

AUDIT COMMITTEE

26TH JUNE 2015

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES – H. JENKINS

SECTION B – MATTER FOR INFORMATION

WARDS AFFECTED - ALL

CLOSURE OF ACCOUNTS 2014/15

1. Purpose of the report

1.1 This report introduces the information in relation to the Council's Outturn position for Revenue and Capital and the Statement of Accounts for 2014/15.

2. Background

2.1 The Council's financial year ends on 31st March and following this date, the exercise starts to complete the annual accounts.

2.2 The Council prepares its revenue and capital position which provides financial information reflecting the structure and operations of the Council. A draft Statement of Accounts is also produced to comply with the current Accounting Code of Practice which is issued by the Chartered Institute of Public Finance and Accounting.

2.3 The Accounts and Audit (Wales) Regulations 2014 require that by the 30th June, the Section 151 officer, our Director of Finance and Corporate Services, signs and dates the accounts to certify that they present a true and fair view.

3. Closure of Accounts 2014/15

3.1 The Revenue Outturn and Reserves Position Statement 2014/15 and the Capital Programme Outturn 2014/15 reflect the Council's management budget and are included as Addendum 1. This report reflects the information provided for decision by Cabinet on 17th June 2015.

3.2 The draft Statement of Accounts 2014/15 is included as Addendum 2 (separate copy).

4. Next Steps

4.1 This report is now subject to audit by the Wales Audit Office culminating in the final report being signed by the Chair of this Committee at the meeting on 24th September 2015.

5. Recommendation

5.1 That the report be noted.

Appendices

Addendum 1 – Revenue Outturn and Reserves Position Statement and Capital Programme Outturn

Addendum 2 – Draft Statement of Accounts 2014/15

Background Papers

Closing working papers 2014/15

Wards Affected

All

Officer Contact

For further information on this report item, please contact:

Mrs Janet North, Chief Accountant, Technical and Exchequer

☎ 01639 763635

E-mail: j.north@npt.gov.uk

Mrs Diane Mulligan, Group Accountant, Technical

☎ 01639 763603

E-mail: d.mulligan@npt.gov.uk

Mr Dave Rees, Head of Financial Services.

☎ 01639 763634

E-mail: d.rees1@npt.gov.uk

ADDENDUM 1

CABINET

17th JUNE 2015

FINANCE AND CORPORATE SERVICES

REPORT OF THE CORPORATE DIRECTORS' GROUP

SECTION A – MATTER FOR DECISION

WARDS AFFECTED – ALL

REVENUE OUTTURN AND RESERVES POSITION STATEMENT 2014/15

1. Introduction

- 1.1. The purpose of this report is to provide details relating to the Council's General Fund Revenue Outturn and Reserves position for the 2014/15 financial year.
- 1.2. As Members will recall the amount of funding received for 2014/15 from the Welsh Government Revenue Support Grant Settlement was 4.4% lower than 2013/14. In real terms the Council identified savings of £15m to balance its budget at £269.879m.

EXECUTIVE SUMMARY

The Council's Outturn position for its Directorates shows a net underspend of £743k, when compared to the Revised Budget reported in February 2015.

The Revised Budget assumed that £1.640m would be drawn from reserves, but this has been offset by additional contributions to the reserves of £1.741m arising from additional savings realised during 2014/15. Thus increasing the General Reserve Balance for the year by £101k.

This results in the General Reserve having a closing balance of £13.814m.

The closing balance on Specific Reserves at 31st March 2015 is £28.153m.

2. Service Outturn Position 2014/15

2.1. The initial outturn position for the Directorates Service budgets, indicates an under spend of £743k (-0.32%), as outlined below.

	Original Budget £'000	Revised Budget £'000	Outturn Position £'000	Variance %
Education, Leisure & Lifelong Learning	103,278	102,871	103,703	0.81%
Social Services and Health	79,785	80,158	79,220	-1.17%
Environment	30,632	30,111	30,061	-0.17%
Corporate Services	17,676	18,036	17,449	-3.26%
Net Position	231,371	231,176	230,433	-0.32%

A further summary of the under spend of £743k is included in Appendix 1 (page 8).

An explanation of the main budget variances for all service areas is included in Appendix 2 (pages 9-13)

This report seeks approval to transfer £223k of that underspend to Specific Reserves to fund identified future cost pressures, thus reducing the overall underspend to £520k.

