

Public Document Pack



The following reports are Information Items for the Policy and Resources Scrutiny Committee.

- 1 Corporate Services and Miscellaneous Finance Revenue Grants 2021-22.
- 2 Corporate Services and Miscellaneous Finance Revenue Budgets 2021-22.
- 3 Corporate Services and Miscellaneous Finance 2021/22 Budget Monitoring Report (Period 3).



POLICY AND RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE REVENUE
GRANTS 2021-22**

**REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

1.1 To provide information to Members relating to revenue grants for 2021-22 for Corporate Services and Miscellaneous Finance.

2. SUMMARY

2.1 The report provides details of the 2021-22 revenue grant funding for Corporate Services and Miscellaneous Finance. The report excludes grant funded schemes where CCBC merely acts as banker for Partnership schemes. During the financial year further grants are often made available subject to new funding being identified and successful outcomes to bids.

2.2 The report is provided to ensure that Members are aware of grants and their intended purpose. Further details of individual grants can be made available to Members if requested.

3. RECOMMENDATIONS

3.1 That Scrutiny Committee Members are requested to note the contents of the report.

4. REASONS FOR THE RECOMMENDATIONS

4.1 To ensure that Members are aware of the revenue grants for Corporate Services and Miscellaneous Finance.

5. THE REPORT

5.1 Appendix 1 provides a list of grants known at this point in time, along with a brief description of the use of the grant funding. Grant funding applies in the main to specific schemes and initiatives and is often time limited.

5.2 The current administration arrangements are such that each grant has an agreed set of terms and conditions. The grant funding body at year-end requests information to satisfy itself that the grant monies have been spent in accordance with its terms and conditions and for the majority of grants an external audit is required.

5.3 Where required, Auditors will assess expenditure against the terms and conditions of the

grant. This assessment would normally comprise a random sample of spend, followed by an in-depth scrutiny of the sampled items. This could involve ensuring proper procurement processes have been adhered to and confirming spend complies with the conditions of the grant. Any issues identified will be investigated; this could lead to a need to review a larger sample of expenditure. The External Auditors produce a report annually summarising any issues that have come to light during their audit of the Authority's grants.

6. ASSUMPTIONS

6.1 As identified throughout this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An IIA is not necessary for this Information Only Report.

8. FINANCIAL IMPLICATIONS

8.1 Grant funding levels can change leading to uncertainty of funding. The majority of grants are subject to external audit and the expenditure must comply with the grant terms and conditions. Failure to comply may result in a qualification of the grant by the External Auditors, which could result in the clawback of the grant funding.

9. PERSONNEL IMPLICATIONS

9.1 Grant funded posts may be at risk if the funding is withdrawn. Wherever possible this risk is mitigated through fixed-term appointments to grant funded posts.

10. CONSULTATIONS

10.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

11. STATUTORY POWER

11.1 Local Government Act 1972 and 2003 and the Council's Financial Regulations.

Author: D. Roberts – Interim Finance Manager (Corporate & Communities).
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Consultees: R. Edmunds, Corporate Director for Education & Corporate Services.
S. Harris, Head of Financial Services & S151 Officer.
R Tranter, Head of Legal Services
L Donovan, Head of Peoples Services
L Lucas, Head of Customer & Digital Services
C Harrhy, Chief Executive
Lesley Allen, Principal Accountant, Housing.
D Street, Corporate Director Social Services
Mark S Williams, Corporate Director for Economy & Environment
M. Williams, Interim Head of Property
S. Richards, Head of Education Planning and Strategy.
Southcombe, Finance Manager Corporate Services.
Cllr E. Stenner, Cabinet Member for Finance, Performance & Customer Service

Cllr C. Gordon, Cabinet Member for Corporate Services
Cllr L. Phipps, Cabinet Member for Housing & Property
Cllr J. Pritchard, Chair of P&R Scrutiny (at the time of consultation)
Cllr G. Kirby, Vice Chair of P&R Scrutiny (at the time of consultation)

Background Papers:

Grant Allocation Reports 2021-22

Appendices:

Appendix 1- Schedule of Corporate Services and Miscellaneous Finance Grants 2021-22

Appendix 1 - Schedule of Corporate Services and Miscellaneous Finance Revenue Grant Funding for 2021-22

