



## **CABINET – 12TH JUNE 2019**

**SUBJECT: PROVISIONAL OUTTURN FOR 2018/19**

**REPORT BY: INTERIM HEAD OF BUSINESS IMPROVEMENT SERVICES AND  
ACTING S151 OFFICER**

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### **1. PURPOSE OF REPORT**

1.1 To provide Cabinet with details of the provisional outturn for the 2018/19 financial year prior to the annual audit by the Authority's External Auditor, Grant Thornton.

### **2. SUMMARY**

2.1 In advance of the 2018/19 Financial Statements being audited and presented to Council on the 30th July 2019, this report provides an overview of the Council's performance against the budget for the 2018/19 financial year. Members receive detailed budget monitoring reports as part of the Scrutiny process throughout the financial year.

### **3. RECOMMENDATIONS**

3.1 It is recommended that Cabinet: -

3.1.1 Notes the provisional 2018/19 outturn position.

3.1.2 Supports a recommendation to Council that the General Fund balance should be maintained at £11.660m as previously agreed by Council on the 21<sup>st</sup> February 2019.

3.1.3 Supports a recommendation to Council that the increase in the General Fund balance of £2.380m over the previously anticipated level should be transferred to Capital Earmarked Reserves, pending a report that will be presented during the autumn in respect of unallocated capital reserves and proposals for investments in a number of key strategic projects.

3.1.4 Agrees the proposals set out in paragraphs 5.28 and 5.29 that the remaining balance of £192k on the Intensive Fostering Support Service (IFSS) pilot scheme reserve in Social Services be utilised as follows: -

- £91k to fund 2 additional fixed-term Social Workers for 12 months to address a backlog in case reviews.
- £72k to fund backfill for staff undertaking Advanced Mental Health Professional (AMHP) training.
- £29k to top up the Social Services Invest to Save specific reserve.

#### 4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Cabinet Members are aware of the provisional outturn for the 2018/19 financial year and proposals for the use of reserves in specific areas.

#### 5. THE REPORT

- 5.1 The provisional outturn position is attached as Appendix A and is summarised below:-

	£m
Net Service Directorate Underspends	3.469
Miscellaneous Finance Underspend	3.355
Council Tax Surplus	1.412
Housing Revenue Account (HRA) Underspend	5.461
Schools Overspend	(0.550)
<b>Total: -</b>	<b>13.147</b>

- 5.2 The 2018/19 Service Directorate underspend of £3.469m represents 1.85% of net Directorate budgets. During the year Officers have continued to be mindful of the continuing programme of austerity and expenditure has been curtailed in a number of areas to support the Medium-Term Financial Plan (MTFP). This prudent approach has resulted in a number of savings being achieved in advance and underspends being higher than would normally be the case.
- 5.3 After adjusting for earmarked reserves, 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas. The remaining balance is transferred to the General Fund. Overspends are normally funded from future Directorate budgets or balances brought forward from previous years. Service reserves held by Directorates can be used to fund one-off cost pressures or to pump-prime service reconfiguration but they cannot be relied upon to deliver balanced budgets on a recurring basis.
- 5.4 The table in Appendix B shows the movements on the General Fund balance from the 1<sup>st</sup> April 2018 to the 31<sup>st</sup> March 2019, along with agreed commitments for 2019/20. The forecast General Fund balance as reported to Council on 21<sup>st</sup> February 2019 was £11.660m. The updated position is a projected balance £14.040m, an increase of £2.380m. The variations to the forecast are as follows: -

	£m
Increased Contribution from Service Areas (including Miscellaneous Finance)	2.018
Additional 2018/19 Council Tax Surplus	0.012
Council Tax Collection Rate Change	0.350
<b>Net Increase:-</b>	<b>2.380</b>

- 5.5 The Section 151 Officer normally recommends a minimum General Fund balance of £10m (circa 3% of the net revenue budget). Cabinet will recall that anticipated savings of circa £44m will be required for the four-year period 2020/21 to 2023/24. This is clearly extremely challenging and it is inevitable that some very difficult decisions will need to be made. With this in mind Cabinet is asked to support a recommendation to Council that the General Fund balance should be maintained at £11.660m as previously agreed by Council on the 21<sup>st</sup> February 2019. It is further recommended that the increase in the General Fund balance of £2.380m over the previously anticipated level should be transferred to Capital Earmarked Reserves, pending a report that will be presented during the autumn in respect of unallocated capital reserves and proposals for investments in a number of key strategic projects.

