

The Vale of Glamorgan Council

Cabinet Meeting: 3 July, 2017

Report of the Leader

Closure of Accounts 2016/17

Purpose of the Report

1. The accounts are complete and this report is to inform Cabinet of the provisional financial position of the Council for the 2016/17 financial year.

Recommendations

It is recommended that :-

1. The report and the financial measures taken and proposed be approved.
2. Cabinet approve the inclusion of the following schemes into the 2017/18 Capital programme :-
 - £100k Highways Infrastructure Improvements funded from the Visible Services reserve.
 - £50k Parks Asset Renewal funded from the Visible Services reserve.
 - £75k for Barry Island Shelters funded from the Visible Services reserve.
 - £25k for Penarth Pier funded from the Visible Services reserve.
 - £29k for Cosmeston Medieval Village funded from the Regeneration and Planning reserve.

Reasons for the Recommendations

1. To approve the report and the financial measures taken and proposed.
2. To gain approval to amend the 2017/18 Capital Programme.

Background

2. Following the end of the financial year, Cabinet are provided with provisional outturn figures for the Council. The Statement of Accounts will be approved by Council before 30th September, which will normally follow the audit by Wales Audit Office.

3. Separate reports will be presented to Scrutiny Committees.

Relevant Issues and Options

Council Fund

4. Council on the 2nd March 2016 (minute no.885) agreed the Authority's budget requirement for 2016/17. This represented budgeted net expenditure for the Authority of £213.288m. Total expenditure was to be financed by Revenue Support Grant (£112.506m), National Non-Domestic Rates contribution (£37.942m) and Council Taxpayers (£62.84m). The Standard Spending Assessment (SSA) for the year was £213.878m.
5. The revenue budgets have been amended and approved by Cabinet during the financial year, however, they are at the same overall net level as the original budget of £213.288m, which is after the planned use of £1.5m from the Council Fund. The actual expenditure for 2016/17 is £213.288m, which is a breakeven position and follows a transfer of £1.463k from the Council Fund.
6. [Appendix 1](#) amends the revised budgets to take account of the following adjustments. There is no overall effect on the Authority.

IAS 19 Retirement Benefits -The purpose of this Standard is to ensure that the operating costs of providing retirement benefits to employees are recognised in the accounting period in which they are earned by the employees. Figures provided by the actuary differ from that estimated and the movements need to be incorporated into the accounts.

Asset Rents - This charge can vary each year due to an increase / decrease in the valuation of assets. The movements need to be incorporated into the accounts.

Leave Accrual Adjustment - An accrual is made for the cost of holiday entitlements earned by employees but not taken before year end. The movement for school staff changes between years depending on when the Easter holiday falls. It has been assumed that there is no movement between years for non-school staff.

Carbon Reduction Commitment Scheme - The scheme requires the Authority to report on carbon dioxide emissions associated with the use of electricity and gas within its buildings. Payment is then made to the Environment Agency to cover the charge in respect of those emissions.

7. The following table compares the amended budget and the actual expenditure, including transfers to and from reserves, for the Authority. The final column shows the net transfers to reserves for each directorate which has been included within the actual expenditure figures. The Council Fund had a net movement in year of £763k, which is made up of the £1.463m use of reserves and a transfer of £700k into reserves from underspends.

Service	Original Revenue Budget	Amended Revenue Budget	Total Provisional Actual	Variance +Favourable () Adverse	Net Transfer to /(From) Reserve
Year - 2016/17	£000	£000	£000	£000	
Learning and Skills					
Schools	-	81,008	81,008	0	
Strategy, Culture, Community Learning & Resources	-	13,919	13,859	+60	
Strategy and Regulation	-	250	207	+43	
Achievement for All	-	3,574	3,769	(195)	
School Improvement	-	1,241	1,149	+92	
Prior to Reorganisation	99,359				
Total	99,359	99,992	99,992	0	(478)
Social Services					
Children and Young People	14,858	14,959	14,949	+10	
Adult Services	39,906	40,264	40,253	+11	
Resource Mgt & Safeguarding	295	317	304	+13	
Youth Offending Service	696	707	704	+3	
Total	55,755	56,247	56,210	+37	+794
Environment and Housing					
Visible Services	20,068	20,522	20,652	(130)	
Transportation	4,834	4,844	4,708	+136	
Building Services	0	14	14	0	
Regulatory Services	2,056	2,221	2,221	0	
Council Fund Housing	744	1,011	1,011	0	
Total	27,702	28,612	28,606	+6	+464
Managing Director and Resources					
Resources	920	281	(148)	+429	
Regeneration	2,172	2,164	2,023	+141	
Development Management	958	996	1,180	(184)	
Private Housing	11,262	11,033	10,979	+54	
Total	15,312	14,474	14,034	+440	+1,036
General Policy	16,660	15,463	18,244	(2,781)	+2,941
Total Net Budget	214,788	214,788	217,086	(2,298)	
Council Tax Surplus	0	0	(2,335)	2,335	+2,335
Use of Reserves	(1,500)	(1,500)	(1,463)	(37)	(1,463)
TOTAL	213,288	213,288	213,288	0	+5,629

8. The main reasons for the variances are set out in the following paragraphs.

Learning and Skills

9. Schools - Breakeven

Schools have made a net withdrawn of £624k from school balances in order to outturn at the 2016/17 budget.

10. Strategy, Culture, Community Learning & Resources - Favourable variance of £60k

There have been a number of adverse variances during the year totalling £543k. This includes an adverse variance of £241k due to school staff redundancies and early retirements. There have also been adverse variances of £90k due to the reimbursement to Ysgol Y Ddraig and Ysgol Y Deri for one off amalgamation costs, £87k on the Schools Long Term Supply and Maternity schemes. There is an adverse variance on the Libraries budget of £74k due to the implementation of Community Libraries, which included the legal costs in relation to the Rhws Community Library judicial review. There were other adverse variances due to urgent repair works required in schools of £34k and £17k on the Adult Community Learning budget due to a reduction in contract income from Cardiff and Vale Colleges for providing basic skills and English as a Second Language training and increased costs in relation to setting up the new Welsh for Adults.

There have been a number of favourable variances during the year totalling £921k. There are favourable variances relating to prudential borrowing repayments amounting to £222k and £213k for Catering due to an increase in meal uptake. There is a favourable variance relating to staffing of £174k due to vacant posts and early implementation of 2017/18 Reshaping Services savings. School building rates underspends and refunds amounted to a favourable variance of £107k and there were favourable variances on Education transport of £64k, on ICT income generated from schools of £51k and £45k from capital contributions from other authorities in respect of out of county pupils enrolled at Ysgol Y Deri. There were also favourable variances of £21k on payments to private non-maintained nursery schools, £16k on union backfilling costs and £8k from the reduction in subscriptions.

