

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
COUNCIL

REPORT OF THE CORPORATE DIRECTORS GROUP

25 NOVEMBER 2015

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

BUDGET GUIDELINE CHANGES 2015/16

1 Purpose of Report

- 1.1 The purpose of the report is to obtain approval for changes to the 2015/16 budget in accordance with the requirements of the Council's constitution following Cabinet commendation at its meeting of 4th November 2015.

2 Virements

- 2.1 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

Cabinet received and approved the budget monitoring report for Quarter 2 2015/16 at its meeting of the 4th November 2015. The following budget virement is commended to Council for approval in line with the above mentioned constitution values.

Common Commissioning Unit (SSHH)

The following budget virement is proposed as a result of the transfer of the Common Commissioning Unit from the Head of Community Care to the Head of Business Strategy. Members should note that the amounts shown in the table

below and in brackets are a reduction in that budget and transferred (vired) to the budget shown with a plus (+).

Amount	Directorate	Service
+£621,710	SSHH	Central Services – Common Commissioning Unit
(£621,710)	SSHH	Community Care Management

3. Reserves

- 3.1. The following reserve movements are also commended by Cabinet to Council for approval.
- 3.2. The opening balances on the following reserves have been adjusted to reflect changes actioned during the audit of accounts for 2014/15.

Reserve	Original opening balance 1/4/15	Changes required by Audit	Updated opening balance 1/14/15
Asset Recover Incentive scheme reserve	£0	(£86,000)	(£86,000)
Operating account Vehicle Renewal Reserve	(£1,299,372)	(£146,530)	(£1,445,902)

- 3.3. The following reserve movements are commended as a result of funding requirements during 2015/16.

Amount	Reserve	Explanation
(£11,305)	ERVR	Funding transferred back to the reserve as a result of the reduction in the final settlement figure agreed.
(£500,000)	Management of change	Provision to meet cost anticipated cost of ERVR including school based staff relating to the School Improvement Programme
£22,330	Management of change	Cost of ERVR LLAN retirement fund
£671,264	Management of change	Cost of ERVR August 2015 School improvement programme

£4,043	Management of change	ERVR NAASH retirement fund
(£50,000)	Building Capacity Reserve	Transfer 2015/16 underspend to fund FFP pressures 2016/17
(£95,800)	Corporate Equalisation Reserve	The planned transfer from the reserve will not be required in 2015/16 but instead funding will be available to meet FFP pressures in 2016/17

Summary of Specific Reserve Movements 2015/16

	£'000
Opening balance on specific reserves 1/4/15	(28,155)
Changes arising from Audit 14/15	(232)
Budgeted contributions to /from reserves	1,403
Additional reserve movements previously approved	(779)
Additional reserve movements this quarter	41
Estimated closing balance on specific reserve 31/3/16	(27,722)

Details of all the above are included in Appendix 3

- 3.4. No changes to general reserve movements are proposed this quarter

Summary of General Reserve Movements 2015/16

	£'000
Opening balance on the general reserve 1/4/15	(12,073)
Budgeted contributions to /from reserves	(369)
Change in opening balance arising from outturn 2014/15	(1,741)
Additional reserve movements previously approved	0
Additional reserve movements this quarter	0
Estimated closing balance on the general reserve 31/3/16	(14,183)

Details of all budgeted movements against the general reserve are included in Appendix 4.

4. **Recommendations**

It is recommended that Council:-

- Approve the budget virements set out in paragraph 2.1
- Approve the reserve movements set out in paragraph 3.3.
- Note the reserve balances as set out in the Appendices below.

5. **Reason for Proposed Decision**

To update budget guidelines as per requirements of Council Constitution.

6. **Appendices**

Appendix 1 Schedule of Specific Reserves 2015/16
Appendix 2 – Schedule of General Reserve 2015/16

7. **Background Papers**

Budget working papers 2015/16
Cabinet report 4th November 2015

8. **Officer Contact**

For further information on this report item, please contact:

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SCHEDULE OF SPECIFIC RESERVES 2015/16

Description	Updated Reserve Balance at 1/4/15	2015/16 Budgeted Contribution to reserve	2015/16 Budgeted Contribution f'm reserve	Changes already agreed	Changes proposed in Period	Estimated Reserve Balance at 31/3/16
	£'000	£'000	£'000	£'000	£'000	£'000
EDUCATION, LEISURE & LIFELONG LEARNING						
<i>Delegated Schools Cash Reserves</i>						
Primary Schools Reserve A/C	-2,124	0	0	0	0	-2,124
Secondary Schools Reserve A/C	-519	0	0	0	0	-519
Special Schools Reserve A/c	-120	0	0	0	0	-120
ER Reserve Primary	-14	-29	0	0	0	-44
Repair and Maintenance Reserve	-161	0	0	0	0	-161
	-2,939	-29	0	0	0	-2,968
<i>Education, Leisure and Lifelong Learning</i>						
School Improvement Reserve	-147	0	147	0	0	0
Education Equalisation Reserve	-1	0	0	0	0	-1
	-148	0	147	0	0	-1
Total Education Leisure & Lifelong Learning	-3,087	-29	147	0	0	-2,969
SOCIAL SERVICES, HEALTH & HOUSING						
<i>Hillside Secure Unit</i>						
Hillside General Reserve	-1,670	-163	58	0	0	-1,776
<i>Other</i>						
Asset Recovery Incentive Scheme	-86	0	0	0	0	-86
Homecare ECM Equipment Reserve	-13	-19	0	0	0	-33
Community Care Transformation Reserve	-350	0	350	0	0	0
Social Services Equalisation	-173	0	150	0	0	-23
Residential Care - Rent Provision	-751	-186	0	0	0	-937
Youth Offending Team - Equalization	-87	0	0	0	0	-87
Total Social Services, Health and Housing	-3,131	-368	558	0	0	-2,942

