

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

26TH JUNE 2019

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

SECTION B – MATTER FOR INFORMATION

WARDS AFFECTED

ALL

CLOSURE OF ACCOUNTS 2018/19

Purpose of the report

1. This report introduces the information in relation to the Council's Outturn position for Revenue and Capital and the Statement of Accounts for 2018/19.

Background

2. The Council's financial year ends on 31st March and following this date, the exercise starts to complete the annual accounts.
3. 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 Accountancy.
4. The Accounts and Audit (Wales) (Amendment) Regulations 2018, updated the timescales for the Section 151 officer/the Director of Finance and Corporate Services to sign and date the accounts to certify that they present a true and fair view. The revised requirements are:

Year	Draft Statement of Accounts	Final audited Statement of Accounts
2018/19	15 th June 2019	15 th September 2019
2019/20	15 th June 2020	15 th September 2020
2020/21	31 st May 2021	31 st July 2021

5. This Council volunteered to be a pilot for early closure in 2016/17 and continued to be part of this scheme. Our objective remains to complete the draft by 31st May and the final audited Statement by 31st July.

Closure of Accounts 2018/19

6. The Revenue Outturn and Reserves Position Statement 2018/19 and the Capital Programme Outturn 2018/19 reflect the Council's management budget and are included as Addendum 1, for information only. This element of the report reflects the information approved by Cabinet on 29th May 2019.
7. The draft Statement of Accounts 2018/19 is included as Addendum 2 and members should note that these accounts were forwarded to the Auditors on 22nd May 2019 to enable them to commence their audit work.

Next Steps

8. The Statement of Accounts is now subject to audit by the Wales Audit Office culminating in the Statement being signed by the Chair of this Committee at the meeting on 29th July 2019.

Summary

9. The Outturn reports and the draft Statement of Accounts for 2018/19 are forwarded to members for information and for review by the Audit Committee.

List of Background Papers

10. Closing working papers 2018/19

Appendices

- Addendum 1 Revenue Outturn and Reserves Position Statement and Capital Programme Outturn
- Addendum 2 Draft Statement of Accounts 2018/19

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NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

29th May 2019

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

Matter for Decision

Wards Affected – All Wards

REVENUE OUTTURN AND RESERVES POSITION STATEMENT 2018/19

1. Purpose of the Report

- 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 2018/19 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 2018/19 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 2019. 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 2018/19 was £282.855m. The Actual Net Expenditure, or Outturn position for the Council, shows a net under spend of £4k which is being transferred to the General Reserve.

The opening balance on the General Reserve was £19.980m. Following the net underspend and other reserve movements set out in this report, the closing balance at 31st March 2019 will increase by £988k to £20.968m. Delivering the Council's activities and net expenditure within Budget provides an excellent position to start the new financial year.

The opening balance on Specific Reserves was £38.578m and following the reserve movements set out in this report, the balance at 31st March 2019 will increase by £937k to £39.515m.

2. Service Outturn Position 2018/19

- 2.1. On the 21st February 2018, Council approved the Budget for 2018/19. The Net Budget Requirement was confirmed as £282.855m of which £236.344m was provided for Directorate Managed Services with the remaining £46.511m 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, for the quarter ended 31 December 2018, was presented to and approved by Cabinet on 13th February 2019, which showed a projected overspend of £436k.
- 2.3. The initial outturn position, incorporating amendments to the budgeted reserve transfers, shows an over spend of £640k against Directorate Services, but taking account of other central budgets resulted in an overall Council underspend of £776k - (see also Appendix 1), and summarised below.

	Original Budget £'000	Revised Budget £'000	Outturn Position £'000	Variance £'000
Education, Leisure & Lifelong Learning	105,524	106,290	106,501	211
Social Services Health & Housing	78,632	78,713	79,301	588
Environment	34,755	35,741	36,050	309
Corporate Services	17,433	17,471	17,003	-468
Net Directorate Services	236,344	238,215	238,854	640
Other	46,511	44,640	43,225	-1,416
Net Position	282,855	282,855	282,079	-776

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

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

3. Specific Reserves 2018/19

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 31st March 2019 was agreed by Council on 14th February 2019 as part of the 2018/19 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 2019/20.

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.