There has been a net transfer into reserves of £318k. £222k has been transferred into the Schools Investment Strategy reserve as a result of the favourable variance on the budget for 21st Century Schools Programme prudential borrowing loan repayments. £180k has been transferred into the Catering reserve to fund urgent gas works required in schools and catering profits due to be paid to secondary schools. The capital income recouped from other local authorities in respect of pupils at Ysgol Y Deri of £45k has been transferred into the Schools Investment Strategy reserve. £17k from the Adult Community Learning Reserve has been used to part fund the adverse variance on the Adult Community Learning budget. £74k has been transferred from the Libraries reserve to fund one off costs and £38k from the Schools Invest to Save reserve has been used towards the costs of redundancies in schools.

11. Strategy and Regulation – Favourable variance of £43k

There is a favourable variance of £43k due to salary underspends and reductions in office expenses including stationery and furniture.

12. Achievement for All – Adverse variance of £195k

There have been a number of adverse variances during the year totalling £1.023m. There was an adverse variance of £785k on the recoupment income budget. The recoupment income generated from other authority's pupils enrolled at Ysgol Y Deri has continued to reduce. Other authorities have now established their own provision and in addition, the demographic increase of pupils with complex needs within the Vale of Glamorgan has resulted in fewer placements being available for other authorities to purchase. There is an adverse variance on complex pupil placements of £182k. Occasionally the needs of pupils with higher levels of Additional Learning Needs (ALN) cannot be met within Vale of Glamorgan provision and alternative provision is commissioned in other authorities or independent schools. There is also an adverse variance on Alternative Curriculum and the Pupil Referral Unit of £56k due to an increase in demand.

There have been a number of favourable variances during the year totalling £250k. £85k relates to staffing due to vacant posts in the Complex Needs, Behaviour and ALN teams and £60k in the Youth Service. A favourable variance of £58k relating to the Children and Young Peoples Partnership is as a result of grant maximisation and a number of committed projects coming in below profile including training and events. There was also a £23k favourable variance due to the reduction in the Speech and Language contract with Health and a £24k favourable variance relating to the Pooled Looked After Children budget held within Social Services.

There has been a net transfer from reserves of £578k. £500k has been transferred from the School Placement reserve and £78k from the Adult Community Learning Reserve to contribute towards funding the shortfall on Recoupment Income. £56k has been used from the Excluded Pupil Reserve to fund the adverse variance on the Alternative Curriculum budget and £4k from the Additional Needs reserve has been used to balance the 2016/17 overspend on the schools pooled ALN budget. There has been a £60k transfer into the Youth Service reserve from the favourable variance on the Youth Service budget to fund essential engagement work with young people at risk of ending up Not in Education, Employment or Training (NEETs).

13. School Improvement - Favourable variance of £92k

There is a favourable variance of £92k due to the senior management restructure and early implementation of savings scheduled for 2017/18.

Social Services

14. Children and Young Peoples Services – Favourable Variance of £10k

There have been a number of favourable variances during the year totalling £720k. The Joint Budget for Residential Placements for Looked After Children is held in Social Services and was set up with a 90% contribution from Social Services and 10% from Education. At year end, any variance is split based on these percentages and for 2016/17 there was a favourable variance of £236k relating to Social Services after a transfer of 10% to Education. This underspend within the budget is as a result of success in significantly reducing the number of children placed in residential care, from an average of 23 in 2014/15 to a current average of 12 at the end of 2016/17. Whilst positive for the current year, this position is not expected to be sustained into the new financial year given the complexities of the children currently being supported. A new agile working pilot had been undertaken during the year which was to be implemented with new ICT tablets, however the equipment was not able to

be delivered prior to the end of the financial year and therefore there was an underspend of £63k. Adoption Fees are showing a favourable variance of £85k, which is as a result of the introduction of Vale, Valleys and Cardiff Adoption Collaborative which allowed the cohort of children placed for adoption within the financial year to be placed with adopters assessed within the Collaborative, which does not incur a charge. A favourable variance of £42k has been achieved through maximising grant income and £260k has been achieved by alternative means of provision and accommodation costs required for the current cohort of children, which is as a result of ongoing work to ensure that children are placed in the most appropriate and cost effective placements. A favourable variance in Resource Management and Safeguarding has meant that there has been a reduced internal recharge of £34k to Children and Young People Services.

This has allowed a transfer of £710k into Social Services reserves.

15. Adult Services –Favourable Variance of £11k

There was an adverse variance of £196k relating to community care packages, which included £254k for the over recovery of income received under the Deferred Payment Scheme. It should be noted that the level of deferred income received during 2016/17 was higher than previous years and demonstrates that this type of income can fluctuate and the favourable variance is not guaranteed for future years. During the year, there has been service remodelling, focusing on services which deliver reablement and support people back into independence. Additional work has been carried out to mitigate increases such as schemes funded through the Intermediate Care Fund (ICF) and the year-end position was more favourable than projected.

There have been a number of favourable variances during the year totalling £1.097m. There were favourable variances of £398k on staffing and £139k on supplies and services as where possible there was early implementation of future Reshaping Services savings and there had also been difficulty in recruiting to some posts which had been assumed would be filled in the months prior to year end. There was an over-recovery of income from customer receipts resulting in a favourable variance of £61k, mainly due to self-funding clients in Council run residential homes. Additional grant income was received of £429k, some of which was awarded late in the financial year. This grant income has to be assumed to be a one off benefit to the Council as it cannot be guaranteed in future years. The favourable variance in Resource Management and Safeguarding has meant that there has been a reduced internal recharge of £70k to Adults Services.

This has allowed a transfer of £890k into Social Services reserves.

A transfer of £99k has been made into the Telecare Reserve which is an annual planned transfer in order to set funding aside for future years to replace the equipment and to cover any additional staffing costs.

16. Resource Management and Safeguarding – Favourable Variance of £13k

The majority of this budget is recharged to Children's and Adult Services. The position before recharges to services is a favourable variance of £117k. £80k has been achieved through maximising grant income, £22k relates to transport, £6k relates to staffing and £9k relates to supplies and services. The favourable variance has meant that there has been a reduced internal recharge to Children's and Adults Services of £104k.

17. Youth Offending Service - Favourable variance of £3k

There is a favourable variance of £67k on staffing due to vacancies and sickness. This has allowed a transfer to reserve of £64k which will be used to fund CCTV equipment and an upgrade to the heating system at Salisbury Road and to offset reductions in future grant funding.

18. As planned as part of the Social Services Budget Programme, £970k was utilised in year from the Social Services Plan reserve. £1.6m has been transferred in year into Social Services reserves. In recognition of the ongoing pressures on the service from legislative changes, £1.45m has been transferred into the Social Service Legislative Changes Fund of which £50k has been allocated to cover Deprivation of Liberty Safeguards (DOLS) issues. In addition funding has been set aside in the Social Services Development Fund, £87k to provide funding for the implementation of the Welsh Community Care Information System (WCCIS) system and £63k to cover the purchase of IT for the Childrens Service agile working.

