

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

20th June 2017

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Portfolio Holder for Finance

SUBJECT: Financial Outturn for the Year Ended 31st March 2017

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 This report provides the summary outturn position by Directorate for the year ended 31st March 2017 and outlines the management action taken to reduce the projected overspend. The final outturn position, is an over spend of £561k. This compares with a forecast overspend of £3.7m at the end of February. The figures include savings delivered of £9.633m, 79% of the £12.139m target, this is a slight improvement on the 76% delivered last year.
- 1.2 In delivering the outturn position, consideration has been given to the balance between a prudent level of reserves, modest capitalisation and the subsequent demand on future year's budgets. This approach has secured an increased level of general reserves at year end of £8.7m, 5.40% of total net revenue budget excluding Schools and Housing Revenue Account (HRA).

2. Revenue

- 2.1 The final outturn position is an overspend of £561k. The table contained in Appendix A provides the outturn position by service, against approved working budget, which includes budgeted transfers to or from reserves. RAG (Red, Amber, Green) status has been applied to service variance based on the defined parameters. This method helps to highlight those Service areas with significant pressures, which are at most risk to the Authority, and to ensure future year budgets are managed effectively and mitigate any risk for future years. A summary by directorate is shown below:

Outturn by Directorate	Original Budget	Total Working budget	Contribution to / (Use) of Reserves	Outturn Spend	Variance (Over) / Under	Variance (Over) / Under
	£'000	£'000	£'000	£'000	£'000	%
People	71,546	73,040	(23)	76,195	(3,155)	-4.32%
Place	38,792	41,978	(1,359)	41,742	236	0.56%
Schools	29,029	24,119	(246)	24,119	0	0.00%
Resources	6,456	7,022	(337)	6,446	576	8.20%
Central Activities	21,317	14,789	948	13,007	1,782	12.05%
Total	167,140	160,948	(1,017)	161,509	(561)	-0.35%

HRA	0	0	(432)	822	822	822%
Delegated Schools	69,979	76,169	(2,124)	76,449	(280)	-0.37%

3. Capital

- 3.1 The revised Capital Budget was £48.258m, final expenditure was £38.404m which represents 80% spend against the original budget, where necessary funding has been rolled forward to fund schemes continuing in future years.
- 3.2 Following the greater flexibility provided by Welsh Government, available until March 2019, capitalisation was undertaken to cover identifiable costs of transformation, totalling £907k. This is less than planned, and was reduced to ensure that a level of capital receipt is maintained to meet future capital scheme requirements, which would otherwise need to be covered by further borrowing, the cost of which would fall on the revenue account.

4. Efficiency savings

- 4.1 The revised total revenue saving target for 2016/17 is £12.139m, made up of in year and previous year's targets. Savings of £9.633m have been achieved to date representing 79% of the total required, a slight improvement on the 76% delivered in 2015/16.
- 4.2 Unachieved savings of £2.5m have been mitigated by underspends elsewhere in the service areas but these remain a pressure going forward within the service budgets. All savings have now been achieved for 2014/15, whilst £1.26m for 2015/16 is still to be delivered, and equates to 50% of the unachieved savings rolled forward.
- 4.3 £1.32m of the targets relate to savings with external suppliers (3rd Party Spend) and Phase 1 income targets, and in 2017/18 this target has been drawn back from service budgets and will be managed and delivered through the Income and Cost Improvement Board (ICIB). This will support a corporate approach. Meetings thus far have agreed delivery of the targets by:
- Improved prices negotiated with 3rd party suppliers to reduce costs and deliver savings
 - Inflationary uplifts to all income targets, and full cost recovery pricing
 - Reviewing income budgets against previous years outturns and uplifting where feasible
 - Reviewing debt collection policies to improve income collection, thus reducing provisions and write off.
- 4.4 The table contained in Appendix B provides the outturn position on the delivery of savings across the service areas. A prudent approach is adopted and only savings that have been delivered are included in the outturn.
- 4.5 A summary and service analysis are provided overleaf.

