



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

9TH JUNE 2020

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

MATTER FOR INFORMATION

WARDS AFFECTED

ALL

CLOSURE OF ACCOUNTS 2019/20

Purpose of the report

1. This report introduces the information in relation to the Council's Draft (unaudited) Statement of Accounts for 2019/20.

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 Statutory 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
2019/20	15 th June 2020	15 th September 2020
2020/21	31 st May 2021	31 st July 2021

5. However due to the Covid-19 pandemic Welsh Government have relaxed these requirements and will allow Welsh authorities to adopt a timetable for completion of the annual accounts in line with the revised English requirements. Draft accounts are now required to be prepared and certified by 31st August 2020 with publication of final audited accounts by 30th November 2020.

Closure of Accounts 2019/20

6. The Revenue Outturn and Reserves Position Statement 2019/20 and the Capital Programme Outturn 2019/20 reflect the Council's management budget and are included as Addendum 1, for information only. This addendum reflects the information approved by Cabinet on 21st May 2020.
7. The draft Statement of Accounts 2019/20 is included as Addendum 1 and members should note that these accounts were forwarded to the Auditors on 1st June 2020 to enable them to commence their audit work.

Next Steps

8. The Statement of Accounts is now subject to audit by Audit Wales, formerly known as the Wales Audit Office, culminating in the Statement being signed by the Chair of this Committee once the audit has been completed. It is anticipated that will be in September 2020, later than in previous years due to working restrictions and implications from responding to the Covid 19 pandemic.

Summary

9. The draft Statement of Accounts for 2019/20 are forwarded to Audit Committee for information and review.

List of Background Papers

10. Closing working papers 2019/20

Appendices

Addendum 1 – Cabinet Reports 21 May 2020 - Revenue Outturn and Reserves Position Statement 2019/20 and Capital Programme Outturn 2019/20

Addendum 2 – Draft Statement of Accounts 2019/20

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Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

CABINET

21st May 2020

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

Matter for Decision

Wards Affected – All Wards

REVENUE OUTTURN AND RESERVES POSITION STATEMENT 2019/20

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 2019/20 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 2019/20 and will be forwarded to the external Auditor for review. It is expected that the Auditor's work will be completed by the middle of September 2020. Any changes required that impact on the accounts and reserves will be reported separately to members in due course.

1.3. Executive Summary

The Council's Net Budget for 2019/20 was £288.168m. The Actual Net Expenditure, or Outturn position for the Council, shows a net under spend of £169k, and therefore the planned transfer from the General Reserve can be reduced from £2.255m to £2.086m.

The opening balance on the General Reserve was £20.968m. Following the net underspend and other reserve movements

set out in this report, the closing balance at 31st March 2020 will reduce by £1.047m to £19.921m.

The opening balance on Specific Reserves was £39.515m and following the reserve movements set out in this report, the balance at 31st March 2020 will reduce by £1.254m to £38.261m.

2. Service Outturn Position 2019/20

- 2.1. On the 14th February 2019, Council approved the Budget for 2019/20. The Net Budget Requirement was confirmed as £288.168m of which £244.383m was provided for Directorate Managed Services with the remaining £43.785m 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 2019, was presented to and approved by Cabinet on 4th February 2020, which showed a projected underspend of £60k.
- 2.3. The initial outturn position, incorporating amendments to the budgeted reserve transfers, shows an under spend of £903k against Directorate Services, but taking account of other central budgets resulted in an overall Council underspend of £1.161m - (see also Appendix 1), and summarised below.

	Original Budget £'000	Revised Budget £'000	Outturn Position £'000	Variance £'000
Education, Leisure & Lifelong Learning	109,091	109,091	108,808	-283
Social Services Health & Housing	79,681	79,681	78,932	-749
Environment	37,535	37,891	38,285	394
Corporate Services	18,076	18,076	17,811	-265
Net Directorate Services	244,383	244,739	243,836	-903
Other	43,785	43,429	43,171	-258
Net Position	288,168	288,168	287,007	-1,161

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 2019/20

- 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 2020 was agreed by Council on 5th March 2020 as part of the 2019/20 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 2020/21.
- 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	453
Social Services Health and Housing	200
Environment	325
Corporate Services	14
Sub-total to Specific Reserves	992
Net underspend to General Reserves	169
Total additional reserve transfers	1,161

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

	£'000
Opening Balance 1 st April 2019	Cr 39,515
Net reserve movements (Appendix 3)	2,586
	<hr/> Cr 36,929
Additional Reserve Transfers (Appendix 4)	Cr 1,332
Closing Balance as at 31st March 2020	<hr/> Cr 38,261 <hr/>

