, Risk Management and Performance Management.</li> <li>➤ <b>Committee Cycle dates:</b> committee dates are confirmed at the annual Council meeting and have clear terms of reference and membership. Amendments to committee arrangements are taken back to full Council for consideration and agreement during the civic year. The dates of committee meetings are circulated in the form of work programmes to ensure officers produce reports in a timely manner. Forward work programmes have also been developed for Cabinet Board and Scrutiny Committees.</li> <li>➤ <b>Key stakeholders:</b> we have a list of key stakeholders (internally and externally) that we engage with on major policies and plans throughout the year.</li> <li>➤ <b>Corporate Risk Policy:</b> The Council's Corporate Risk Management Policy has been updated to reflect improvements made to the way in which both strategic risks and operational risks are recorded, managed and reported. The revised Policy will continue to promote an open, consistent and proactive risk management attitude.</li> </ul>



## ANNUAL GOVERNANCE STATEMENT

Core Principle D	Sub principle	Demonstrated by
		<p>➤ <b>Corporate Performance Management Framework:</b> we have a range of performance indicators that enable the Council to measure performance of services. To support the delivery of the framework, there is a corporate performance management team as well as directorate performance management teams.</p>
Page 40	Optimising achievement of intended outcomes	<p>➤ <b>Financial management arrangements:</b> the Council has sound financial management arrangements in place (including a range of policies and procedures such as financial regulations, financial procedures, contract standing orders, accounting instructions and officer delegations). These arrangements conform to the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government (2010), all relevant legislation and within the terms of its Constitution.</p> <p>➤ The Director of Finance and Corporate Services is responsible for ensuring there are proper arrangements in place for the administration of the financial affairs of the Council. Corporate Directors are responsible for the financial management of their respective services and are supported by regular financial management information, which includes monthly financial monitoring reports.</p> <p>➤ In addition, quarterly budget and Forward Financial Plan monitoring reports are submitted to the Council, Chief Officers and Scrutiny Committees, culminating in the production of the statutory Annual Statement of Accounts.</p> <p>➤ The budget setting process for last year continued to be challenging and difficult decisions on cuts were unavoidable as a consequence, however the final settlement from Welsh Government was better than expected. The savings identified came from a prolonged and intense professional and Cabinet Member input and where appropriate subject to consultation with service users, staff and trade unions, and scrutinised by the relevant committee.</p>



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Core Principle E	Sub principle	Demonstrated by
Developing the entity's capacity including the capability of its leadership and the individuals within it	Developing the entity's capacity	<ul style="list-style-type: none"> <li>➤ During 2017-2018 we developed a Corporate Workforce Plan. Consultation will take place with relevant stakeholders with a view to agreeing this plan and implementing it early in 2018-2019.</li> </ul>
Page 41	Developing the capability of the entity's leadership and other individuals	<ul style="list-style-type: none"> <li>➤ The Council's Constitution clearly sets out the different, but complementary, responsibilities of Members and Officers to ensure there is effective leadership throughout the authority and there are clear job descriptions for all staff, which highlight their roles and responsibilities.</li> <li>➤ <b>Cross party panel:</b> the panel which is made up elected Members (chaired by the Leader) undertakes the Chief Executive's appraisal and agrees the objectives for year ahead and personal learning aims.</li> <li>➤ The <b>Chief Executive</b> (as Paid Head of Service) leads the Council Officers and chairs the Corporate Directors and Corporate Management Groups (includes all Heads of Service). The Director of Finance and Corporate Services is the <b>Section 151 officer</b> under the Local Government Act 1972 and the <b>Designated Monitoring Officer</b> (Head of Legal Services) carries overall responsibility for legal compliance. The <b>Head of Democratic Services</b> created by the Local Government Measure 2011 is the Assistant Chief Executive and Chief Digital Officer (previously the Head of Corporate Strategy and Democratic Services) and reports formally to the Democratic Services Committee on the adequacy of resources available to deliver the support related to the democratic functions of the Council.</li> <li>➤ <b>Members' induction programme:</b> all new Members and those returning Members following an election, receive an induction programme to familiarise</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle E	Sub principle	Demonstrated by
		<p>themselves with protocols, procedures, values and aims of the Council. Following Local Government Elections in May 2017, the Council saw the introduction of 64 Members who were offered a focussed and tailored Induction programme providing them with the skills and knowledge to perform their roles effectively. This included 27 Elected Members taking public office for the first time.</p> <ul style="list-style-type: none"> <li>➤ <b>Member Support and Development:</b> A schedule of Member Seminars was delivered over the Civic Year covering a wide range of topics such as the Swansea Bay City Deal, Violence against Women and Counter-Extremism training as well as matters such as the 2018/2019 Budget Consultation.</li> <li>➤ <b>Officer Development (Performance Appraisal System and Employment Development Review):</b> the Council's corporate training and development capacity has been reduced significantly over several years, and continues to reduce. Learning, training and development opportunities are now primarily service-initiated, with staff within adult and children's services being best supported as a result of the Welsh Government Social Care Workforce Development Programme and Council match funding. Social workers receive a full induction programme in their first year of practice and ongoing support throughout their career. During 2017-2018, despite corporate training capacity being significantly reduced, we continued to support and deliver a considerable amount of training and qualifications, supporting staff development and progression at all levels in the organisation.</li> <li>➤ In 2017-2018, priority was given to workforce development across the social care sector and ensuring compliance with the Code of Practice on the role of Directors of Social Services, through the Social Care Wales Workforce</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle E	Sub principle	Demonstrated by
		<p>Development Programme (SCWWDP) Grant. The SCWWDP Grant has continued to be used to support the continued implementation of the Social Services and Well-being (Wales) Act 2014 as well as identified regional and local priorities.</p> <ul style="list-style-type: none"> <li>➤ Other priority training areas for the wider workforce included; Awareness of Child Sexual Exploitation; Digital Literacy Skills; Welsh Language; Data Protection; Violence against Women Domestic Abuse and Sexual Violence and Workshops to Raise Awareness of PREVENT.</li> <li>➤ In 2017-2018 we have supported a number of apprenticeships in various designations throughout the organisation with the aim of supporting people into work and career development. Apprenticeships in building, construction and engineering as well as social care have proved to have been successful.</li> <li>➤ <b>Health and wellbeing of the workforce:</b> we have a number of arrangements in place to maintain the health and wellbeing of the workforce, these include: <ul style="list-style-type: none"> <li>○ Maximising Attendance at Work Policy, which has a number of options to support people to return to work and remain in work, for example, early occupational health referrals, rehabilitation and phased return</li> <li>○ Stress risk assessments are available for everyone signed off work with stress even if its non-work related stress</li> </ul> </li> </ul>