	Target £'000	Delivered £'000	Variance £'000
2014/15	51	51	0
2015/16	2,534	1,272	1,262
2016/17	9,554	8,310	1,244
Total	12,139	9,633	2,506

4.6 **People** – the overall savings target was £1,940k with £454k, 23% unachieved at year end. The delivery gap was due to:

- Cabinet Agreed Delays – an original plan to reduce day service activities and deliver £450k of savings was reversed by Cabinet. The service were proactive in identifying and delivered alternative savings to ensure this did not create a gap in their ongoing savings plan.
- Still to be Delivered - 3rd party savings of £478k, which are to be addressed through the ICIB in 2017/18

4.7 **Place** - the overall target was £3,113k with £1,080k, 35% unachieved. The delivery gap was due to:

- Timing Issues – projects on track for implementation for 2017/18, waste contracts and logistics £340k and the transfer of caravan park £13k
- Cabinet Agreed Delays – delaying the introduction of charging schools for the carbon reduction tax £110k
- Still to be Delivered – a number of savings targets have yet to be delivered, including, reduction in fleet costs for waste collection £120k, increased customer base for waste services £150k, waste permits £30k, additional income rentals £60k and 3rd party savings £257k.

4.8 **Schools** – the savings target was £2,055k with £288k, 14% unachieved at the end of the year. The key delivery gap issues are:

- Timing Issues – Projects on track for implementation in 2017/18 are Additional Learning Needs restructure and budget slippage will deliver £88k
- Still to be Delivered - Home to School Transport with a target of £158k, brought forward from 2015/16, extra income targets was unachieved by £27k in relation to the cashless project and £15k for the introduction of a common charging register for school facilities which has not yet been implemented.

4.9 **Chief Executive's** – the savings target within this area was £434k of which £101k, (23%) have been carried forward. These include income targets for delivering training and income for official searches and recovering full costs for running Town/Community Elections in total £101k.

4.10 **Resources** – the overall savings target for Resources was £4.596 million. A total of 83% was delivered leaving 17% outstanding at the end of the year.

- Timing Issues – The redesign of audit services will see the removal of a post saving £20k in 2017/18

- Still to be Delivered - 3rd party savings of £563k were apportioned to the directorate and these will be addressed through the ICIB in 2017/18.

5 Reserves

- 5.1 The use of reserves to support the revenue budget during the year was £3.573m and represents an improvement of £1.366m compared to the position at the end of February. A number of in year reserve movements were reviewed as part of concluding the year end and this has enabled us to secure an increased level of reserves. The assessment of reserves as part of the 2017/18 budget setting concluded that “the overall level was adequate but at the lower end of acceptability given the scale of savings required in the future”.
- 5.2 The level of General Fund reserves as at 31st March 2017 is £8.7m, 5.40% of the total net revenue budget excluding Schools and HRA, compared 3.52% reported last month. This level of reserve is in excess of the 3% agreed strategy and ensures a healthy reserve balance is maintained.
- 5.3 All reserve balances are shown at Appendix C.

6 Revenue Forecast

- 6.1 Previous reports have focussed on those areas with RAG status red, however, given this is the final outturn report for 2016/17, an explanation of other areas with significant under/overspends has also been provided.

7.	<u>People Directorate</u>	Net Working Budget:	£ 73,040k
		Net Outturn:	£ 76,195k
		Variance (Over)/Under Spend:	£ (3,155)k
		<i>February Forecast (Over)/Under Spend</i>	£ (4,589)k
		<i>Change in Forecast</i>	£ 1,434k

- 7.1 The delivery of the Budget Recovery Plan put in place in December to address the projected overspend for the Directorate has secured a significantly improved outturn for the directorate, due to a commitment to achieve savings targets and a corporate approach.
- 7.2 Additional resources introduced and closer working between all areas of the authority has ensured the successful delivery of some actions identified in this plan. This has utilised authority wide support through additional manual checks and reconciliations of the client database and finance system to ensure a robust estimate on activity was provided.
- 7.3 The current processes still need careful monitoring and on-going review to ensure client activity is accurate every month, this will require manual intervention until the new care database has reliable case information that can be used to populate the finance system.
- 7.4 The plan for the base budget review is on track for summer 2017, and will utilise outcomes and zero based budgeting practices to better allocate and prioritise its ASC resources to the strategic outcomes and priorities identified in its vision 2021 document. This may require adjustments not only within Adults Services but across the overall People Directorate to ensure budgets are aligned to priorities.

7.5 Adult Social Care (ASC) Overspend £(3,424)k

7.5.1 The Recovery Plan efficiency target of £750k has been exceeded through delivery of projects that include matching packages to care assessments and the recovery of under-utilised sums paid part as part of Direct Payments, totalling £969k.