3. Specific Reserves 2014/15

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

- The schedule of interim specific reserve balances projected as at 31st March 2015 was agreed by Council on 4th February 2015 as part of the 2014/15 Revised Budget deliberations.
- The final reserve balances will be further reviewed following audit and as part of the annual budget process for 2015/16.

- School Reserves (£2.939m) – delegated school budget reserves must be carried forward in accordance with current legislative requirements. Reserve balances have reduced by £235k 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.

- 3.2. Approval is sought to transfer some of the net underspend reported to specific reserves to meet identified future cost pressures. Full details of these reserve requests are included as Appendix 3.

Directorate		£'000
Education, Leisure and Lifelong Learning	From	-69
Social Services Health and Housing	To	0
Environment	To	50
Corporate Services	To	242
Total	To	223

- 3.3. Following the approval of these proposals, the Specific reserves position is as follows:

	£'000
Opening Balance 1 st April 2014	Cr 35,468
Net reserve movements (Appendix 4)	7,538
	<hr/>
	Cr 27,930
Additional Transfers (from para 3.2)	Cr 223
	<hr/>
Closing Balance as at 31st March 2015	Cr 28,153

Full details of Specific Reserve balances are given in Appendix 4.

4. **Revenue Account and General Reserves 2014/15**

- 4.1. A review of specific reserves was undertaken during 2014/15 and as a consequence a further sum of £4.750m was transferred to the ERVR transitional reserve, of which £6.070m was used to meet the cost of staff opting to take early retirement/ redundancy during 2014/15.

Provision had previously been set aside in the Leisure Regeneration Reserves and Insurance Fund Reserve to meet some of the costs of rebuilding the Afan Lido. However it is now proposed that these costs will instead be met through capital financing, therefore the balances on those reserves can instead be used to replenish the ERVR transformation reserve to meet the future costs of ERVR. The closing balance on the reserve is therefore £6.829m.

- 4.2 If the recommended contributions to reserves detailed above are approved, the Council's closing General Reserve position will be £13.814m, made up as follows:

	£'000
Opening Balance 1 st April 2014	Cr 13,713
Reserve Movements	Cr 101
Closing Balance 31st March 2015	<u>Cr 13,814</u>

Full details of the movement in the General Reserve are shown in Appendix 5.

Members should note that 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 and finalised at the end of September 2015.

5. Recommendations

- 5.1. It is recommended that the following be commended to Council for determination and approval:

- the Revenue Outturn position for 2014/15
- the Specific Reserves attached at Appendix 4
- the General Reserve attached at Appendix 5
- The draft Statement of Accounts incorporate these proposals

6. Reason for Proposed Decision

To agree the revenue outturn position and reserve schedules for 2014/15

7. List of Background Papers

Outturn Working Papers 2014/15

8. Appendices

Appendix 1 – Revenue Outturn Summary 2014/15

Appendix 2 – Variance Statement

Appendix 3 – Additional Reserve Movements

Appendix 4 – Reserves Schedule

Appendix 5 – General Reserve Statement

9. Wards Affected

All

10. Officer Contact

For further information on this report item, please contact:

Mr Hywel Jenkins – Director of Finance & Corporate Services

Tel no 01639 763251

Email: h.jenkins@npt.gov.uk

Mr David Rees – Head of Financial Services

Tel no 01639 763634

E-mail: d.rees1@npt.gov.uk

Mrs Sue Gorman, Chief Accountant - Financial Services

Tel. No. 01639 763937

E-mail: s.gorman@npt.gov.uk

COMPLIANCE STATEMENT

REVENUE OUTTURN AND RESERVES POSITION STATEMENT 2014/15

Implementation of Decision

The decision is proposed for implementation immediately after consultation with the relevant Scrutiny Committee and determination by Council.

Sustainability Appraisal

Community Plan Impacts

Economic Prosperity
Education & Lifelong Learning
Better Health & Well Being
Environment & Transport
Crime & Disorder

Other Impacts

Welsh Language
Sustainable Development
Equalities
Social Inclusion

The 2014/15 budget had some positive, negative and neutral impacts on the above. The Council has delivered its services within budget and the general reserve balance has improved. The report identifies various movements to and from reserves resulting in the closing specific reserves balance being lower at year end compared to 1 April 2014.

