

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**COUNCIL**  
**7<sup>th</sup> March 2017**

**REPORT AUTHOR: County Councillor Wynne T Jones**  
**Portfolio Holder for Finance**

**SUBJECT: Capital Virement for Capitalisation Direction**

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**REPORT FOR: Decision**

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**Summary**

This report requests the following capital virement.

This virement recommends using the powers given to the authority under the Local Government Act 2003 sections 16(2)(b) and 20 Treatment of Certain Costs as Capital Expenditure to create a Capitalisation Directions to use capital receipts, from the sale of land and building assets, to fund the identified costs of Service Reform and Transformation. The full details of the costs capitalised will be included in a Disclosure Note in the Statement of Accounts and will need to be approved by the Audit Committee, when approving the Statement of Accounts

**Proposal**

That a budget of £1.981m is created in 2016/17, financed from in year land and building capital receipts to fund costs of Service Reform and Transformation.

**Options Considered/Available**

Do not do the capitalisation direction and continue to fund the expenditure from the revenue budget.

**Preferred Choice and Reasons**

Approve the virement and use the capital receipts in 2017/18 to fund the costs of Service Reform and Transformation.

**Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc**

N/A

**Children and Young People's Impact Statement - Safeguarding and Wellbeing**

N/A

### **Local Member(s)**

This report relates to the whole of the County.

### **Other Front Line Services**

This report identifies costs from a number of Council Services.

### **Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

The Capital and Financial Planning Accountant supports this recommendation to create the budget of £1.981m in 2017/18. Of the capital receipts £1m was anticipated to fund the 21<sup>st</sup> Century schools and will require additional prudential borrowing to finance the expenditure. The cost of this additional borrowing is £41.87k per annum for 50 years or £2.094m in total.

Legal – The recommendation can be supported from a legal point of view

### **Local Service Board/Partnerships/Stakeholders etc**

N/A

### **Corporate Communications**

This report has no specific communication considerations.

### **Statutory Officers**

The Strategic Director, Resources (Section 151 Officer)

The Solicitor to the Council (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report

### **Members’ Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
The capital virement to create a budget of £1.981m for the Capitalisation Direction for 2016/17 is approved.	To allow the costs of Service Reform and Transformation to be funded from capital receipts instead of revenue.

<b>Relevant Policy (ies):</b>	Financial Regulations		
<b>Within Policy:</b>	Yes	<b>Within Budget:</b>	Yes

<b>Relevant Local Member(s):</b>	
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<b>Person(s) To Implement Decision:</b>	Dawn Richards
<b>Date By When Decision To Be Implemented:</b>	

Contact Officer Name:	Tel:	Fax:	Email:
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**Background Papers used to prepare Report:**

Cabinet Report

C41-2017 Financial Overview and Forecast as at 31st January 2017