Environment and Housing

19. Visible Services and Transportation - Favourable variance of £6k

The favourable variance of £381k as detailed below has been offset by a transfer to the Visible Services reserve of £375k. Of this sum, £200k will be set aside for Waste Management, £15k for Tree Strategy, £50k for purchasing new parks machinery, play equipment and improvements to parks, £10k for bus infrastructure and £100k for highways infrastructure improvements.

20. Waste Management & Cleansing - Favourable variance of £1k

There have been a number of adverse variances during the year totalling £109k. Employee costs had an adverse variance of £52k mainly due to the time taken to imbed the new waste collection rounds which started in August 2016 and on the Premises budget of £8k due to a small overspend on cesspit emptying costs. There was also an adverse variance of £49k on Supplies & Services and this was mainly due to the purchase of food waste bags to prepare for the delivery in April/May 17 and also a slight overspend on food waste disposal.

There have been a number of favourable variances during the year totalling £110k. Transport costs had a favourable variance of £34k, however, there are further savings to be made in 2017/18. Income budgets had a favourable variance of £76k, mainly due to the increase in tasks undertaken for other departments and an increase in income received for recharges made to the previous operator of the Household Waste Recycling Centre.

21. Highways & Engineers - Favourable variance of £273k

There have been a number of adverse variances during the year totalling £250k. Due to the favourable variances within the service, there was a reduced requirement to draw down planned funding from reserves for potholes by £90k and winter maintenance by £160k thus creating an adverse variance against the transfer from reserves budget.

There have been a number of favourable variances during the year totalling £523k. £24k related to staffing budgets due to the level of vacant posts and £54k related to Transport costs however there are additional savings required from this area in

2017/18. There was also a favourable variance on income into the department of £360k mainly due to additional capital works being undertaken. Repairs budgets had a favourable variance of £85k mainly due to the reduction in spend on potholes.

There was a planned use of £976k from the Visible Services reserve to fund resurfacing works.

22. Civil Protection Unit – Breakeven

This service outturned on budget.

23. Leisure - Adverse variance of £39k

Grounds Maintenance had an adverse variance overall of £29k. This was made up of adverse variances on staffing of £27k and other small adverse variances on internal charges to grounds maintenance totalled £10k. Transport had an adverse variance of £43k however the majority of this was due to the one off purchase cost of vehicles that had reached the end of their lease term. It is anticipated that these purchases will reduce vehicle costs in 2017/18 thus contributing towards the savings target required. There was a favourable variance of £51k, with Premises costs having a favourable variance of £23k due to a reduction in spend on repair costs and £28k relating to income due to carrying out additional work for other departments.

Leisure Services had an adverse variance of £10k. This was made up of an adverse variance of £40k. There was an adverse variance of £5k, mainly due to spend required on St Paul's Church and the supplies and services budgets had a small adverse variance of £5k. There was a reduced requirement to draw down £30k funding from the Visible Services reserve for additional play schemes and the funding will be used in 2017/18. Within the leisure and play section there was a favourable variance of £30k on employee costs.

£170k of the Visible Services reserve was used for planned improvements to play areas and £15k of the Council Building Fund has been used for works to Leisure Centres.

24. Transportation - Favourable variance of £146k

There is a favourable variance on employee costs of £39k mainly due to vacant posts within School Crossing Patrols. There is a favourable variance of £73k in relation to the concessionary fares budget due to increased grant income received. The budget for supported buses also had a favourable variance of £23k, with expenditure on road safety being £11k under budget.

25. Building Services - Breakeven

The Building Services trading unit had a turnover of £5.6m and made a surplus of £8k and the Building Cleaning & Security trading unit making a deficit of £17k. In addition the Courier Service made a surplus of £25k.

The Building Services Twin Hat function had an underspend of £49k which was made up of favourable variances of £16k on transport budgets due to the on-going aim to reduce transport costs and £33k on general supplies and services.

All of the above were offset by a reduction in the recharge for maintenance repairs/Welsh Housing Quality Standards works from Building Services to the Housing Revenue Account of £25k and a transfer to the Building Services reserve of £40k of which £10k will be used for CCTV improvements, £20k to provide on-going training across building maintenance and £10k for new software.

26. Regulatory Services - Breakeven

The Regulatory Service has entered into a collaboration with Bridgend and Cardiff Councils. The Vale of Glamorgan Council has acted as host for a Shared Regulatory Service since May 1st 2015. Following a drawdown of £69k from the Visible Services Reserve to cover the Vale of Glamorgan Council's contribution towards implementation costs incurred by the Shared Service during 2016/17 (covering costs of IT), there was a favourable variance of £140k on the available Regulatory Services base budget held by the Vale of Glamorgan Council. This underspend has been transferred into the Regulatory Improvements reserve and will be used towards future unexpected costs not borne by the Shared Service. These figures relate to the Vale of Glamorgan Council's element of the Shared Service only and not the service as a whole which is reported separately to the Joint Committee.

27. Council Fund Housing - Breakeven

There was an adverse variance of £51k on temporary accommodation for the Homeless.

There was a favourable variance of £43k of which £22k related to the Homelessness team as the Council was able to claim additional Transitional grant funding from Welsh Government and £21k related to the Community Safety team.

There was a net transfer from reserves of £8k. There was a transfer from the Homelessness and Housing reserve of £29k to balance the services budget. The Community Safety budget transferred £21k into the reserve which will be used in future to purchase Target Hardening kit.

There was also a planned transfer from the Rural Housing Needs reserve of £14k to part fund the Rural Enabler post which is also partially funded by Welsh Government grant and contributions from Housing Associations.

Managing Director & Resources

28. Resources - Favourable variance of £429k.

Details by service area are shown below.

29. Finance & ICT - Favourable variance of £439k

There were adverse variances on general running expenses of £154k arising mainly from ICT and Exchequer due to the cost of ICT related expenditure.

There have been a number of favourable variances during the year totalling £1.003m. There were favourable variances on staff of £793k, some relate to vacant posts held pending future year savings. The variances were in Management £72k, Systems Implementation £9k Housing Benefits £162k, Council Tax £43k, Exchequer £43k, Accountancy £245k, Audit £151k, and Fraud £68k. There were favourable variances on general running expenses of £72k arising from Procurement £9k, Management £25k and savings on bank charges of £38k. There were favourable variances of £109k on income arising from Housing Benefit £45k, Procurement £8k, ICT £49k and an over-recovery of £7k on departmental central support charges. There was also a £29k favourable variance on the Council Tax discount scheme.