Consultation

This item has been included in the Forward Work Programme.

REVENUE OUTTURN SUMMARY 2014/15

	Original Budget	Revised Budget	Actual	Interim Variance	Add Reserve	Final Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Directly Controlled Expenditure						
Education Leisure & Lifelong Learning	103,278	102,871	103,703	832	-69	763
Social Services and Health	79,785	80,158	79,220	-938	0	-938
Environment	30,632	30,111	30,061	-50	50	0
Corporate Services	17,676	18,036	17,449	-587	242	-345
Total Directly Controlled Expenditure	231,371	231,176	230,433	-743	223	-520
Other Budget Movements						
Levies and Contributions	6,843	6,843	6,799	-44	0	-44
Capital Financing	16,436	16,631	16,631	0	0	0
Council Tax support	17,002	17,002	16,386	-616	0	-616
Contingencies/Miscellaneous	142	142	229	87	0	87
Reserves	-454	-454	0	454	0	454
Outcome Agreement Grant	-1,461	-1,461	-1,469	-8	0	-8
Total Expenditure	269,879	269,879	269,009	-870	223	-647
Revenue Support Grant	-165,375	-165,375	-165,375	0	0	0
NNDR	-44,394	-44,394	-44,394	0	0	0
Discretionary Rate Relief	155	155	161	6	0	6
Council Tax income	-60,265	-60,265	-60,265	0	0	0
Income	-269,879	-269,879	-269,873	6	0	6
Net Expenditure from/-to General Reserve	0	0	-864	-864	223	-641

General Reserve Closing Balance 31 March 2015 (appendix 5)

Cr 13,814

Variances

Dir	Service Area	Value £000	Reason/Action
ELLL	Early Retirement Costs	Un 66	Saving due to a reduction in the anticipated recharge from the LGPS pension scheme
ELLL	School Specific Contingencies	Ov 86	Additional schools grounds maintenance charge £43k, £21k school pension costs, £25k ERVR costs Ysgol Hendre.
ELLL	Early Learning Resource Centre	Ov 50	Reduction in income from schools
ELLL	Home to School Transport	Ov 566	The 2014/15 base budget was under provided together with some additional in-year cost pressures. Base budget has been corrected for 2015/16.
ELLL	Education Welfare Service	Un 58	Vacant posts/maternity leave and additional funding received from Team around the Family Grant.
ELLL	Outdoor Education	Un 63	Field Studies Council increased income.
ELLL	School Effectiveness Grant	Ov 53	An overspend has arisen because the match funding element of the grant was provided for under the EDIS budget which saw a corresponding underspend.
ELLL	Out of County Placements	Ov 72	Increased costs due to new pupils in the system and existing pupils moving to higher costs placements in year
ELLL	Education Outside of School Settings	Ov 114	An increase in the number of children being educated outside of schools in 2014/15 has led to an increase in the cost of tutors.
ELLL	Afan Nedd Franchise	Un 89	The expenditure relating to the Afan Nedd franchise/Adult Community Learning Grant Project was lower than budgeted.
ELLL	Skills and Training Unit	Ov 228	An over spend has arisen due to a reduction in the contract value for work based learning.
ELLL	Youth ENGAGE Continuation	Un 54	Additional grant funding received from Families First.

Variances

Dir	Service Area	Value £000	Reason/Action
ELLL	Management and Administration	Ov 120	Under achievement on vacancy management target £58k, additional IT costs £30k
SSHH	Children's & Family Services -Residential Care – Hillside Secure Accommodation	Un 319	Savings on staff and general office expenses account for £112k. The balance of the under spend can be attributed to additional income generation, more beds were occupied than anticipated. The demand for welfare beds is very volatile.
SSHH	Children's & Family Services - Other Community Care - Adoption Service	Ov 61	Increased cost of inter-agency adoption fees as a result of more children being adopted. The creation of the Western Bay regional adoption team should increase the recruitment of local adopters and therefore reduce future spend on independently commissioned adoptive placements.
SSHH	Children's & Family Services - Other Community Care - External Provision	Ov 84	Additional cost of allowances paid to independent foster carers. A number of complex cases have occurred since the revised budget was set.
SSHH	Children's & Family Services - Youth Offending Team	Un 62	The underspend is a result of savings on staff costs due to vacancies.
SSHH	Management & Support Services - Community Care Management	Un 110	The number of DOLS assessments undertaken in 14/15 was less than anticipated, resulting in an under spend of £65k. The balance of the under spend is due to additional grant income.
SSHH	Management & Support Services - Business Support Services	Ov 255	The large vacancy factor in Business Support Services has not been achieved through staff savings. Strategies have been identified going forward and the vacancy factor has been reduced to a more realistic target.