Grant	Funding Body	Grant Funding	Matched Funding	Division	Lead Officer	Purpose of Grant	Subject to Audit
Housing Benefits	Department for Work and Pensions (DWP)	£605,746		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
New Burdens Funding	Department for Work and Pensions (DWP)	£98,464		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
Verify Earnings & Pension Service	Department for Work and Pensions (DWP)	£20,338		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
Universal Credits	Department for Work and Pensions (DWP)	£12,166		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
Accuracy Initiative	Department for Work and Pensions (DWP)	£20,785		Housing Benefits	Benefits Manager	Funds Housing Benefit administration for participating in the Housing Benefit Award Accuracy (HBAA) Initiative from 6 April 2021. This supports undertaking activities to proactively identify unreported changes.	Yes
Age Verification Change	Department for Work and Pensions (DWP)	£2,066		Housing Benefits	Benefits Manager	Funds Housing Benefit for the purpose of changes to HB personal allowance rates for those reaching State Pension age from 1 April 2021	Yes
Housing Benefit Subsidy	Department for Work and Pensions (DWP)	£45,393,266		Housing Benefits	Benefits Manager	Funds the housing benefits payments	Yes
Discretionary Housing Payments	Department for Work and Pensions (DWP)	£341,832		Housing Benefits	Benefits Manager	Funds the discretionary housing benefits payments	Yes
Police & Crime Panel	Home Office	TBC approx. £71895		Legal & Governance	Head of Legal Services & Monitoring Officer	Funds the panel members and associated costs in running the panel.	Yes
Strengthening Local Government Delivery of the Covenant	Ministry Of Defence	£40,000		Corporate Policy	Corporate Policy Manager	To fund a regional post to support the Armed Forces. Post funded for 12 months, with use of prior year agreed underspend	No
Brexit Funded Post	WLGA	£46,000		Corporate Policy	Corporate Policy Manager	To fund a post to support the transition after Brexit. Post funded for 12 months, with use of prior year agreed underspend	No
Total: -		£46,580,663					



POLICY AND RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE REVENUE
BUDGETS 2021-22**

**REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

1.1 To provide Members with details of the 2021/22 revenue budgets for Corporate Services and Miscellaneous Finance.

2. SUMMARY

2.1 The report provides details of the 2021/22 revenue budgets for Corporate Services and Miscellaneous Finance.

2.2 Budget monitoring reports will be prepared throughout the financial year to ensure that Members are updated on projected spend against budgets.

3. RECOMMENDATIONS

3.1 That Scrutiny Committee Members note the content of this report.

4. REASONS FOR THE RECOMMENDATIONS

4.1 To ensure that the Scrutiny Committee is provided with full details of the 2021/22 revenue budgets for Corporate Services and Miscellaneous Finance.

5. THE REPORT

5.1 2021/22 Revenue Budget

5.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2021/22 financial year is a net cash increase of £9 m (3.1%) after adjusting for changes in the Council Tax base.

5.1.2 Specific grants transferred into the Settlement for Caerphilly CBC were £247k, which related to the 2020-21 teachers pay award.

5.1.3 Members will recall that due to the increase in the Financial Settlement and the approved uplift in Council Tax of 3.9%, there were no additional savings required for the 2021-22 financial year

to deliver a balanced budget. The centrally held savings in advance from 2020/21 have now been utilised as part of the approved budget for 2021/22.

5.1.4 The approved 2021/22 budgets for Corporate Services and Miscellaneous Finance total £74.596m and full details are provided in Appendix 1.

5.2 Corporate Services

5.2.1 The 2021/22 budget for Corporate Services is £23.623m which includes £1.546m of budget growth items.

5.2.2 In line with the budget strategy agreed at Council on the 24th February 2021 the Corporate Services base budget has been uplifted for inflation. An allowance has been made for living Wage (£0.162k), 0.75% for non-pay (£67k) and 0.75% on Fees and Charges (£14k).

5.2.3 2021/22 growth items of £1.546m were approved and applied to the relative service areas: -

- Business Improvement Services - £202k to support the delivery of the Council's Transformation Programme.
- Peoples Services - £52k to support the delivery of the Council's Transformation Programme, together with £80k to fund two Fire Safety Officers based within the Health & Safety team.
- Digital services - £1,212m to allow for review of the existing infrastructure along with the investment in the latest Microsoft Office 365 Licenses.

5.2.4 The 2021/22 budget also includes the agreed use of reserves to fund staff in the following areas:

-
- People Services
- Corporate Finance
- Digital Services
- Business Improvement Services

5.3 Miscellaneous Finance

5.3.1 The 2021/22 budget for Miscellaneous Finance is £50.973m.

5.3.2 The main budget increases/reductions, in line with the budget strategy agreed at Council on the 24th February 2021 are: -

- £118k for non-pay budgets headings/Fees & Charges (0.75%).
- £92k for City Deal.
- £328k for Community Empowerment Fund.
- £173k for Levies.
- £1,773k for Pay Contingency.
- -£202k Private Finance Initiative in line with the agreed grant profiling
- £272k to support the delivery of the Council's Transformation Programme.

5.3.3 The budget for the Council Tax Reduction Scheme has been increased by £602k.

5.3.4 £2,011k savings in advance held centrally have been taken for the 2021/22 financial year.

6. ASSUMPTIONS

6.1 All assumptions linked to the Authority's budget strategy for financial year 2021/22 are detailed in the Report agreed by Council on 24th February 2021.

6.2 The 2021/22 Budget does not include additional costs or income losses associated with Covid-19, this is on the assumption that these costs will continue to be funded through the Welsh Government Covid-19 Hardship Fund.