This enabled transfers to reserves of £410k with £100k being allocated to the Visible Services Fund for Big Fill, £100k to the Visible Service for capital works, £150k to the City Deal Fund, £50k to Events and £10k to the Welfare Reform Fund.

30. Property & Office Accommodation - Adverse variance of £58k
There were adverse variances totalling £527k with £519k relating to recharges to capital and £8k relating to income.
There have been a number of favourable variances during the year totalling £469k. This related to staffing of £159k due to vacancies, general running expenses of £70k, £114k on building repairs and maintenance, £43k on cleaning, waste collection/recycling, £70k on utilities and an over-recovery of £13k on departmental central support charges.
31. Human Resources - Breakeven position
There is an adverse variance of £60k with £57k relating to general running expenses and £3k for income.
There was a favourable variance on staff of £95k due to vacancies.
This allowed a transfer of £35k to the Human Resources Fund.
32. Performance and Development - Adverse variance of £1k
There was an adverse variance of £212k with £140k relating to the employee budget mainly due to the cost of graduate trainees, temporary appointments and agency staff. £55k related to general running expenses mainly due to CCTV set-up costs and £17k related to income.
This was offset by a £211k transfer from reserves with £122k from the Performance and Development reserve, £61k from the Reshaping Reserve and £28k from the Trainee Appointments Reserve.
33. Management/Legal Services/Elections – Adverse variance of £36k
For Legal Services, there is an adverse variance of £47k with £35k relating to Legal Services staff, £12k relating to supplies and services. There was a favourable variance on income of £95k mainly in relation to undertaking external work.
There has been a transfer of £48k to the Legal Services Reserve.
For Elections, there is an adverse variance of £36k, mainly due to the cost of agency staff and the cost of postage and printing.
34. Democratic Services - Favourable variance of £85k
There were favourable variances in Democratic Services of £133k arising from staff related savings of £19k, £5k on supplies and services and £101k additional income mainly from a Welsh Government grant relating to land charges and the Registrars service income. There was also a favourable variance of £8k on the Joint Coroner service where the annual contribution was less than anticipated.
There has been a transfer of £48k to the Democratic and Freedom of Information Reserve to fund future equipment.
35. Regeneration - Favourable variance of £141k
There was an adverse variance on the Cosmeston Country Park income budget as it was not possible to achieve the proposed £60k target for car parking fees.
There have been a number of favourable variances during the year totalling £288k. As a result of a focus on income generation opportunities, there were favourable variances on customer receipt income of £50k at Cosmeston and the Medieval Village, (including filming and special event fees)/ Porthkerry Park (including hire fees

for the woodland lodge and educational visit charges) and at the Heritage Coast (sales/visit charges). There were favourable variances relating to staffing costs of £36k due in part to staff vacancies and Transportation costs of £21k. As the Employment Training Service (ETS) is nearing the end of its contract the cost of running the service was £4k less than budgeted as the service had been scaled down to reflect the substantial reduction in clients in the system. There was also a favourable variance on the ETS income which was £10k higher than had been anticipated as income is still being received for placements made earlier in the Programme, when numbers were higher. There was a favourable variance on workshop income at the Vale Enterprise Centre (VEC) of £25k as occupancy levels have increased, due in part to the refurbishment works currently on-going which are making the units more attractive to prospective tenants. Service charge income at the BSC was £10k above target for the year as occupancy was high. In addition, the Major Project Managers exceeded their income target by £74k as a higher than anticipated level of their work was rechargeable and similarly, the Landscape Section recovered £16k more than had been budgeted as their rechargeable workload was higher during 2016/17. Costs of the new Economic Development/Community Capacity Project Team, established to assist community groups and new businesses, were £40k below budget due to delays in staff appointments. There were various other small favourable variances amounting to a net £2k within this service.

This position allowed transfers to the Regeneration and Planning reserve of £87k. £40k is to continue to fund the Community Development Project Team, £29k to cover thatch replacement and remedial works required at the Reeve Barn in Cosmeston's Medieval Village and £18k for essential property works at other Countryside buildings.

During the year there was a planned drawdown from the Regeneration and Planning reserve of £4k for final refurbishment works to Nightingale Cottage at Porthkerry Park and £4k for document scanning. £13k was drawdown from the Regeneration reserve as match funding for the Town Centre Partnership Grants 2016/17 and £12k for the Barry Regeneration Partnership. As in previous years the budget also included a planned drawdown from the Events reserve of £123k for Vale-wide events and £50k for Christmas events. The Regeneration and Planning Reserve was also increase by £27k in the year as the Council received monies from Cardiff and Vale College for Reparations costs relating to the IT Skills Centre.

36. Development Management - Adverse variance of £184k

There have been a number of adverse variances during the year totalling £352k. Planning fee income has been low all year and had an adverse variance of £292k at year-end. It is considered that the lack of major planning applications submitted by developers has been due to uncertainty in the development industry, caused by the vote to leave the European Union as well as recent legislative changes to the planning system which have delayed submissions. A planned drawdown from reserves of £19k to cover Policy staffing costs on the Local Development Plan (LDP) was not made in order to maximise the sum available for the on-going LDP process moving forward. There were various other small variances amounting to a net £41k adverse variance within this service.

There have been a number of favourable variances during the year totalling £168k. There was a favourable variance of £34k on Building Regulation fee income as applications have once again been high in 2016/17. Staff vacancies within the Division over the year resulted in a favourable variance of £74k and in order to

mitigate the anticipated reduced income position, all non-urgent expenditure on supplies and services were held, resulting in a favourable variance of £60k.

There was a net transfer of £16k from the Building Control reserve for the year relating to the Trading Account. In addition, the £93k cost of the LDP provision in 2016/17 was drawn down from the LDP reserve.

37. Private Sector Housing - Favourable variance of £47k

There is a £13k adverse variance as the Renewal Area's supplies budget, ie.costs of survey fees, consultants and legal fees, exceeded the budget.

There is a favourable variance of £60k. There was a favourable variance of £46k on Disabled Facilities Grant agency fees as the number of grant applications processed has remained high during 2016/17. Though the Renewal Area Team's fee income had been slow earlier in the year, the position improved by year-end, reflecting the higher volumes of capital works carried out towards the end of the year and was £14k ahead of the target at year-end.

There were planned drawdowns from reserves of £75k, £46k for the costs of an Occupational Therapist from the Disabled Facilities Reserve and £29k from the Temporary Empty Homes Officer Reserve.

38. Rent Allowances/Council Tax Benefits - Favourable variance of £7k

There is a favourable variance of £907k. £193k related to Discretionary Housing payments, which are used to provide support to claimants adversely affected by some of the key welfare reforms. The saving is due to a lower take-up from claimants than anticipated, however, there remains uncertainty over future demand. There were also favourable variances of £167k from recovered overpayments and associated subsidy and £547k on the Council Tax Reduction Scheme due to lower than anticipated take up.

