



POLICY AND RESOURCES SCRUTINY COMMITTEE – 19TH JANUARY 2016

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2015/16
BUDGET MONITORING REPORT (PERIOD 7)**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To inform Members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2015/16 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 seven months of the financial year.

3. LINKS TO STRATEGY

- 3.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 25th February 2015.

4. THE REPORT

4.1 Corporate Services

- 4.1.1 The Directorate of Corporate Services is currently forecasting an underspend of £1,119k for the 2015/16 financial year, full details of which are provided in Appendix 1.
- 4.1.2 The anticipated underspend of £406k in Corporate Finance and Procurement relates in the main to delays in appointing to vacant posts, vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17 and some additional one-off income.
- 4.1.3 Legal & Governance is projecting a net underspend of £157k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -
- Projected underspend on Members related expenditure of £69k. This is due in the main to underspends on Members Allowances which is partly off-set by costs on printing/webcasting.
 - Projected overspend of £1.6k on Electoral Services.

The net underspend of £157k is due to vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17.

4.1.4 There is a projected underspend of £102k on Housing services which consists of the following:-

- General Fund Housing is currently projecting an underspend of £31k in staffing budgets and service charge income generated from Ty Croeso. However, the recent Housing (Wales) Act places new duties on Local Authorities for homelessness reviews and strategies and also places prevention and early intervention as a priority. This will increase demand on the homelessness service and whilst short-term transitional funding of £300k has been provided for 2015/16, the budget will need to be closely managed and monitored as we progress through the financial year.
- Private Housing is anticipating an underspend of £71k, which is mainly due to savings of £65k in salary costs. Agency Income is anticipated to be under recovered by year-end but new fees generated from the allocation of WHQS works to leasehold properties are expected to offset the budget shortfall.

4.1.5 There is an anticipated underspend of £176k in Information and Citizens Engagement, consisting of the following:-

- IT Services - £205k underspend which is due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2016/17.
- Central Services - A current £82k overspend projection due to some previously agreed savings yet to be achieved and an additional temporary resource requirement within the Information Governance Team
- Communications - £42k underspend due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2016/17.
- Customer First - £11k underspend which is also due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2016/17.

4.1.6 For Performance and Property there is a net projected underspend of £49k, consisting of the following: -

- Performance Management - £46k overspend mainly due to a retirement being agreed for a later date than originally anticipated.
- Corporate Buildings - £35k underspend mainly due to NNDR and standby/relief cover.
- Asset Management and Facilities – Projected £25k underspend, mainly due to reduced hours, lease costs of cash office and MTFP savings in advance.
- Building Consultancy – Projected surplus on fee income of £35k, mainly due to extra fees for some one-off projects for Torfaen and staff retirements/vacancies.

4.1.7 There is a projected underspend of £144k for Human Resources due in the main to vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17.

4.1.8 There is a projected underspend of £66k for Health & Safety due in the main to vacancies being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2016/17, together with vacancies within the Occupational Health section.

4.1.9 The following table provides a summary of progress in delivering agreed 2015/16 savings for the Directorate of Corporate Services: -

Matrix	Agreed MTFP Savings £'000	Progress against Savings £'000	Variance £'000
All	158.0	158.0	0.0
Corp Finance	359.0	359.0	0.0
Corp Property	340.3	291.3	(49.0)
H&S	56.0	56.0	0.0
HR	62.0	62.0	0.0
IT	415.7	415.7	0.0
Legal	39.0	39.0	0.0
Private Housing	50.0	50.0	0.0
Grand Total	1,480.0	1,431.0	(49.0)

4.10 The variance of £49k for Corporate Property is due to a retirement being agreed for a later date than originally planned.

4.2 Miscellaneous Finance

4.2.1 There is an overall projected underspend of £2,136k in Miscellaneous Finance.

4.2.2 There is a projected overspend of £28k on Coroner's Service costs due to changes in the legal rules surrounding the deaths of residents in care homes.

4.2.3 There is a projected net underspend of £1,943k on Capital Financing budgets which is due to the following: -

- Changes to debt pooling arising from the Housing Revenue Account Subsidy (HRAS) buy-out.
- A 0.5% reduction in the assumed borrowing rate moving forward.
- Lower Minimum Revenue Provision (MRP) due to the Capital Financing Requirement (CFR) being lower than originally anticipated.
- Improved returns on investments.

4.2.4 There is a projected £24k overspend on the NNDR discretionary rate relief budget.

4.2.5 The remaining projected underspend for Miscellaneous Finance consists of the following: -

- NNDR Empty Properties - £82k
- Proposed Waste Transfer Station – £150k
- Catering Subsidy – 13K

5. EQUALITIES IMPLICATIONS

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

6. FINANCIAL IMPLICATIONS

6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

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

8. CONSULTATIONS

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

9. RECOMMENDATIONS

9.1 Members are requested to note the contents of the report.

10. REASONS FOR THE RECOMMENDATIONS

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

11. STATUTORY POWER

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

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Appendices:
Appendix 1 Corporate Services & Miscellaneous Finance 2015/16 Budget Monitoring Report (Period 7).