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 (deficit balance of £465k) – Delegated School Budget Reserves (net deficit balance of £634k) must be carried forward in accordance with current legislative requirements. Reserve balances have reduced by £1.756m during the year and several Schools are in a deficit position. All schools in a deficit reserve position are required to develop a recovery plan that balances the budget over three years. 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 2019/20 was £782k of which £500k was funded from the base budget and the balance of £282k being funded from the ERVR Reserve. The closing balance on the ERVR reserve is £4.537m.
- Insurance Reserve – The reserve has reduced by £2.392 of which £2m was set aside to create the Corporate Contingency Reserve. The closing balance on the reserve is £6.651m.
- Treasury Management Reserve – This reserve has increased by £813k to £7.639m to assist with funding City Deal project expenditure.
- Member Community Development Fund – As outlined in the 2020/21 budget reported presented to Cabinet on the 5th March £340k has been transferred to the reserve for use in 20/21. The closing balance on the reserve is £391k.

4. General Reserve 2019/20

4.1. The General Reserve position is as follows:-

	£'000
Opening Balance 1 st April 2019	Cr 20,968
Budgeted Movements	1,840
Additional transfers to /from reserve	Cr 624
2019/20 Net underspend	Cr 169
Closing Balance 31st March 2020	Cr 19,921

Full details of the movement in the General Reserve are shown in Appendix 6. Members should note that the above balance at 31 March 2020 is some £800k more than predicted and that the 2020/21 Budget includes a projected use of £1.65m of this reserve by March 2021.

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 middle of September 2020.

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). See Appendix 7.

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 2019/20 financial outturn position as set out in this report
- 11.2 Approve the additional reserve transfers of £1.161m 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 2019/20 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 2019/20
- Appendix 2 – Variances
- Appendix 3 – Adjustment to budgeted reserves
- Appendix 4 - Additional Reserve Movements
- Appendix 5 – Specific Reserves Schedule
- Appendix 6 – General Reserve Statement
- Appendix 7 – Integrated Impact Assessment (stage 1)

15. List of Background Papers
Outturn Working Papers 2019/20

16. Officer Contact

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REVENUE OUTTURN SUMMARY 2019/20

	Original Budget	Revised Budget	Adj Actual Expend	Variance	Reserve Requests	Final Actual Expend	Final Variance
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ELLL - Schools	84,424	84,424	84,424	0		84,424	0
ELLL - Other	24,667	24,667	24,384	-283	453	24,837	170
Social Services Health & Housing	79,681	79,681	78,932	-749	200	79,132	-549
Environment	37,535	37,891	38,285	394	325	38,610	719
Corporate Services	18,076	18,076	17,811	-265	14	17,825	-251
Directly Controlled Expenditure	244,383	244,739	243,836	-903	992	244,828	89
Swansea Bay Port	47	47	46	-1		46	-1
Fire Authority	7,470	7,470	7,466	-4		7,466	-4
Margam Crematorium	1	1	1	0		1	0
Archives	94	94	94	0		94	0
Magistrates Court	12	12	12	0		12	0
Capital Financing	19,274	19,274	19,274	0		19,274	0
Housing Benefits	0	0	-107	-107		-107	-107
Council Tax Support	18,108	18,108	17,737	-371		17,737	-371
Management of change	500	500	500	0		500	0
Contingency	555	187	394	207		394	207
Pay & Pensions Provision	0	0		0		0	0
Cont from Fire Authority Reserve	-21	-9	-9	0		-9	0
Cont to General Reserve	-2,255	-2,255	-2,255	0	169	-2,086	169
Net Budget Requirement	288,168	288,168	286,989	-1,179	1,161	288,150	-18
RSG	-168,695	-168,695	-168,695	0		-168,695	0
NNDR	-46,100	-46,100	-46,100	0		-46,100	0
Discretionary Rate Relief	330	330	348	18		348	18
Council Tax	-73,703	-73,703	-73,703	0		-73,703	0
Total Funding	-288,168	-288,168	-288,150	18	0	-288,150	18

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

Variances

Service Area	Value	Reason/Action
School specific contingencies	Un 485	Net surplus from grants. Request to carry forward £400k to fund 2020/21 Budget pressures.
Post 16 transport	Un 73	Additional income from shared transport arrangements with Social Services together with savings from route changes.
Strategic Schools Investment Programme	Ov 59	Consultant fees for school business cases in order to secure funding for 21st century schools
Support services SEN	Un 105	ALN new structure for 2019-20. All posts now filled but achieved later than initially projected.
Out of county placements	Ov 230	4 children placed in independent sector placements during later period of 2019/20 and increase cost of provision for some children.
Behaviour support strategies	Un 285	Delay in opening of the new ASD provision in year (£150k) and decreased expenditure to offset pressure within out of county budget.
Skills and Training unit	Ov 76	Shortfall in the work based learning contract
Margam Park	Ov 97	Loss of income less reduced costs due to COVID19
Management and Administration	Ov 66	Contribution to ERW not originally budgeted for.
Children's Social Work	Un 644	The underspend is due to savings on staff costs and additional income, of which £270k relates to staff being funded from the Intermediate Care Fund "Working Together" project.
Children's Residential Care	Ov 276	The budget was based on 7 children and the average number of placements for the year was 9.14