Directorate	£'000
Education, Leisure and Lifelong Learning	173
Social Services Health and Housing	200
Environment	251
Corporate Services	149
Total	772

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

	£'000
Opening Balance 1 st April 2018	Cr 38,578
Net reserve movements (Appendix 3)	Cr 165
	<hr/> Cr 38,743
Additional Reserve Transfers (Appendix 4)	Cr 772
Closing Balance as at 31st March 2019	Cr 39,515

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 (£1.291m) – Delegated School Budget Reserves must be carried forward in accordance with current legislative requirements. Reserve balances have reduced by £1.757m during the year and several 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.
- ERVR Reserve – The costs of staff leaving during 2018/19 was £2.063m of which £807k is funded from the base budget and the balance of £1.256m being funded from the ERVR Reserve. The closing balance on the ERVR reserve is £4.818m.
- Insurance Reserve – The reserve has increased by £2.425m to £9.043m.
- Treasury Management Reserve – This reserve has increased by £1.071m to £6.826m to assist with funding City Deal project expenditure.

4. **General Reserve 2018/19**

4.1. The General Reserve position is as follows:-

	£'000
Opening Balance 1 st April 2018	Cr 19,980
Budgeted Movements	Cr 170
2018/19 Net underspend	Cr 4
Net Additional transfers	Cr 814
Closing Balance 31st March 2019	Cr 20,968

The main reasons for the increase in the closing balance on the General Reserve were because the planned contribution to the doubtful debt provision (£200k) was not required, together with an increase in Council Tax income (£657k).

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 2019.

5. Integrated Impact Assessment

A first stage impact assessment has been undertaken 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).

The first stage assessment has indicated that a more in depth assessment is not required.

6. Valleys Communities Impacts

No implications.

7. Workforce Impacts

The report identifies that several staff have chosen to leave the authority under the ERVR scheme.

8. Legal Impacts

There are no specific legal implications arising from this report. There is a statutory accounting requirement for balances and reserves to be processed in line with Accounting Code of Practice. The Authority's Statement of Accounts are subject to external audit by the Wales Audit Office.

9. Risk Management Impact

The transfers to reserves are proposed to meet anticipated future cost pressures.

10. Consultation

There is no requirement for external consultation on this item

11. Recommendation

It is recommended that members:

- 11.1 Note the 2018/19 financial outturn position as set out in this report
- 11.2 Approve the additional reserve transfers of £772k as summarised in paragraph 3.2 and detailed in Appendix 4.

12. Reason for Proposed Decision

To finalise the Council's General Fund Revenue Outturn and Reserves position for the 2018/19 financial year.

13. Implementation of Decision

The decision is proposed for implementation after the three day call in period.

14. Appendices

Appendix 1 – Revenue Outturn Summary 2018/19
Appendix 2 – Variances
Appendix 3 – Adjustment to budgeted reserves
Appendix 4 - Additional Reserve Movements
Appendix 5 – Specific Reserves Schedule
Appendix 6 – General Reserve Statement

15. List of Background Papers

Outturn Working Papers 2018/19
Integrated Impact Assessment – stage 1

16. Officer Contact

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REVENUE OUTTURN SUMMARY 2018/19

	Original Budget	Revised Budget	Adj Actual Expend	Variance	Reserve Requests	Final Actual Expend
	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
ELLL - Schools	81,708	81,708	81,708	0	0	81,708
ELLL - Other	23,816	24,582	24,793	211	173	24,965
Social Services	78,632	78,713	79,301	588	200	79,501
Health & Housing						
Environment	34,755	35,741	36,050	309	251	36,301
Corporate Services	17,433	17,471	17,003	-468	149	17,151
Directly Controlled Expenditure	236,344	238,215	238,854	640	772	239,626
Swansea Bay Port	46	46	46	0	0	46
Fire Authority	7,288	7,288	7,288	0	0	7,288
Margam Crematorium	1	1	1	0	0	1
Archives	91	91	92	1	0	92
Magistrates Court	13	13	11	-2	0	11
Capital Financing	18,573	18,573	18,451	-122	0	18,451
Housing Benefits	0	0	-286	-286	0	-286
Council Tax Support	17,841	17,841	17,241	-600	0	17,241
Management of Change	500	500	500	0	0	500
Contingency	989	115	-105	-220	0	-105
Pay & Pensions Provision	1,190	193	0	-193	0	0
Contribution from Fire Authority Reserve	-21	-21	-21	0	0	-21
Net Underspend to General Reserve	0	0	0	0	4	4
Net Budget Requirement	282,855	282,855	282,071	-784	776	282,847
RSG	-166,733	-166,733	-166,733	0	0	-166,733
NNDR	-45,608	-45,608	-45,608	0	0	-45,608
Discretionary Rate Relief	216	216	225	8	0	225
Council Tax	-70,731	-70,731	-70,731	0	0	-70,731
Total Funding	-282,855	-282,855	-282,847	8	0	-282,847
Net Underspend	0	0	-776	-776	776	0

NB all figures are rounded to nearest £1,000.