5.6 The following paragraphs comment on the 2018/19 underspends as detailed in Appendix A.

**Education and Lifelong Learning (£899k Overspend)**

5.7 Overall the Directorate including schools is reporting an overspend of £899k. This includes an overspend of £550k by schools which necessitated a take from earmarked school balances. Consequently, the revised position for Central Education & Lifelong Learning (including Home to School/College Transport) is an overspend of £349k.

5.8 The most significant variances in arriving at the £349k overspend were as follows: -

	<b>(Over)/ Under £000's</b>
Cwmcarn High (on closure)	(267)
Home to School/College Transport	63
School Rationalisation/Vacant Properties	(63)
Retirement/Pension Costs School Based Staff	(55)
Relief Supply Cover (Sickness SRB's & Maternity)	(114)
Management & Support Services	58
Psychological Service	57
EOTAS, Addn. Support, Out of County	(1,217)
Early Years – Rising 3's	60
Early Years Central Team	265
EAS – Main Contract & EIG Match	56
Community Education (Adult & Youth)	227
Libraries	254
Net Underspend on Other Budgets	327
<b>Net Overspend: -</b>	<b>(349)</b>

5.9 In February 2018, as part of the 2018/19 budget process, Members will recall that agreement was made to set aside £1.4m from the General Fund to meet the projected deficit on the closure of Cwmcarn High School (October 2018). This deficit position is updated to a figure of £1.667m, a variance of £267k, which is a slight improvement on the projected variance of £295k in January 2019. The increase above the £1.4m is due to costs linked to the loss of posts on closure and this was very much an unknown in early 2018. As reported previously to Members, at closure there were 14 compulsory redundancies, consisting of 4 teaching/SMT staff and 10 support staff.

5.10 The variance on Home to School/College Transport is circa 1% of the total budget. This underspend arose with some late savings linked to snow days.

5.11 The successful investment of 21<sup>st</sup> Century Band A funding and associated closures (Oakdale & Pontllanfraith), together with the closure of Cwmcarn High School has resulted in some residual revenue costs linked to the rationalisation of the sites. These are unavoidable costs linked primarily to the short-term security of the Pontllanfraith and Cwmcarn sites.

5.12 The overspend on the Early Retirement Pension Costs budget for school based staff is also impacted by staff losses resulting from the closure of Cwmcarn High School. The Authority contributes 40% to the share of the release of staff costs in Secondary Schools.

5.13 Due to the unpredictability of sickness absence in our Special Resource Bases and the maternity absences across all school sectors, the Relief Supply Cover spend on school based staff is very difficult to predict. The outturn is an overspend of £114k.