7.6 Older People Overspend £(3,851)k

7.6.1 Home Care – outturn overspend of £2,911k. A £730k obligation arose when external delivery was brought back in-house last year, although some of these clients are again having care in the independent sector. There are historic and in year cost obligations for the national living wage, increases from 15 minute calls to 30 minute calls and inflationary uplifts which have been negotiated with the independent contractors. Current demand for care exceeds the baseline funded activity levels and it is important that packages of care continue to be in proportion to assessed need.

7.6.2 Residential Care – outturn overspend of £1,638k, due to the 1.16% unit cost uplift per bed week and the change in legislation on respite charging. There has been an overall reduction of 56 residential beds (38 of which relate to Bupa) offset by an increase of 3 nursing beds overall. In addition there has been 2,934 days of residential/nursing respite beds utilised.

7.6.3 Day Centres – the £641k outturn overspend in this area is mainly due to unachieved efficiency savings targets, and an acknowledgement that the future shape of the service needs to be re-planned. It has been agreed by Cabinet as part of the Financial Resources Model to reinstate budgets in 17/18.

7.6.4 Staff and travel slippage provides a mitigating £577k underspend.

7.7 Learning Disabilities (LD) Over spend £ (577)k

7.7.1 Residential Nursing – 11 new placements made in-year, offset by savings achieved through the right sizing of packages. An underspend on staffing across all LD services, is mitigating the pressures from a reduction in funding from the Independent Living Fund and Supporting People Grant in relation to voids, along with costs to providers of funding the National Living Wage.

7.8 Mental Health Underspend £ 170k

7.8.1 The main reason for the outturn underspend in Mental Health, is due to staff slippage and vacancies.

7.9 Support Services Underspend £834k

7.9.1 The underspend within this area relates to vacancy staff slippage and reallocating staff time to grants.

7.10 Childrens Underspend £102k

7.10.1 Adoption delivered an underspend of £158k, £96k relating to placement costs which were budgeted for but did not materialise, along with £63k of inter-authority recoupment that was not spent.

7.10.2 Looked after Children are at a 5 year high with 160 children in placements at the end of 2016, an increase of 13.5% over 12 months. The growth in demand, complexity of need and safeguarding, has resulted in an outturn overspend of £543k within Family Placements and Out of County Service areas.

7.10.3 Staff slippage due to recruitment issues, a completed restructure, and the impact of IR35, has resulted in an underspend of £454k in the fieldwork budget.

7.10.4 Children and Young Peoples partnership has underspent by £163k, this is mainly due to the maximisation of grant funding within the Authority to utilise underspending of grant allocations by partner organisations.

7.11 Housing General Fund (HGF) Underspend £167k

7.11.1 Gypsy site budgets were underspent by £50k, due to reduced running costs in Kings Meadow and Leighton Arches following their redevelopment and refurbishment, this has offset unbudgeted costs totalling £35k in relation to the Machynlleth Development.

7.11.2 Due to over-achieved income in respect of “Rent Smart Wales” training, Private Sector Housing was underspent by £69k, however, this income stream is non-recurring.

8. <u>Place Directorate</u>	Net Working Budget:	£ 41,978k
	Net Forecast Expenditure:	£ 41,742k
	Variance (Over)/Under Spend	£ 236k
	<i>February Forecast (Over)/Under Spend</i>	£ (64)k
	<i>Change in Forecast</i>	£ 300k

8.1 The Place Directorate have reported an outturn underspend of £236k against a forecast outturn position overspend of £64k at the end of period 11, February. The service improvement of £300k is due to action taken in all 3 areas of the Directorate, resulting in additional income and some areas of service redesign. All 3 areas have exceeded their recovery plan position targets, which will be necessary to achieve the 2017/18 efficiency targets.

As a result of the Councils favourable financial outturn position, £669k of agreed contributions from reserve were reversed. However it is appropriate that a reserve to support regeneration is established at a sum of £100k by re-designating existing reserves.

8.2 Leisure and Recreation Underspend £447k

8.2.1 Service redesign in both Libraries and Youth Services have delivered the Service savings targets of £39k and £150k respectively and also prepare for further savings in 2017/18.

8.2.2 Funding provisions for Theatres was reduced by £91k in line with the medium term financial plan at the beginning of the year, and the revised budget was adhered to.

