

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
COUNCIL

REPORT OF THE CORPORATE DIRECTORS GROUP

7 SEPTEMBER 2016

SECTION A – MATTERS FOR DECISION

WARDS AFFECTED: ALL

BUDGET GUIDELINE CHANGES 2016/17

Purpose of Report

- The purpose of the report is to obtain approval for changes to the 2016/17 budget in accordance with the requirements of the Council's constitution following Cabinet commendation at its meeting of 29th July 2016.

Current Year Financial Position

- The Net Directly Controlled Budget is projected to over spend by £1.157m, but this is partly offset by a projected underspend of £934k in the other elements of the budget. The net projected over spend is therefore £223k, as outlined in the table below.

	Original budget 2016/17	Revised budget 2016/17	Projected Outturn 2016/17	Variance
	£'000	£'000	£'000	£'000
ELLL Schools	79,616	79,616	79,616	0
ELLLL other	23,592	24,225	24,580	355
SSHH	75,138	75,142	76,002	860
ENVT	31,458	31,620	31,828	208
CORP	16,635	16,577	16,311	-266
Directly controlled	226,439	227,180	228,337	1,157
Other	44,457	43,716	42,782	-934
Budget Requirement	270,896	270,896	271,119	223

Virements

- 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 1 2016/17 at its meeting of the 29th July 2016. The following budget virement is commended to Council for approval in line with the above mentioned constitution values.

Direct Payments (SSHH)

- Funding for all Direct Payments was originally included against the Elderly Other Community Care budget. It is now proposed that funding is transferred to the Physical Disability and Learning Disability budgets, to reflect where costs are being incurred.
- 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
(£7,500)	SSHH	Elderly Residential Care
(£926,300)	SSHH	Elderly other community care – Direct payments/third sector
+£870,020	SSHH	Physical Disability – residential care-external provision
+£63,800	SSHH	Learning disability – external placements

Reserves

- The following reserve movements are also commended by Cabinet to Council for approval.

Amount	Reserve	Explanation
£47,493	Accommodation reserve	Transfer from reserve to fund the final residual costs relating to the Print Unit at Milland Road.
(£11,227)	LLAN ERVR reserve	Transfer surplus not required in 2016/17 to the reserve
£160,000	Digital Modernisation Reserve	Transfer from Reserve to fund the staff appointed to the Digital Modernisation Team and associated costs

Summary of Specific Reserve Movements 2016/17

	£'000
Opening balance 1/4/16	(31,465)
Budgeted contributions (to) /from reserves	1,328
Additional reserve movements this quarter	196
Estimated closing balance 31/3/17	(29,941)

8. No changes to general reserve movements are proposed this quarter

Summary of General Reserve Movements 2016/17

	£'000
Opening balance 1/4/16	(16,590)
Budgeted contributions (to) /from reserves	(755)
Additional reserve movements this quarter	0
Estimated closing balance 31/3/17	(17,345)

Equality Impact Assessment

9. There is no requirement for an equality impact assessment in respect of this item.

Workforce impacts

10. There are no additional workforce impacts in respect of this item as this report updates the budget for budget virement and reserve movements.

Legal Impacts

11. There are no legal impacts in respect of this item.

Risk Management

12. The current budget is projecting an overspend of £223k for 2016/17 and this is being actively managed by all Directorate Management Teams to come within cash limits by year end. Further reports will be forwarded to Cabinet/Council in line with the budget monitoring timetable.

Consultation

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

Recommendations

14. It is recommended that Council approves:-
 - the budget virements set out in paragraph 2.1
 - the reserve movements set out in paragraph 3.1.

Reason for Proposed Decision

15. To update budget guidelines as per requirements of the Council's Constitution.

Appendices

16. Appendix 1 Revenue budget summary 2016/17

Background Papers

Budget working papers 2016/17
Cabinet report 29th July 2016

Officer Contact

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APPENDIX 1

Summary at Quarter 1 2016	Original	Virements			Revised	Projected	Variance	Variance
	Budget	Quarter 1	Quarter 2	Quarter 3	Budget	Outturn		
	2016/17				2016/17	2016/17	2016/17	2016/17
	£				£	£	£	%
Education, Leisure and Lifelong Learning - Schools	79,616,000				79,616,000	79,616,000	0	0.00%
Education, Leisure and Lifelong Learning - Other	23,592,000	633,203			24,225,203	24,579,645	354,442	1.46%
Social Services Health & Housing	75,138,000	4,200			75,142,200	76,002,059	859,859	1.14%
Environment	31,458,000	161,597			31,619,597	31,828,170	208,573	0.66%
Corporate Services	16,635,000	-57,797			16,577,203	16,310,962	-266,241	-1.61%
Directly Controlled Expenditure	226,439,000	741,203	0	0	227,180,203	228,336,836	1,156,633	0.51%
Swansea Bay Port	52,000				52,000	49,593	-2,407	-4.63%
Fire Authority	6,851,000				6,851,000	6,850,593	-407	-0.01%
Margam Crematorium	2,000				2,000	2,244	244	12.20%
Archives	97,000				97,000	89,800	-7,200	-7.42%
Magistrates Court	19,000				19,000	15,500	-3,500	-18.42%
Capital Financing	16,408,000				16,408,000	16,408,000	0	0.00%
Council Tax Support	17,404,000				17,404,000	17,005,646	-398,354	-2.29%
Management of change	800,000	-426,803			373,197	373,197	0	0.00%
Pay & Pensions Provision	1,511,000	-219,000			1,292,000	750,000	-542,000	-41.95%
Contingency	1,334,000	-95,400			1,238,600	1,238,600	0	0.00%
Cont from Fire Authority Reserve	-21,000				-21,000	-21,000	0	0.00%
Net Budget Requirement	270,896,000	0	0	0	270,896,000	271,099,009	203,009	0.07%
RSG	-163,137,000				-163,137,000	-163,137,000	0	0.00%
NNDR	-42,438,000				-42,438,000	-42,438,000	0	0.00%
Discretionary Rates Relief	209,000				209,000	229,000	20,000	0.00%
Council Tax	-65,530,000				-65,530,000	-65,530,000	0	0.00%
Total Funding	-270,896,000	0	0	0	-270,896,000	-270,876,000	20,000	-0.01%