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Core Principle F	Sub principle	Demonstrated by
Managing risks and performance through robust internal control and strong public financial management	Managing risk	<ul style="list-style-type: none"> <li>➤ <b>Corporate Risk Policy, Corporate Risk Register and procedures for Risk management:</b> the Director of Finance is responsible for overseeing the implementation and continuous development of corporate risk. During 2017-2018 work has been completed on revising and updating the Council's existing Corporate Risk Management Policy and the Council's corporate risk management arrangements. The risk module of the CAMMS performance management system to strengthen the underpinning risk management process went live on 31<sup>st</sup> March 2018.</li> <li>➤ <b>Senior Information Risk Owner (SIRO):</b> the Head of Information and Communications Technology is the Authority's designated Senior Information Risk Owner (SIRO), a role recommended in the Local Government Data Handling guidance and which is reinforced by the Public Services Network (PSN) Information Assurance requirements. It has been agreed that the SIRO will report directly to the Corporate Directors Group on information security matters. The SIRO is accountable for information risk throughout the Authority.</li> </ul>
	Managing performance	<ul style="list-style-type: none"> <li>➤ <b>Corporate Performance Management Framework:</b> To further improve the management and reporting of the delivery of the Council's Corporate Plan and other services and functions delivered by the Council, a corporate performance management system was purchased during 2017-2018 and this will be fully implemented by the end of the summer 2018.</li> </ul>
	Robust internal control	<ul style="list-style-type: none"> <li>➤ <b>Internal Audit Section:</b> Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle F	Sub principle	Demonstrated by
		<p>risk management, control, and governance processes.</p> <ul style="list-style-type: none"> <li>➤ In March 2017, the Internal Audit Service was externally assessed in accordance with the Public Sector Internal Audit Standards and the service was assigned the highest rating.</li> <li>➤ During 2017-2018, 54 formal reports were issued with recommendations made where appropriate and all audit work undertaken complied with the Public Sector Internal Audit Standards. Details of achievement against the 2017-2018 audit plan will be presented in June to the Audit Committee, in addition an opinion will be given via the Annual Internal Audit Report that “<b><i>Reasonable assurance can be given that there have been no major weaknesses noted in relation to the various internal control systems operating within the Authority</i></b>”.</li> <li>➤ Each year, the section has a risk based <b>Internal Audit Plan</b> approved by Audit Committee, which involves carrying out a series of audits in order to provide an opinion on the internal controls, risk management and governance arrangements of the Council. In addition, the section also carries out a number of special investigations which will include investigations into suspected incidents of fraud, irregularity and malpractice. No significant governance issues were identified during 2017-2018. The <b>Audit Manager</b> provides quarterly reports to Audit Committee highlighting any concerns and to give assurance to elected Members regarding the Council’s internal controls.</li> <li>➤ The <b>Audit Committee</b> monitors the work plan of the Internal Audit Section, and the work of external audit, throughout the year. Enhancements have been made throughout the year to the reports provided to Members by Internal Audit. Work is ongoing to strengthen the role of Audit Committee.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle F	Sub principle	Demonstrated by
Page 46		<ul style="list-style-type: none"> <li>➤ <b>IT Health Checks:</b> the Council continues to undertake annual IT Health Checks which incorporate internal and external penetration testing as part of yearly PSN (Public Services Network) accreditation. The accreditation takes the form of an annual submission detailing how the Authority performs against a host of controls based upon ISO27001 and will give the Council confidence that effective arrangements are in place regarding the collection, storage and use of data (including personal data). The last reaccreditation, which was successful, took place in November 2017.</li> <li>➤ <b>IT audits:</b> we will work with both the Wales Audit Office and the Internal Audit Section to put in place a series of IT audits which will be undertaken during 2018-2019.</li> <li>➤ <b>Annual Governance Statement:</b> annually, officers undertake a review of the effectiveness of the Council's governance framework when compiling the annual governance statement. This is a shared effort with wide input from a range of services outside the finance and audit functions (e.g. Legal, ICT, H&amp;S and HR). The Annual Governance Statement is presented by senior officers of the Corporate Governance Group to the Corporate Directors Group and Cabinet for agreement.</li> </ul>
	Managing data	<ul style="list-style-type: none"> <li>➤ <b>Senior Information Risk Owner (SIRO)</b> – see above - sub principle Managing Risk.</li> <li>➤ <b>General Data Protection Regulation (GDPR)</b> - As a result of the implication of the General Data Protection Regulations, the Council will be updating its data protection policies and information sharing protocols to ensure compliance with the same during the financial year 2018-2019. Ongoing review will take place to ensure the effectiveness of the policies and protocols.</li> </ul>

## ANNUAL GOVERNANCE STATEMENT

Core Principle F	Sub principle	Demonstrated by
Page 47		<p>➤ <b>Strengthening and Modernising Democratic Arrangements</b> - During 2017-2018, we implemented the next phase of the 'Modern.Gov' Committee Administration Management software system, which included the following:</p> <ul style="list-style-type: none"> <li>○ embedding the system core usage and exploring options to widen functionality such as 'automated workflow' which could support better work and time management of report writing processes linked to the relevant forward work programme and investigate activation of the Welsh Language module to support production of bilingual agendas and minutes.</li> <li>○ Maintenance of automatic calendar notifications, which will ensure Members get real time updates to any changes in committee meeting dates, avoiding miss-communication and non-attendance,</li> <li>○ To date 97% of the 64 elected Members now receive papers electronically via iPad or the 'Modern Gov' system.</li> </ul>
	Strong public financial management	<p>➤ The Director of Finance and Corporate Services is the responsible officer for the proper administration of the financial affairs of the Authority. This finance function provides support to directorates and determines the budget preparation and financial monitoring processes. This function also provides the annual statement of accounts for the Authority.</p> <p>➤ The budget setting process for last year continued to be challenging and difficult decisions on cuts were unavoidable as a consequence, however the final settlement from Welsh Government was better than expected. The savings identified came from a prolonged and intense professional and Cabinet Member input and subject to an extensive programme of consultation with service users, staff and trade unions, and scrutinised by the relevant committee. The Council also took steps to ensure the equality impact of budget</p>



## ANNUAL GOVERNANCE STATEMENT

Core Principle F	Sub principle	Demonstrated by
Page 48		<p>proposals was explicitly considered when developing and agreeing the proposals within the revised Forward Financial Plan.</p> <ul style="list-style-type: none"> <li>➤ In addition, quarterly budget and Forward Financial Plan monitoring reports are submitted to the Council, Chief Officers and Scrutiny Committees, culminating in the production of the statutory Annual Statement of Accounts, all available for the public to view on the Council's website.</li> <li>➤ The Annual Statement of Accounts is a statutory summary of the Council's financial affairs for the financial year and is prepared in accordance with the local government Accounting Code of Practice (ACOP). The purpose of the Statement of Accounts is to give electors, local taxpayers, council members and any other interested parties clear information on the overall finances of the Council and to demonstrate the good stewardship of public money for the year.</li> <li>➤ Capital and revenue expenditure and related activities are subject to annual audit by the Wales Audit Office and an unqualified opinion (our information in the financial statements was sound) was provided on the Annual Statement of Accounts by WAO for 2016-2017.</li> </ul>

Core Principle G	Sub principle	Demonstrated by
Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Implementing good practice in transparency	<ul style="list-style-type: none"> <li>➤ Members' Allowance scheme and Staff Pay Structure: the Council has a clear scheme setting out the terms and conditions for remunerating members and officers and an effective structure for managing the process. No new non-compliance issues were identified by the Independent Remuneration Panel for Wales in relation to the NPT Scheme during 2017-2018.</li> </ul>



## ANNUAL GOVERNANCE STATEMENT

Core Principle G	Sub principle	Demonstrated by
	Implementing good practices in reporting	<ul style="list-style-type: none"> <li>➤ <b>Annual Governance Statement:</b> annually, officers undertake a review of the effectiveness of the Council’s governance framework when compiling the annual governance statement. This is a shared effort with wide input from a range of services outside the finance and audit functions (e.g. Legal, ICT, H&amp;S and HR). The Annual Governance Statement is presented by senior officers of the Corporate Governance Group to the Corporate Directors Group and Cabinet for agreement.</li> </ul>
Page 49	Assurance and effective accountability	<ul style="list-style-type: none"> <li>➤ <b>Procurement:</b> the Procurement Team aim to ensure that best use is made of resources and that tax payers and service users receive value for money. The team continue to make improvements to the way goods and services are procured and the roll out of the electronic ordering and receipting system is ongoing. The electronic systems replace the old fashioned, labour intensive paper based process and has resulted in better management information regarding the goods and services the Authority buys as well as better adherence to corporate, regional and national procurement frameworks.</li> <li>➤ Internal Audit undertakes a review of all of the Authority’s major financial systems on an annual basis.</li> <li>➤ The Auditor General for Wales reports annually on his audit and assessment work in relation to whether the Council has discharged its duties and met the requirements under the Local Government (Wales) Measure 2009. At the time of preparing this Statement, the Council is yet to receive the WAO’s Annual Improvement Report for 2017–2018.</li> </ul>

# ANNUAL GOVERNANCE STATEMENT

## Section Four - Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Officers and the Internal Audit Service who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies and inspectorates. A Corporate Governance Group, reporting to the Corporate Directors Group ensures that improvement work is scheduled, resourced and monitored.