This enabled transfers to reserves of £900k with £500k allocated to the Council Buildings Fund and £400k to the Visible Services Reserve for Big Fill.

39. General Policy - Adverse variance £2.781m

There have been a number of favourable variances during the year totalling £4.142m. There were favourable variances relating to capital charges of £3.353m as a result of a prudent approach being required due to the uncertainty of interest rates. There were also favourable variances of £126k on grants, £100k on pensions, £68k on Council Properties, £248k for Corporate Governance, £60k due to unravelling provisions, £40k relating to Discretionary Rates Relief, £23k relating to cash transaction processes charges, £89k for Audit Fees and other variances of £35k.

There was an adverse variance of £4m due to transfers to reserves approved by Cabinet on 20th February 2017 as part of the Final Revenue budget proposals for 2017/18. These were transfers of £1m for Gypsy/Travellers, £200k for School Placements, £500k to the Council Buildings reserve, £1m to the Visible Services reserve for Resurfacing, £500k to the Visible Service reserve for general purposes and £100k for the setting up of a Planning Fees reserve. The remaining £700k was to remain in the Council Fund to be used to support the 2017/18 revenue budget.

£126k has also been transferred to the Stronger Communities Fund as reported to Cabinet on 3rd April 2017.

In addition to the above, it is now possible to allocate a further £1.15m to reserves with £1.1m being transferred into a City Deal Reserve and £50k for Legal Challenges.

There has also been a revenue contribution to capital of £1.647m to support the capital programme.

40. Council Tax - Favourable variance of £2.335m

The Council Tax surplus has increased from the £2m reported to Cabinet in November 2016. The Council Tax Base is initially calculated in November of the preceding financial year. The uncertainty of the impact of the Central Government's welfare reforms required a prudent view to be taken when considering the collection rate expected.

Housing Revenue Account

41. Council on 2nd March 2016 (minute no.883) agreed the Authority's 2016/17 Housing Revenue Account (HRA) budget.

42. The 2016/17 HRA budget resulted in a deficit of £510k compared to the amended budget deficit of £768k. A breakdown is shown in [Appendix 2](#). The HRA reserve opened at £1.468m and closed at £958k.

43. The net favourable HRA revenue budget variance of £258k is identified over the following areas.

44. Supervision & Management General – Favourable Variance £441k

There were favourable variances in Asset Management and Development of £98k on staffing, £15k on Supplies and Services and £6k on Transport. Favourable staffing variances in the rest of the service were £142k. There were further favourable variances in Supplies and Services such as promotions, software/hardware and other non-staffing costs relating to Housing Management of £84k, Support and Central Management Costs of £39k, Incentive to Move Scheme £30k and Tenant Participation of £27k.

45. Supervision and Management Special Services – Favourable Variance £239k

This budget is split into three areas, Ty lolo Homeless Hostel, Vale temporary accommodation and Vale Special Services. The term 'Special Services' relates to communal costs for all housing areas throughout the Vale of Glamorgan, including sheltered accommodation, such as grass cutting, rubbish removal, communal lighting, security, warden salaries and environmental improvements. The favourable variance is the result of a favourable variance of £25k at Ty lolo mainly due to staffing and an adverse variance £3k on Temporary Accommodation. There was a favourable variance of £217k on Special Services, which is made up of £84k relating to Premises and a saving on Sheltered Schemes of £133k.

46. Housing Repairs – Favourable Variance £78k

There were favourable variances of £308k on responsive repair call-outs and £47k on planned maintenance, mainly as a consequence of the housing stock being brought up to Welsh Housing Quality Standard. Expenditure on gas servicing, asbestos, fencing and other cyclical charges have all reduced compared to previous years, resulting in a favourable variance of £144k. These favourable variances were offset by an adverse variance of £421k on void costs.

47. Capital Financing Costs – Favourable Variance £213k
Interest charges were less than originally estimated due to a lower borrowing requirement during the year as a result of a larger revenue contribution to capital and in addition, the council’s loan pool rate was lower.
48. Rents, Rates, Taxes and Other Charges – Favourable Variance £15k
This is due to an underspend on Council Tax payable on long-term voids.
49. Increase in the Provision for Bad and Doubtful Debts – Favourable Variance £5k
It was anticipated that the bad debt provision would need to be increased by £75k. The outturn was mainly in line with this at £70k. However, the impact of further welfare reforms will put added pressure on rent collection rates in the future.
50. Capital Expenditure from Revenue Account – Adverse Variance £798k
Savings within the HRA as outlined above, have made it possible to increase the contribution made from revenue to capital expenditure. This has led to a decrease in the prudential borrowing requirement for the 2016/17 Housing Investment Programme.
51. Rent Collected on Dwellings – Favourable variance £41k
This favourable variance is largely due to a lower level of voids and write-offs undertaken during the year.
52. Non Dwelling Rents – Breakeven
Rents collected on garages were as budgeted.
53. Interest Received – Breakeven
Interest received was as budgeted.
54. Charges for Services and Facilities – Favourable Variance £24k
The level of income received for services and facilities was higher than anticipated.

Insurance Fund

55. The total Insurance Fund comprises of both a provision and a reserve. The provision represents potential liabilities on known claims and the reserve relates to claims not yet made. An assessment was made as to the level of known claims and it was considered that the level of the provision should be reduced and therefore £122k was transferred into the reserve to fund unknown potential claims in the future. A breakdown is shown in the following table.

	Provision	Reserve	Total
	£000	£000	£000
Opening Balance	2,877	1,743	4,620
Surplus on Insurance Transactions	0	680	680
Transfers In/(Out)	(241)	122	(119)
Closing Balance	2,636	2,545	5,181

Trading Operations

56. The Trading Organisations referred to in this section are made up of Building Maintenance, Caretaking & Security and Building Cleaning.
57. The provisional figures for the Trading Services show an overall gross surplus of £65k (before repayment of £25k to the Housing Revenue Account). The details are shown below:

	Building Mtce	Building Cleaning	Caretaking and Security	Total
	£,000	£,000	£,000	£,000
(Surplus)/ Deficit	(8)	100	(83)	9
			Less: Building Maintenance	(49)
			SURPLUS	(40)

58. Explanations of the variances are shown earlier in the report.

Capital

59. Council on the 2nd March 2016 (minute no.884) agreed the Authority's capital budget for 2016/17.
60. The overall position for the revised 2016/17 Capital Programme was a variance of £9.438m against a total capital budget of £59.472m. The statement at [Appendix 3](#) details the outturn by scheme. To allow project managers to have fully approved capital budgets, capital slippage from 2016/17 to 2017/18 has been approved via Managing Director's Emergency Powers.