- 5.14 The underspend in relation to Management & Support costs relates predominantly to in-year savings on staff costs. This variance is largely due to in-year vacancies that are not ongoing as posts are linked to delivering support through Service Level Agreements (SLAs) with our Schools.
- 5.15 The underspend on the Psychological Service has originated due to delays in the recruitment of appropriately qualified staff. This is a consequence of a shortage of such staff in the profession.
- 5.16 The significant cost pressure within the Directorate continues to be in relation to our most vulnerable learners, in particular in relation to our EOTAS (Education Other Than at School) provision. The provision accommodates learners who are unable to attend and learn in a mainstream setting. In reviewing the continuum of additional support provided to pupils, our alternative EOTAS provision and Out of County Placements, the outturn is an overspend of £1.217m. Whilst the cost pressure associated with supporting our most vulnerable learners has been recognised as part of the Authority's 2019/20 budget (budget growth of £800k), this outturn position is a significant concern. To advise Members, a review of demand, costs and structures is ongoing.
- 5.17 The spend on Early Years – Rising 3's is very much demand led as it is driven by the number of age 3 pupils who access nursery provision in the term following their 3rd birthday. This can vary from year to year, with spend based on the birth rate and parental choice with regards to accessing this "early" provision. This budget is reduced by £50k in 2019-20 as part of MTFP savings. The underspend against the Early Years Central Team is largely due to accessing additional grant funding in-year.
- 5.18 In 2018/19 the main contract charge from the Education Achievement Service (EAS) was less than the current budget provision. Similarly, the budget for the Authority's match funding requirement against the Education Achievement Grant is greater than required. These savings are part of the MTFP budget reductions in 2019/20.
- 5.19 The underspend within Community Education is a mix of both the Adult Education and Youth Services. In Adult Education an underspend of £96k is attributable largely to a vacant management post following a retirement, a further in-year vacancy gap and savings linked to exam fees spend. The on-going elements of this underspend are recognised in the 2019/20 budget with a reduction of £50k. The £132k underspend in the Youth Service relates primarily to in-year savings on staff costs, largely in-year gaps within the part time youth service and a vacant administrative post, both of which form part of MTFP savings of £125k in 2019/20.
- 5.20 The Library Service variance relates primarily to a one-off rebate for NNDR (National Non-Domestic Rates) charges of £130k. This refund relates to 4 Libraries covering financial year 2010/11 through to 2017/18. A further saving of £76k relates largely to in-year vacancies and supply cover arrangements. In 2019/20 the Library Services MTFP savings proposals include an amount of £80k that is staffing related.

### **Social Services (£1.924m Underspend)**

- 5.21 The overall outturn position in respect of Social Services for 2018/19 is an underspend of £1.924m. This is after accounting for an overspend of £22k relating to the Integrated Transport Unit (ITU) within the Communities Directorate which is largely due to increasing demand for transport in respect of Looked After Children and Adults with Learning Disabilities. The remaining underspend of £1.946m relates to budgets held within the Directorate of Social Services.
- 5.22 This underspend position includes a number of non-recurring issues that masked an underlying financial pressure in respect of increasing demands for social care. These non-recurring issues are highlighted in the following paragraphs.

- 5.23 An underspend of £1.119m is reported in respect of staffing vacancies that were either of a short-term nature or where posts will be permanently deleted in order to deliver MTFP savings targets for 2019/20.
- 5.24 A further underspend of £226k is reported in respect of non-staff savings delivered in advance of MTFP targets for 2019/20.
- 5.25 Non-recurring funding streams contributed around £1.340m towards the overall Social Services underspend, including £600k in contributions from service reserves; £246k through maximisation of grant funding; £419k in respect of refunds relating to earlier years; and £75k in respect of slippage in contributions into pooled budgets managed by other local authorities.
- 5.26 A further underspend of £178k is reported within the Children's Services Division due to fewer children than anticipated being referred to the agency responsible for finding adoption placements. This is unlikely to be repeated in 2019/20.
- 5.27 Without these non-recurring underspends the Directorate would have faced an underlying cost pressure of around £922k in 2018/19. When taking account of the full-year effect of this underlying cost pressure, it is likely that the growth funding awarded to the Directorate in the 2019/20 final budget settlement is already fully committed. Therefore, the success of the various cost avoidance initiatives implemented across the Directorate will be critical in delivering a balanced budget in 2019/20.
- 5.28 During the 2017/18 financial year, a specific reserve of £875k was created to fund an Intensive Fostering Support Service (IFSS) pilot scheme. This scheme has proved successful in reducing the requirement for residential placements and expensive independent sector foster care placements. As a result, Welsh Government grant funding will be used to continue the scheme in 2019/20, which means that the £192k remaining balance of reserve funding is no longer required. Therefore, Cabinet is asked to agree that £91k of this balance is utilised to fund 2 additional fixed-term Social Workers for 12 months, to address a backlog in case reviews that built up as a result of a restructuring of the reviewing function as part of the MTFP.
- 5.29 Cabinet is also asked to agree that a further £72k of the reserve balance is utilised to fund backfill for staff undertaking Advanced Mental Health Professional (AMHP) training. The role of the AMHP was created in the 2007 amendment of the Mental Health Act and is critical in the assessment and support of people who are suffering from mental health problems. This funding would allow Caerphilly to support 3 trainees without impacting on the workload of the remaining staff within the Mental Health Teams. It is also proposed that the remaining £29k of the IFSS reserve should be re-directed to top up the Social Services Invest to Save specific reserve. This reserve currently amounts to £251k and has been earmarked to fund pilot projects which could deliver long-term savings within the Directorate.