8.2.3 Catering achieved an underspend of £100k by the year end which was achieved through the 5p increase in School meals, improved monthly monitoring and managing meal numbers. This has also been positively impacted by a rise in meal uptake, both paid and free meals, through introduction of Cashless payments in a number of schools. Next year most of this underspend has been identified as being needed to off-set the extended school calendar.

8.2.4 Cleaning have introduced various measures in order to achieve a year end underspend of £179k including full cost recovery. Significant additional one-off income was achieved as a result of very poor performance in service to schools from an external contractor. The Cleaning Service have supported the schools and charged the contractor for rectification of issues and managing the situation. Further additional income was achieved through increased business from a housing void service.

8.3 Regeneration, Property and Commissioning Underspend £470k

8.3.1 Additional income has been achieved in a number of areas, Private Water Supplies, Cemeteries, Building Control and Planning Fees totalling £349k.

8.3.2 Statutory Testing have again achieved an underspend of £172k due to the variable nature of fixed electrical and legionella testing over the programme year, £81k of which has been used against 3rd party savings targets.

8.4 Highways, Transport and Recycling Forecast Underspend £ 252k

8.4.1 Highways, Transport and Recycling outturn position is an under spend of £252k which exceeds their recovery plan target by £641k and is a significant improvement of £606k compared with the forecast position at the end of February.

8.4.2 North and Mid Wales Trunk Road Agency (NMWTRA) income for the service is £6.34m against a forecast of £5.66m, an overachievement of £680k. This is a difficult area to predict and analysis shows the final year end payment received by the Council, was 35.1% of the total income received. Therefore a prudent approach is taken by the service to in-year projections based on NMWTRA finance information.

8.4.3 Improvements to the payment process and timeliness of the programme release has already been agreed with NMWTRA, which should enable a more consistent cashflow throughput to the Council and more accurate forecasts going forward. The overachieved income has been offset in part by an increase in the bad debt provision of £323k due to works being paid on estimates and not actuals.

8.4.4 The service has maximised grants in both Waste Operations and Integrated Transport by £110k. This has been identified during the closedown process but will be monitored as part of the on-going grant process to ensure the Council is maximising its resources throughout the year in a planned way.

8.4.5 There were significant underspends in Waste contracts and Highways Technical of £533k and £370k respectively. Waste contracts saw reductions in costs of £195k relating to waste containers and £250k in respect of landfill tax, offset by unachieved savings of £150k.

8.4.6 Highways Technical underspend was achieved by the delivery of additional income from car parks through price increases and continued usage from customers.

8.5 Central Directorate overspend £(933k)

8.5.1 The directorate had been allocated in year reserve funding to cover one off costs, totalling £669k. Because of the underspend within the directorate these reserve movements were reversed to facilitate a strategy for stronger reserve levels.

8.5.2 Third party savings of £257k were held centrally, in readiness for procurement savings across the services, these did not materialise and will be addressed in 2017/18 through the ICIB programme.

9 Schools Service (non-delegated)

Net Working Budget:

£24,119k

Net Forecast Expenditure:	£24,119k
Variance (Over)/Under Spend:	£ 0k
<i>February Forecast (Over)/Under Spend</i>	<i>£ (437)k</i>
<i>Change in Forecast</i>	<i>£ 437k</i>

9.1 Schools Operational costs saw a reduction in overspend at year end compared with the previous projection by £66k from £1,020k to £954k, but there were still significant overspends in both Home to School Transport of £472k and costs in relation to severance pay of £469k.

9.2 Schools Pupil Inclusion increased their underspend at year end by £189k to £366k mainly due to a change in the requirements of out of county placements and inter authority recoupment.

10	<u>Resources Directorate</u>	Net Working Budget:	£ 7,022k
		Net Forecast Expenditure:	£ 6,446k
		Variance (Over)/Under Spend:	£ 576k
		<i>February Forecast (Over)/Under Spend</i>	<i>£ 206k</i>
		<i>Change in Forecast to Outturn</i>	<i>£ 370k</i>

10.1 Business Services Underspend £105k

10.1.1 Income and Awards underspent by £104k due to the completion of their restructure. Whilst a budgeted contribution from general reserves of £157k to pay for the additional costs for Careline from Carmarthenshire Council was not required.