Variances

Service Area	Value	Reason/Action
School specific contingencies	Un 54,233	£20k was set aside to fund the cost of a tribunal re Alderman Davies School which was not utilised in 18/19. A further £30k was set aside to fund capital cost but which was not required due to receipt of £1.9m additional WG capital grant funding announced end of March 2019.
Home To School Transport (HTS)	Ov 322,889	The overspend is due to an increase in demand for HTS transport, and the opening of two new Special Education units which has led to a number of new routes
Parent/Pupil and Governor Support Unit	Un 144,204	The under spend is due to staff savings from vacant posts, and receipt of school uniform grant and feminine hygiene grant £106k (with the grant to be carried forward to next year).
School meals	Un 133,907	The under spend is due to additional WG grant funding of £252k for additional free school meals following the rollout of Universal Credit. The grant has been used to offset a previously reported pressure of circa £100k.
Cleaning	Ov 68,818	The over spend is due to higher levels of sickness and associated costs of staff cover.
Music	Un 75,262	The under spend is due to receipt of a grant of £69,477 via the WLGA.
Out of County Placements	Ov 187,110	The over spend is due to additional new placements.
Management and Admin	Ov 66,399	The over spend includes provision of £40k to ERW for 18/19, and the part year cost of a Data Protection (GDPR post - £23k).
Children - Social Work	Un 55,058	The under spend is due to vacant hours/posts.
Children - Residential Care	Ov 519,310	The budget was based on 7 children, throughout 18/19 the average number children in residential care was 10

Variances

Service Area	Value	Reason/Action
Hillside - Secure Accommodation	Ov 177,577	Shortfall of income due to a managed reduction in occupancy levels to maintain safe levels of care, thus resulting in a total reduction in the reserve by £595k.
Internal Fostering Service	Ov 152,832	An overspend is due to payments for 2 Looked after Children in high cost supported living placement (£221k), an increase in the cost of transport (£65k), which were partly offset by savings on staff costs (£86k), and from a reduction in the number of foster placements.
Adoption Service	Un 611,112	The joint service underspent and NPT's share of placements also reduced from 33% to 20%. Therefore the contribution that the Council was required to make to the joint service was £571k less than budget, plus a £40k underspend on Adoption allowances.
External Foster Placements	Un 241,097	The budget was based on 57 children, throughout 18/19 the average number of children in external foster placements was 51.
Youth Offending Service	Un 124,854	The under spend is due to savings on staff costs, and cost of remand placements (£37k).
Central Services	Un 91,875	The underspend is due to savings on staff costs
Child & Family Management	Ov 78,257	The over spend is due to additional cost of legal fees.
Community Care Social Work	Un 232,496	The under spend is due to savings on staff costs and additional grant
Business Support Services	Un 151,415	The under spend is due to savings on staff costs
Elderly - Residential Care	Un 226,665	The under spend is due to additional income from the receipt of service user contributions following the sale of properties.

Variances

Service Area	Value	Reason/Action
Elderly - Domiciliary Care	Ov 1,487,895	The over spend has arisen because the budget included savings targets relating to Direct Payments (SSHH801 £950k) and Asset Based Approach (SSHH802 £685k) which have not been achieved. This budget has been corrected for 2019/20.
Community Resource Team	Un 156,321	The under spend is due to savings on staff costs and additional Integrated Care Fund (ICF) grant.
Aids & Equipment	Ov 65,779	The over spend is the NPT share of the projected overspend of the joint service.
Learning Disabilities - External Placements	Un 87,646	This budget has benefited from additional Integrated Care Fund (ICF) grant
Day Opportunities - Employment & Training	Un 51,063	The under spend is due to savings on staff costs and transport costs (£26k).
Day Opportunities - Care & Support	Un 61,529	The under spend is due to savings on staff costs.
Mental Health - External Provision	Ov 109,591	This budget contains an FFP savings target of £100k, which has not been achieved, due to additional placements being made throughout the year.
Housing Advice/Supported Tenancies	Un 85,887	The under spend is due to savings on staff costs (£141k) and additional WG grant received (£25k), which have been partially offset by an increase in the cost of B&B placements (£104k).
Renovation Grants/Renewal Area	Ov 173,733	The budget includes an income target (£200k) which has not been achieved, but is partly offset by staff savings.
Highways Maintenance - Reactive	Un 57,097	This is the net under spend on Winter Maintenance Budget after funding Banksy (£7K) and the London Road sinkhole (£8K).
Transport Vehicle Maintenance	Un 61,280	This is offset by a £40K overspend in Transport Management