Variances

Dir	Service Area	Value £000	Reason/Action
SSHH	Environmental, Community & Commercial Services - Management & Support	Ov 60	Environmental Health did not achieve the vacancy factor in the budget, this has been reduced for future years by identifying savings elsewhere in the directorate.
SSHH	Environmental, Community & Commercial Services - Food & Health Safety	Ov 57	Overspend on staff costs. A fixed term temporary EHO was appointed in May 2014 which will terminate during 15/16.
SSHH	Environmental, Community & Commercial Services - Environmental Health & Hsing Enforcement	Ov 61	Shortfall in income from pest control fees arising from a reduction in activity. The income target has been reduced for 2015/16
SSHH	Elderly Services - Residential Care - External Provision	Ov 289	£219k of the over spend relates to additional pension costs attached to the Gwalia contract. This is an ongoing pressure. The balance of the overspend accounts for this due to a reduction in income as a result of falling occupancy rates.
SSHH	Elderly Services - Other Community Care - Internal Provision	Un 292	Maximisation of RCF/ICF grant funding in the Community Resource Team - priority was given to filling grant funded posts.
SSHH	Learning Disabilities - Residential Care - Rhodes / Respite	Un 94	Savings on staff costs.
SSHH	Learning Disabilities - Residential Care - External Provision	Un 584	Savings arising from the Pathways to Independence project. Savings have arisen early and will contribute to the FFP savings strategy in 2015/16.

Variances

Dir	Service Area	Value £000	Reason/Action
SSHH	Housing General Fund - Renovation Grants	Un 102	Additional ECO funding acquired to improve homes energy efficiency.
ENVT	Winter Maintenance	Un 140	An underspend has arisen due to the mild winter. It is proposed that £19k is transferred to the winter maintenance reserve.
ENVT	Print Unit	Ov 78	An overspend has arisen due to a reduction in income prior to the closure of the unit.
CORP	Accountancy - Financial Services	Un 67	Savings of £29k in respect of Wales Audit Fees relating to grant audit work ; and additional income of £18k from Western Bay work
CORP	Exchequer - Payroll	Un 73	An underspend on salaries of £39k due to secondments and staff leaving on ER/VR; and additional £17k income from third party claims fees & charges.
CORP	Housing Benefit Administration	Un 55	Additional administration grant income from DWP of £44k relating to SFIS, welfare reform, migrants and fraud
CORP	Information & Communications Technology	Un 160	An under spend of £120k on funding set aside for schools ICT infrastructure costs. It is proposed that this is transferred to reserves to spend on schools IT infrastructure in 2015/16.
CORP	Legal Services - Land Charges	Ov 117	Legal costs associated with backdated land charges settlement claims.
CORP	Legal Services - Childcare Service	Un 65	An underspend on salaries of £24k due to vacant posts and maternity leave and £34k savings in the costs of externalised legal counsel fees.
CORP	CMIU-LSB ESF Building Capacity & Capability	Ov 53	Staff and other costs not eligible for grant funding

Additional Reserve Requests

Dir	Service Area/Reserve	Requested Reserve Movement £000	Reason/Action
ELLL	School Specific Contingency	Out 69	Transfer from Corporate Transformation ERVR reserve £44k to offset pension costs and £25k ERVR at Ysgol Hendre
ENVT	Winter Maintenance	In 19	Transfer £19k to Winter Maintenance Reserve for any future years additional costs incurred in severe winters.
ENVT	Swansea Bay City Region	In 31	Additional funding was made available late in 2014/15 but was unable to be spent during 14/15. It is proposed that £31k is carried forward into 2015/16 to fund the Innovation Conference and a consultant's report.
CORP	Accountancy Financial Services	In 30	Transfer to Corporate Equalisation Reserve to assist with anticipated pressures in 2015/16
CORP	Information & Communications Technology	In 160	Transfer to IT Renewals Reserve to assist with the funding of schools infrastructure costs
CORP	Coroner	In 12	Transfer to Corporate Equalisation Reserve to fund anticipated costs of outstanding caseload
CORP	Democratic Services	In 20	Transfer to the Elections Equalisation Reserve to assist with funding the next County Borough Election due in 2017
CORP	Human Resources-Occupational Health Service	In 20	Transfer to the Health & Safety Reserve to assist with funding Occupational Health Screening