6.3 A range of other assumptions have been made in setting the Authority's budget, this is in respect of pay and non-pay inflationary increases and inescapable service pressures.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An IIA is not necessary for this Information Only Report.

8. FINANCIAL IMPLICATIONS

8.1 As identified throughout the report.

9. PERSONNEL IMPLICATIONS

9.1 The personnel implications of agreed savings will be carefully managed and if required staff will be fully supported to identify appropriate redeployment opportunities.

10. CONSULTATIONS

10.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

Author: - D. Roberts – Interim Finance Manager (Corporate & Communities).
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Consultees: - R. Edmunds, Corporate Director for Education & Corporate Services
S. Harris, Head of Financial Services & S151 Officer
R. Tranter, Head of Legal Services
L. Donovan, Head of People Services
L. Lucas, Head of Customer & Digital Services
C. Harrhy, Chief Executive
L. Allen, Principal Accountant, Housing.
D. Street, Corporate Director Social Services
M.S. Williams, Corporate Director for Economy & Environment
M. Williams, Interim Head of Property
S. Richards, Head of Education Planning and Strategy.
A. Southcombe, Finance Manager, Corporate Services
Cllr E. Stenner, Cabinet Member for Performance, Economy & Enterprise
Cllr C. Gordon, Cabinet Member for Corporate Services
Cllr L. Phipps, Cabinet Member for Housing
Cllr J. Pritchard, Deputy Leader & Cabinet Member for Infrastructure & Property
Cllr G. Kirby, Chair of P&R Scrutiny
Vice Chair of P&R Scrutiny

- Report to Council 24/02/21 – Budget Proposals for 2021/22 and Medium-Term Financial Outlook
- Budget working papers – Accountancy Section

Appendices

Appendix 1 – 2021/22 Revenue Budgets (Corporate Services and Miscellaneous Finance)

<i>CORPORATE SERVICES DIRECTORATE & OTHER</i>	Estimate 2020-21	Revised Estimate 2020-21	Estimate 2021-22
<i>SUMMARY</i>			
<i>CHIEF EXECUTIVE AND SECRETARIAT</i>	206,353	207,821	207,906
<i>DEPUTY CHIEF EXECUTIVE/DIRECTOR CORPORATE SERVICES & EDUCATION</i>	152,556	153,992	153,816
<i>CORPORATE FINANCE</i>			
Financial services & Internal Audit	1,892,141	1,923,501	1,948,948
Approved Use of Reserves - Apprentice	(28,282)	(28,282)	(28,490)
Approved Use of Reserves - Finance Officer - Cashless Catering	0	0	(32,083)
	1,863,859	1,895,219	1,888,375
<i>LEGAL & GOVERNANCE SUPPORT</i>			
Legal & Democratic Services	1,132,629	1,142,696	1,113,660
Approved Use of Reserves - Apprentice	(28,282)	(28,282)	0
Members Allowances	1,755,221	1,757,621	1,768,338
Electoral Services	339,916	341,130	342,613
	3,199,484	3,213,165	3,224,611
<i>DIGITAL SERVICES</i>			
IT Services	3,464,318	3,316,329	4,590,957
Procurement	1,125,307	1,257,341	1,269,449
Approved Use of Reserves - Brexit Funding for Information Governance Post	0	0	(36,341)
Approved Use of Reserves - Brexit Funding for Procurement Post	0	0	(28,490)
Customer First	1,309,590	1,283,317	1,228,649
Approved Use of Reserves - Apprentice	(54,168)	(54,168)	0
	5,845,047	5,802,819	7,024,224
<i>PEOPLE SERVICES</i>			
Human Resources	1,564,197	1,564,136	1,549,450
Approved Use of Reserves - Managing Attendance Officer	(31,850)	(31,850)	(32,083)
Approved Use of Reserves - Transformation Management	(50,574)	(50,574)	0
Health & Safety	946,797	954,539	799,700
Approved Use of Reserves - Apprentice	(24,622)	(24,622)	0
Approved Use of Reserves - Fire Officer	(27,097)	(27,097)	0
Approved Use of Reserves -SLA Support Officer	(18,840)	(18,840)	(39,124)
Occupational Health	0	0	218,972
Communications Unit	368,788	372,934	370,033
Proposed Use of Reserves Regrade C to B	0	0	(23,395)
Approved Use of Reserves - Apprentice	(24,622)	(24,622)	0
CMT Support	134,452	135,419	141,499
Proposed Use of Reserves For additional Support Officer for 2 Months	0	0	(6,057)
	2,836,629	2,849,423	2,978,995
<i>BUSINESS IMPROVEMENT SERVICES</i>			
Management	130,163	131,121	131,121
Policy	611,414	613,411	615,931
Approved Use of Reserves - Fleet Review Officer	(45,162)	(45,162)	(45,495)
Transformation	193,176	193,176	383,877
Approved Use of Reserves - Transformation Officers	(142,602)	(142,602)	0
Proposed Use of Reserves - Transformation	(50,574)	(50,574)	0
Approved Use of Reserves - 4 Project Managers	0	0	(181,980)
Equalities	406,078	408,398	409,081
Performance Management Unit	225,522	227,193	227,166
	1,328,015	1,334,961	1,539,701
<i>TOTAL CORPORATE SERVICES</i>	15,431,943	15,457,400	17,017,628
<i>CORPORATE PROPERTY SERVICES</i>			
Management	369,297	370,697	363,633
Energy	143,167	144,306	144,217
Estates	143,726	146,656	158,255
Approved Use of Reserves - Asset Manager	(30,344)	(30,344)	0
Non Operational Properties	135,124	135,124	100,136
Facilities	2,182,658	2,186,142	2,208,921
Maintenance	2,139,718	2,143,485	2,145,690
Building Consultancy	(180,770)	(175,147)	(172,134)
	4,902,576	4,920,919	4,948,718
<i>HOUSING SERVICES</i>			
General Fund Housing	1,333,341	1,342,897	1,353,825
Private Housing	294,625	302,895	302,937
	1,627,966	1,645,792	1,656,762