Variances

Service Area	Value	Reason/Action
Parking Services	Ov 50,886	The over spend is due to a delay in implementing the increase in charges at the start of the year, and additional cost of replacement pay machines at Aberafan seafront.
Neighbourhood Management	Ov 71,087	In 2018/19 the budget for neighbourhood services was split based on estimated costs. The over spend in Neighbourhood is largely offset by an under spend in Parks. The budget allocation will be corrected in 2019/20.
Waste Management	Ov 54,171	This over spend is mainly due to additional survey costs.
Refuse Collection	Ov 203,901	This over spend is due to additional cost of agency cover, overtime payments and vehicle running costs.
Waste Disposal	Un 138,307	The under spend is due to a £250k rebate from NPT Recycling Limited, which has offset the previously reported overspend.
Household Waste Recycling Centres	Ov 79,863	The over spend is due to increased tonnages delivered to the recycling centres, together with a delay and additional expenditure relating to the closure of Pwllfawatkin HWRC.
Parks	Un 68,016	In 2018/19 the budget for Neighbourhood Services was split based on estimated costs. The over spend in Neighbourhood is largely offset by an under spend in Parks. The budget allocation will be corrected in 2019/20.
Non Operational Land	Un 134,441	The underspend has arisen because the provision to fund the day to day running costs of the ex-Crown Building, was not utilised, following a delay in the purchase of the site.
Gnoll Park	Ov 53,932	The over spend is mainly due to a shortfall in car parking income.
Housing Benefits Admin	Un 104,054	The under spend is due to salary savings and additional income received

Variances

Service Area	Value	Reason/Action
ICT	Ov 81,457	The over spend is due to increased cost of hardware and ICT infrastructure.
Legal Services	Un 116,604	The under spend is due to salary savings and additional income received
Legal Services - Childcare	Un 101,756	The under spend is due to salary savings from redundancy and maternity cover
One Stop Shop	Un 83,653	The under spend is due to salary savings from vacant posts.
Capital Financing	Un 121,531	The capital financing/treasury management budget of £18.573m was underspent by £122k mainly as a result of additional interest proceeds in year.
Housing Benefit	Un 286,201	This represents the net surplus on the Housing Benefits subsidy account.
Council Tax Support	Un 600,186	17,067 beneficiaries' receiver support as at 31 March 2019. The in-year cost of providing the national scheme was lower than budgeted.
Contingency and Pay and Pension Provision	Un 413,434	These were underspent at year end.

Adjustment to Budgeted Reserves Movements

Service Area	Requested Reserve Movement	Reason
School specific contingencies	In 53,825	Transfer unused provision 18/19 back to the general reserve.
Schools Mutual Funds	Out 6,994	Transfer from ERVR Primary Reserve to fund costs incurred in 18/19.
Home to School Transport	In 36,070	The proposed transfer from the Home to School Transport Reserve is not required in full, and can therefore be transferred back to the reserve, to fund an additional school day (191 days) during the 2019/20 financial year - due to the timing of the Easter holidays.
Child & Family Management	In 10,322	Transfer underspend from Western Bay Safeguarding Board to the Safeguarding Board Reserve
Community Resource Team	In 29,496	Transfer underspend from Intermediate Care S33 services to the Intermediate Care Pooled Fund Reserve
Highways Maintenance-Reactive - Pantteg Landslip	Out 89,722	During the year the expenditure against the landslip has been funded out of the corporate contingency budget. A transfer from the General Reserve is required to fund the expenditure incurred in quarter 4.
Transport Management	In 277,804	During the year the fleet section has received more income from the sale of vehicles and incurred less expenditure, and therefore the planned transfer from the Vehicle Renewal Reserve is no longer required in full.
Economic Development Fund	Out 39,152	A transfer from the reserve is required as actual expenditure exceeded the provision included in the revised budget.