Description	Reserve at 1st April 2014	Budget movements	Interim Balance at 31st March 2015	Additional Requests	Final Balance at 31st March 2015
	£000	£000	£000	£000	£000
EDUCATION, LEISURE & LIFELONG LEARNING					
<i>Delegated Schools Reserves</i>					
ERVR New Deal Primary	Cr41	27	Cr14	0	Cr14
Primary Schools Reserve A/C	Cr1,949	Cr193	Cr2,142	0	Cr2,142
Secondary Schools Reserve A/C	Cr838	337	Cr501	0	Cr501
Special Schools Reserve A/c	Cr185	64	Cr120	0	Cr120
Repair & Maintenance Reserve	Cr161	0	Cr161	0	Cr161
	Cr3,174	235	Cr2,939	0	Cr2,939
<i>Education, Leisure and Lifelong Learning</i>					
School Improvement Reserve	Cr147	0	Cr147	0	Cr147
Leisure Regeneration	Cr2,152	2,152	0	0	0
Equalisation Account-Education	Cr211	210	Cr1	0	Cr1
Youth Offending (transferred to SSH&H)	Cr95	95	0	0	0
	Cr2,605	2,457	Cr148	0	Cr148
Total Education Leisure & Lifelong Learning	Cr5,779	2,692	Cr3,087	0	Cr3,087

Description	Reserve at 1st April 2014	Budget movements	Interim Balance at 31st March 2015	Additional Requests	Final Balance at 31st March 2015
	£000	£000	£000	£000	£000
SOCIAL SERVICES, HEALTH & HOUSING					
<i>Hillside Secure Unit</i>					
Hillside General Reserve	Cr2,113	443	Cr1,670	0	Cr1,670
	Cr2,113	443	Cr1,670	0	Cr1,670
<i>Other</i>					
Homecare ECM Equipment Reserve	Cr19	6	Cr13	0	Cr13
Community Care Transformation Reserve	0	Cr350	Cr350	0	Cr350
Social Services Equalisation	Cr23	Cr150	Cr173	0	Cr173
Residential Care - Rent Provision	Cr543	Cr208	Cr751	0	Cr751
Youth Offending Team Reserve	0	Cr87	Cr87	0	Cr87
	Cr585	Cr789	Cr1,374	0	Cr1,374
Total Social Services, Health and Housing	Cr2,698	Cr346	Cr3,044	0	Cr3,044

Description	Reserve at 1st April 2014	Budget movements	Interim Balance at 31st March 2015	Additional Requests	Final Balance at 31st March 2015
	£000	£000	£000	£000	£000
ENVIRONMENT					
Concessionary Fare - Bus Pass Replacement Reserve	Cr112	Cr10	Cr122	0	Cr122
Transportation Planning Reserve	Cr40	40	0	0	0
Workways/Future Jobs Fund Reserve	Cr140	140	0	0	0
Local Development Plan	Cr343	77	Cr266	0	Cr266
Winter Maintenance Reserve	Cr322	0	Cr322	Cr19	Cr341
Building Maintenance Reserve	Cr50	Cr125	Cr175	0	Cr175
European Fund	Cr2	0	Cr2	0	Cr2
Environment Equalisation Reserve	Cr154	115	Cr39	Cr31	Cr70
SWTRA Reserve	Cr60	0	Cr60	0	Cr60
Civic Buildings Future Maintenance	Cr572	572	0	0	0
	Cr1,795	809	Cr986	Cr50	Cr1,036
Operating Accounts					
Operating Account -Equalisation	Cr118	21	Cr97	0	Cr97
Fleet Sentinel Maintenance Reserve	Cr100	0	Cr100	0	Cr100
Vehicle Tracking	Cr18	4	Cr14	0	Cr14
Operating Accounts -Vehicle Renewals	Cr1,597	298	Cr1,299	0	Cr1,299
	Cr1,833	323	Cr1,510	0	Cr1,510
Total Environment	Cr3,628	1,132	Cr2,496	Cr50	Cr2,546