<i>TOTAL NON-CORPORATE SERVICES</i>	6,530,542	6,566,711	6,605,480
<i>TOTAL SERVICES</i>	21,962,485	22,024,111	23,623,108

MISCELLANEOUS FINANCE	Estimate 2020-21	Revised Estimate 2020-21	Estimate 2021-22
MISCELLANEOUS FINANCE			
Staff Related Costs			
Pension Contribution - Former Authorities Ongoing	1,155,689	1,155,689	1,155,689
Recharge to Education - Former Authorities	(179,629)	(179,629)	(179,629)
	976,060	976,060	976,060
Statutory Benefit Schemes			
Council Tax Benefits	15,439,702	15,439,702	16,041,850
DHP Rent allowances	61,814	61,814	34,183
DHP Rent Rebates	556,327	556,327	307,649
DHP Income	(618,141)	(618,141)	(341,832)
General Income Allowances	20,153,635	20,153,635	19,897,202
Rent Rebates	25,756,400	25,756,400	25,496,064
Rent Allowance War Widow Concessions	25,000	25,000	25,000
Housing Benefit Subsidy	(45,910,035)	(45,910,035)	(45,393,266)
	15,464,702	15,464,702	16,066,850
Levies Upon the Council			
Coroner	287,775	287,775	289,933
Archives	209,092	209,092	220,603
Fire Service Authority	8,871,593	8,871,593	9,099,329
	9,368,460	9,368,460	9,609,865
Capital Financing			
Debt Charges (Principal Repaid)	2,548,275	2,548,275	2,736,375
Debt Charges (Interest Payments)	8,828,506	8,828,506	8,453,374
Debt Charges (Debt Management Exp's)	48,815	48,815	41,792
Income from External Investments:	(1,518,333)	(1,518,333)	(1,443,333)
Rescheduling Discounts	0	0	0
Earmarked for specific funds/balances	812,500	812,500	812,500
CERA (Capital Expenditure funded from Revenue Account)	4,679,847	4,760,239	2,867,891
	15,399,610	15,480,002	13,468,599
Corporate and Democratic Core Costs			
Bank Charges	197,553	197,553	199,035
Income from HRA	(33,228)	(33,228)	(33,477)
Income from DLO/DSO	(14,184)	(14,184)	(14,290)
External Audit Fees	435,380	435,380	438,645
Actuarial Fees	1,832	1,832	1,846
Income from HRA	(73,537)	(73,537)	(74,089)
Income from DLO/DSO	(31,391)	(31,391)	(31,626)
Subscriptions	112,619	128,813	129,779
	595,044	611,238	615,823

MISCELLANEOUS FINANCE	Estimate 2020-21	Revised Estimate 2020-21	Estimate 2021-22
Grants to Voluntary sector			
Assistance to Voluntary sector	186,759	186,759	188,160
	186,759	186,759	188,160
Private Finance Initiative			
PFI Schools	2,210,676	2,210,676	2,127,887
PFI SEW	3,686,817	3,686,817	3,568,084
	5,897,493	5,897,493	5,695,971
Other			
Free School Meals Grant	307,550	307,550	309,857
Counsel Fees	270,070	270,070	272,096
Careline	16,170	16,170	16,290
Carbon Management Scheme	3,910	3,910	3,939
Carbon Energy Tax	246,839	246,839	246,839
IT Replacement Strategy	135,108	135,108	136,121
PV Panel Maintenance	2,083	2,083	2,099
PV Panels Income	(58,579)	(58,579)	(59,018)
Risk Management Contribution	(456,511)	(456,511)	(456,511)
Class 1A NI	(100,000)	(100,000)	(100,750)
City Deal	352,200	352,200	443,845
Matched Funding for Community Schemes	15,255	15,255	15,369
Targeted Rate Relief Scheme	225,189	225,189	226,878
Miscellaneous Items	873,737	6,215	1,813,715
Trade Union Facilities	28,485	29,200	28,684
PFI Review	849,000	849,000	851,944
Community Empowerment Fund			328,000
Transformation Posts			272,158
	2,710,506	1,843,699	4,351,555
TOTAL MISCELLANEOUS FINANCE	50,598,634	49,828,413	50,972,883
EXPENDITURE TO DIRECTORATE SUMMARY	72,561,118	71,852,524	74,595,991



POLICY AND RESOURCES SCRUTINY COMMITTEE INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2021/22
BUDGET MONITORING REPORT (PERIOD 3)**

**REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

- 1.1 To inform members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2021/22 financial year.