The review mechanism includes:

- **Constitution review and monitoring** - the Chief Executive and the Head of Legal Services are required to monitor and review the operation of the Constitution, and to report to Council at least annually on any proposed changes. During 2017-2018, the Head of Legal Services reported to Council on a number of occasions with amendments to the Constitution.
- **Standards Committee** – during the year the committee met to consider reports relating to decisions of the Adjudication Panel for Wales and the Ombudsman grant of dispensations to Councillors. Last year there were no referrals from the Public Services Ombudsman for Wales that required the Standards Committee to hear a matter.
- **Audit Committee** - work has been ongoing to strengthen the role of the Audit Committee.
- **Internal Audit Service** – the service prepares an annual plan of work which is then monitored throughout the year by the Audit Committee. A series of audit reviews are carried out throughout the year, in order to provide an opinion on the internal control, risk management and governance arrangements of the Council. During 2017-2018, 54 formal reports were issued.
- **Wales Audit Office audit report** (Annual Improvement Report) – At the time of preparing this Statement, the Council is yet to receive the WAO's Annual Improvement Report for 2017-2018. However, it is not expected that the Council will receive any statutory recommendations within that report.
- **Annual Reports** – the Council produces a number of annual reports throughout the year to give assurances on our governance arrangements. These include the following: Asset Management, Audit Service Annual Report,

## ANNUAL GOVERNANCE STATEMENT

Complaints, Compliments and Comments Annual Report, Occupational Health and Safety and Joint Resilience Annual Report, Information Management & Information Governance Annual report, Ombudsman Annual Report, Performance Annual Report, Social Services Director’s Annual Report, Strategic Equality Plan Annual Report, Welsh Language Scheme - Annual Monitoring Report. The Corporate Governance Group will oversee any risks identified to governance arrangements, arising from these annual reports and none were received during 2017-2018.

### Governance Issues – progress to date

The table below describes the governance issues identified during 2016-2017 and the progress made against these during 2017-2018.

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
Page 51 1. Modernise and Strengthen Democratic Services – further development work required to Modern.Gov in relation to embedding the automated work flow into council governance processes.	Assistant Chief Executive and Chief Digital Officer	This work has been delayed as to comply with the Welsh Language Standards staff need to be upskilled to use the Welsh Language Module of the system.  This improvement area will be a key priority for Democratic Services to progress during 2018-2019.	No
2. Corporate Risk Management – further improvement work required to the existing policy and corporate risk register.	Assistant Chief Executive and Chief Digital Officer / Head of Financial Services	Work has been completed on revising and updating the Council’s existing Corporate Risk Management Policy and the Council’s corporate risk management arrangements:	No

## ANNUAL GOVERNANCE STATEMENT

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
Page 52		<ul style="list-style-type: none"> <li>○ New criteria for risk scoring has been developed</li> <li>○ Training for directorate officers has been completed</li> <li>○ Strategic risks have been identified</li> <li>○ Operational risks have been reviewed and updated</li> </ul> <p>Corporate Risk Policy has been updated.</p> <p>The risk module of the CAMMS performance management system to strengthen the underpinning risk management processes went live on 31<sup>st</sup> March 2018.</p>	No
<p>3. Wellbeing of Future Generations (Wales) Act 2015 - ensure the Council's decision making, planning and partnership arrangements comply with the requirements of the Act.</p>	<p>Assistant Chief Executive and Chief Digital Officer</p>	<p><b>Corporate Planning:</b> The Council set and published its well-being objectives on 28<sup>th</sup> September 2017 (as contained within the Corporate Plan 2017-2022) following an 8 week consultation period (6<sup>th</sup> July – 8<sup>th</sup> September 2017). An updated Corporate Plan for the period 2018/2022 was approved by Council on 29<sup>th</sup> March 2018.</p>	No

## ANNUAL GOVERNANCE STATEMENT

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
		<p><b>Decision making:</b> The Committee Report Template has been revised to meet the requirements of the Act and will be issued early 2018-2019.</p> <p><b>Partnership Planning:</b> The Neath Port Talbot Public Services Board prepared and published its Well-being assessment in May 2017. The findings of this assessment informed the draft priorities contained within the Board's draft Well-being Plan which was consulted upon for a 12 week statutory period. On 8<sup>th</sup> March 2018, the Board approved the draft which was presented and approved by Council on 4<sup>th</sup> April 2018. The final Plan will be published in May 2018.</p> <p>As required by the Act, the Public Services Board has produced a Citizen Engagement Scheme to support and improve citizen engagement in the various consultations that will be conducted by the Board.</p>	<p style="text-align: center;">No</p> <p style="text-align: center;">No</p> <p style="text-align: center;">No</p>

## ANNUAL GOVERNANCE STATEMENT

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
4. Equalities (Equalities Impact Assessment) to revise associated guidance to incorporate examples of good practice for data collection, data sources	Assistant Chief Executive and Chief Digital Officer	The Equalities Impact Assessment form has been revised into an Impact Assessment (IA) Tool which incorporates requirements of the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 which are required to be taken into consideration when making decisions. Training for officers and Members is being arranged in 2018-2019.	Yes
5. Welsh Language - ensure the systems established to implement the Welsh Language Standards are robust	Assistant Chief Executive and Chief Digital Officer	The Challenge process has drawn to a close with a final determination for 9 no. standards requiring approval by the Policy & Resources Cabinet Board (18 <sup>th</sup> April 2018).  A meeting with the Commissioner's representatives to discuss our performance in the first year since the Standards (2016-17) came into force indicated a positive position overall. Some issues were highlighted which have already been addressed.  The Welsh Language Officers' Group have completed a number of initiatives to support the	No

## ANNUAL GOVERNANCE STATEMENT

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
		implementation of the Standards, including the establishment of a Welsh language preference form and database, as well as working with Menter Iaith Castell-nedd Port Talbot to help assist in other practical opportunities to secure greater compliance.	
6. Develop a corporate workforce plan - in line with Wales Audit Office guidance developed with the Welsh Local Government Association/ Human Resources Development Network	Head of Human Resources	Draft document produced and currently being reviewed to ensure alignment with the Council's revised Corporate Plan 2018-2022.	No
7. Corporate performance appraisal process - review new process	Head of Human Resources	Review completed	No
8. Information Commissioner's Audit action plan – monitor roll-out of Data Protection training across the Council	Head of ICT and Procurement / Head of Legal Services	Training programme in place and communicated to all staff. Another reminder for staff is to be issued shortly.	No

## ANNUAL GOVERNANCE STATEMENT

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
<p>9. Council's Information Strategy:</p> <ul style="list-style-type: none"> <li>➤ to report the Strategy to Members</li> <li>➤ communicate the Strategy to all staff</li> <li>➤ provide an annual report on information management and information governance matters to members to enable them to evaluate performance and the effectiveness of arrangements</li> </ul>	<p>Head of ICT and Procurement</p>	<p>Information Strategy, Security and Governance issues were presented to Members via an all Member Seminar conducted jointly by the Head of Legal Services and the Head of ICT.</p> <p>The Information Strategy will be reviewed in light of the new GDPR regulations and cybercrime / security and once completed will be presented for approval and communicated accordingly.</p>	<p>No</p> <p>Yes</p>
<p>10. ICT Asset Management Plan – review outcome of the exercise to project asset depreciation and on-going needs over the next five years; highlighting any significant pressures and identifying the funding required.</p>	<p>Head of ICT and Procurement</p>	<p>A new Asset Management IT System is being implemented and an audit of equipment has commenced to derive the information needed to populate the system.</p> <p>A detailed replacement programme will then be created and the necessary funding assigned.</p>	<p>No</p>



## ANNUAL GOVERNANCE STATEMENT

Key Improvement Area	Lead Officer	Progress	Carry Forward for 2018-2019
		An interim replacement programme has been drafted and the costs required to facilitate have been profiled over the next four years. These costs to be met by the ICT Reserve but once this source has been exhausted then continued funding will be sought from the Capital programme.	
11. Corporate Code of Governance - review of assurances in place to fully comply with core principle A on behaviours and values	Assistant Chief Executive and Chief Digital Officer	Work to be initiated in next financial year in alignment with the Corporate Workforce Plan.	Yes
12. City Deal – ensure the governance arrangements for the emerging City Deal are aligned and dove tailed with local government arrangements	Chief Executive	The Chief Executive presented a progress report to Cabinet 4 <sup>th</sup> October 2017 and 25 <sup>th</sup> April 2018.	No

## ANNUAL GOVERNANCE STATEMENT

### Section Five - Governance Issues for 2018-19 (including those carried forward from last year and new ones identified)

Key Improvement Area	Carried Over from 2017-2018	New 2018-2019
1. Equalities – roll-out of training, implementation, review and evaluation of the revised Impact Assessment Tool	✓	✓
2. General Data Protection Regulation (GDPR) – monitoring of arrangements	✓	✓
3. Information Management – update the Information Strategy and bring forward for approval	✓	✓
4. Code of Corporate Governance – review of assurances in place to fully comply with Core Principle A on Behaviours and Values	✓	✓

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements and we will monitor their implementation and operation as part of our next annual review.