10.2 Information Services Underspend £176k

10.2.1 Section 33 monies were under-spent by £120k, for staffing and supplies and services, this money is transferred to a ring fenced joint reserve to support the partnership in future years.

10.3 Chief Executives Underspend £289k

10.3.1 Corporate Legal and Democratic Service underspend of £164k was due to slippage from unfilled vacancies and making future staff savings in advance of original timescales.

10.3.2 Communications year end position was an underspend of £192k. The majority of the underspend relates to the Welsh Language budget for which £150k growth had been awarded to meet the requirements of the Welsh Language Standards. The standards include the development of a fully bilingual intranet which is dependent on roll out of new ICT system, £150K will be carried forward into 2017/18.

10.3.3 A forecast budgeted contribution from Reserves of £101k to finance the Trade Union Partnership was not required to be made at year end.

11	<u>Central Activities</u>	Net Working Budget:	£ 14,789k
		Net Forecast Expenditure:	£ 13,007k
		Variance (Over)/Under Spend:	£ 1,782k
		<i>February Forecast (Over)/Under Spend</i>	<i>£ 1,210k</i>
		<i>Change in Forecast to Outturn</i>	<i>£ 572k</i>

- 11.1 The Management of Change costs are held within this area and due to the Welsh Government's capitalisation direction £907k of legitimate transformation costs were capitalised.
- 11.2 The renewal of the Council's insurance policies resulted in an in-year saving of £135k, the full year saving will be close to £300k and offset against 3rd Party targets. There was a £302k decrease in the insurance provision which is held for future claims, this money is the returned to the insurance reserve, and may be drawn down in future years.
- 11.3 Capital Charges were under spent by £1,291k at year end as a result of reduced borrowing costs (borrowing not needed to fund capital schemes) and interest received of £275k, from investing the money held for the capital programme that was not needed.

12	<u>Schools Delegated</u>	Net Working Budget:	£	76,169k
		Net Forecast Expenditure:	£	76,449k
		Variance (Over)/Under Spend:	£	(280)k
		January Forecast (Over)/Under Spend	£	(333)k
		Change in Forecast	£	53k

- 12.1 The actual outturn position of School Delegated Budgets was better than previously anticipated with a net surplus on reserves at year end of £413k compared with £295k submitted to Cabinet in July. Budgets were heavily supported by reserves in this financial year particularly within the Secondary sector and this has seen a significant fall on the overall level of reserves held. Unless decisive action is taken by schools to address their projected deficits over the next few years the reserves will be depleted.
- 12.2 The table below shows the breakdown of the deficit and surplus positions at year end by type of school:

Type of School	Number of Schools Projected to be in Deficit at Period 11	Actual Schools in Deficit	Actual Deficit £000	Actual surpluses £000	Total £000
Primary	26	24	(395)	2,004	1,609
Special	2	2	(473)	213	(260)
Secondary	8	8	(1,680)	744	(936)
Total	36	34	(2,548)	2,961	413

- 12.3 The revised reserve position will need to be incorporated into the Schools budget plans, along with corrective action to ensure a balanced budget can be achieved within the required timeframe.

13 Housing Revenue Account Underspend (HRA) £822k

- 13.1 HRA core budget was underspent by £822k at year end, mainly due a reduction in the budgeted bad debt write off of £338k, this evidences better collection of debt and less

outstanding or at risk at year end. A reduction in cost relating to 3rd party consultants and other hired services savings totalled £143k.

- 13.2 The repairs and maintenance budget was underspent by £168k, however, the budget had been increased by £160k, funded by a reduction in the Grounds SLA for the service and changes to Access to Services.

14 CAPITAL PROGRAMME

- 14.1 The revised Capital programme after virements approved is £48.258m. The table in Appendix D summarises the position for each directorate.

- 14.2 As part of the closing of accounts 15 virements and 3 capital grants also requiring approval, details as follows:-

- Remove from the programme £925k from the Fleet replacement programme monies as the 17/18 budget is already sufficient.
- Roll forward £100k to continue the Voice and Unified Communications Project.
- The IT Infrastructure project did not progress in 16/17 therefore roll forward £195k.
- Roll forward £408K for highways resurfacing, as a result of a delay in the availability of the contractor to complete works before 31st March 2017.
- Due to the delays from Welsh Government to determine the outcome of an ongoing objection, Phase 2 of the River Ennig flood alleviation has an unspent budget of £145k to be rolled forward.
- Reduce the budget in 17/18 in respect of 21st Century Schools by £260k, due to the progression of the new Schools in the Gwernyfed catchment area and additional grant monies received from Welsh Government in 2016/17.
- Roll forward monies set aside for the Library fit out at the Brecon Cultural Hub of £275k.