2. SUMMARY

- 2.1 The report projects the anticipated final outturn for the Directorate of Corporate Services and Miscellaneous Finance based upon expenditure and income trends for the first three months of the financial year.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are informed of the projected financial position for the Directorate of Corporate Services and Miscellaneous Finance.

5. THE REPORT

5.1 Corporate Services

- 5.1.1 The Directorate of Corporate Services is currently forecasting an underspend of £814k for the 2021/22 financial year, full details of which are provided in Appendix 1.
- 5.1.2 Members are advised that the projected outturn for Education & Lifelong Learning is a net underspend of £198k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1,012k.
- 5.1.3 There is an anticipated net underspend on Chief Executive and Director of Education & Corporate Services of £22k after the use of agreed reserves to fund the leadership programme.

- 5.1.4 The anticipated net underspend of £134k in Corporate Finance relates in the main to in-year vacancies, some of which are in the process of being filled, together with the use of reserves to fund an apprentice post and a Finance Officer (Cashless Catering).
- 5.1.5 There is an anticipated net underspend of £429k in Digital Services, after taking into account the agreed used of reserves. The underspends will be monitored during the year and may reduce depending on agreed project work. The underspends consist of: -
- A projected underspend of £149k for IT Services which is due in the main to delays in filling vacancies offset by the estimated costs of additional leased Telephone lines, external consultants, agency staff and a reduction in income.
 - A projected net underspend of £172k on Procurement which relates in the main to delays in filling vacant posts.
 - An underspend of £108k for Customer First. This is due in the main to vacant posts still to be filled due to secondments to the Track and Trace programme.
- 5.1.6 Legal & Governance is projecting a net underspend of £4k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -
- Projected underspend on Members related expenditure of £42k. This is due in the main to underspends on Members Allowances and associated budgets which is partly offset by increased costs on Members superannuation costs.
 - Projected underspend of £34k on Electoral Services. The Electoral Services underspends in non-election years are ring-fenced to fund overspends in election years.
- 5.1.7 The net underspend of £4k for Legal & Governance is due in the main to staff not reaching the top of their pay scales, some temporary reduced hours and savings associated with working from home, which are offset by reduced income levels. These income levels will be monitored closely during the year. The underspend is after taking into account the agreed use of reserves for an additional Committee Services Officer.
- 5.1.8 There is a projected net underspend of £129k for People Services mainly consisting of: -
- Human Resources projected net underspend of £80k due in the main to staff being on maternity leave and some temporary reductions in working hours, partially offset by reduced income levels. The net underspend is after taking account of the agreed use of reserves.
 - Health & Safety underspend of £119k due in the main to salary savings arising from delays in recruitment after taking account of the agreed use of reserves for an SLA Support Officer. These are offset by reduced internal training income due to Covid-19. There are also small forecast savings on vehicle hire.
 - Occupational Health underspend of £46k due in the main to salary savings due to delays in recruitment
 - A grant claim has been submitted to WG for circa £7k for loss of external training income for the H&S training section, but the funding has not yet been confirmed.
 - The Communications Unit is projecting a net overspend of £89k, due in the main to reduced levels of internal income arising from Covid-19. Income levels will be closely monitored in year. It is anticipated the lost internal income in this budget has resulted in savings in other service division's printing budgets.
 - CMT Support overspend of £28k due to the addition of a new "Support Officer".
- 5.1.9 There is an anticipated £152k net underspend in Business Improvement Services after taking account of the following: -
- Management – Projected net underspend of £131k due to a vacant Head of Service post.
 - Projected net underspend of £9.5k in the Policy Team due to delays in filing a vacant post.

- Projected underspend of £11k in the Equalities and Welsh Language Team due in the main to some staff not reaching the top of pay scales in the current year.
- Projected small overspend of £1k in the Performance Management Unit.
- Projected net underspend of £1k in the Transformation Team after taking account of the agreed transfer of reserves.