**Signed:**

**Chief Executive: Steven Phillips**

**Date:**

**Signed:**

**Leader of the Council: Councillor Rob Jones**

**Date:**

## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### CABINET

23<sup>rd</sup> May 2018

## REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

### SECTION A – MATTER FOR DECISION

#### WARDS AFFECTED – ALL

#### REVENUE OUTTURN AND RESERVES POSITION STATEMENT 2017/18

##### 1. Introduction

- 1.1. The purpose of this report is to inform members and seek their approval of the Council's General Fund Revenue Outturn and Reserves position for the 2017/18 financial year.
- 1.2. Members should note that the information set out in this report has been incorporated into the Council's Statement of Accounts for 2017/18 and will be forwarded to the external Auditor for review. It is expected that the Auditor's work will be completed by the end of July 2018. Any changes required that impact on reserves etc. will be reported separately to members in due course.

##### 1.3.

#### EXECUTIVE SUMMARY

The Council's Net Budget for 2017/18 was £274.677m. The Actual Net Expenditure or Outturn position for the Council shows a net underspend of £1.081m transferring to the General Reserve.

The opening balance on the General Reserve was £19.737m and following the net underspend and other reserve movements set out in this report, the closing balance at 31<sup>st</sup> March 2018 will increase by £243k to £19.980m.

The opening balance on Specific Reserves was £30.628m and following the reserve movements set out in this report, the balance at 31<sup>st</sup> March 2018 will increase by £7.950m to £38.578m.

The increase in specific reserves is largely attributable to the creation of two new reserves; namely the Communities Resilience Fund (£2m) and Members Community Fund (£672k) together with an increase in the Insurance Reserve (£1.9m - due to a reduction in the actuarial assessment of risk) and an increase in the Treasury Management Reserve (£2.7m – to facilitate any future City Deal revenue project funding opportunities, once they have been separately approved by Council).

## **2. Service Outturn Position 2017/18**

- 2.1. On the 31<sup>st</sup> January 2017, Council approved the Budget for 2017/18. The Net Budget Requirement was confirmed as £274.677m of which £229.207m was provided for Directorate Managed Services with the remaining £45.47m made available for other budgets including Precepts (the main one being the Fire Authority), Capital Financing, Council Tax Support and a Budget Contingency.
- 2.2. Every quarter Cabinet received a Budget Monitoring Report setting out the latest projected outturn position against the Budget. The most recent report was presented to and approved by Cabinet on 30th January 2018, which showed a projected underspend of £761k.
- 2.3. The initial outturn position incorporating amendments to the budgeted reserve transfers, shows an under spend of £1.571m (as outlined in Appendix 1), and is summarised below.

	<b>Original Budget</b> <b>£'000</b>	<b>Revised Budget</b> <b>£'000</b>	<b>Outturn Position</b> <b>£'000</b>	<b>Variance</b> <b>%</b>
Education, Leisure & Lifelong Learning	103,499	103,522	103,625	0.1%
Social Services Health & Housing	76,444	75,874	75,570	-0.4%
Environment	32,710	33,258	33,881	1.9%
Corporate Services	16,554	16,730	16,507	-1.3%
<b>Net directorate services</b>	<b>229,207</b>	<b>229,384</b>	<b>229,583</b>	<b>0.1%</b>
Other	45,470	45,293	43,523	-3.9%
<b>Net Position</b>	<b>274,677</b>	<b>274,677</b>	<b>273,106</b>	<b>-0.5%</b>

The amendments to the budgeted reserve movements are outlined in Appendix 3.

The final outturn position for Directorate Managed Services (after approving the additional reserve requests) shows excess spend of £669k which is offset by an underspend in other budgets by £1.750m.

Explanations of the main budget variances contributing to this overspend are included in Appendix 2.

### 3. Specific Reserves 2017/18

3.1. As in previous years the outturn position has been prepared based on a range of contributions to/from reserves which have been made in accordance with the following principles.

- The schedule of interim specific reserve balances projected as at 31<sup>st</sup> March 2018 was agreed by Council on 31<sup>st</sup> January 2018 as part of the 2017/18 Revised Budget deliberations.
- Where Neath Port Talbot is the lead authority for managing Joint Services the appropriate movement in reserves have been actioned as such funds are managed by the wider partnership.
- The final reserve balances will be further reviewed following audit and as part of the annual budget process during 2018/19.

- 3.2. Outlined below is a summary of the additional amounts transferred to/from (-) reserves to meet identified future cost pressures. Full details of these reserve movements are included at Appendix 4.

<b>Directorate</b>	<b>£'000</b>
Education, Leisure and Lifelong Learning	91
Social Services Health and Housing	100
Environment	166
Corporate Services	113
Other	20
New reserves created	2,672
<b>Total</b>	<b>3,162</b>

- 3.3. The Total Specific Reserves position is summarised as follows:

	<b>£'000</b>
Opening Balance 1 <sup>st</sup> April 2017	Cr 30,628
Net reserve movements (Appendix 3)	Cr 4,788
	<u>Cr 35,416</u>
Additional Reserve Transfers (Appendix 4)	Cr 3,162
<b>Closing Balance as at 31<sup>st</sup> March 2018</b>	<b><u>Cr 38,578</u></b>

Full details of Specific Reserve balances are given in Appendix 5.

- 3.4. The following provides an explanation as to some of the specific Reserves:

- School Reserves (£3.048m) – Delegated School Budget Reserves must be carried forward in accordance with current legislative requirements. Reserve balances have increased by £85k during the year and a small number of Schools are in a deficit position. The Authority will not allow a school to set a deficit budget without a fully costed recovery plan in place. The recovery plans are signed off by the Director of Education and Lifelong Learning, the Head Teacher and Chair of Governors and reviewed on an annual basis. Schools are required to provide the Authority with details on how they intend to utilise their reserves.
- ER/VR Reserve – The costs of staff leaving during 2017/18 has been largely met from the management of change provision included in the budget, with a balance of £169k being

funded from the ERVR Reserve. The closing balance on the ERVR reserve is £6.074m.

- Treasury Management Reserve – This reserve has increased by £2.7m to £5.7m. This is partly due to in-year savings of some £600k, the transfer of £500k from the Accommodation Reserve to fund Neath Town Redevelopment together with a further £1.6m to accommodate recent Welsh Government announcements that enable reserves, some capital receipts and contributions to be utilised to fund City Deal Revenue Project costs.
- Communities Resilience Fund – this is a new reserve of £2m established to fund work with and by a community group to deliver local services that support the Council’s priorities and objectives.
- Members Community Fund – this is a new reserve of £672k established to enable members to invest in activities and projects that improve outcomes within their local wards during 2018/19 and 2019/20.

#### 4. General Reserve 2017/18

4.1. The General Reserve position is as follows:-

	<b>£'000</b>
Opening Balance 1 <sup>st</sup> April 2017	Cr 19,737
Budgeted Movements	Cr 115
2017/18 Net underspend	Cr 1,081
Net Additional transfers	953
<b>Closing Balance 31st March 2018</b>	<b>Cr 19,980</b>

Full details of the movement in the General Reserve are shown in Appendix 6.

The above-mentioned General Reserve and Specific Reserves balances are provisional as they are subject to confirmation following external audit of the Statement of Accounts due to be finalised at the end of July 2018.