### **Communities (£234k Underspend)**

- 5.30 The overall outturn position for the Communities Directorate after the approved use of reserves is an underspend of £234k. However, this net position does include £400k of one-off funding from a previously approved corporate earmarked reserve in relation to dry recycling treatment. The underspend excludes a ring-fenced over spend of £22k in relation to Social Services Transport and a ring-fenced underspend of £63k in relation to Home to School Transport. These variations are included in the Social Services and Education & Lifelong Learning Directorates' outturn positions respectively.
- 5.31 The Regeneration & Planning Division is reporting an overall net underspend of £43k. Regeneration has reported a small net underspend of £7k, this includes: -

- An underspend of £48k in Business Support and Funding, consisting of a £70k underspend in the Community Regeneration Fund (CRF) which is partly offset by an overspend in staffing due to pension & voluntary severance costs.
- An underspend of £64k for the Legacy/C4w grant programmes due to one-off additional grant from the Welsh Government.
- An overspend of £22k for Urban Renewal & Town Centre Management including overspend in relation to Bargoed Unit shops of £67k due to units being unoccupied, partly offset by additional Urban Renewal fee income and staffing underspend.
- An overspend of £63k for Industrial Properties due to a shortfall in income from vacant properties and increases in building maintenance spend.
- A net overspend of £15k for Tourism Venues.

5.32 Planning has reported a net overall underspend of £36k. This is primarily due to vacant posts in Development Control and Strategic Planning (some of which are MTFP savings in advance) and additional income in Development Control (Planning application fees), which is offset by a shortfall in fee income in Building Control (Building Regulation fees) and Strategic Planning.

5.33 Overall the Infrastructure Division is reporting a net overspend of £12k. Highway Operations is reporting an overspend of £300k, which is primarily in relation to overspends of £68k in winter maintenance, £46k in street lighting maintenance, £100k in street lighting energy increases and £119k in land/highway drainage, which is partly offset by underspend of £36k on Risca Canal maintenance. Transport Engineering is reporting a net underspend of £107k, which is primarily in relation to an underspend of £140k on salaries (mostly School Crossing Patrollers and a Manager on maternity leave), £39k car park expenditure, and £16k on accident studies. These underspends are partly reduced by a £68k shortfall in Car Park income and £23k overspend on traffic signals. The Engineering Projects Group is reporting a £20k underspend and Infrastructure General an underspend of £37k. Passenger Transport is reporting a £74k underspend and Network Contract Services (NCS) has reported a net surplus of £50k due to additional income.

5.34 The Public Protection Division is reporting an overall underspend of £346k, with underspends in Trading Standards, Licensing, CCTV and Registrars (£47k) and Environmental Health (£142k) and Catering (£157k). The underspend in Trading Standards, Licensing CCTV and Registrars is primarily due to a combination of staffing and CCTV reduced line rental costs (which is an MTFP saving for 2019/2020). The Environmental Health underspend is primarily due to vacant posts and maternity leave, some of which is again a MTFP saving in advance for 2019/2020. The Catering underspend is primarily due to one-off grant funding of £152k from WG in relation to the role out of Universal Credit and the impact on free school meal entitlement.

5.35 The Community & Leisure Division has reported an overall overspend of £118k, however as already noted this is after £400k one-off corporate contingency has been allocated in relation to dry recycling treatment costs.