Adjustment to Budgeted Reserves Movements

Service Area	Requested Reserve Movement	Reason
Workways- Authority financed matched funding	In 8,267	Transfer the underspend against the £118k match funding budget to the Environment Equalisation reserve
Workways- Regional Scheme	In 66,060	Transfer WEFO grant receipts to the Regional Workways Reserve to fund future expenditure on the project
Workways- NPT Scheme	In 124,781	Transfer WEFO grant receipts to the NPT Workways Reserve to fund future expenditure on the project
Substance Misuse	In 13,959	Transfer the underspend on joint service to the Substance Misuse Joint Committee Reserve
Community Council Grants	Out 8,000	Additional transfer from the General Reserve to fund grants approved during 18/19
Member Community fund	Out 82,004	Additional transfer from the Members Community Fund Reserve to fund costs incurred during quarter 4.
Management of change	Out 1,183,042	Additional transfer from ERVR reserve to fund the net cost of staff leaving on ERVR, resulting in a closing ERVR reserve balance of £4.818m.

Additional Reserve Movement Requests

Service Area	Requested Reserve Movement	Reason
Schools Specific Contingencies	In 20,000	Transfer to ELLL Equalisation Reserve to fund anticipated costs of tribunal at Alderman Davies School
Parent/Pupil and governor support	In 105,836	Transfer WG grant received, re feminine hygiene in 18/19, to the Education Equalisation reserve to fund expenditure in 19/20 in line with grant conditions.
Music	In 69,477	Transfer WG grant received to the Education Equalisation Reserve to fund local music services.
Education Improvement Service	In 4,925	Transfer saving in staff costs to Education Equalisation Reserve to be used in 19/20.
Cefn Coed Colliery Museum	Out 5,000	Utilise provision within the Education Equalisation Reserve to offset FFP savings target
Management & Administration	Out 22,617	Utilise provision within the Education Equalisation Reserve to fund GDPR officer costs
Elderly - Residential Care	In 200,000	Transfer £200k to the Social Services Equalisation Reserve to fund 1 additional day placement costs, due to the leap year in 2020.
Energy Management	In 3,515	Transfer the feeding tariff income received from solar panel schemes during 2018/19 to the Renewable Energy Reserve, to fund future spend to save schemes.
Non Operational Land	In 243,000	Transfer the funds (£118k) set aside for the part years running costs of the ex-Crown building which were not utilised during 18/19, plus a further £125k to the Environment Equalisation Reserve, to fund day to day costs while the building is being prepared for use by tenants during 19/20.

Additional Reserve Movement Requests

Service Area	Requested Reserve Movement	Reason
Local Development Plan	In 4,000	Transfer the underspend to the LDP Reserve to help fund future LDP costs.
Accountancy Financial Services	In 10,000	Transfer to Corporate Equalisation Reserve to fund Tax Review in 19/20
Legal Services	In 42,000	Transfer to Corporate Equalisation Reserve to fund Maternity cover in 19/20
Elections Admin	In 22,798	Additional contribution to Election Reserve
Corporate Strategy	In 54,000	Transfer to Building Capacity & Capability Reserve to fund the Poverty Review - Policy and Practice to Develop Low Income Families, and to fund Modern Apprentice to enable reconfiguration of Customer Services
HR Training	In 10,000	Transfer to Corporate Equalisation Reserve to fund Corporate Training and HR initiatives
Third Sector Grants	In 7,622	Transfer to Voluntary Organisations Reserve to fund additional contribution to 3rd Sector Grants Reserve
Mechanics Institute	In 2,276	Transfer to Voluntary Organisations Reserve to fund additional contribution to 3rd Sector Grants Reserve
Grand Total	In 771,832	