#### 5. List of Background Papers

Outturn Working Papers 2017/18

## **6. Appendices**

Appendix 1 – Revenue Outturn Summary 2017/18

Appendix 2 – Variances

Appendix 3 – Adjustment to budgeted reserves

Appendix 4 - Additional Reserve Movements

Appendix 5 – Specific Reserves Schedule

Appendix 6 – General Reserve Statement

## **7. Officer Contact**

For further information on this report item, please contact:

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## REVENUE OUTTURN SUMMARY 2017/18

	Original Budget	Revised Budget	Adj Actual Expend	Variance	Reserve Requests	Final Actual Expend	Final Variance
	2017/18 £'000	2017/18 £'000	2017/18 £'000	2017/18 £'000	2017/18 £'000	2017/18 £'000	2017/18 £'000
ELLL - Schools	79,952	79,952	79,952	0	0	79,952	0
ELLL - Other	23,547	23,570	23,673	103	91	23,763	193
Social Services	76,444	75,874	75,570	-304	100	75,670	-204
Health & Housing							
Environment	32,710	33,258	33,881	623	166	34,047	789
Corporate Services	16,554	16,730	16,507	-223	113	16,620	-110
<b>Directly Controlled Expenditure</b>	<b>229,207</b>	<b>229,384</b>	<b>229,583</b>	<b>199</b>	<b>470</b>	<b>230,052</b>	<b>669</b>
Swansea Bay Port	53	53	45	-8	0	45	-8
Fire Authority	7,104	7,104	7,099	-5	0	7,099	-5
Margam Crematorium	1	1	1	0	0	1	0
Archives	92	92	88	-4	0	88	-4
Magistrates Court	14	14	14	0	0	14	0
Capital Financing	17,830	18,270	18,270	0	0	18,270	0
Housing Benefits	0	0	-142	-142	0	-142	-142
Council Tax Support	17,397	17,397	16,968	-429	0	16,968	-429
Management of change	800	950	950	0	0	950	0
Contingency	1,550	993	251	-742	20	271	-722
Pay & Pensions Provision	650	440	0	-440	0	0	-440
Cont from Fire Authority Reserve	-21	-21	-21	0	0	-21	0
Cont to General Reserve	0	0	0	0	1,081	1,081	1,081
<b>Net Budget Requirement</b>	<b>274,677</b>	<b>274,677</b>	<b>273,106</b>	<b>-1,571</b>	<b>1,571</b>	<b>274,677</b>	<b>0</b>
RSG	-161,547	-161,547	-161,547	0	0	-161,547	0
NNDR	-46,024	-46,024	-46,024	0	0	-46,024	0
Discretionary Rate Relief	212	212	212	0	0	212	0
Council Tax	-67,318	-67,318	-67,318	0	0	-67,318	0
<b>Total Funding</b>	<b>-274,677</b>	<b>-274,677</b>	<b>-274,677</b>	<b>0</b>	<b>0</b>	<b>-274,677</b>	<b>0</b>

## Variances

Service Area	Value	Reason/Action
School Early Retirement Costs	Un 125,291	Actual Pension costs were less than the provision included in the budget
Post 16 Transport	Un 76,455	The underspend has arisen as some high cost special education needs routes ceased during 2017/18
Behaviour support strategy	Ov 71,768	Additional support and training costs for school based staff have led to an overspend in this service which was offset by savings elsewhere in the Inclusion service
Skills and Training unit	Ov 221,345	Changes in year to the work based learning contract such as age restrictions on care learners, change in learner hours and eligibility for apprentice recruitment has resulted in an in year overspend. WG have removed restrictions which should improve the position in 18/19.
Children and young person's partnership	Un 92,781	The underspend is due to the late receipt of Community First monies and vacant posts within the Team Around the Family service
NPT Works Programme	Ov 75,726	The overspend has arisen because the income targets included in the budget have not been achieved. Contract ends March 2019 and additional £135k from reserves has been allocated to fund the service in 2018/19.
Children & family services - Social Work	Un 384,487	The underspend is due to vacant hours and short term vacancies, reduced spend on agency cover, and by maximising usage of grant funding (Edge of Care grant £245k)
Residential Care - External Provision	Un 53,489	The underspend is because of a reduction in the number of children in a residential placement
Internal Fostering Service	Ov 144,004	The overspend is in respect of discretionary payment (£395k) for 2 Looked after Children in a high cost supported living placement; an increase in special guardianship orders (£132k) 141 compared with 113 budgeted, which is partly offset by savings on the staff budget, and on Route 16 discretionary payments

## Variances

Service Area	Value	Reason/Action
Adoption Service	Un 112,507	The Western Bay Regional adoption service underspent by £498k and based on the share of placements made, NPT received a refund of £250k. Of this £150k has already been budgeted to transfer to reserve and a further request to transfer £100k into reserve
Youth Offending Team	Un 51,933	The underspend is due to savings on staff costs.
Community Care Management	Ov 66,883	The overspend is due to an increase in the number of DOLS assessments (£10k), 612 assessments carried out in 2017/18 and cost of advocacy services (£39k)
Business Support Services	Un 95,184	The underspend is due to savings on staff costs.
Elderly Services - Residential Care - External Provision	Ov 352,500	An overspend has occurred because of an increase in the number of elderly people being placed in residential care outside of the Pobl contract, from 439 in April 17 to 476 in March 18.
Home Care Service - internal	Un 61,398	The underspend is due to savings on staff costs.
Other Community Care - Direct Payments, Third Sector	Ov 133,376	The overspend is due to an increase in the number of service users receiving direct payments, from 85 in April 17 to 100 in March 18.
Physical & Sensory Disabilities - Residential Care - External Provision	Ov 55,083	The overspend is due to an increase in the number of service users receiving external packages of care, from 124 in April 17 to 148 in March 18.
Other Community Care - Third sector / WILG	Un 65,795	The underspend is due to a small number of Welsh Independent Living Grant (WILG) service users being assessed, in the process their WILG payments have stopped and are receiving a package of care which is funded by the main placement budgets
Aids & Equipment	Ov 61,023	The overspend is due to the increased cost of the joint equipment store, partly because of an increase in activity but also because the service had to replace a large volume of obsolete stock

## Variances

Service Area	Value	Reason/Action
External Placements LD	Un 162,410	The underspend is due to a further 12 packages of care becoming eligible for health funding, and packages of care commencing later than anticipated.
Mental Health - External Provision	Ov 76,628	The overspend is due to an increase in the number of service users receiving external packages of care, from 65 in April 17 to 72 in March 18.
Housing Advice/Options	Un 74,646	The underspend is due to savings on staff costs, and by maximising usage of grant funding
Renovation Grants/Renewal Area	Ov 102,802	The overspend is due to unachieved income targets, the housing team's bids for capital regeneration grants were unsuccessful. The grants would have generated revenue income in the form of fees. Capital grants will be available in 2018/19 but there is a risk that bids could be rejected, this will be monitored as part of the budget monitoring process.
Public Lighting and Signal Control	Ov 69,644	The overspend has been reported in year and is due to the actual inflationary increase for electricity exceeding the provision included in the budget, but which is partly offset by savings elsewhere in the service.
Waste Disposal and Recycling	Ov 190,721	As previously reported, this overspend has arisen due to additional survey costs for recycling awareness and increased tonnage disposed at Pwllfawatkin.
Household Waste Recycling Centres	Ov 75,589	As previously reported, this overspend has occurred due to increased tonnage taken to the Household Waste Recycling Centres during 2017/18.
Building Maintenance	Ov 83,769	As reported this overspend has occurred due to the volume of jobs, including emergency repairs over the winter months.
Management Support	Ov 118,073	This overspend has arisen because the Directorate vacancy factor included in the budget has not been achieved in full.
Planning Development Control	Ov 249,237	As previously reported, this overspend is due to the income generated from planning fees being below the budget.

## Variances

Service Area	Value	Reason/Action
Workways	Un 69,087	The budget for the service assumed that the costs of the scheme, which are required for match funding under the terms of the grant, would be split equally over the 3 year project. However delays in the start-up have resulted in an underspend in the first year. It is therefore proposed that the underspend is transferred to a reserve to fund any shortfall in match funding arising at the end of the scheme.
Legal Services	Un 94,200	This was due to salary underspends and increased income from fees & charges
Democratic Services	Ov 82,423	Due to increased subscription costs and an increase in the cost of Members' remuneration following the Local Elections of May 2017.