5.36 The overall Community & Leisure overspend includes an underspend of £162k in Waste Strategy & Operations. This includes an overspend of £307k in Waste Management (net of the £400k contingency funding) which is due to a combination of factors including additional costs associated with tonnage of waste going to Civic Amenity sites, a shortfall in Commercial Waste income and additional waste collection costs linked to staff cover (sickness absence), partly offset by not purchasing any new vehicles in 2018/19 and thereby generating an underspend on the Revenue Contribution to Capital Outlay (RCCO) budget. The Waste Management overspend is, however, more than offset by an underspend in street cleaning of £464k, primarily due to vacant posts some of which is MTFP in advance for 2019/2020. It should be noted that there is still £400k in the corporate contingency reserve to help fund costs pressures in dry recycling treatment in the 2019/2020 financial year.

- 5.37 Parks, Countryside & Cemeteries services reported an overall overspend of £30k. This includes a £62k underspend in relation to Cemeteries where underspends are ring-fenced to an earmarked reserve to help support future capital investment in cemetery provision. Parks & Countryside reported an overspend of £92k, which was primarily due to additional RCCO costs (revenue contributions to capital outlay) to fund the acquisition of tractors; this was partly offset by additional work and income generated by the Parks Special Team from undertaking work for other departments and various projects.
- 5.38 Leisure & Sports Development Services overspent by £331k, including a £234k overspend in relation to Leisure Centres due to a shortfall in income, partly offset by underspends in operating costs. There was also a net overspend of £154k in relation to Outdoor Education due to overspends in staffing, however these overspends were partly offset by underspends in relation to Central Leisure and HQ costs.
- 5.39 Community Centres underspent by £38k, Building Cleaning generated an underspend of £55k and Vehicle Maintenance & Fleet Management reported an overspend of £12k.

### **Corporate Services – (£1.660m Underspend)**

- 5.40 The final outturn position for the Directorate of Corporate Services is an underspend of £1.660m, prior to the outturn appropriation to Earmarked reserves of £427.5k for Digital Services (Abavus), agreed by Cabinet on 31<sup>st</sup> October 2018. The most significant elements of the underspend are the following: -
- Corporate Finance is reporting an overall underspend of £311k. This relates in the main to delays in appointing to vacant posts, vacancies that have been held to support MTFP savings requirements and additional one-off grant funding.
  - Legal & Governance is reporting a net underspend of £265k due to delays in filling posts and withholding vacancies pending the appointment of the new Head of Service and a restructure. This net underspend position is after the agreed transfers to earmarked reserves for underspends in Members Services and Election Services
  - Business Improvement Services is reporting an overall underspend of £192k. This includes a £41k underspend due to the delay in filling the Interim Head of Service post, a £48k underspend in the Policy budget, an underspend in Equalities of £78k, an underspend of £33k in Community Safety Partnerships, and an overspend of £7k in the Performance Management Unit. These underspends are partly due to MTFP savings in advance and the reduced need for external translation costs as vacant translator posts became filled.
  - There is an overall underspend of £241k for Customer & Digital Services. Information Technology is reporting an underspend of £10k, Procurement an underspend of 147k (due in the main to vacancies) and Central Services an underspend of £132k, also due to vacancies (some of which were being held to support MTFP savings in advance). These underspends were partly offset by Customer Services which is reporting an overspend of £49k.
  - For People Services there is a combined underspend of £374k. The main elements of this are a £181k underspend in Human Resources due in the main to vacancies being held to support the MTFP, an overspend in Communications of £77k largely due to reduced income levels, and an underspend of £277k in the Health & Safety budget due to additional income and vacant posts being held to support the MTFP.
  - Corporate Property Services is reporting a net underspend of £159k. The main variances are an overspend of £330k on maintenance budgets and a £4k overspend on energy, which was offset by underspends of £64k on Estates, £37k on Non-Operational Properties, £232k on Corporate Facilities and £139k on Building Consultancy. The Facilities underspend is due in the main to the successful lease agreement on Ty Duffryn which is also a MTFP savings in advance for the 2019/20 financial year.
  - Other budgets within Corporate Services are showing a net underspend of £84k.

- General Fund Housing Services is reporting a net £20k underspend. Overspends in providing housing advice and temporary accommodation have been offset by salary savings in the Allocations budget and Community Wardens recharges. Annual renewal funds for Ty Croeso and Ty Fesen have not been appropriated this year due to insufficient resources.
- Private Housing is reporting a £13k underspend. The recovery of agency fee income has remained a concern throughout the year and there was a shortfall against budget of £51k. This was offset by underspends against salary budgets.