Learning and Skills

61. The overall outturn for the Directorate of Learning and Skills is a variance of £1.831m against a capital budget of £17.141m. The major variances are outlined below.
62. Llantwit Major Learning Community - Slippage of £355k
Works relating to demolition will be undertaken in 2017/18 and outstanding retention will be due for payment. It has therefore been requested that £355k is carried forward into 2017/18.
63. Barry Comprehensive School Internal and External Refurbishment Works - Slippage of £508k
The variance is due to a reduced scope of works being implemented following discussions with the school and the need to complete some works during school

holiday periods. The latest phase of works was completed during the Easter holidays with further works planned for the summer. It has therefore been requested that £508k is carried forward into 2017/18 with any funding that is not required on this scheme to be held within the general Schools Asset Renewal budget and the final use reported to Cabinet.

64. St Brides Expansion – Slippage of £118k

The variance is due to a longer than envisaged procurement process which delayed the start of works on site. The scheme is due to complete during the summer holidays to allow the new nursery to open in September 2017. It has therefore been requested that £118k is carried forward into 2017/18.

65. School Loans Scheme – Favourable Variance of £200k

An allocation was made available for schools to undertake capital works, however in 2016/17 no requests were received for capital loans and a carry forward of budget is not required.

66. Penarth Learning Community – Slippage of £123k

This variance is due to the final elements of works requiring completion and the outstanding release of retention. It has therefore been requested that £123k is carried forward into 2017/18.

Social Services

67. The overall outturn for the Directorate of Social Services is a variance of £87k against a capital budget of £699k. Slippage of £104k has been requested.

Environment and Housing

68. The overall outturn for the Directorate of Environment and Housing is a variance of £5.42m against a capital budget of £31.431m. This comprises £2.561m for Housing Services and £2.859m for Visible Services. Late grant approvals for Flood Risk Management of £45k, Coast Protection and Land Drainage of £26k and £9k for Active Travel were received from Welsh Government and have been included in the respective capital budgets shown in [Appendix 3](#). The major variances are outlined below.

69. WHQS External Works - Expenditure brought forward of £488k

There was £737k of expenditure on the walls, roof and windows elements of this scheme which were undertaken ahead of plan. There were however contractor delays in undertaking external work to the Hawksley and Airey properties and it is anticipated this work will be completed this financial year. It has therefore been requested that £249k be carried forward into 2017/18 to enable completion.

70. Jenner Road - Slippage £215k

The roofing element of this scheme is complete while there is outstanding work on the walls element. There have been delays in the scheme due to difficulties in gaining access to properties and weather issues earlier in the year. It has therefore been requested that £215k is carried forward into 2017/18 to allow for completion of these schemes.

71. St Lukes - Favourable variance £204k
This scheme is complete with payment of the final account and retention outstanding. Slippage of £81k is requested due to a revised specification which resulted in improved rates for the contract.
72. Williams Crescent - Favourable variance of £777k
The roofing and walls elements of this scheme are complete with the settlement of the final account outstanding. The communal element of the works will be undertaken in 2017/18 and therefore slippage of £277k has been requested.
73. Emergency Works - Favourable variance of £409k
There were various emergency works carried out in 2016/17 for which final accounts have yet to be settled. It has therefore been requested that £51k is carried forward to 2017/18. A new budget has been included in the 2017/18 capital programme.
74. Aids and Adaptations - Favourable variance £210k
Welsh Government Enable grant funding of £44k was received in 2016/17 thus reducing the expenditure against this budget. There is a new budget already included in the capital programme for 2017/18 therefore no slippage is required.
75. Regeneration - Slippage £196k
The demolition works at Brecon Court are nearing completion and it has been requested that £196k is carried over to 2017/18.
76. Common Parts - Slippage of £234k
There had been a delay in undertaking these works as the start of works were reliant upon external works being completed. Work has commenced and will be ongoing and therefore it has been requested that £234k is carried forward into 2017/18.
77. Environmental Works - £245k slippage
There are ongoing environmental works, including works to garages, highways and the Buttrills Scheme. It has therefore been requested that £245k is carried forward to 2017/18.
78. New Build - Variance of £280k
Work has commenced on site at Francis Road, Barry to build 3 new bungalows and they are due for completion in August 2017. A budget for this scheme has already been included in 2017/18 capital programme therefore no slippage is required.
79. ICF Longmeadow Court - Slippage of £141k
This scheme is funded by ICF grant. Works started on site in February 2017 and are nearing completion. It has been requested that £141k is carried forward.
80. Asset Renewal – Slippage of £374k
This budget is made up of several elements. The Highways Structures element has the largest underspend of £277k. Safety works proposed to be undertaken at the Leckwith viaduct and river bridge structure have not been progressed and further review/assessment is ongoing in 2017/18 to understand the extent of any necessary immediate works to ensure the continued safety and integrity of this structure, as well as ensuring any works implemented are appropriate and cost effective. The Council is also aware that there is the potential for the possible redevelopment of the site beneath the structure which would require the diversion of the Leckwith Road and

construction of a new structure and have been liaising with developers to understand any future programme for development. It has therefore been requested that £277k is carried forward into 2017/18 for the Highways element of this scheme however the full £374k has been requested as slippage.

81. Coldbrook Flood Risk Management – Slippage of £847k

This is a multi-million pound flood alleviation project aimed at protecting 200 residential properties and three schools in the eastern area of Barry from flooding, requiring a number of complex phases of construction. Works commenced in January 2016 with a 40 week programme for scheme delivery and due to a combination of a number of unforeseen circumstances, including ground conditions, uncharted services, diversion works and difficulties gaining access to key work areas, as well as the need to undertake additional hydraulic modelling to inform a re-design resulting from these unforeseen circumstances. Work has been continually ongoing in conjunction with the contractor to minimise the impact of the above events and to progress or re-profile the programme to complete the various phases of the works at the earliest opportunity. Significant scheme elements are now nearing completion, including main storage area and works in the Cemetery Lane area with scheme completion now programmed for October 2017. It has therefore been requested that £847k is carried forward into 2017/18.

82. Dimming of Street Lighting/Fitting of LED lanterns – Slippage of £544k

A rigorous tender assessment has been carried out for the LED luminaire supply contract with appointment of the successful supplier in April 2017. The Council now intends to carry out a limited trial of two variants of LED lanterns i.e. cool white or warm white light, to establish which is the most appropriate to install within the residential streets of the Vale. This trial is planned in the near future and the full implementation of residential LED should then commence later this summer with completion programmed for the end of the calendar year. It has therefore been requested that £544k is carried forward into 2017/18.

83. Boverton Flooding – Slippage of £266k

Following a detailed procurement process during Autumn/Winter 2016, the works were successfully commenced on site with advanced ground investigations in January 2017 and main construction starting in February 2017. The planned construction period is 27 weeks and the works are therefore currently progressing and committed on site with a view to completion in late Summer/early Autumn, subject to no unforeseen conditions occurring on site. It has therefore been requested that £266k is carried forward into 2017/18.