## Adjustment to Budgeted Reserves Movements

Service Area	Reserve Movement	Reason
Primary Schools Mutual Funds-LLAN	Out 29,036	Transfer from the Primary Sector (LLAN) ER Scheme reserve to fund the cost of 2017/18 leavers and ongoing annual costs
Hillside - Secure Accommodation	In 36,645	Reduction in the planned contribution from reserve as the actual building maintenance expenditure was less than budgeted.
Child & Family Management	Out 1,421	A transfer from the WB Safeguarding Board Reserve is required to fund the overspend on Western Bay Safeguarding budget
Community Resource Team	In 13,933	Transfer the underspend on the intermediate care S33 Joint Pooled Account to the ICF Pooled Fund Reserve - to fund future costs.
ICT	In 170,000	Reduction in planned reserve contribution from ICT Renewals reserve due to slippage in renewing the telephone system and other projects
Digital Champions	Out 5,015	Additional contribution from the Digital Modernisation reserve to fully fund the Digital Champions team.
Elections	In 5,000	Additional contribution to the Elections Equalisation Reserve in preparation for the next Local Government Elections due in 2022
Corporate Training	In 7,340	Transfer to the Corporate Equalisation Reserve due to lower expenditure than expected on e-learning
Third Sector Grants	Out 8,960	To carry forward the balance on this budget to the Voluntary Organisations Reserve to be utilised in future years
Passenger Transport	In 15,000	Planned contribution from the Vehicle Tracking Reserve is not required in full
Operating Account Equalisation Reserve	In 16,000	Planned contribution from the Operating Account Equalisation Reserve is not required
Vehicle Renewal Reserve	In 257,641	Transfer surplus to reserve to fund future vehicle purchases
ERVR Reserve	Out 24,204	Net Transfer from ERVR reserve to fund cost of staff leaving
Environment Equalisation Reserve	In 46,014	Balance sheet transfer re headstone survey work to reserve, and alley gates

## Adjustment to Budgeted Reserves Movements

<b>Service Area</b>	<b>Reserve Movement</b>	<b>Reason</b>
Asset Recovery Incentive Scheme	In 39,994	Reclassification of balance sheet item re proceeds of crime income to reserve
Accommodation Strategy Reserve	In 223,430	Reclassification of balance sheet creditor re civic accommodation
Primary Schools Reserves	In 374,029	Transfer balances re primary schools to reserve
Secondary Schools Reserves	Out 294,506	Transfer balances re secondary schools to reserve
Special Schools Reserves	In 34,208	Transfer balances re special schools to reserve
Insurance Reserve	In 1,894,588	Transfer surplus to reserve
Treasury Management Equalisation Reserve	In 2,680,800	Transfer surplus to reserve
Accommodation Strategy Reserve	Out 500,000	Transfer to Treasury Management Reserve re capital financing for redevelopment of Neath Town Centre
General Reserve	In 25,000	Transfer from general reserve not required as no expenditure incurred re Community Council Grants during 2017/18
Economic Development	In 2,767	Reduction in planned contribution from the General Reserve as actual expenditure was less than budget
Social Work / Social Services Equalisation Reserve	In 350,000	Transfer underspend to SSHH Equalisation Reserve to fund additional social work capacity and Bspoked equipment renewal in 2018/19.
Adoption service	In 150,000	Transfer underspend to SSHH Equalisation Reserve to fund projected increased cost of adoption placements in 2018/19
Community Services Transport Unit	In 50,000	Transfer 2017/18 saving to Environment Equalisation Reserve to fund purchase of vehicles in 2018/19
Non-Operational Land	In 100,000	Transfer 2017/18 savings to the Environment Equalisation Reserve to fund start-up costs, following the purchase of the Crown building
Pantteg Reserve	In 500,000	Transfer to fund ongoing costs re Pantteg

## Additional Reserve Movement Requests

Service Area	Reserve Movement	Reason
Children & Young Persons Partnership	In 22,000	Transfer to ELLL equalisation reserve to fund the cost of transition between contracts within the Think Families First commissioning arrangements, and to ensure continuity of service children with disabilities funded by the Think Families First programme.
Margam Park	In 20,000	Transfer to ELLL equalisation reserve to fund the purchase of a generator, originally planned for 2017/18.
Management and Admin	In 10,000	Transfer to ELLL equalisation reserve to fund continuation of additional HR capacity to manage sickness absence in schools during 2018/19. The results show that this post has led to a significant reduction in school sickness levels. Schools are part funding £30k
Management and Admin	In 38,500	Transfer to the ELLL equalisation reserve to fund GDPR officer to support schools during 2018/19
Adoption Service	In 100,000	Transfer funds to the Adoption Service Reserve to fund anticipated costs in 2018/19. NPT's contribution to the regional adoption service is based on the number of adoption placements made in the year. It is anticipated that NPT will have the greatest share of placements in 18/19 requiring an additional contribution.
Community Transport Infrastructure	In 128,439	The council received additional Transport grant late in the financial year which has not been fully spent in 2017/18. The balance is transferred to a specific reserve, in accordance with the terms of the grant to fund expenditure in 2018/19
Non Operational Land	In 32,000	Transfer underspend to the Environment Equalisation reserve to fund future pressures
Non Operational Land	In 3,645	During 2017/18 the Council received this amount of feeding tariff income for new solar panel schemes. It is proposed that this money is put into a new reserve to use to fund similar spend to save schemes.
Local Development Plan	In 16,000	Transfer underspend to the Local Development Plan Reserve to fund future costs
Environmental Health Management & Support	In 17,000	Transfer to reserve to finance the purchase of environmental monitoring equipment in 2018/19 which will be used to monitor the former landfill site at Giants Grave and which will generate income from the tenant.



## Additional Reserve Movement Requests

Service Area	Reserve Movement	Reason
Workways	In 69,087	Due to the timing of expenditure incurred Workways has not needed to draw down all of the match funding allocation in 2017/18. This will be required in future years so needs to be set aside into a reserve for this purpose
Housing Benefits	In 30,000	Transfer the underspend on this budget to the Corporate Equalisation Reserve to fund pressures in future years
Legal Services	In 50,000	Transfer to the Corporate Equalisation Reserve to fund the cost of a replacement franker machine £20k and to fund staffing pressures in 2018/19
Civic & Ceremonial	In 5,000	Transfer to the Corporate Equalisation Reserve to fund additional costs in 2018/19
Corporate Strategy	In 8,000	Transfer to the Building Capacity & Capability Reserve to assist with pressures in 2018/19 related to Welsh Language Standards
Occupational Health	In 20,000	Transfer the underspend to the Occupation Health & Safety Reserve to assist with staffing pressures in 2018/19
Digital Modernisation Reserve	Out 113,285	Transfer the remaining balance on this reserve to the ICT Renewals Reserve
ICT Renewals Reserve	In 113,285	Transfer the remaining balance on the Digital Modernisation Reserve to the ICT Renewals Reserve
Member Community Fund	In 672,000	Transfer from General Reserve
Communities Resilience Reserve	In 2,000,000	Transfer from General Reserve
Environmental Health Housing Equalisation	In 20,000	Creation of new reserve to assist with enforcing improvement to derelict buildings

## Specific Reserves

Description	Reserve at 1st April 2017  £000	Updated Budgeted movements  £000	Interim Balance at 31st March 2018  £000	Additional Requests  £000	Final Balance at 31st March 2018  £000
<b>EDUCATION, LEISURE &amp; LIFELONG LEARNING</b>					
<b><i>Delegated Schools Cash Reserves</i></b>					
LLAN ER Scheme Primary	Cr48	29	Cr19	0	Cr19
Primary Schools Reserve A/C	Cr2,059	Cr374	Cr2,433	0	Cr2,433
Secondary Schools Reserve A/C	Cr569	295	Cr274	0	Cr274
Special Schools Reserve A/c	Cr127	Cr34	Cr161	0	Cr161
Repair & Maintenance Reserve	Cr161	0	Cr161	0	Cr161
	Cr2,963	Cr85	Cr3,048	0	Cr3,048
<b><i>Education, Leisure and Lifelong Learning</i></b>					
Education Equalisation Reserve	Cr55	50	Cr5	Cr91	Cr96
Home to School Transport Equalisation	0	Cr60	Cr60	0	Cr60
	Cr55	Cr10	Cr65	Cr91	Cr156
<b>Total Education Leisure &amp; Lifelong Learning</b>	<b>Cr3,018</b>	<b>Cr95</b>	<b>Cr3,113</b>	<b>Cr91</b>	<b>Cr3,204</b>

<b>Specific Reserves</b>					
<b>Description</b>	<b>Reserve at 1st April 2017</b>	<b>Updated Budgeted movements</b>	<b>Interim Balance at 31st March 2018</b>	<b>Additional Requests</b>	<b>Final Balance at 31st March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>SOCIAL SERVICES, HEALTH &amp; HOUSING</b>					
Homecare ECM Equipment Reserve	Cr43	Cr10	Cr53	0	Cr53
Community Care Transformation Reserve	Cr108	0	Cr108	0	Cr108
Social Services Equalisation	Cr40	Cr500	Cr540	0	Cr540
ICF Pooled Fund Reserve	0	Cr14	Cr14	0	Cr14
Hillside General Reserve	Cr1,713	26	Cr1,687	0	Cr1,687
Youth Offending Team Reserve	Cr153	0	Cr153	0	Cr153
Adoption Service Reserve	0	0	0	Cr100	Cr100
<b>Total Social Services, Health and Housing</b>	<b>Cr2,057</b>	<b>Cr498</b>	<b>Cr2,554</b>	<b>Cr100</b>	<b>Cr2,654</b>