Variances

Service Area	Value	Reason/Action
Hillside - Secure Accommodation	Ov 556	The overspend is due to a loss of income, partly from the contract with Youth Custody Service (YCS), but also from lower occupancy of welfare beds (placements from other Local Authorities). Negotiations with YCS are ongoing to seek to claw back some of the lost income for the first half of the year.
Day Care	Un 99	The underspend is due to savings on staff costs.
Adoption Service	Un 239	The budget was based on payment of allowances for 48 children and an underspend is projected as payments are currently being made for 45 children. Also NPT received a refund of its contribution to the Western Bay Adoption Service of £214k
External Foster Placements	Un 60	The underspend is due to savings on staff costs for the Placement Support Team.
Youth Offending Service	Ov 107	The overspend is due to the cost of 3 remand placements that commenced in January 2020
Child & Family Management	Un 177	The underspend is due to savings on external legal fees.
Community Care Social Work	Un 190	The underspend is due to savings on staff costs.
Social Services Business Support Services	Un 246	The underspend is due to savings on staff costs.

Variances

Service Area	Value	Reason/Action
Elderly Residential Care	Ov 84	The overspend is due to an increase in the number of service users in residential care
Domiciliary Care	Un 794	The underspend is due to staff vacancies in the in-house homecare service, savings on placements costs in the external domiciliary care services and additional winter pressures funding (£197k).
Community Resource Team	Un 179	The underspend is due to savings on staff costs and car allowances (£91k), a reduction in premises costs (£34k) and a reduction in Telecare service level agreement costs
Other Community Care - Direct Payments	Un 139	The underspend is due to a reduction in the number of direct payment recipients (budget 107, average 92), and recovery of £115k unused funding from client accounts.
Physical Disabilities - External Placements	Un 97	The underspend is due to a reduction in the number of placements.
Aids & Equipment	Un 58	The underspend is largely due to a saving on the NPT contribution to the Joint Equipment Service of £49k.
Learning Disabilities - External Placements	Ov 874	The overspend is because the budget includes savings targets of £350k (SSHH903/913) which were not achieved in year, and there has also been an increase in the number of service users being supported (budget 423, average 450). These pressures have been built into the 2020/21 budget.

Variances

Service Area	Value	Reason/Action
Community Independence Service	Un 120	The underspend is due to savings on staff costs
Day Opportunities - Care & Support	Un 57	The underspend is due to savings on staff costs
Social Services Transport	Ov 158	The budget includes a savings target (SSHH905 £115k) which was not achieved in year. An updated transport policy was approved by members on 17th October 2019 and the full year impact will become available in 2020/21.
Mental Health - External Placements	Ov 198	The overspend is due to an increase in the number of service users being supported (budget 71, average 77).
Highways Reactive	Ov 233	This includes £226K emergency costs for Storm Denis. Funding from the Welsh Government is only available for spend above the Emergency Funding Assistance Scheme i.e. £580k for NPT, hence the funding outcome of this is uncertain. Also extra stand-by costs of £22k were paid to staff in line with Council renegotiated agreement for the period December 2019 to March 2020.
Waste Management	Un 53	The overspend is mainly due to staff vacancies (now filled), and partially offsets the overspend in waste collection - below.

Variances

Service Area	Value	Reason/Action
Refuse Collection	Ov 170	An anticipated overspend has been reported in year due to a £47k reduction in the Sustainable Waste Grant being, and additional activity and costs. The underspend increased in March due to staff transferring into waste collection from elsewhere in streetcare as a result of COVID19. The overspend is partly offset by additional grant received from WG in March.
Household Waste Recycling Centres	Ov 107	The overspend is due to the additional costs from transporting wood to a recycling centre in Devon to meet recycling targets, partly offset by savings in other running costs.
Parks and Open Spaces	Un 144	The underspend is mainly due to the transfer of staff from Parks to Refuse Collection due to COVID-19 see above.
Building Maintenance	Ov 80	The overspend is due to an increase in emergency callout work due to the bad weather in January and February.
Catering	Ov 63	The overspend is due to a shortfall in income and sickness costs.
Gypsy Sites	Ov 68	The overspend is mainly due to an additional utility costs
Workways	Un 94	The service is funded from ring-fenced WEFO FR15 and FR40 grants and the underspend will be transferred to reserve to fund future costs.
Industrial Workshops	Ov 107	The overspend has arisen as it has been necessary to increase the provision to meet cost at the Lonlas workshop by £150k. The overspend is partly offset by underspends in other properties such as Baglan Bay Innovation Centre £43K.