- Roll forward £2.255m due to delays with the progression of Brecon Cultural Hub.
- Roll forward £253k in respect of the Housing Fairview Project.
- Additional roofing work in the South of the County requires an increase to budget of £450k.
- The remaining budget of £406k in respect of the Welsh Housing Quality Standards does not need to be rolled forward due to sufficient budget already in 17/18 to meet the programme requirements.
- Roll forward £386k for the new builds/repurchase budget due to delays securing the properties.
- Roll forward into 2017/18 underspend of £366k in respect of the project to provide level access to bungalows.
- Roll forward the £182k underspend to provide Fit for Purpose properties.
- Remove the remaining budget of £267k for the adaptations and garage demolition project because adaptations spend was funded through the ICF grant instead and the garage demolitions did not commence.

14.3 Grants

- Received from Welsh Government, £70k to fund Phase 2 of the Montgomery Canal Active Travel project.
- Early commencement of the infrastructure enhancement along the T6 & T7 TrawsCymru corridors has been funded by a £52k grant from Welsh Government.
- Grant received of £97k to relocate Knighton Library into Knighton Community Centre.

15 **Place** - A spend of £16.585m against a total budget of £22.122m, 25% of the capital budget remained unspent at year end.

15.1 Highways – Structural Strengthening and Maintenance underspent by £412k, due to delays by contractors and 3rd parties, not all planned works were completed. Due to the long lead time for the purchase of vehicles within Fleet an underspend of £712k was realised at year end, the remaining budget will be removed as the 5 year programme already has sufficient funding.

15.2 Welsh Government determination of outstanding objections, has delayed the Flood Alleviation Scheme for the River Ennig at Talgarth, which is £145k underspent and the major strategic scheme at Talerddig realised an underspend of £220k, due to the profiling of spend over the project years.

15.3 Leisure - the largest scheme is Brecon Hub which amounts to £3.75m in this financial year of which only £1.5m has been spent to date, the remainder to be rolled forward. The other major works relates to the Archives scheme amounting to £1.3m, of which £1m has been spent to date.

15.4 Regeneration, Property and Commissioning – 80% of the £3,282k budget was spent by year end. Project Lemar has now been purchased for £1.1m out of the £1.4m office accommodation allocation, the underspend will be rolled forward for use in the refurbishment project. Total allocation for Knighton Community Centre roof is £575k of which £500k is grant funding, spend for the project to date is £503k. The workshop in Brecon has now been purchased for £278k, any underspend will be rolled forward to pay for the refurbishment.

16 Schools – this is the one area where actual expenditure exceeded budget by 1.6%

16.1 The new schools in the Gwernyfed Catchment progressed more quickly than anticipated. In addition Welsh Government provided an increased amount of 21st Century schools grant in 2016/17, allowing the authority to reduce the amount of borrowing and call on reserves.

16.2 Major Improvements programme underspent by £144k, this will be rolled forward for use on incomplete projects or to fund the next ranked schemes in 2017/18.

17 People

17.1 The allocation for Adult Services and Commissioning was £443k, only £25k was spent at year end in relation to Integration and Agile Working. Intermediate Care Funding 2 (ICF2) and Substance Misuse grant was received and fully utilised totalling £150k.

- 17.2 The Housing General Fund, capital budget is £2.2m; including £1.3m for Disabled Facilities works. Prudential borrowing of £43k has been approved to search for a new Gypsy site in Machyllneth. A bid for Welsh Government grant will be submitted, subject to planning permission, and works will begin in 2017/18.
- 17.3 In addition, £100k funded from capital receipts, has been allocated to search for a new Gypsy site in Welshpool the outturn spend was £12k. A Welsh Government grant of £304k has been awarded to complete the two outstanding pitches on Kings Meadow, a need was identified from the Gypsy Traveller Accommodation Assessment, £292k had been spent by year end.