SCHEDULE OF SPECIFIC RESERVES 2015/16

Description	Updated Reserve Balance at 1/4/15	2015/16 Budgeted Contribution to reserve	2015/16 Budgeted Contribution f'm reserve	Changes already agreed	Changes proposed in Period	Estimated Reserve Balance at 31/3/16
	£'000	£'000	£'000	£'000	£'000	£'000
ENVIRONMENT						
<i>Directorate</i>						
Concessionary Fare - Bus Pass Replacement Reserve	-122	0	0	0	0	-122
Local Development Plan	-266	0	245	0	0	-21
Economic Development	0	-200	200	0	0	0
Winter Maintenance Reserve	-342	0	0	0	0	-342
Building Maintenance Reserve	-175	0	25	0	0	-150
European Fund	-2	0	2	0	0	0
Environment Equalization Reserve	-70	0	0	0	0	-70
Environment Legacy Reserve (SWTRA)	-60	0	60	0	0	0
	-1,036	-200	531	0	0	-705
<i>Operating Accounts</i>						
Operating Account -Equalisation	-97	0	0	0	0	-97
Fleet Sentinel Maintenance Reserve	-100	0	15	0	0	-85
Vehicle Tracking	-14	0	0	0	0	-14
Operating Accounts -Vehicle Renewals	-1,446	-1,065	733	0	0	-1,778
	-1,657	-1,065	748	0	0	-1,974
Total Environment	-2,693	-1,265	1,280	0	0	-2,679

SCHEDULE OF SPECIFIC RESERVES 2015/16

Description	Updated Reserve Balance at 1/4/15	2015/16 Budgeted Contribution to reserve	2015/16 Budgeted Contribution f'm reserve	Changes already agreed	Changes proposed in Period	Estimated Reserve Balance at 31/3/16
	£'000	£'000	£'000	£'000	£'000	£'000
FINANCE /CHIEF EXECUTIVE						
Elections Equalisation Fund	-130	-15	0	0	0	-145
Health & Safety/Occupational Health	-52	0	20	0	0	-32
Development Fund for Modernisation	-56	-5	0	0	0	-61
Transformation/ Management Capacity, Development, Advisors etc.	-55	0	34	0	0	-21
IT Renewals Fund	-1,648	-77	268	0	0	-1,457
Corporate Services Equalisation Reserve	-677	0	347	0	-96	-426
Building Capacity	-336	0	155	0	-50	-231
Management of Change Reserve	0	0	0	-800	198	-602
Total Finance /Chief Exec	-2,954	-97	824	-800	52	-2,975
CORPORATE RESERVES						
Insurance-Claims Reserve	-2,223	0	280	0	0	-1,943
Housing Warranties	-220	0	0	0	0	-220
Fire Authority Reserve	-94	0	0	21	0	-73
Waste Reserve	-733	0	75	0	0	-658
LAWDC Contingency Reserve	-988	0	0	0	0	-988
Treasury Management Equalisation Reserve	-2,516	0	0	0	0	-2,516
ER/VR - Transitional Reserve	-6,829	0	0	0	-11	-6,841
Accommodation Strategy	-2,919	0	0	0	0	-2,919
Total Corporate Reserves	-16,522	0	355	21	-11	-16,157
TOTAL ALL REVENUE RESERVES	-28,387	-1,760	3,163	-779	41	-27,722

APPENDIX 2

SCHEDULE OF GENERAL RESERVE 2015/16

	Original Estimate 2015/16 £'000	Revised Estimate 2015/16 £'000	Difference 2015/16 £'000
Opening balance 1st April	Cr 12,073	Cr 13,814	Cr 1,741
Council Tax increased income	Cr 1,400	Cr 1,400	0
Capital - Phase II Accommodation financing costs	370	370	0
Doubtful Debt Provision	160	160	0
Contributions to the Economic Development Fund	200	200	0
Community Councils Grant Scheme	25	25	0
Additional funding - Gwalia contract	96	96	0
Contribution from reserves re change in timing of savings target re ENV556 Waste disposal	100	100	0
SSIP programme	80	80	0
Contribution from /to revenue	0	0	0
Estimated Closing balance 31st March	Cr 12,442	Cr 14,183	Cr 1,741