Variances

Service Area	Value	Reason/Action
ICT	Un 81	Salary underspends and reduced call to fund ICT apprentice roles of £45,600 from reserve.
Financial Services – Various	Un 67	Staffing vacancies
Directorate Management	Un 41	Budget provision of £54k given for specific corporate projects. Only £13k spent in 19/20 on APSE fees for work on income generation
Housing Benefits	Un 107	DWP housing benefit grant received
Council Tax support	Un 371	Reduction in expenditure incurred
Contingency	Ov 206	Expenditure relating to Godrer'grraig landslip

Adjustment to Budgeted Reserves Movements

Service Area	Requested Reserve Movement	Reason
Housing Benefits	In 25	Contribution towards funding of the new HR/Payroll system to go live by 1 April 2021 in line with contract.
Information Governance	In 29	Planned contribution from the Corporate Contingency Reserve not required in full as 2 GDPR officer posts were appointed rather than 3.
Communications & Marketing	In 13	Contribution towards the funding of a Digital Communications post in 2020/21
Substance Misuse	In 4	This is a Regional Reserve and the planned reserve request is no longer required.
ICT	In 200	Adjustment to IT reserve to manage annual budget fluctuations
School specific contingencies	Out 15	Additional school tribunal costs funded from reserve
Parent/pupil and governor support unit-feminine hygiene grant	In 106	Delay in tender process, no spend incurred in 2019/20
Outdoor education	Out 2	Contract for new lease started after April 1st, therefore Field Study Council paid reduced amount of £47,774 into the renewal fund rather than the £50k due in a full year. Hence reduction in contribution to be carried forward in reserve to meet future years' costs.
Margam Park	Out 23	Transfer from reserve required to fund work carried out on train earlier than anticipated

Adjustment to Budgeted Reserves Movements

Service Area	Requested Reserve Movement	Reason
Child & Family Management	Out 17	Transfer from the Regional Western Bay Safeguarding Reserve to fund the overspend in the regional safeguarding
Community Resource Team	Out 15	Transfer from the Regional Intermediate Care Reserve to fund expenditure incurred by Swansea Bay Health Board as part of the s33 agreement
Vehicle renewals	In 315	Expenditure on vehicle renewals was less than budget, therefore the planned transfer from the vehicle renewals reserve is not required in full.
Metal Box	In 69	Reduction in amount required from Reserve to fund Metal Box. Transfer back into reserve to fund costs in 2020/21.
Planning Policy	In 6	The planned contribution from the LDP reserve is not required in full
Economic Development Fund	Out 19	An additional transfer from reserve is required as expenditure was greater than anticipated.
Cemeteries	In 20	The budget included a planned transfer of £40k from reserve to fund work at cemeteries but the work has not been completed therefore £20K needs to be transferred back into reserve for completion in 2020/21

Adjustment to Budgeted Reserves Movements

Service Area	Requested Reserve Movement	Reason
HR/Unions	In 11	Contribution from Corporate Equalisation Reserve not required in 2019/20 to fund DBS Checks, but needs to be transferred back to the reserve to fund future costs, as there is no base budget provision to fund future expenditure
HR Training	In 40	Digital Leadership Funding to be utilised over 2 financial years. £40k to be carried forward for use in 2020/21.
Grants to Community Councils	In 8	Planned transfer from General Reserve not required in full
Members Community Development Fund	In 51	Planned transfer from Member Community Development Reserve not required in full
Management of Change	In 500	Transfer to ERVR Reserve to partly offset costs incurred in-year.
Total	In 1,306	

Additional Reserve Movement Requests

Service Area	Requested Reserve Movement	Reason
School specific contingencies	In 400	Transfer underspend to reserve to fund 2020/21 pressures.
Schools mutual fund	Out 6	To transfer funding for net cost of LLAN scheme from Primary Schools ERVR Reserve
Inclusion	In 59	Transfer part of the underspend in Inclusion service to fund commitments in 20/21
Domiciliary care	In 200	Transfer £200k to Social Services Equalisation Reserve to fund additional expenditure in 2020/21
Refuse	In 113	Grant awarded from Welsh Government in March 2020 to be transferred to reserve to fund expenditure in 2020/21
Parks and Open Spaces	In 40	Transfer underspend to reserve to fund tree works delayed due to COVID-19, to be undertaken in 20/21
Coastal Protection	In 12	Contract delayed due to Covid 19 with funding needed in 2020/21
Energy Management	In 4	Transfer of feeding tariff savings into Renewable Energy Reserve for future investment
Workways - Matched funding	In 34	The underspend is due to changes in the profile of expenditure, which need to be carried forward as they will need to be available towards the end of the scheme period.