18 HRA

- 18.1 Maintaining the Housing Stock is funded by £3.71m Major Repairs Allowance from Welsh Government, Housing reserves, receipts and prudential borrowing.
- 18.2 The HRA Capital includes the Welsh Housing Quality Standards (WHQS) plan of £15.210m for 2016/17 to enable the council to achieve WHQS by March 2018. The spend was £11.319m and £2.782m has been rolled forward.
- 18.3 Of the other capital works (total £3.34m), only £1.184m has been spent at the year end, virements have been completed to roll forward monies into 2017/18 where required.

19 Options Considered/Available

No alternative options are considered appropriate as a result of this report.

20 Preferred Choice and Reasons

None to consider.

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

The proper management and control of the Council's finances together with the associated delivery of services will have an impact across all Council services. It is not sustainable to allow service areas to overspend without a plan to address the underlying cause of the overspending.

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

This report presents the financial position for Children's services and forecasts a near balanced budget for the year. The budgets must continue to be monitored to ensure the allocated resources meet service need.

23 Local Member(s)

This report relates to all service areas across the whole County.

24 Other Front Line Services

This report relates to all service areas across the whole County.

25 **Support Services (Legal, Finance, HR, ICT, BPU)**

This report has no specific impact on support services other than reporting on those service areas financial outturns. Financial Services work closely with all service areas in monitoring financial performance against budgets.

26 **Local Service Board/Partnerships/Stakeholders etc.**

This report presents financial information which will help inform the future medium term financial plan and therefore has implications for any related organisation.

27 **Communications**

This report has no specific communication considerations. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including the Statement of Accounts.

28 **Statutory Officers**

The Strategic Director, Resources (Section 151 Officer) notes the overall financial position. It is essential that agreed savings are delivered in order to safeguard the council's financial position. Previous years' savings that were not delivered in 2016/17 will need to be delivered in 2017/18 because they remain in the base budget.

The improved position in the People's Directorate is welcomed and this improvement will need to continue in 2017/18.

The overall reserves position means that the council has a sound general fund balance for 2017/18 largely due to support from central budgets and the delivery of the recovery plan.

The Cabinet's attention is drawn to the schools reserves position which is of increasing concern and will need to be carefully monitored and reviewed in 2017/18.

The Monitoring Officer has no specific concerns with this report.

29 **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.

Recommendation:	Reason for Recommendation:
<p>a. The contents of this report are noted by Cabinet; and</p> <p>b. The Capital virements set out in paragraph 14.2 are approved, and those over £500k be submitted to full council for approval.</p> <p>c. To re-designate £100k of existing general fund reserves as a regeneration reserve to support activity in 2017/18.</p>	<p>To outline the end of year financial position and the council's financial performance. To ensure appropriate virements are carried out and an appropriate reserve is established</p> <p>To help support the Cabinet's priorities.</p>

Relevant Policy (ies):		Financial Regulations	
Within Policy:	Yes	Within Budget:	n/a
Relevant Local Member(s):			
Person(s) To Implement Decision:		Jane Thomas	
Date By When Decision To Be Implemented:			
Contact Officer Name	Tel	Fax	E mail
Jane Thomas	01597-826341	01597-826290	jane.thomas@powyscc.gov.uk

APPENDIX A

Outturn by Service Area including RAG status as at 31st March 2017

Service Area	Net Budget	Outturn Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance RAG status
	£'000	£'000	£'000	%	
People					
Adult & Commissioning	56,356	59,780	(3,424)	-6.08%	R
Children Services	15,949	15,847	102	0.64%	G
Housing General Fund	735	568	167	22.72%	B
Place					
Leisure & Recreation	12,001	11,554	447	3.72%	B
Regeneration, Property & Commissioning	7,758	7,288	470	6.06%	B
Highways, Transport, Recycling & Central Directorate	22,219	22,900	(681)	-3.06%	R
Schools					
Schools Service	24,119	24,119	0	0.00%	G
Resources					
Professional Services	907	901	6	0.66%	G
Information Services	186	10	176	94.62%	B
Business Services	1,779	1,674	105	5.90%	B
Chief Executive	4,150	3,861	289	6.96%	B
Service Area Totals	146,159	148,502	(2,343)	-1.60%	
Central Activities	14,789	13,007	1,782	12.05%	B
Total	160,948	161,509	(561)	-0.35%	
Housing Revenue Account (HRA)	0	-822	822	0.00%	G
Schools Delegated	76,169	76,449	-280	-0.37%	G
Total including HRA	237,117	237,130	(13)		