5.1.10 Although Property Services sits within the Economy & Environment Directorate, budget monitoring has traditionally been considered by the Policy and Resources Scrutiny Committee. For Property Services there is a net projected overspend of £95k, consisting of the following: -

- Management - £38k underspend in the main due to staff on temporary reduced hours offset by the estimated appointment of a new post starting February 2020.
- Energy - £5k underspend, due to a temporary reduction of hours of a member of staff.
- Estates - £32k underspend due mainly to staff vacancies/reduced hours offset by a reduction in the anticipated level of fee income. The income levels will be monitored closely in year.
- Non – Operational Properties - £8k underspend mainly due to reduced utility costs being incurred.
- Corporate Facilities - £62k overspend mainly due increased electricity costs for Ty Penallta to comply with the Covid-19 guidance offset by savings on staff salary due to temporary reduction in hours.
- Maintenance – Projected £34k underspend due in the main to delays in filling vacant posts and increased fee income.
- Building Consultancy – Projected £153k overspend due in the main to reduced fee income arising from the pausing of the Trinity Fields extension project. The creation of a new Project Manager post is partially offset by delays in filling existing posts.

5.1.11 There is a projected underspend of £38k on Housing Services (excluding HRA) which consists of the following: -

- General Fund Housing is expected to show a £25k underspend at this stage, although there are some offsetting over and underspends contributing to this position.
- This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict, but trends show an annual increase in the need for this service evidenced by the increase in B&B accommodation over the past few years and in particular placements made during the pandemic. There has been a government embargo on evictions, which recently ended in June 2021, which has therefore restricted the normal flow of homeless activity, but activity for Covid related placements still remains high. Welsh Government have also extended the requirement notice for landlords to serve notice on tenants to 6 months. We therefore anticipate referrals requiring emergency housing to increase.
The demand for B&B placements as a result of Covid-19 has been significant with on average 70 cases per month, together with accompanying security costs for the relevant establishments. Welsh Government have funded these costs (net of any housing benefits) from the Covid Hardship Grant and have confirmed this funding will remain in place for the remainder of this financial year. However, once this funding has ceased, the funding commitment will fall on the General Fund. In the long term, however, Welsh Government has set out an ambitious Programme for Government with the aim of making our community a better place to live and work, which will be achieved in part, by reforming homelessness services to focus on prevention and rapid rehousing, which should in theory eradicate the need for B&B placements. Emergency Accommodation will still be required but on a smaller scale and officers are currently undertaking a review with regard what this provision will look like for CCBC in the longer term.
- Private Sector Housing is expected to show a £13k underspend at this stage. In previous reports there was concern regarding the under recovery of the Agency Income Fee which has historically been generated from the private housing capital programme. This budget

relies on its fee income to be able to fund the service. Fee income is charged on works carried out which are typically capital in nature, such as historically, Area Renewal, Renovation Grants and more recently the WHQS programme, Home Repair Grants, Loans and Adaptations. Unfortunately, due to the Covid-19 restrictions, officers were unable to progress with any works, (other than emergencies) and as such have not been able to receive any significant fee income. The WHQS programme was also due to be completed in June 2020, and although this is now extended, it will not offer up a long-term income solution for this service. The reduced activity during the pandemic has created a backlog of work which will now need to be managed.

- Welsh Government have offered up a lost income financial assistance grant as a consequence of Covid-19, and claims made for the lost agency fee were fully successful last financial year. The budget therefore now assumes the reduction in lost income will be fully recovered this financial year via the lost income claim. This should ensure the budget remains in a manageable position for this financial year, but officers are reviewing the budget for long term sustainability.

5.2 Miscellaneous Finance

5.2.1 There is an overall projected underspend of £436k in Miscellaneous Finance.

5.2.2 There is a projected net underspend of £271k on Capital Financing budgets which is due to the following: -

- £827k underspend on Interest Payments due to delays in borrowing requirements.
- Investment income being £555k less than the budgeted level due to the timing of new medium to long term investments due to Covid-19.

5.2.3 There is a projected overspend of £63k on the Trade Union budget. We are currently still in discussions with Trade Union colleagues to review and update our Facilities Agreement to ensure that equitable support arrangements are in place.

5.2.4 Counsel Fees budget is projected to be breakeven at present but this is a volatile budget that will be monitored closely in year.

5.2.5 The remaining projected overspends in Miscellaneous Finance consist of the following: -

- £16k on the Class 1A NI savings, this is due in the main to a reduced take-up of the Tusker GASS car scheme.
- £23k on Bank Charges due to the increased costs of processing "faster payments".

5.2.6 The remaining projected underspends for Miscellaneous Finance consists of the following: -

- Subscriptions - £7k
- Carbon Management Scheme - £247k (scheme ended in 2019-20).
- £12k Community Schemes budget due to the proposed cancellation of events.

5.3 Approved Establishment of Reserves

5.3.1 A reserve of £75k has been established using officer delegated powers to fund a fixed term two-year post for a Committee Services Officer. This will be funded from the projected 2021-22 underspend in Miscellaneous Finance.

5.4 Virements

5.4.1 An permanent virement of £60k has been agreed using officer delegated powers, to fund a

post in the newly established Empty Homes Team within Private Housing. £30k of this virement is from the General Fund Housing homelessness activity budget and £30k from Miscellaneous Finance.