Additional Reserve Movement Requests

Service Area	Requested Reserve Movement	Reason
Workways – Regional	In 26	The Workways project is due continue to 2023. The in-year surplus relating to European Funded Projects expenditure need to be carried forward into later years to fund expenditure as total income in those years reduce.
Workways – NPT	In 34	The Workways project is due continue to 2023. The in-year surplus relating to European Funded Projects expenditure need to be carried forward into later years to fund expenditure as total income in those years reduce.
City Deal	In 38	Transfer the underspend in 2019/20 to reserve to fund expenditure in 2020/21
Gnoll	In 25	A donation of £25k was received from a private Will to carry out works at the park, but work was delayed due to COVID-19 and will be incurred in 2020/21
HR/Unions	In 5	Transfer to reserve cost of staff training committed but subsequently delayed due to CORV19 - to be paid in 20/21
HR/Unions	In 9	Transfer to reserve cost of furniture orders placed but delivery delayed due to CORV19 - to be paid in 20/21
Other	In 169	Transfer Council underspend to General Reserve
Grand Total	In 1,161	

Specific Reserves

Description	Reserve at 1st April 2019	Updated Budgeted movements	Interim Balance at 31st March 2020	Additional Requests	Final Balance at 31st March 2019
EDUCATION, LEISURE & LIFELONG LEARNING					
<i>Delegated Schools Cash Reserves</i>					
ERVR Primary	Cr13,006	Cr1,289	Cr14,295	6,332	Cr7,963
Primary Schools Reserve A/C	Cr1,493,245	857,257	Cr635,988	0	Cr635,988
Secondary Schools Reserve A/C	376,617	Cr485,814	Cr109,197	0	Cr109,197
Special Schools Reserve A/c	157	305,226	305,383	0	305,383
Middle School Reserve A/c	0	1,074,154	1,074,154	0	1,074,154
Repair & Maintenance reserve	Cr161,160	0	Cr161,160	0	Cr161,160
	Cr1,290,637	1,749,533	458,896	6,332	465,228
<i>Education, Leisure and Lifelong Learning</i>					
Margam Discovery Centre - Building Maintenance Reserve	0	Cr47,774	Cr47,774	0	Cr47,774
Equalisation Account-Education	Cr870,120	Cr43,500	Cr913,620	Cr459,000	Cr1,372,620
Home to School Transport	Cr36,070	Cr75,000	Cr111,070	0	Cr111,070
	Cr906,190	Cr166,274	Cr1,072,464	Cr459,000	Cr1,531,464
Total Education Leisure & Lifelong Learning	Cr2,196,827	1,583,259	Cr613,568	Cr452,668	Cr1,066,236
SOCIAL SERVICES, HEALTH & HOUSING					
Homecare ECM Equipment reserve	Cr62,835	Cr10,000	Cr72,835	0	Cr72,835
Community Care Transformation Reserve	Cr107,771	0	Cr107,771	0	Cr107,771
Social Services Equalisation	Cr739,904	0	Cr739,904	Cr200,000	Cr939,904
Hillside General Reserve	Cr1,091,673	818,010	Cr273,663	0	Cr273,663
Youth Offending Team Reserve	Cr153,397	0	Cr153,397	0	Cr153,397