## Specific Reserves

Description	Reserve at 1st April 2017	Updated Budgeted movements	Interim Balance at 31st March 2018	Additional Requests	Final Balance at 31st March 2018
	£000	£000	£000	£000	£000
<b>ENVIRONMENT</b>					
Concessionary Fare - Bus Pass Replacement Reserve	Cr152	0	Cr152	0	Cr152
Asset Recovery Incentive Scheme	Cr86	Cr40	Cr126	0	Cr126
Local Development Plan	Cr126	0	Cr126	Cr16	Cr142
Economic Development	Cr40	0	Cr40	0	Cr40
Winter Maintenance Reserve	Cr764	Cr100	Cr864	100	Cr764
Baglan Bay Innovation Centre - Dilapidation Reserve	0	Cr78	Cr78	0	Cr78
Building Maintenance Reserve	Cr100	100	0	0	0
Environment Equalisation Reserve	Cr184	Cr51	Cr235	Cr118	Cr353
BSSG Grant Reserve	0	0	0	Cr128	Cr128
Renewable Energy Reserve	0	0	0	Cr4	Cr4
Environmental Health Housing Equalisation	0	0	0	Cr20	Cr20
	Cr1,452	Cr168	Cr1,620	Cr186	Cr1,806
<b>Operating Accounts</b>					
Operating Account -Equalisation	Cr36	0	Cr36	0	Cr36
Fleet Sentinel Maintenance Reserve	Cr100	8	Cr92	0	Cr92
Vehicle Tracking	Cr12	12	0	0	0
Operating Accounts -Vehicle Renewals	Cr1,705	240	Cr1,465	0	Cr1,465
	Cr1,853	260	Cr1,593	0	Cr1,593
<b>Total Environment</b>	<b>Cr3,305</b>	<b>92</b>	<b>Cr3,213</b>	<b>Cr186</b>	<b>Cr3,399</b>

<b>Specific Reserves</b>					
<b>Description</b>	<b>Reserve at 1st April 2017</b>	<b>Updated Budgeted movements</b>	<b>Interim Balance at 31st March 2018</b>	<b>Additional Requests</b>	<b>Final Balance at 31st March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CORPORATE SERVICES</b>					
Elections Equalisation Fund	Cr367	165	Cr202	0	Cr202
Health & Safety/Occupational Health	Cr104	30	Cr74	Cr20	Cr94
Development Fund for Modernisation	Cr145	35	Cr110	0	Cr110
IT Renewals Fund	Cr1,512	130	Cr1,382	Cr113	Cr1,495
Corporate Equalisation Reserve	Cr805	229	Cr577	Cr85	Cr662
Building Capacity & Capability	Cr72	0	Cr72	Cr8	Cr80
Digital Modernisation	Cr270	157	Cr113	113	0
Voluntary Organisation Reserve	Cr51	28	Cr23	0	Cr23
<b>Total Finance and Corporate Services</b>	<b>Cr3,327</b>	<b>773</b>	<b>Cr2,553</b>	<b>Cr113</b>	<b>Cr2,666</b>

<b>Specific Reserves</b>					
<b>Description</b>	<b>Reserve at 1st April 2017</b>	<b>Updated Budgeted movements</b>	<b>Interim Balance at 31st March 2018</b>	<b>Additional Requests</b>	<b>Final Balance at 31st March 2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CORPORATE</b>					
Insurance-Claims Reserve	Cr4,724	Cr1,895	Cr6,618	0	Cr6,618
Swansea Bay City Deal	Cr50	50	0	0	0
Income Generation Reserve	Cr200	Cr550	Cr750	0	Cr750
Members Community Fund Reserve	0	0	0	Cr672	Cr672
Communities Resilience Reserve	0	0	0	Cr2,000	Cr2,000
Housing Warranties Reserve	Cr220	0	Cr220	0	Cr220
Fire Reserve	Cr52	21	Cr31	0	Cr31
Waste Reserve	Cr423	30	Cr393	0	Cr393
LAWDC Contingency Reserve	Cr988	17	Cr971	0	Cr971
Treasury Management Equalisation Reserve	Cr3,075	Cr2,681	Cr5,755	0	Cr5,755
ERVR Transitional Reserve	Cr6,243	169	Cr6,074	0	Cr6,074
Pantteg Reserve	0	Cr500	Cr500	0	Cr500
Accommodation Strategy	Cr2,760	277	Cr2,484	0	Cr2,484
<b>CORPORATE OTHER</b>	<b>Cr18,735</b>	<b>Cr5,062</b>	<b>Cr23,796</b>	<b>Cr2,672</b>	<b>Cr26,468</b>
<b>JOINT COMMITTEE/ OTHER</b>					
WB Safeguarding Board Reserve	Cr100	1	Cr99	0	Cr99
Substance Misuse Joint Committee	Cr27	0	Cr27	0	Cr27
SWTRA Reserve	Cr60	0	Cr60	0	Cr60
<b>JOINT COMMITTEE/ OTHER</b>	<b>Cr187</b>	<b>1</b>	<b>Cr185</b>	<b>0</b>	<b>Cr185</b>
<b>TOTAL ALL REVENUE RESERVES</b>	<b>Cr30,628</b>	<b>Cr4,788</b>	<b>Cr35,416</b>	<b>Cr3,162</b>	<b>Cr38,578</b>

## General Reserve

	<b>Original Estimate 2017/18</b>	<b>Revised Estimate 2017/18</b>	<b>Actual 2017/18</b>	<b>Difference 2017/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Opening balance 1st April</b>	<b>Cr 17,345</b>	<b>Cr 19,737</b>	<b>Cr 19,737</b>	<b>0</b>
Council Tax increased income	Cr 1,400	Cr 1,400	Cr 2,581	<b>Cr 1,181</b>
Capital - Phase II Accommodation financing costs	350	350	0	<b>Cr 350</b>
Doubtful Debt Provision	160	160	0	<b>Cr 160</b>
Contributions to Economic Development	200	200	197	<b>Cr 3</b>
Community Councils Grant Scheme	25	25	0	<b>Cr 25</b>
Transfer to Income Generation Reserve	0	550	550	<b>0</b>
Transfer to Communities Resilience Reserve	0	0	2,000	<b>2,000</b>
Transfer to Members Community Fund Reserve	0	0	672	<b>672</b>
Contribution from revenue	0	0	Cr 1,081	<b>Cr 1,081</b>
<b>Closing balance 31st March</b>	<b>Cr 18,010</b>	<b>Cr 19,852</b>	<b>Cr 19,980</b>	<b>Cr 128</b>

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## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### CABINET

23<sup>rd</sup> MAY 2018

### REPORT OF HEAD OF FINANCIAL SERVICES

#### SECTION A – MATTER FOR DECISION

#### WARDS AFFECTED – ALL

#### CAPITAL PROGRAMME OUTTURN 2017/18

##### 1. Purpose of Report

- 1.1 This report sets out the financial outturn position for the Capital Programme for 2017/18.

##### 2. Budget Outturn

- 2.1 For 2017/18 the approved revised Capital Programme totalled £75.513m, the actual expenditure for the year was £68.963m which represents in financial terms 91% delivery of the Programme.

- 2.2 This £69m expenditure represents significant investment within the County Borough which has led to community and service improvements. The Council places great emphasis on the importance of capital investment as a means of regenerating our Communities and providing modern, safe buildings and infrastructure. Capital investment does not only lead to improved facilities and services but creates jobs and economic benefits for the citizens of Neath Port Talbot.

The following points note some of the significant achievements during the year:

- Ongoing construction of a new 3-16 School in Margam (Ysgol Cwm Brombil) to replace the Lower and Upper sites

of Dyffryn Comprehensive as well as Groes Primary School with a budget of £31m.