Specific Reserves

Description	Reserve at 1st April 2018	Updated Budgeted movements	Interim Balance at 31st March 2019	Additional Requests	Final Balance at 31st March 2019
EDUCATION, LEISURE & LIFELONG LEARNING					
<i>Delegated Schools Cash Reserves</i>					
ERVR Primary	Cr18,739	5,733	Cr13,006	0	Cr13,006
Primary Schools Reserves A/c	Cr2,226,267	733,022	Cr1,493,245	0	Cr1,493,245
Secondary Schools Reserves A/c	Cr480,735	857,352	376,617	0	376,617
Special Schools Reserves A/c	Cr161,219	161,376	157	0	157
Repair & Maintenance reserve	Cr161,160	0	Cr161,160	0	Cr161,160
	Cr3,048,120	1,757,483	Cr1,290,637	0	Cr1,290,637
<i>Education, Leisure and Lifelong Learning</i>					
Equalisation Account-Education	Cr95,500	Cr601,999	Cr697,499	Cr172,621	Cr870,120
Home to School Transport	Cr60,164	24,094	Cr36,070	0	Cr36,070
	Cr155,664	Cr577,905	Cr733,569	Cr172,621	Cr906,190
Total Education Leisure & Lifelong Learning	Cr3,203,784	1,179,578	Cr2,024,206	Cr172,621	Cr2,196,827

Specific Reserves

Description	Reserve at 1st April 2018	Updated Budgeted movements	Interim Balance at 31st March 2019	Additional Requests	Final Balance at 31st March 2019
SOCIAL SERVICES, HEALTH & HOUSING					
Homecare ECM Equipment reserve	Cr52,835	Cr10,000	Cr62,835	0	Cr62,835
Community Care Transformation Reserve	Cr107,771	0	Cr107,771	0	Cr107,771
Social Services Equalisation	Cr539,904	0	Cr539,904	Cr200,000	Cr739,904
Hillside General Reserve	Cr1,686,643	594,970	Cr1,091,673	0	Cr1,091,673
Youth Offending Team Reserve	Cr153,397	0	Cr153,397	0	Cr153,397
Adoption Service Equalisation	Cr100,000	0	Cr100,000	0	Cr100,000
Total Social Services, Health and Housing	Cr2,640,550	584,970	Cr2,055,580	Cr200,000	Cr2,255,580

Specific Reserves

Description	Reserve at 1st April 2018	Updated Budgeted movements	Interim Balance at 31st March 2019	Additional Requests	Final Balance at 31st March 2019
ENVIRONMENT					
Concessionary Fare - Bus Pass Replacement Reserve	Cr151,541	0	Cr151,541	0	Cr151,541
Asset Recovery Incentive Scheme	Cr125,894	0	Cr125,894	0	Cr125,894
Local Development Plan	Cr141,918	Cr11,154	Cr153,072	Cr4,000	Cr157,072
Economic Development	Cr40,000	39,152	Cr848	0	Cr848
Winter Maintenance Reserve	Cr764,162	0	Cr764,162	0	Cr764,162
Baglan Bay Innovation centre - dilapidation reserve	Cr77,517	0	Cr77,517	0	Cr77,517
BSSG grant reserve	Cr128,349	128,349	0	0	0
Renewable Energy Reserve	Cr3,645	0	Cr3,645	Cr3,515	Cr7,160
Environmental Health - Housing Equalisation	Cr20,000	0	Cr20,000	0	Cr20,000
Environment Equalisation Reserve	Cr352,979	Cr8,267	Cr361,246	Cr243,000	Cr604,246
Workways - NPT	0	Cr124,781	Cr124,781	0	Cr124,781
	Cr1,806,005	23,299	Cr1,782,706	Cr250,515	Cr2,033,221
Operating Accounts					
Operating Account -Equalisation	Cr36,043	0	Cr36,043	0	Cr36,043
Vehicle Tracking	Cr92,186	0	Cr92,186	0	Cr92,186
Operating Accounts -Vehicle Renewals	Cr1,465,031	Cr262,722	Cr1,727,753	0	Cr1,727,753
	Cr1,593,260	Cr262,722	Cr1,855,982	0	Cr1,855,982
Total Environment	Cr3,399,265	Cr239,423	Cr3,638,688	Cr250,515	Cr3,889,203

Specific Reserves

Description	Reserve at 1st April 2018	Updated Budgeted movements	Interim Balance at 31st March 2019	Additional Requests	Final Balance at 31st March 2019
CORPORATE SERVICES					
Elections Equalisation Fund	Cr202,341	Cr15,000	Cr217,341	Cr22,798	Cr240,139
Health & Safety/Occupational Health Development Fund for Modernisation	Cr94,001	53,500	Cr40,501	0	Cr40,501
IT Renewals Fund	Cr110,032	Cr5,000	Cr115,032	0	Cr115,032
Corporate Equalisation Reserve	Cr1,494,794	196,400	Cr1,298,394	0	Cr1,298,394
Building Capacity & Capability	Cr661,836	192,000	Cr469,836	Cr62,000	Cr531,836
Voluntary Organisation Reserve	Cr80,122	Cr50,000	Cr130,122	Cr54,000	Cr184,122
	Cr23,335	16,166	Cr7,169	Cr9,898	Cr17,067
Total Finance and Corporate Services	Cr2,666,461	388,066	Cr2,278,395	Cr148,696	Cr2,427,091