Description	Reserve at 1st April 2014	Budget movements	Interim Balance at 31st March 2015	Additional Requests	Final Balance at 31st March 2015
	£000	£000	£000	£000	£000
CORPORATE SERVICES					
Elections Equalisation Fund	Cr95	Cr15	Cr110	Cr20	Cr130
Job Evaluation Reserve- pay and grading	Cr600	600	0	0	0
Health & Safety/Occupational Health	Cr32	0	Cr32	Cr20	Cr52
Legal Equalisation Account	Cr202	202	0	0	0
Development Fund for Modernisation	Cr51	Cr5	Cr56	0	Cr56
Transformation, Management Capacity, Development, Advisors etc.	Cr342	286	Cr56	0	Cr56
IT Renewals Fund	Cr1,911	423	Cr1,488	Cr160	Cr1,648
Corporate Equalisation Reserve	Cr591	Cr44	Cr635	Cr42	Cr677
Building Capacity & Capability	Cr162	Cr174	Cr336	0	Cr336
Total Finance and Corporate Services	Cr3,986	1,273	Cr2,713	Cr242	Cr2,955

Description	Reserve at 1st April 2014	Budget movements	Interim Balance at 31st March 2015	Additional Requests	Final Balance at 31st March 2015
	£000	£000	£000	£000	£000
CORPORATE					
Energy-Spend to Save	Cr29	29	0	0	0
Insurance-Claims Reserve	Cr6,185	3,963	Cr2,222	0	Cr2,223
Housing Warranties	Cr220	0	Cr220	0	Cr220
Fire Reserve	Cr115	21	Cr94	0	Cr94
Waste Reserve	Cr2,059	1,326	Cr733	0	Cr733
LAWDC Contingency Reserve	Cr988	0	Cr988	0	Cr988
Treasury Management Equalisation Reserve	Cr2,970	454	Cr2,516	0	Cr2,516
ERVR Transitional Reserve	Cr2,046	Cr4,852	Cr6,898	69	Cr6,829
Accommodation Strategy	Cr4,765	1,846	Cr2,919	0	Cr2,919
OTHER	Cr19,377	2,787	Cr16,590	69	Cr16,521
TOTAL ALL REVENUE RESERVES	Cr35,468	7,538	Cr27,930	Cr223	Cr28,153

Use of General Reserves

	Revised 2014/15	Actual 2014/15	Difference 2014/15
		£000	£000
Opening Balance 1 April	Cr 13,713	Cr 13,713	0
Council Tax increased income	Cr 1,400	Cr 2,114	Un 714
Capital Financing Costs- Accommodation	380	380	0
Doubtful Debt Provision	160	159	Un 1
Economic Development Fund	200	200	0
Community councils	25	42	Ov 17
Job Evaluation / Legal / Settlements	550	444	Un 106
Increased Pension Fund contributions	Cr 135	0	Ov 135
Children's Services - investment to reduce costs	867	867	0
Elderly residential	537	537	0
Additional funding for further Social Services pressures	184	184	0
Revenue pressures net of capital financing	Cr 182	Cr 159	Ov 23
Net underspends	454	Cr 641	Un 1,095
Closing Balance	Cr 12,073	Cr 13,814	Un 1,741

CABINET

17th JUNE 2015

REPORT OF THE CORPORATE DIRECTORS' GROUP

SECTION B – MATTER FOR INFORMATION

WARDS AFFECTED – ALL

CAPITAL PROGRAMME OUTTURN 2014/15

1. Purpose of Report

1.1 This report sets out the financial outturn position for the Capital Programme for 2014/15.

2. Budget Outturn

2.1 For 2014/15 the approved revised Capital Programme totalled £62.230m, the actual expenditure for the year was £57.806m which represents approximately 93% delivery of the Programme.

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

- Street lighting replacement programme
Service improvements and investment totalling £4.112m have been made during 2014/15. Following delays in awarding the latest tenders for the street lighting replacement programme this resulted in an underspend of £1.592m which needs to be carried forward and spent in future years.