6. ASSUMPTIONS

- 6.1 The projected outturn position is based on actual income and expenditure details to the end of June 2021.
- 6.2 Forecasts have been made following discussions with Managers based on current information available.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report is for information only so an IIA is not required.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

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

11. STATUTORY POWER.

- 11.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

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Cllr G. Kirby, Chair of P&R Scrutiny
Cllr B. Miles, Vice Chair of P&R Scrutiny.

Appendices:

Appendix 1 Corporate Services & Miscellaneous Finance 2021/22 Budget Monitoring Report
(Period 3).

Background Papers:

Council (24/02/21) – Budget Proposals for 2021/22 and Medium-Term Financial Outlook

CORPORATE SERVICES DIRECTORATE	Original Estimate 2021-22	Revised Estimate 2021-22	Anticipated Outturn 2021-22	Anticipated Variance 2021-22
SUMMARY				
CHIEF EXECUTIVE	207,906	207,906	197,442	10,464
DEPUTY CHIEF EXECUTIVE/DIRECTOR CORPORATE SERVICES & EDUCATION	153,816	153,816	175,470	(21,654)
Approved Use of Reserves - Leadership	0	0	(33,703)	33,703
CHIEF EXECUTIVE & DIRECTOR OF EDUCATION & CORPORATE SERVICES	361,722	361,722	339,209	22,513
CORPORATE FINANCE				
Financial services & Internal Audit	1,948,948	1,948,948	1,788,873	160,075
Approved Use of Reserves - Apprentice	(28,490)	(28,490)	(6,791)	(21,699)
Approved Use of Reserves - Finance Officer - Cashless Catering	(32,083)	(32,083)	(27,860)	(4,223)
	1,888,375	1,888,375	1,754,222	134,153
DIGITAL SERVICES				
IT Services	4,590,957	4,590,957	4,441,886	149,071
Procurement	1,269,449	1,269,449	1,088,428	181,021
Approved Use of Reserves - Brexit Funding for Information Governance Po	(36,341)	(36,341)	(36,341)	0
Approved Use of Reserves - Brexit Funding for Procurement Post	(28,490)	(28,490)	(18,993)	(9,497)
Customer First	1,228,649	1,228,649	1,120,271	108,378
	7,024,224	7,024,224	6,595,251	428,973
LEGAL & GOVERNANCE SUPPORT				
Legal & Democratic Services	1,113,660	1,113,660	1,131,027	(17,367)
Approved Use of Reserves - Committee Services Officer	0	0	(21,198)	21,198
Members Allowances	1,768,338	1,768,338	1,726,664	41,674
Ringfenced to Earmarked Reserves	0	0	41,674	(41,674)
Electoral Services	342,613	342,613	308,398	34,215
Ringfenced to Earmarked Reserves	0	0	34,215	(34,215)
	3,224,611	3,224,611	3,220,780	3,831
PEOPLES SERVICES				
Human Resources	1,549,450	1,549,450	1,469,400	80,050
Approved Use of Reserves - Managing Attendance Officer	(32,083)	(32,083)	(32,083)	0
Health & Safety	799,700	799,700	672,962	126,738
Approved Use of Reserves - SLA Support Officer	(39,124)	(39,124)	(31,766)	(7,358)
Occupational Health	218,972	218,972	172,621	46,351
Communications Unit	370,033	370,033	435,335	(65,302)
Proposed Use of Reserves	(23,395)	(23,395)	0	(23,395)
CMT Support	141,499	141,499	163,191	(21,692)
Proposed Use of Reserves for additional Support Officer	(6,057)	(6,057)	0	(6,057)
	2,978,995	2,978,995	2,849,660	129,335
BUSINESS IMPROVEMENT SERVICES				
Management	131,121	131,121	0	131,121
Policy	615,931	615,931	622,279	(6,348)
Approved Use of Reserves - Fleet Review Officer	(45,495)	(45,495)	(43,469)	(2,026)
Approved Use of Reserves - Asylum Dispersal Officer	0	0	(17,895)	17,895
Transformation Team	383,877	383,877	330,288	53,589
Approved Use of Reserves - 4 Project Managers	(181,980)	(181,980)	(128,903)	(53,077)
Equalities	409,081	409,081	397,309	11,772
PMU	227,166	227,166	228,471	(1,305)
	1,539,701	1,539,701	1,388,080	151,621
TOTAL CORPORATE SERVICES	17,017,628	17,017,628	16,147,201	870,427
PROPERTY SERVICES				
Management	363,633	363,633	324,658	38,975
Energy	144,217	144,217	138,398	5,819
Estates	158,255	158,255	125,525	32,730
Non Operational Properties	100,136	100,136	91,945	8,191
Facilities	2,208,921	2,208,921	2,271,027	(62,106)
Maintenance	2,145,690	2,145,690	2,111,221	34,469
Building Consultancy	(172,134)	(172,134)	(19,237)	(152,897)
	4,948,718	4,948,718	5,043,537	(94,819)
HOUSING SERVICES				
General Fund Housing	1,353,825	1,323,825	1,298,736	25,089
Private Housing	302,937	362,937	349,767	13,170
	1,656,762	1,686,762	1,648,503	38,259
TOTAL NON- CORPORATE SERVICES	6,605,480	6,635,480	6,692,040	(56,560)
TOTAL SERVICES	23,623,108	23,653,108	22,839,242	813,866