84. Leisure Centre Refurbishment – Slippage of £229k

Various upgrade works are ongoing in the leisure centres. It has therefore been requested that £229k is carried forward to 2017/18 to continue this work.

85. Cemetery Approach – Slippage of £214k

Agreement with Barry Town Council had to be concluded prior to the scheme being tendered however works on site have commenced and are due for completion in June 2017. It has therefore been requested that £214k is carried forward into 2017/18 to allow completion of the scheme.

Managing Director and Resources

86. The overall outturn for the Managing Director and Resources is a variance of £2.1m against a capital budget of £10.201m. A late grant approval of £46k for Renewal Areas was received from Welsh Government and has been included in the capital budget shown in [Appendix 3](#). The major variances are outlined below.

87. Barry Regeneration Partnership - Slippage of £259k

There has been a delay in the Forest Park Community Play Area scheme due to the need to redesign the play area resulting in a slippage requirement of £41k. The play area at Hunter Place has been delayed due to poor weather prior to year end and requires slippage of £44k. Main Street Area Improvements were delayed pending discussion with the land owner and £22k slippage is required. Western Shelter lighting was delayed due to the need to carry out preliminary works and therefore £37k slippage is required. These are the major elements of this scheme and in total slippage of £246k has been requested. £13k of the budget has been reclassified as revenue.

88. Five Mile Lane – Slippage of £305k

The Archaeological works contract tendering process had to wait for the planning approval for the scheme which was granted in December 2016. This has resulted in the Archaeological works programme slipping and works will continue into 2017/18. Spending estimates had allowed for some possible spending in relation to land acquisition. The Compulsory Purchase Order and related Side Road Orders Public Inquiry was held in January 2017 but a decision is still awaited and so spend relating to land acquisition or land mitigation measures have been delayed. There has been an agreed re-profiling of spending with the Welsh Government. It has therefore been requested that £305k is carried forward into 2017/18.

89. High Street/Broad Street Traffic Management – Slippage of £108k

Phase 1 work is complete and subject to snagging. The programme for Phase 2 construction work is expected to run up to the end of quarter 1 of 2017/18. It has therefore been requested that £108k is carried forward into 2017/18.

90. Castleland Renewal Area - Slippage of £171k

The slippage is mainly required due to the delay in works to Gladstone Park of £66k where redesign took place in order to maximum works that could be undertaken from available resources and £60k at Coigne Terrace as no tenders were initially received when originally tender and therefore the scheme had to be retendered.

91. Penarth Renewal Area - Slippage of £161k

Works started in Autumn 2016 to complete remedial works. Due to difficulties with neighbours agreeing access for scaffold to be erected in their gardens, the work was delayed while this issue was resolved. Work began again in March 2017 and is now progressing. The carry forward of £161k has been requested to continue works in 2017/18.

92. Space Project – Expenditure Brought Forward of £114k

The Space Project was re-profiled as part of the Final Proposals Report which was presented to Cabinet on 20th February 2017. However, work in 2016/17 was completed ahead of schedule resulting in an overspend compared to the revised budget. Work on this scheme will continue in 2017/18 and the 2017/18 budget will be reduced by £114k.

93. Carbon Management Fund - Favourable variance of £192k

At the start of the year a target was set for Salix funded schemes, however fewer schemes were implemented than planned in 2016/17. A separate allocation has been approved for 2017/18 and therefore no slippage is required.

94. DDA Adaptions to Council Buildings – Slippage of £125k

This variance is due to three projects starting on site towards the end of 2016/17 with a total value £93k. These projects will complete by the summer of 2017. It has therefore been requested that £125k is carried forward into 2017/18, with the balance of funding allowing other works to be undertaken.

Reserves

95. A reserve is an appropriation from a revenue account and does not constitute a cost of service until the expenditure is eventually incurred. A reserve does not cover a present obligation or liability and is a voluntary means of setting aside monies for future requirements either capital or revenue.

96. A provision is a charge to revenue and is included as part of the cost of the relevant service at the point the provision is created. A provision covers a present obligation or liability that has occurred to a past event and is compulsory under accounting regulations.

97. As part of the 2017/18 revenue budget setting process, each specific reserve had been reviewed and considered in light of the Council's priorities. It should be noted that there are considerable commitments which will require funding from reserves in the coming years, e.g. Band B 21st Century Schools Investment Programme.

98. Attached at [Appendix 4](#) is a schedule showing the Council's reserves as at 31st March 2017. The table below shows the net movements in reserves for 2016/17 relating to the Council Fund and for specific reserves. The table excludes the HRA reserve as this is shown in [Appendix 2](#) and the Insurance Fund where the movement has been detailed elsewhere in this report. The value of transfers out of reserves used to fund capital expenditure is £8.322m with a net transfer into reserves from revenue of £5.629m. Transfers into reserves can be used to fund future revenue or capital expenditure.

Net Movement on Reserves Excluding HRA & Insurance	Balance as at 31st March 2016 £000	Balance as at 31st March 2017 £000	Net Movement £000
Council Fund	10,072	9,309	(763)
Specific Reserves	65,164	64,664	(500)
School Balances	2,950	2,322	(628)
Reverse out Insurance Fund	(1,743)	(2,545)	(802)
Total Movement	76,443	73,750	(2,693)

Of which :-	£000
Reduction in reserves for Capital expenditure	(8,322)
Transfers into reserves from Revenue	+5,629
Net Movement	(2,693)

99. The Cardiff Capital Region City Deal, brings together ten local authorities and financial support from Welsh and UK Governments to generate significant economic growth and to improve transport and other infrastructure within the Cardiff Capital Region over the next 20 years. The contribution to be made by the Council could be substantial over the coming years however the specific values and the timing of these contributions are yet to be determined and will depend on the final terms of any 'deal'. It is anticipated that the Council will need to carry out unsupported borrowing which will require revenue funding to be identified to support these loans. It is considered prudent that at this time an amount of funding is set aside to support potential financial commitments and therefore a City Deal fund has been set up with an allocation of £1.25m.
100. The Council has currently committed funding for the Big Fill initiative until 31st March 2018. There is still further works to be carried out across the Vale and therefore £500k has been transferred into the Visible Services reserve to allow the initiative to continue into 2018/19 and will be part of the revenue budget.
101. It is also proposed that £500k will be placed in the Council Building Fund to contribute towards financing capital schemes. £100k will be allocated to the Visible Service Fund to carry out works to the shelters at Barry Island costing £75k and to Penarth Pier with a contribution of £25k.
102. Funds no longer required as reserves may be transferred to the Council Fund to be used for other purposes.
103. There have been transfers into reserves for reimbursements from services for works where the initial cost was funded from that specific reserve e.g. Computer Renewal Fund, Project Fund, Vehicle Repairs and Renewals, Schools Rationalisation Fund and the Energy Management Fund.
104. The reserves have been reviewed and are currently considered adequate for reported uses, subject to the adjustments detailed in this report. The transfers detailed above have been included in the appendix. There are large commitments against these reserves in future years, in the main to fund the approved capital programme.