Specific Reserves

Description	Reserve at 1st April 2018	Updated Budgeted movements	Interim Balance at 31st March 2019	Additional Requests	Final Balance at 31st March 2019
CORPORATE					
Insurance - Claims Reserve	Cr6,618,456	Cr2,424,729	Cr9,043,185	0	Cr9,043,185
Swansea Bay City Deal	0	Cr75,000	Cr75,000	0	Cr75,000
Income Generation Project Reserve	Cr750,000	34,105	Cr715,895	0	Cr715,895
Members Community Fund Reserve	Cr672,000	125,288	Cr546,712	0	Cr546,712
Community Resilience Fund	Cr2,000,000	0	Cr2,000,000	0	Cr2,000,000
Housing Warranties Reserve	Cr220,000	0	Cr220,000	0	Cr220,000
Fire Reserve	Cr30,548	21,000	Cr9,548	0	Cr9,548
Pantteg Reserve	Cr500,000	0	Cr500,000	0	Cr500,000
Waste Reserve	Cr393,152	0	Cr393,152	0	Cr393,152
LAWDC Contingency Reserve	Cr971,015	Cr34,199	Cr1,005,214	0	Cr1,005,214
Treasury Management Equalisation Reserve	Cr5,755,432	Cr1,070,722	Cr6,826,155	0	Cr6,826,155
ERVR Transitional Reserve	Cr6,074,176	1,255,869	Cr4,818,306	0	Cr4,818,306
Accommodation Strategy	Cr2,483,580	210,000	Cr2,273,580	0	Cr2,273,580
CORPORATE OTHER	Cr26,468,359	Cr1,958,388	Cr28,426,748	0	Cr28,426,748
JOINT COMMITTEE/ OTHER					
SWTRA Reserve	Cr59,728	0	Cr59,728	0	Cr59,728
Substance Misuse Joint Committee	Cr26,816	Cr13,959	Cr40,775	0	Cr40,775
Safeguarding Board Reserve	Cr98,824	Cr10,322	Cr109,146	0	Cr109,146
Intermediate Care Pooled Fund	Cr13,933	Cr29,496	Cr43,429	0	Cr43,429
Workways - Regional Reserve	0	Cr66,060	Cr66,060	0	Cr66,060
JOINT COMMITTEE/ OTHER	Cr199,301	Cr119,837	Cr319,138	0	Cr319,138
TOTAL ALL REVENUE RESERVES	Cr38,577,721	Cr165,035	Cr38,742,755	Cr771,832	Cr39,514,587

General Reserve

	Original Estimate 2018/19	Revised Estimate 2018/19	Actual 2018/19	Variance to Revised 2018/19
	£'000	£'000	£'000	£'000
Opening balance 1st April	Cr 20,613	Cr 19,980	Cr 19,980	0
Council Tax increased income	Cr 1,000	Cr 1,000	Cr 1,657	Cr 657
Capital - Phase II Accommodation financing costs	340	340	340	0
Doubtful Debt Provision	200	200	0	Cr 200
Contributions to the Economic Development Fund	200	160	160	0
Community Councils Grant Scheme	25	25	33	8
Pantteg landslip	40	0	90	90
NPT Works contract termination	135	105	50	Cr 55
Contribution from revenue	0	0	Cr 4	Cr 4
Estimated Closing balance 31st March	Cr 20,673	Cr 20,150	Cr 20,968	Cr 818

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

29th MAY 2019

REPORT OF HEAD OF FINANCE

SECTION A – MATTER FOR DECISION

WARDS AFFECTED – ALL

CAPITAL PROGRAMME OUTTURN 2018/19

1. Purpose of Report

- 1.1 This report sets out the financial outturn position for the Capital Programme for 2018/19.

2. Budget Outturn

- 2.1 For 2018/19 the approved revised Capital Programme totalled £46.659m, actual expenditure for the year was £43.395m which represents in financial terms 93% delivery of the Programme.