MISCELLANEOUS FINANCE	Original Estimate 2021-22	Revised Estimate 2021-22	Anticipated Outturn 2021-22	Anticipated Variance 2021-22
MISCELLANEOUS FINANCE				
Staff Related Costs				
Pension Contribution - Former Authorities Ongoing	1,155,689	1,125,689	1,125,689	0
Recharge to Education - Former Authorities	(179,629)	(179,629)	(179,629)	0
	976,060	946,060	946,060	0
Statutory Benefit Schemes				
Council Tax RS	16,041,850	16,041,850	15,497,340	544,510
Ringfenced to Earmarked Reserves	0	0	544,510	(544,510)
DHP Rent allowances	34,183	34,183	34,183	0
DHP Rent Rebates	307,649	307,649	307,649	0
DHP Income	(341,832)	(341,832)	(341,832)	0
General Rent Allowances	19,897,202	19,897,202	19,897,202	0
Rent Rebates	25,496,064	25,496,064	25,496,064	0
Rent Allowance War Widow Concessions	25,000	25,000	25,000	0
Housing Benefit Subsidy	(45,393,266)	(45,393,266)	(45,393,266)	0
	16,066,850	16,066,850	16,066,850	0
Levies Upon the Council				
Coroner	289,933	289,933	289,933	0
Archives	220,603	220,603	220,603	0
Fire Service Authority	9,099,329	9,099,329	9,099,329	0
	9,609,865	9,609,865	9,609,865	0
Capital Financing				
Debt Charges (Principal Repaid)	2,736,375	2,736,375	2,613,000	123,375
Debt Charges (Interest Payments)	8,453,374	8,453,374	7,749,737	703,637
Debt Charges (Debt Management Exp's)	41,792	41,792	41,792	0
Income from External Investments:	(1,443,333)	(1,443,333)	(888,138)	(555,195)
Earmarked for specific funds/balances	812,500	812,500	812,500	0
CERA (Capital Expenditure funded from Revenue Account)	2,867,891	2,867,891	2,867,891	0
	13,468,599	13,468,599	13,196,782	271,817
Corporate and Democratic Core Costs				
Bank Charges	199,035	199,035	222,262	(23,227)
Income from HRA	(33,477)	(33,477)	(33,477)	0
Income from DLO/DSO	(14,290)	(14,290)	(14,290)	0
External Audit Fees	438,645	438,645	438,645	0
Actuarial Fees	1,846	1,846	1,846	0
Income from HRA	(74,089)	(74,089)	(74,089)	0
Income from DLO/DSO	(31,626)	(31,626)	(31,626)	0
Subscriptions	129,779	129,779	122,911	6,868
	615,823	615,823	632,182	(16,359)
Grants to Voluntary sector				
Assistance to Voluntary sector	188,160	188,160	188,160	0
	188,160	188,160	188,160	0
Private Finance Initiative				
PFI Schools	2,127,887	2,127,887	2,127,887	0
PFI SEW	3,568,084	3,568,084	3,568,084	0
	5,695,971	5,695,971	5,695,971	0
Other				
Free School Meal Grant	309,857	309,857	309,857	0
Counsel Fees	272,096	272,096	272,096	0
Careline	16,290	16,290	16,290	0
Carbon Management Scheme	3,939	3,939	3,939	0
Carbon Energy Tax	246,839	246,839	0	246,839
IT Replacement Strategy	136,121	136,121	136,121	0
PV Panel Maintenance	2,099	2,099	2,099	0
PV Panels Income	(59,018)	(59,018)	(59,018)	0
Risk Management Contribution	(456,511)	(456,511)	(456,511)	0
Class 1A NI	(100,750)	(100,750)	(85,000)	(15,750)
City Deal	443,845	443,845	443,845	0
Matched Funding for Community Schemes	15,369	15,369	3,000	12,369
Targeted Rate Relief Scheme	226,878	226,878	226,878	0
Miscellaneous Items	1,813,715	3,010,302	3,010,302	0
Trade Union Facilities	28,684	28,684	91,329	(62,645)
PFI Review	851,944	851,944	851,944	0
Community Empowerment Fund	328,000	328,000	328,000	0
Transformation Posts	272,158	272,158	272,158	0
	4,351,555	5,548,142	5,367,329	180,813
TOTAL MISCELLANEOUS FINANCE	50,972,883	52,139,470	51,703,199	436,271
EXPENDITURE TO DIRECTORATE SUMMARY	74,595,991	75,792,578	74,542,441	1,250,137