Specific Reserves

Description	Reserve at 1st April 2019	Updated Budgeted movements	Interim Balance at 31st March 2020	Additional Requests	Final Balance at 31st March 2019
Adoption Service	Cr100,000	0	Cr100,000	0	Cr100,000
Total Social Services, Health and Housing	Cr2,255,580	808,010	Cr1,447,570	Cr200,000	Cr1,647,570
ENVIRONMENT					
Transport Reserve	Cr151,541	0	Cr151,541	0	Cr151,541
Asset Recovery Incentive Scheme	Cr125,894	0	Cr125,894	0	Cr125,894
Local Development Plan	Cr157,072	Cr24,000	Cr181,072	0	Cr181,072
Economic Development	Cr848	848	0	0	0
Winter Maintenance Reserve	Cr764,162	10,000	Cr754,162	0	Cr754,162
Baglan Bay Innovation Centre Reserve	Cr77,517	0	Cr77,517	0	Cr77,517
Renewable Energy Reserve	Cr7,160	0	Cr7,160	Cr3,824	Cr10,984
Environmental Health - Housing Equalisation	Cr20,000	Cr117,000	Cr137,000	0	Cr137,000
Workways – NPT	Cr124,781	0	Cr124,781	Cr34,483	Cr159,264
Environment Equalization Reserve	Cr604,246	111,796	Cr492,450	Cr222,650	Cr715,100
Operating Account -Equalisation	Cr36,043	0	Cr36,043	0	Cr36,043
Vehicle Tracking	Cr92,186	0	Cr92,186	0	Cr92,186
Vehicle Renewals	Cr1,727,753	Cr178,099	Cr1,905,852	0	Cr1,905,852
Total Environment	Cr3,889,203	Cr196,455	Cr4,085,658	Cr260,957	Cr4,346,615
CORPORATE SERVICES					
Elections Equalisation Fund	Cr240,139	0	Cr240,139	0	Cr240,139
Health & Safety/Occupational Health	Cr40,501	0	Cr40,501	0	Cr40,501
Development Fund for Modernisation	Cr115,032	0	Cr115,032	0	Cr115,032
IT Renewals Fund	Cr1,298,394	455,000	Cr843,394	0	Cr843,394
Corporate Equalisation Reserve	Cr531,836	10,600	Cr521,236	Cr14,000	Cr535,236

Specific Reserves

Description	Reserve at 1st April 2019	Updated Budgeted movements	Interim Balance at 31st March 2020	Additional Requests	Final Balance at 31st March 2019
Building Capacity	Cr184,122	Cr13,173	Cr197,295	0	Cr197,295
Voluntary Organisation Reserve	Cr17,067	4,267	Cr12,800	0	Cr12,800
Total Finance and Corporate Services	Cr2,427,091	456,694	Cr1,970,397	Cr14,000	Cr1,984,397
CORPORATE					
Insurance Reserve	Cr9,043,185	2,391,980	Cr6,651,205	0	Cr6,651,205
Swansea Bay City Deal	Cr75,000	0	Cr75,000	Cr37,786	Cr112,786
Income Generation Reserve	Cr715,895	62,105	Cr653,790	0	Cr653,790
Members Community Fund Reserve	Cr546,712	496,088	Cr50,624	Cr340,000	Cr390,624
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 Authority Reserve	Cr9,548	9,548	0	0	0
Pantteg Landslip Reserve	Cr500,000	0	Cr500,000	0	Cr500,000
Waste Reserve	Cr393,152	0	Cr393,152	0	Cr393,152
LAWDC Contingency Reserve	Cr1,005,214	Cr7,217	Cr1,012,431	0	Cr1,012,431
Schools IT Equalisation (HWB)	0	Cr250,000	Cr250,000	0	Cr250,000
Corporate Contingency	0	Cr2,269,000	Cr2,269,000	0	Cr2,269,000
Treasury Management Equalisation Reserve	Cr6,826,155	Cr812,920	Cr7,639,075	0	Cr7,639,075
ERVR Transitional Reserve	Cr4,818,306	281,813	Cr4,536,494	0	Cr4,536,494
Accommodation Strategy	Cr2,273,580	0	Cr2,273,580	0	Cr2,273,580
CORPORATE OTHER	Cr28,426,748	Cr97,603	Cr28,524,351	Cr377,786	Cr28,902,137
JOINT COMMITTEE/ OTHER					
Workways - Regional Reserve	Cr66,060	0	Cr66,060	Cr26,490	Cr92,550
Environment Legacy Reserve (SWTRA)	Cr59,728	0	Cr59,728	0	Cr59,728

Specific Reserves

Description	Reserve at 1st April 2019	Updated Budgeted movements	Interim Balance at 31st March 2020	Additional Requests	Final Balance at 31st March 2019
Substance Misuse Area Planning Board	Cr40,775	0	Cr40,775	0	Cr40,775
WB Safeguarding Board Reserve	Cr109,146	16,949	Cr92,197	0	Cr92,197
Intermediate Care pooled fund	Cr43,429	15,000	Cr28,429	0	Cr28,429
JOINT COMMITTEE/ OTHER	Cr319,138	31,949	Cr287,189	Cr26,490	Cr313,679
TOTAL ALL REVENUE RESERVES	Cr39,514,587	2,585,854	Cr36,928,734	Cr1,331,901	Cr38,260,635