### **Miscellaneous Finance - (£3.355m Underspend)**

5.41 Budgets in Miscellaneous Finance underspent by £3.355m, prior to the agreed transfer of funds to earmarked reserves. The most significant elements of the underspend are: -

- An underspend of £1.089m on Capital Financing budgets mainly due to the following:-
  - Assumed borrowing in 2018/19 being deferred to 2019/20, this includes the 21<sup>st</sup> Century Schools and HRA, partly offset by a reduced contribution from HRA for the debt costs due to the deferred borrowing.
  - Improved returns on investments.
- Pension Contributions for former Authorities - £91k underspend.
- Bank Charges and External Audit Fees - £100k underspend.
- Additional one-off income of £314k.
- NNDR Authority Empty Properties - £584k underspend due in the main to one-off prior year reductions in valuations
- An underspend of £119k on the City Deal programme due to deferred borrowing requirements.
- HMRC VAT Rebate on Leisure Facilities of £792k (transferred to a Capital Earmarked Reserve as previously agreed by Cabinet).
- Balance Sheet Review - £336k.

### **Council Tax Collection – (£1.412m Surplus)**

5.42 This represents an increase of £12k above the assumed level of £1.4m for the 2018/19 financial year.

### **Housing Revenue Account (£5.461m Underspend)**

- 5.43 £1.3m of the Housing Revenue Account (HRA) underspend is in the Building Maintenance budget, in particular the cyclical budget (£415k) and revenue projects (£850k). A further underspend of £1.8m is reported on non-pay budgets including Housing Response, Bad Debt Provision and various departmental projects.
- 5.44 £749k of the HRA underspend is in Capital Financing Recharges due to lower interest rates than projected and the assumed level of borrowing in-year was not required until later in the year. A further £833k of the underspend is due to salary savings, mainly from the turnover of staff throughout the year. Income achieved was slightly higher than budgeted (£179k) and the WHQS delivery team reported a £590k underspend due to vacant posts within the year which directly benefitted the WHQS programme as it resulted in less fees being recharged to capital.
- 5.45 The HRA allocated £16.9m as a contribution towards the Welsh Housing Quality Standard (WHQS) Programme during the 2018/19 financial year.
- 5.46 HRA Working Balances stood at £4.6m at the start of 2018/19 all of which was utilised to fund the WHQS programme. The in-year surplus of £5.4m will replenish these balances and will be earmarked for the 2019/20 WHQS Programme. £99k has also been added to earmarked provisions to assist with Welfare Reform.



## Housing Revenue Account (HRA) Capital

- 5.47 Total expenditure on the HRA Capital Programme for 2018/19 was £51.9m, which is the highest level of expenditure since the WHQS programme began. This expenditure was funded from the £7.4m Major Repairs Allowance (MRA) received from the Welsh Government (WG), revenue contributions from the HRA of £16.9m, HRA balances of £4.6m and the remaining funding of £23m from borrowing. This is the first year that borrowing has been required to fund the WHQS programme.
- 5.48 85% of the housing stock has now received internal WHQS work and 71% has received external WHQS work. Full WHQS compliance has been achieved on 57% of properties, with 100% full compliance on target to be achieved by December 2020. As we head into the final stage of the WHQS programme we are anticipating a £261m total capital spend, of which circa 20% will be funded from the MRA (£52m) , 22% from borrowing (£58m), and the remaining 58% (£151m) will have been funded directly from the HRA.
- 5.49 January 2019 saw The Right to Buy (Wales) Act abolished. During 2018/19 53 council homes were sold resulting in a useable (25%) capital receipt of £1.1m. This will be earmarked for supporting the Welsh Government's agenda of increasing affordable housing supply.

