

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Thursday, 17 May 2018
Report Subject	Welsh Government late underspend allocations
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager and Chief Executive

EXECUTIVE SUMMARY

At the Corporate Resources and Overview Scrutiny Committee meeting on 19 April, members requested detail on the grant notifications that have been received late in the 2017/18 financial year and the impacts of dealing with them. The purpose was to understand the impacts of late decision-making at a Government level on the Council, notwithstanding that additional resources are to be welcomed. 2017/18 was an exceptional year for the number and lateness of additional grant awards.

In the 2017/18 financial year, a number of additional specific grant allocations were received in the final months and weeks of the financial year. This presents challenges due to the need to adhere to strict grant criteria and guidelines, for example that the Council must have ordered and received relevant goods and services by the end of the financial year.

Appendix 1 gives a summary of those grants received in the final few months of the year and includes any impacts and consequences of the late notification.

RECOMMENDATIONS

1	Members are requested to note and comment on the report for feedback to be provided to Welsh Government.
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REPORT DETAILS

1.00	EXPLAINING LATE NOTIFICATION OF GOVERNMENT GRANTS
1.01	At the Corporate Resources and Overview Scrutiny Committee meeting on 19 April, members requested detail on the grant notifications that have been received late in the 2017/18 financial year and the impacts and consequences of dealing with them.
1.02	Each year as part of the Welsh Local Government Settlement, which is normally received in December preceding the financial year in question, information is provided on the many specific grants that the Council receives.
1.03	In recent years very little information has been received by way of confirmed grant allocations at this stage with the Settlement predominantly providing indicative amounts. Confirmation of grant allocations are then received sporadically between December and the start of the financial year, or in some cases are not received until the financial year has already started. This makes the financial planning of the effective use of the grant more difficult.
1.04	In the 2017/18 financial year, a number of additional specific grant allocations were received in the final months of the financial year, and in some cases in the final week of the financial year. Whilst the additional funding is welcomed, this presents challenges due to the need to adhere to strict grant criteria and guidelines, for example that the Council must have ordered and received relevant goods and services by the end of the financial year i.e. 31st March
1.05	Appendix 1 gives a summary of those grants received in the final few months of the year and summarises any impacts and consequences of the late notifications. The summary includes a combination of late notification of existing grants and the announcement of temporary additional grant allocations.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	As set out in the report.

4.00	RISK MANAGEMENT
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4.01	Each grant allocation is assessed in line with the set criteria and guidelines so that the grant allocation can be claimed in full.

5.00	APPENDICES
5.01	Appendix 1 – summary of grant notifications

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: (01352) 702271 E-mail: gary.ferguson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget and to individual councils one by one. The amount of Revenue Support Grant each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>