General Reserve

	Original Estimate 2019/209	Revised Estimate 2019/20	Actual 2019/20	Variance 2019/20
	£'000	£'000	£'000	£'000
Opening balance 1st April	Cr 19,714	Cr 20,968	Cr 20,968	0
Council Tax increased income	Cr 1,000	Cr 1,000	Cr 1,774	Cr 774
Capital - Phase II Accommodation financing costs	180	180	180	0
Doubtful Debt Provision	200	200	0	Cr 200
Contributions to the Economic Development Fund	200	180	198	18
Community Councils Grant Scheme	25	25	17	Cr 8
Member Community Development Fund	0	0	340	340
Contribution from /to revenue	2,255	2,255	2,086	Cr 169
Estimated / Actual Closing balance 31st March	Cr 17,854	Cr 19,128	Cr 19,921	Cr 793

Integrated Impact Assessment – Stage 1

1. Details of the initiative

Initiative description and summary: Revenue Outturn and Reserves Position Statement. This annual report is required to comply with the Statutory Accounting Code of Practice to ensure that the Council’s actual financial position for 2019/20 is completed with all Reserves and balances transferred into the relevant accounts, which will be subject to external audit by Wales Audit Office.

There are no policy implications that arise from this report which impact on service users, staff or the wider community, with all financial reserves and balances being carried forward into future years to support Council activities.

Service Area: Financial Services

Directorate: Finance & Corporate Services

2. Does the initiative affect:

	Yes	No
Service users		No
Staff		No
Wider community		No
Internal administrative process only	Yes	

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age		N				
Disability		N				
Gender Reassignment		N				
Marriage/Civil Partnership		N				

Integrated Impact Assessment – Stage 1

Pregnancy/Maternity		N				
Race		N				
Religion/Belief		N				
Sex		N				
Sexual orientation		N				

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		N				
Treating the Welsh language no less favourably than English		N				

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		N				

Integrated Impact Assessment – Stage 1

To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.		N				
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6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
Long term - how the initiative supports the long term well-being of people	Y		The Council reserves will be available to support specific initiatives (from specific reserves) or the general activities of the Council in future years, hence supporting the sustainable development principle.
Integration - how the initiative impacts upon our wellbeing objectives		N	
Involvement - how people have been involved in developing the initiative		N	
Collaboration - how we have worked with other services/organisations to find shared sustainable solutions		N	

Integrated Impact Assessment – Stage 1

Prevention - how the initiative will prevent problems occurring or getting worse		N	
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7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	Y
Reasons for this conclusion	
A full impact assessment is not required as this is an annual report is required to comply with statutory accounting requirements that close off the 2019/20 financial year and provide the appropriate balances and reserves to be made available in future years to underpin Council activities.	

A full impact assessment (second stage) is required	N
Reasons for this conclusion	

	Name	Position	Date
Completed by	SE Gorman	Chief Accountant	6/5/20
Signed off by	HJ Jenkins	Head of Service/Director	11/5/20



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

21st MAY 2020

REPORT OF HEAD OF FINANCE

SECTION A – MATTER FOR DECISION

WARDS AFFECTED – ALL

CAPITAL PROGRAMME OUTTURN 2019/20

Purpose of Report

1. This report sets out the financial outturn position for the Capital Programme for 2019/20.

Budget Outturn

2. For 2019/20 the approved revised Capital Programme totalled £39.078m, actual expenditure for the year was £38.019m which represents in financial terms 97% delivery of the Programme.

This £38m 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.

ADDENDUM 1

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

- Progression of the Council's Band B 21st Century Schools programme;
 - Cefn Saeson - a new replacement 11-16 School in the Cimla area of the County Borough.
 - Abbey Primary – a new primary school to replace the current Abbey Primary which is based across three sites in Neath Abbey, Skewen and Longford.
- Investment of £1.996m in a flood and coastal risk prevention project at Aberavon Seafront.
- Progression of County Borough regeneration projects;
 - Commencement of the next phase of the Neath Town Centre redevelopment.
 - Development works of £3.2m on the former Crown building.
 - Redevelopment works of £0.8m the former Plaza cinema in Port Talbot.
 - Completion of works at the Former Port Talbot Magistrates Court.
- Further investment of over £3m into Disabled Facility Grants to assist people to live at home and investment of £2.8m in Schools Capital Maintenance and Highways and Engineering Maintenance improvements.

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 overspend of £1.2m is due to the variances in the profile of the delivery of these projects. The majority relates to work on the Cefn Saeson site progressing ahead of schedule, the overspend will be funded from resources earmarked in 2020/21.