- Replacement Leisure Facility - Aberafan Seafront
The start of this project was slightly delayed resulting in an in-year spend of £4.815m. This is £1.185m less than budgeted for in 2014/15. The contractor remains on course to completing the work later in 2015 and this underspend will be utilised in the 2015/16 financial year.

- Physical Regeneration
Re-profiling of grant funded expenditure into future years in relation to the Visible, Viable Places programme and Neath Port Talbot Convergence programme has resulted in an underspend of £1.861m in this area. Service investment of £2.3m have been made in year.
- Neath Town Centre Redevelopment
Expenditure on the multi storey car park project has occurred sooner than profiled meaning that £9.1m has been spent. This is £2.032m more than originally budgeted to be spent in 2014/15.

2.3 This expenditure of £57.8m represents significant investment within the County Borough which has led to community and service improvements, the following bullet points note some of the significant achievements during the year:

- Continuation of investment and improvement to street lighting and highways infrastructure.
- Significant progress on the redevelopment of Neath Town Centre which will include a multi storey car park and 23,000 square feet of retail units.
- Commencement of construction of the replacement leisure facility on Aberafan Seafront. The new facility will include an 8 lane 25 metre swimming pool, 100 seat spectator area, 4 court sports hall and will also incorporate several community facilities.
- Opening of the Baglan Link Bridge which is a new bridge over existing railway lines linking the two phases of Baglan Energy Park, promoting synergy and economic development.
- Continued investment in Housing via Disabled Facility Grants.
- Strategic Schools Improvement Programme investment commenced at Ysgol Newydd Bae Baglan and Ysgol Gyfun Ystalyfera.

3. 2015/16 Capital Programme

3.1 Work is ongoing to deliver the 2015/16 Capital Programme totalling £66.821m which was approved by Members as part of the Council's budget setting process in February 2015. 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 2015/16 budget monitoring cycle.

3.2 Members should note that the capital steering group is reviewing the risks and pressures that are being highlighted as part of work on the Council's property and highways asset plans which may require investment and improvement over the next few years. A report will be prepared and forwarded to Members later this calendar year.

4. Recommendation

It is recommended that the 2014/15 Capital Programme outturn position be noted.

5. Reason for proposed decision

To agree the capital outturn position for 2014/15

6. List of Background Papers

Capital Programme Working Files

7. Appendix

Appendix 1 - Details of 2014/15 Capital Expenditure.

8. Officer Contact

For further information on this report item please contact:

Mr David Rees – Head of Financial Services
Tel. No. 01639 763646 d.rees1@npt.gov.uk

Mr Huw Jones
Chief Accountant, Capital and Corporate
Tel. No. 01639 763575 h.jones@npt.gov.uk

Appendix 1

Details of 2014/15 Capital Expenditure

Project Description	Latest Approved Budget 2014/15 £'000	Actual Spend 2014/15 £'000	Variance £'000
Harbour Way	2,226	1,365	-861
Physical Regeneration	4,170	2,309	-1,861
Port Talbot Regeneration	1,154	1,292	138
Street Lighting	5,704	4,112	-1,592
Respite Centre - Adult	1,089	733	-356
Neath Town Centre Regeneration	7,100	9,132	2,032
Disabled Facilities Grants	3,000	2,961	-39
Highways Improvement Grant	1,736	1,600	-136
Vehicle Replacement Programme	1,854	1,376	-478
Health & Safety	850	728	-122
YGGD Gwaun Cae Gurwen - New Kitchen	457	358	-99
Baglan Energy Park Link Bridge	5,851	4,921	-930
Bridge Strengthening	385	308	-77
Drainage	376	254	-122
Carriageway/Footway Resurfacing	718	700	-18
Education - Capital Maintenance	950	1,008	58
Replacement Leisure Facility - Aberafan Seafront	6,000	4,815	-1,185
Local Highway Mitigation Measures -	521	400	-121
Vibrant & Viable Places	1,588	943	-645
Ysgol Newydd Bae Baglan - (21st Century Schools)	6,000	6,964	964
Ysgol Gyfun Ystalyfera - (21st Century Schools)	1,500	1,397	-103
Contingency	62		-62
Capitalisation of IT Hardware (Financed From Revenue)		242	242
Remaining Capital Programme	8,939	9,888	949
	62,230	57,806	-4,424