- 2.2 This £43m 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:

- Completion of the 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.

- Completion of the construction and re-modelling works at the Welsh Medium 3-18 North Campus site in Ystalyfera (Ysgol Gymraeg Ystalyfera). Also, completion of the new Welsh Medium 11-16 South Campus (Ysgol Gymraeg Bro Dur) on the site of the former Sandfields Comprehensive School.
- Completion of the construction of an £8m new primary school in Briton Ferry, 'Ysgol Carreg Hir', on the site of the former Cwrt Sart Comprehensive School. The project saw 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.
- As part of the Council's regeneration programme, the purchase of the Former Crown Foods Site was completed at c£1.5m, along with the on-going refurbishment works at the former Port Talbot Magistrates Court at c£1.2m.
- Further investment of over £3m into Disabled Facility Grants to assist people to live at home and investment of £3.6m 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:

- 21st Century Schools projects
The total underspend of £1.4m is due to the variances in the profile of the delivery of these projects. The majority relates to work on the Cwm Brombil site post opening. This work is on-going and expenditure will be incurred in 2019/20
- Vehicle Replacement Programme
A combination of vehicles costing less than anticipated and also certain vehicles not requiring replacement resulted in a £574k underspend in this area. The earmarked funding will remain in the vehicles renewals reserve until required.

- Regeneration – other
The majority of this underspend is due to a delay in the refurbishment work on the Turbine House in Margam Park, this work will be carried out in 2019/20, so the budget will be carried forward.
- Contingency
This £277k underspend is due to the contingency budget not being required.

3. 2019/20 Capital Programme

- 3.1 Work is ongoing to deliver the 2019/20 Capital Programme totalling £44.816m which was approved by Members as part of the Council's budget setting process in February 2019. 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 2019/20 budget monitoring cycle.

6. Integrated Impact Assessment

A first stage impact assessment has been undertaken 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).

The first stage assessment has indicated that a more in depth assessment is not required.

5. Valleys Communities Impacts

The capital programme supports investment in assets across the whole County Borough.

6. Workforce Impacts

No impact

7. Legal Impacts

There are no specific legal impacts arising from this report

8. Risk Management Impact

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.

9. Consultation

There is no requirement for external consultation on this item

10. Recommendation

It is recommended that the 2018/19 Capital Programme outturn position be approved.

11. Reason for Proposed Decision

To agree the capital outturn position for 2018/19.

12. Implementation of Decision

The decision is proposed for implementation after the three day call in period.

13. Appendices

Appendix 1 – Details of 2018/19 Capital Expenditure.

14. List of Background Papers

Capital Programme working files
Integrated Impact Assessment

15. Officer Contact

For further information on this report item, please contact:

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ADDENDUM 1

Appendix 1

Details of 2018/19 Capital Expenditure

	Revised Budget	Actual	Variance
	£'000	£'000	£'000
Ysgol Gymraeg Ystalyfera Bro Dur (Welsh Medium North Campus)	930	859	71
Ysgol Carreg Hir (formerly included as Ysgol Newydd Briton Ferry)	3,396	3,543	-147
Ysgol Gymraeg Ystalyfera Bro Dur (Welsh Medium South Campus)	4,902	4,917	-15
Ysgol Cwm Brombil (formerly included as Ysgol Newydd Margam)	12,598	11,075	1,523
Schools Capital Maintenance	1,306	1,380	-74
Leisure Investment	150	144	6
Highways and Engineering Maintenance	2,373	2,354	19
Highways Infrastructure Investment	807	815	-8
Water St Neath Highway Improvements	683	685	-2
Road Safety Grant	468	468	0
Safe Routes in Communities	185	184	1
Active Travel Fund	540	540	0
Collaborative Change Waste	885	844	41
Health and Safety	850	807	43
Street Lighting	422	363	59
Vehicle Replacement Programme	1,529	955	574
Cwmafan Landslip	775	789	-14
Port Talbot Magistrates Court	1,265	1,227	38
Former Crown Foods Building & Site	1,600	1,600	0
Regeneration - other	1,645	1,486	159
Disabled Facilities Grants	3,000	3,000	0
ICF Rapid Adaptation Grant	350	350	0
Contingency	277		-277
Remaining Capital Programme	5,723	5,010	713
Total	46,659	43,395	3,264