## General Fund Capital Programme

- 5.50 The General Fund Capital Programme for 2018/19 resulted in total targeted spend of £64.2m after including all in-year grant allocations and Section 106 monies. An amount of £37.6m remains unspent at the financial year-end, the majority of which represents slippage that will be carried forward into the 2019/20 financial year. The most significant areas of slippage relate to the Engineering Division £6.2m (of which £0.5m is Section 106 monies); Social Services £3.2m; Education £4.2m; Community & Leisure Services related schemes £2.1m (of which £0.3m is Section 106 monies); Land Reclamation £2.1m; Property Services £0.6m; Corporate Services £14.6m; Urban Renewal £1.7m; Public Protection £0.2m and Private Housing £2.7m.
- 5.51 The 2018/19 Capital Outturn Report will be prepared for the Policy & Resources Scrutiny Committee on the 1<sup>st</sup> October 2019.

## General Usable Service Reserves

- 5.52 As outlined in paragraph 5.3, after adjusting for earmarked reserves 50% of underspends are carried forward by Directorates and are available to meet the requirements of these service areas in subsequent financial years. The table below provides a summary of the reserves arising from cumulative Directorate underspends along with projected balances after taking account of the approved use of reserves in 2018/19 and the current approved use of reserves for 2019/20:-

<b>Service Area</b>	<b>Opening Balance (01/04/18) £m</b>	<b>In-Year Movement 2018/19 £m</b>	<b>Closing Balance (31/03/19) £m</b>	<b>Approved Use Of Reserves £m</b>	<b>Projected Balance (31/03/20) £m</b>
<b>Education &amp; Lifelong Learning</b>	<b>0.919</b>	<b>(0.349)</b>	<b>0.570</b>	<b>(0.071)</b>	<b>0.499</b>
<b>Social Services</b>	<b>1.875</b>	<b>0.453</b>	<b>2.328</b>	<b>0.00</b>	<b>2.328</b>
<b>Environment</b>	<b>0.733</b>	<b>(0.216)</b>	<b>0.517</b>	<b>(0.196)</b>	<b>0.321</b>
<b>Corporate Services</b>	<b>1.700</b>	<b>0.128</b>	<b>1.828</b>	<b>(0.018)</b>	<b>1.810</b>
<b>Totals: -</b>	<b>5.227</b>	<b>0.016</b>	<b>5.243</b>	<b>(0.285)</b>	<b>4.958</b>

5.53 The Policy & Resources Scrutiny Committee receives an annual report on usable reserves and the next report has been scheduled for the 14<sup>th</sup> January 2020.

## **Conclusion**

5.54 Despite the ongoing challenges faced by the Council the financial position has been well managed during the 2018/19 financial year. This will become much more difficult moving forward as further savings of circa £44m are anticipated for the four-year period 2020/21 to 2023/24.

## **6. ASSUMPTIONS**

6.1 Some accounting assumptions have been made in respect of sums payable and receivable at year-end in accordance with best accounting practice and guidance.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

7.1 The Provisional Outturn Report encompasses all the resources used by the Council to achieve its strategies.

7.2 Effective financial planning and maintaining expenditure within approved budgets support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 Effective financial planning and the management of expenditure within approved budgets are key elements in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no direct equalities implications to this report in terms of the financial information being presented for 2018/19.

## **10. FINANCIAL IMPLICATIONS**

10.1 As detailed throughout the report.

## **11. PERSONNEL IMPLICATIONS**

11.1 There are no direct personnel implications arising from this report.

## **12. CONSULTATIONS**

12.1 There are no consultation responses that have not been reflected in this report.

## **13. STATUTORY POWER**

13.1 Local Government Act 1972.

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Consultees: Corporate Management Team  
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance  
Mike Eedy, Finance Manager, Environment  
Andrew Southcombe, Finance Manager, Corporate Finance  
Jane Southcombe, Financial Services Manager, Education & Lifelong Learning  
Mike Jones, Interim Financial Services Manager, Social Services  
Lesley Allen, Principal Accountant, Housing  
Rob Tranter, Head of Legal Services & Monitoring Officer

Background Papers:

Stephen Harris (Ext. 3022) – Final Accounts working papers for 2018/19.

Appendices:

Appendix A - Provisional Outturn Summary 2018-19

Appendix B - Movement on General Fund