ADDENDUM 1

- Regeneration – Former Crown Building Redevelopment
The overspend of £1.54m is due to works progressing on site ahead of schedule. Additional grant funding has been received to fund part of the overspend with the balance being funded from the 2020/21 budget.
- Schools IT
Welsh Government grant funding (HWB) has resulted in the Authority spending £447k less of its own finances on Schools IT during 2019/20.
- Street Lighting
The total underspend of £462k is due mainly to the variance in the profile of the delivery of the Salix Street Lighting project. This project was anticipated to start in 2019/20 but now will commence in 2020/21.
- Highways and Engineering Maintenance
The underspend of £747k is due to the Authority receiving additional grant funding in 2019/20 which was used to fund Highways and Engineering Maintenance works. The underspend will be carried forward into 2020/21.
- Other
The overspend of £496k is mainly due to works on the Margam Park tourism project commencing earlier than anticipated and works at Hillside Secure Unit also starting ahead of schedule. These works are on-going and further expenditure will be incurred in 2020/21.

2020/21 Capital Programme

3. Work is ongoing to deliver the 2020/21 Capital Programme totalling £87.920m which was approved by Members as part of the Council's budget setting process in March 2020. 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 2020/21 budget monitoring cycle.

Financial Impact

4. All relevant details are set out in the body of the report.

Integrated Impact Assessment

5. No requirement for this as information set out in the report summarises the Council's financial commitment to fund capital projects in year.

Valleys Communities Impact

6. No implications.

Workforce Impacts

7. There are no workforce impacts arising from this report.

Legal Impacts

8. There are no legal impacts arising from this report.

Risk Management

9. 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.

Consultation

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

Recommendation

11. It is recommended that the 2019/20 Capital Programme outturn position be approved.

Reason for Proposed Decision

12. To agree the capital outturn position for 2019/20.

Implementation of Decision

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

Appendices

14. Appendix 1 – Details of 2019/20 Capital Expenditure.

List of Background Papers

Capital Programme working files

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Details of 2019/20 Capital Expenditure

	Revised Budget £'000	Actual £'000	Variance £'000
Ysgol Cwm Brombil	1,973	1,994	21
Cefn Saeson School	5,524	7,117	1,593
Abbey Primary School	627	515	-112
Capital Maintenance – ELLL	1,125	1,111	-14
Welsh Medium School Grant - YGG Pontardawe & YGG Tyle'r Ynn	425	401	-24
Infant Class Sizes Grant - YGG Rhosafan, YGG Castell Nedd, Gnoll Primary	546	523	-23
Childcare Offer Grant - Small Grants Pot, Baglan Primary, Blaenbaglan Primary & Rhos Primary	417	307	-110
Cymmer Afan Site Clearance & Land Reclamation	800	892	92
Leisure Investment	156	64	-92
Margam Orangery Improvement Works	250	142	-108
Highways and Engineering Maintenance	2,451	1,703	-748
Additional Highway Works (Highways Refurbishment Grant)	1,496	1,497	1
Local Transport Fund (multiple locations)	525	323	-202
Road Safety Grant (multiple locations)	407	408	1
Safe Routes In Communities (multiple locations)	157	163	6
Active Travel Fund - Neath To Port Talbot; Fabian Way and Ffordd Amazon	739	521	-218
Flood & Coastal Risk Projects - Aberavon & Brunel Dock (Feasibility)	2,330	1,996	-334
Major Bridge Strengthening - A474 Neath	910	613	-297
Cymmer Viaduct Design	220	128	-92
Health & Safety	893	693	-200
Street Lighting	663	201	-462
Vehicle Replacement Programme	1,119	1,305	186
Absorbent Hygiene Product Waste Grant	110	113	3
NPT Recycling Ltd Equipment Purchase	750	750	0

ADDENDUM 1

	Revised Budget £'000	Actual £'000	Variance £'000
Regeneration: Harbourside Infrastructure	275	155	-120
Regeneration: Former Plaza Redevelopment	1,000	799	-201
Regeneration: Former Magistrates Court	732	797	65
Regeneration: 6 Station Road	100	29	-71
Regeneration: Turbine House - Margam Park	275	332	57
Regeneration: Neath Town Centre Redevelopment	250	152	-98
Regeneration 8 Wind Street	177	53	-124
Regeneration: Former Crown Buildings Redevelopment	1,707	3,251	1,544
Regeneration: Commercial Property Grants	10	27	17
Regeneration: Property Enhancement Development Grant	250	11	-239
Regeneration: Swansea Bay Technology Centre	400	240	-160
Regeneration: Other	599	244	-355
School IT/Vehicle Financing	640	193	-447
Social Services Capital Maintenance	216	164	-52
Warm Homes – Boiler Scheme	395	362	-33
Disabled Facilities Grants	3,000	3,084	84
Additional £5m Allocation:			
Schools & Leisure Maintenance	400	406	6
Environment Projects	265	241	-24
Agile Working	250	233	-17
Additional Schools Capital Maintenance Grant:			
Capital Maintenance for Schools	303	270	-33
Contingency	222	0	-222
Other	2,999	3,496	497
Total	39,078	38,019	-1,059