- Continuation of the construction and re-modelling works at the Welsh Medium 3-18 North Campus site in Ystalyfera (Ysgol Gymraeg Ystalyfera). Also, commencement of the new Welsh Medium 11-16 South Campus (Ysgol Gymraeg Bro Dur) on the site of the former Sandfields Comprehensive School.
- Commencement of the construction of a £7.6m new primary school in Briton Ferry, 'Ysgol Carreg Hir', on the site of the former Cwrt Sart Comprehensive School. The project will see three primary schools (Brynhyfryd, Llansawel and Ynysmaerdy) with significant surplus capacity and backlog maintenance issues close and be replaced by a new 21st Century school.
- Completion of the Integrated Transport Hub in Port Talbot. The Hub will improve access to employment on strategic sites and integrate public transport connecting bus and rail services and will improve public transport's viability as a realistic alternative for commuting.
- Further investment of over £3m into Disabled Facility Grants to assist people to live at home and investment of c£3m in Schools Capital Maintenance and Highways and Engineering Maintenance improvements.

2.3 A summary of the outturn position can be found in Appendix 1 of this report with the main variations between budget and actual being:

- Former Crown Foods Site Acquisition  
The purchase of the above was not completed by 31<sup>st</sup> March 2018 resulting in an underspend of £2.050m. This funding will be carried forward into 2018/19 so that the purchase can be completed during the new financial year.

- Ysgol Carreg Hir (formerly included as Ysgol Newydd Briton Ferry)  
Expenditure on this project has been slower than budgeted resulting in a £1.1m underspend in 2017/18. The project remains within its overall budget and the school is anticipated to open in time for the 2018/19 academic year.
- Vehicle Replacement Programme  
A combination of vehicles costing less than anticipated and also certain vehicles not requiring replacement resulted in a £534k underspend in this area. The earmarked funding will remain in the vehicles renewals reserve until required.
- Highways and Engineering Maintenance Programme  
This programme was disrupted by inclement weather delaying work to be undertaken by both internal and external contractors. Also grant funded work was prioritised to ensure no loss of grant to the Council. These two factors resulted in an underspend of £517k which will be carried forward and projects delivered in 2018/19.
- Street Lighting  
Initially the main contract for this work was due to end by March 2018 however some elements of the programme have slipped and are still being delivered during 2018/19 resulting in the 2017/18 underspend of £422k.

### **3. 2018/19 Capital Programme**

- 3.1 Work is ongoing to deliver the 2018/19 Capital Programme totalling £43.608m which was approved by Members as part of the Council's budget setting process in February 2018. This Programme will be continually updated and revised as changes to profiles and funding are identified. Updated information will be reported to Members as part of the 2018/19 budget monitoring cycle.

### **4. Risk Management**

The capital programme is actively managed by managers and the Capital Programme Steering Group to comply with all relevant planning conditions, legislation, regulations and health and safety.

- 5. Consultation**  
There is no requirement under the Constitution for external consultation on this item.
- 6. Recommendation**  
It is recommended that the 2017/18 Capital Programme outturn position be approved.
- 7. Reason for Proposed Decision**  
To agree the capital outturn position for 2017/18.
- 8. Implementation of Decision**  
The decision is proposed for implementation after the three day call in period.
- 9. List of Background Papers**  
Capital Programme Working Files
- 10. Appendices**  
Appendix 1 – Details of 2017/18 Capital Expenditure
- 11. Officer Contact**

For further information on this report item please contact:

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**Details of 2017/18 Capital Expenditure**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ysgol Bae Baglan	1	56	55
Ysgol Gymraeg Ystalyfera (Welsh Medium North Campus)	4,025	3,700	-325
Ysgol Carreg Hir (formerly included as Ysgol Newydd Briton Ferry)	5,385	4,286	-1,099
Ysgol Gymraeg Bro Dur (Welsh Medium South Campus)	12,439	12,628	189
Ysgol Cwm Brombil (formerly included as Ysgol Newydd Margam)	16,000	15,951	-49
Schools Capital Maintenance	1,238	1,430	192
Highways and Engineering Maintenance	2,098	1,581	-517
Integrated Transport Hub	2,539	2,191	-348
Highways Infrastructure Investment	360	348	-12
Major Bridge Strengthening Projects	1,159	1,219	60
Retaining Edge Work – Afan Valley	300	191	-109
Bus Corridor Improvements	617	636	19
Bus Routes and Cycle Ways (LTF)	847	866	19
Road Safety Improvements	582	550	-32
Safe Routes in Communities	250	240	-10
PDR 2 – Land Compensation	500	126	-374
Street Lighting	1,851	1,429	-422
Vehicle Replacement Programme	2,413	1,879	-534
Health and Safety	1,080	990	-90
Regeneration	1,593	1,283	-310
Neath Town Centre Redevelopment	100	43	-57
Former Crown Foods Site Acquisition	2,050	0	-2,050
Harbourside Development	199	180	-19
Disabled Facilities Grants	3,063	3,119	56
Housing Energy Efficiency Works	477	407	-70
Residential Care Contract Contribution	10,000	10,000	0
Contingency	486		-486
Remaining Capital Programme	3,861	3,634	-227
<b>Total</b>	<b>75,513</b>	<b>68,963</b>	<b>-6,550</b>

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## NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

### CABINET

#### REPORT OF THE CORPORATE DIRECTORS GROUP

23rd MAY 2018

#### SECTION A – MATTERS FOR DECISION

**WARDS AFFECTED: ALL**

#### **PAY AWARD BUDGET VIREMENT 2018/19**

##### **1 Purpose of Report**

- 1.1 To seek approval to allocate funds set aside in the Pay & Pensions provision to fund the additional cost of the pay award for lower graded posts.

##### **2 Background**

- 2.1 At the time the budget was set for 2018/19 a provision was included for a 2% pay award for all staff, plus a separate Pay and Pension provision of £1.19m, of which £1m was set aside to fund the potential cost of any additional award for lower graded staff.
- 2.2 Following negotiation and agreement with Trade Unions a 2 year pay deal was agreed for Green Book Staff from 1<sup>st</sup> April 2018. All staff are to receive a minimum 2% pay award in both years with a higher award for lower paid staff.
- 2.3 Those staff on salaries of less than £19,430 (SCP 20) received the following increases from 1<sup>st</sup> April 2018

<b>SCP</b>	<b>Increase Value</b>	<b>% increase</b>	<b>2018 Amount</b>	<b>£ per hour</b>
6	£1,380	9.191%	£16,394	£8.50
7	£1,380	9.130%	£16,495	£8.55
8	£1,380	9.052%	£16,626	£8.62
9	£1,380	8.976%	£16,755	£8.68

10	£1,250	8.006%	£16,863	£8.74
11	£1,200	7.592%	£17,007	£8.82
12	£1,050	6.512%	£17,173	£8.90
13	£900	5.458%	£17,391	£9.01
14	£900	5.363%	£17,681	£9.16
15	£900	5.272%	£17,972	£9.32
16	£900	5.167%	£18,319	£9.50
17	£900	5.064%	£18,672	£9.68
18	£800	4.427%	£18,870	£9.78
19	£700	3.734%	£19,446	£10.08
20		2.000%	£19,819	£10.27
And above		2.000%	N/A	N/A

2.4 The agreement also includes the introduction of a new national pay spine on 1<sup>st</sup> April 2019.

2.5 A working group is being established to undertake the work required to formulate a grading structure based on the new national pay spine, the outcome of which will be the subject of a separate report to members.

### 3 Budget Virements

3.1 The Council's Constitution requires the prior approval of any virement, that does not involve a significant variation in the level or nature of the delivery of the service, agreed by Council in the revenue budget as follows:-

Less than £100,000 – Corporate Directors

More than £100,000 but less than £500,000 – Cabinet

More than £500,000 – Council

3.2 It is proposed that the following amounts are transferred from the Corporate Pay and Pension provision to fund the additional cost of the pay award for lower graded staff

Schools	£430,970
Other Education	£185,000
Social Services	£80,500
Environment	£262,500
Corporate	£38,000
Total	£996,970



4. **Consultation**

This item is not subject to external consultation.

5. **Recommendations**

It is recommended that:

- The proposed budget virements are recommended for approval by Council.

6. **Reason for Proposed Decision**

To update the Council's budget for budget virements in line with the Council's Constitution.

7. **Implementation of Decision**

The decision is proposed for implementation after consideration and approval by Council.

8. **Background Papers**

Pay Base working papers

9. **Officer Contact**

For further information on this report item, please contact:

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