Resource Implications (Financial and Employment)

Revenue (Including Savings Targets)

105. It was the intention that £1.5m of the Council Fund was to be used in 2016/17 and £1,463m was actually used to fund expenditure in the year and therefore the fund stands at £9.309m as at 31st March 2017. When the budget was set for 2017/18, future years savings targets have meant that £700k of the Council Fund has been

allocated for use in 2017/18, with no further approved drawdown after that date. This will result in a fund balance of £8.609m by 31st March 2018.

106. As part of the Final Revenue Budget Proposals for 2016/17, a savings target of £9.289m was set for the authority. Progress on the achievement of these savings has been monitored and reported to Committee during the year. [Appendix 5](#) to this report confirms the final status of these savings at the end of 2016/17. The services have been able to find savings to the value of £8.69m which is 94% of the required target. Some of the savings have been achieved by a different means to that planned and some are 2017/18 savings achieved ahead of target.
107. Learning and Skills - There is a saving target of £292k to be found from the Inclusion Service budget. This level of saving has been achieved during the year, however, there are further pressures on the budget which resulted in an overspend as already detailed earlier in this report.
108. Social Services - Within Adult Services, £100k of the full year saving generated from the Hafod homes transfer has been offset against the £300k saving for Residential Services. Options are currently being finalised to achieve this saving going forward. With regard to the Care Package Budget Reduction, while there is significant pressure on this budget and there was an adverse variance at year end, schemes have been put in place to deliver savings in this area by transferring domiciliary care clients to direct payments, by putting in place additional reablement capacity and by establishing a review team and therefore part of the saving is shown as being achieved.
109. Environment and Housing - While progress has been made towards delivering the savings, there has been a delay in commencing some of the schemes and therefore the full year target has not been achieved this financial year. £1.2m has been included in the capital programme for the installation of LED lighting. The successful supplier was appointed in April 2017 however as detailed earlier in this report a small trial will take place prior to the full roll out of the scheme. Energy prices are due to increase therefore a further assessment of the level of savings to be achieved in 2017/18 will be required. Also as previously stated, waste collection rounds have been revised as detailed previously in this report. However savings from the reduction in vehicles will not be made until 2017/18. The £50k saving relating to Public Conveniences will not be achieved this year and options are currently being explored. Prosiect Gwyrdd made a higher saving than required and this has partly offset the shortfall on other savings. Leisure Services are reviewing their vehicle requirements and the full saving has not been achieved this year due to high repairs during the year. Where savings have not been achieved in year, services were able to cover the shortfall on a one off basis from other areas.
110. Managing Director and Resources - The Vale Enterprise Centre workshops were difficult to let due to their poor condition. However, funding has been included in the capital programme to carry out improvement works, which have commenced and as a result there has been increased interest in the units. Performance and Development currently have a small level of further savings to identify however the shortfall will be accommodated from within other budgets this year.

Capital

111. The underspend on the revised capital programme in 2016/17 is £9.438m against a budget of £59.472m.

112. The following table shows how the capital programme has been financed in 2016/17.

Source of Funding	Outturn (£000)
General Capital Funding	5,421
Unsupported Borrowing	6,538
Capital Receipts – Housing	268
Capital Receipts – Council Fund	7,447
WG/WEFO Grants	11,385
Revenue	8,787
Reserves - Schools Investment Strategy	1,629
- Council Buildings	934
- Vehicle Renewal Fund	459
- Project Fund	1,270
- Energy Fund	130
- Disabled Facilities Grant	400
- IT Fund	849
- Regeneration	38
- Visible Services	1,707
- Capital Commitments	515
- Jenner Park	262
- Coastal	110
- Youth Offending Service	19
Other e.g. Section 106	8,322
	1,866
TOTAL	50,034

113. General Capital Funding - Capital expenditure in the year was sufficient to cover the General Capital Funding provided by the Welsh Government. Where schemes originally planned to be financed from General Capital Funding have underspent, other schemes, planned to be funded from capital receipts or reserves, have been substituted in their place.

114. Capital Receipts - The existing Council Fund capital receipts balance as at 31st March 2017 was £9.824m. This is split £7.187m for general use, £1.338m ringfenced for Social Services and £1.299m ringfenced for Education. The sum of £633k was received from the sale of assets and mortgage repayments during 2016/17, as follows:

	£'000
Sale of Council Houses	267
Sale of Land and Buildings	365
Mortgage repayments	1

115. As a result of the capital underspend in 2016/17, an allocation of £8.041m has been approved via Managing Director's Emergency Powers, as slippage into 2017/18. This will fund the completion of schemes as shown in [Appendix 6](#). Of this figure, the

sum of £2.136m will be funded from capital receipts and £5.905m will be provided from revenue, reserves or external sources.

116. Major Repairs Allowance - The Major Repairs Allowance (MRA) is a grant given to the Authority by the Welsh Government and can be used for capital expenditure on Housing Revenue Account (HRA) assets. The Authority's MRA for 2016/17 was £2.77m. Works totalling £15.533m were spent on major improvements to the Council's housing stock, £2.77m of which was funded from the MRA, £268k from Housing capital receipts, £78k from WG grant and £7.017m from Housing revenue and reserves, as well as £5.4m of unsupported borrowing.

Sustainability and Climate Change Implications

117. There are no sustainability and climate change implications resulting from this report.

Legal Implications (to Include Human Rights Implications)

118. The provisional out turn figures for the Council has been used in the preparation of the Statements of Accounts, which under the Accounts and Audit Regulations, must be certified by the Section 151 Officer by the 30th June 2017.

Crime and Disorder Implications

119. There are no crime and disorder implications resulting from this report.

Equal Opportunities Implications (to include Welsh Language issues)

120. There are no equality implications resulting from this report.

Corporate/Service Objectives

121. To provide sound financial and reliable advice in relation to all issues affecting the Council including the production of the statutory accounts.

Policy Framework and Budget

122. This is a matter for Executive decision. Slippage has been approved via the use of Managing Director's emergency powers.

Consultation (including Ward Member Consultation)

123. The appropriate Chief Officers have been consulted on this report. This report does not require Ward Member consultation.

Relevant Scrutiny Committee

124. Corporate Performance and Resources.

Background Papers

None

Contact Officer

Carys Lord

Officers Consulted

Corporate Management Team

Responsible Officer:

Carys Lord
Section 151 Officer