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- **Blue** Underspend above 1%
- **Green** +/- 1% (or £0.05m if budget less than £5m)
- **Amber** Overspend of 1-2% (£0.05m - £0.1m if budget less than £5m)
- **Red** Variance above 2% (£0.1m if budget less than £5m)

EFFICIENCY TRACKER AS AT 31st March 2017

APPENDIX B

Efficiency / Saving	2014/15	2015/16	2016/17	Total to be Achieved 16/17	Total Achieved to Date	Remainder to find	Achieved
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	%
Place							
Highways Transport & Recycling	0	400	1,283	1,682	1,018	664	61%
Regeneration, Property & Commissioning	0	14	528	542	383	159	71%
Leisure & Recreation	0	52	438	491	491	0	100%
Place	0	398	0	398	141	257	35%
Place	0	864	2,249	3,113	2,033	1,080	65%
Schools							
Schools	51	158	1,846	2,055	1,767	288	86%
Schools	51	158	1,846	2,055	1,767	288	86%
People							
Adult	0	868	450	1,318	969	349	74%
Children Services	0	105	511	616	510	105	83%
Housing	0	7	0	7	7	0	100%
People	0	979	961	1,940	1,486	454	77%
Chief Executives							
Chief Executives	0	1	183	184	130	54	71%
Legal	0	0	251	251	204	47	81%
Chief Executives	0	1	434	434	334	101	77%
Resources							
Business Services	0	117	531	648	531	117	82%
Information Services	0	68	143	210	143	68	68%
Professional Services	0	78	180	258	160	98	62%
Corporate Activiites	0	269	3,211	3,480	3,180	300	91%
Resources	0	532	4,064	4,596	4,013	583	87%
Grand Total	51	2,534	9,554	12,139	9,633	2,506	79%

RESERVE BALANCES

Summary	Reserves 01/04/16 Surplus/ (Deficit)	Actual Addition / (Use) of reserves	Reserves 31/3/17 Surplus/ (Deficit)
	£'000	£'000	£'000
General Fund	10,285	(1,600)	8,685
	10,285	(1,600)	8,685
Ringfenced & Specific Reserves			
Budget Management Reserve	3,984	(500)	3,484
Specific Reserves	1,881	22	1,903
21st Century Schools Reserve	6,734	(437)	6,297
Invest to Save & Corporate Initiatives (inc JE)	8,673	(624)	8,049
Insurance Reserve	1,965	430	2,395
Transport & Equipment Funding Reserve	5,054	1,145	6,199
Sub-Total	28,291	36	28,327
Schools Delegated Reserves	2,810	(2,456)	354
School Loans & Other Items	(417)	55	(362)
Net School Delegated Reserves	2,393	(2,401)	(8)
Total Ringfenced & Specific Reserves	30,684	(2,365)	28,319
Housing Revenue Account	1,385	377	1,762
	1,385	377	1,762
Total Revenue Reserves	42,354	(3,588)	38,766

CAPITAL TABLE AS AT 31st March 2017

APPENDIX D

Service	Original Budget 2016/17	Virements Approved	Working Budget 2016/17 as at 31st March 2017 (after virements approved and required)	Actuals & Commitments	Remaining Budget	
	£'000	£'000	£'000	£'000	£'000	%
People						
Adult Services & Commissioning	443	-236	207	177	30	14.5%
Housing	1,948	719	2,667	2,328	339	12.7%
Schools and Inclusion	4,872	222	5,094	5,175	-81	-1.6%
Chief Executive	0	76	76	76	0	0.0%
Resources						
Business Services	87	213	300	258	42	14.0%
Professional Services	532	-463	69	0	69	100.0%
Information Services	820	109	929	395	534	57.5%
Corporate Activities	0	1,981	1,981	907	1,074	54.2%
Place						
Highways, Transport & Recycling	7,696	4,029	11,725	9,469	2,256	19.2%
Leisure & Recreation	8,445	-1,280	7,165	4,481	2,684	37.5%
Regeneration, Property & Commissioning	4,284	-1,052	3,232	2,636	596	18.4%
Total Capital	29,127	4,318	33,445	25,902	7,543	22.6%
Housing Revenue Account	18,550	-3,737	14,813	12,502	2,311	15.6%
TOTAL	47,677	581	48,258	38,404	9,854	20.4%