



POLICY AND RESOURCES SCRUTINY COMMITTEE – 16TH JANUARY 2018

**SUBJECT: WHOLE AUTHORITY REVENUE BUDGET MONITORING REPORT
2017/18**

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

1. PURPOSE OF REPORT

- 1.1 To provide the Scrutiny Committee with details of projected whole-authority revenue budget expenditure for the 2017/18 financial year.

2. SUMMARY

- 2.1 This report provides information on the position of the whole-authority in respect of revenue budget monitoring for 2017/18. Detailed budget monitoring reports are prepared for Scrutiny Committees throughout the financial year. Consideration has been given to actual expenditure and income trends and projections have been made of the likely year-end outturn position. Where variations from budget have been identified these are commented upon throughout the report.

3. LINKS TO STRATEGY

- 3.1 The Council has a number of corporate strategies and this report deals with the use of resources in the achievement of those strategies.
- 3.2 Effective financial planning and financial control contribute to 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.

4. THE REPORT

- 4.1 Members will be aware of the ongoing challenging financial outlook for Local Government and the need to identify significant savings to support the Council's Medium-Term Financial Plan (MTFP). Officers have been mindful of this and consequently expenditure has been curtailed in a number of areas in recent years with the aim of identifying savings in advance to support the MTFP. This prudent approach has resulted in a trend of reported year-end underspends for all Directorates.

4.2 However, the position is now becoming more challenging with a number of cost pressures emerging across some service areas. The table below provides a comparison between the original 2017/18 budget, a revised budget (where approved changes have been made in year), and the projected outturn. A more detailed summary by service area is provided in Appendix 1. The total projected revenue budget underspend for the Authority for 2017/18 is £947k.

Service Area	Original Budget 2017/18 £000's	Revised Budget 2017/18 £000's	Projected Outturn 2017/18 £000's	Projected (Overspend)/ Underspend £000's
Education & Lifelong Learning	124,993	124,868	124,723	145
Social Services, Public Protection and Corporate Policy	89,612	89,737	91,517	(1,780)
Communities	44,010	44,010	43,748	262
Corporate Services	19,692	19,666	18,532	1,134
Miscellaneous Finance	47,124	47,150	45,964	1,186
Totals: -	325,431	325,431	324,484	947

4.3 **Education & Lifelong Learning (Projected Underspend of £145k)**

4.3.1 A net underspend of £145k is currently projected for the Directorate as summarised below: -

Service Area	Projected (Overspend)/ Underspend £000's
Planning & Strategy: -	
- Relief Supply Cover (SRB's and Maternity)	(85)
- Early Retirement Pension Costs (Schools)	(50)
- Management & Support Service Costs	119
Learning, Education & Inclusion: -	
- Psychological Services	57
- Visually Impaired Service	45
- 14 – 19 Transport Initiative	56
- Education Other Than at School (EOTAS)	(660)
- Additional Support and Out of County	260
- Early Years – Rising 3's	75
- Support Services & Resources	46
- Music Service	(94)
- Education Achievement Service (EAS)	51
- Other	126
Lifelong Learning: -	
- Community Education	80
- Libraries	119
Directorate Total: -	145

4.3.2 Due to the unpredictability of sickness in Special Resource Bases and maternity absences across all school sectors, the Relief Supply Cover spend on school based staff is always very closely monitored. This area of the budget was overspent in the 2016/17 financial year, so whilst current data does not indicate any significant variance to budget it is prudent to include a potential overspend with some 3 months remaining until the end of the financial year.

- 4.3.3 Based on current information the budget relating to retirement costs associated with school based staff is currently projected to overspend by £50k.
- 4.3.4 The projected underspend of £119k in relation to Management & Support Service Costs relates predominantly to in-year savings on staff costs. Some of these are one-off in nature due to in-year vacancies and others are ongoing and form part of the Directorate's MTFP savings proposals moving forward.
- 4.3.5 The projected underspend of £57k in the Psychological Service has originated due to delays in the recruitment of appropriately qualified staff. However, the service does now have a full complement of staff.
- 4.3.6 In recent years the Visually Impaired Service has reported an underspend and this continues to be the case for 2017/18.
- 4.3.7 The projected underspend on the 14-19 Transport Initiative (which allows pupils wider course access between schools) is a recent trend that is anticipated to continue in 2017/18. This budget heading forms part of savings proposals moving forward.
- 4.3.8 The Education Other Than at School (EOTAS) provision, which accommodates learners who are unable to attend and learn through mainstream school, continues to be a significant budget pressure in 2017/18. This provision continues to receive an increasing number of referrals for children with challenging behaviour. The projected overspend for this provision is currently estimated to be £660k. An internal review of demand and costs is ongoing but it should be recognised that whilst this is a substantial increase the cost would be much greater if pupils were not accommodated in EOTAS but placed instead in Out of County placements. This in part has contributed to the projected underspend of £260k in the Additional Support & Out of County budget, which is partly offsetting the EOTAS budget pressure.
- 4.3.9 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.
- 4.3.10 The underspend against the Support Services & Resources budget relates predominantly to an in-year vacancy that has now been filled and a vacant post (£30k) which is part of future savings proposals.
- 4.3.11 In 2017/18 there has been a further reduction of £50k in the budget for the Authority's Music Service. Whilst there is currently a projected overspend, the service has made progress with regards to achieving savings targets set in previous years. Managers remain confident that the MTFP savings target for the service is achievable in the medium to longer-term.
- 4.3.12 In 2017/18, as in 2016/17, the charge on the main contract with the Education Achievement Service (EAS) is less than current budget provision. This variance forms part of savings proposals for future years.
- 4.3.13 The projected underspend of £80k in Community Education relates predominantly to the Youth Service. This variance is a mix of in-year underspends, in particular relating to vacant posts and savings in advance for the 2018/19 financial year.
- 4.3.14 The Libraries projected underspend of £119k relates to in-year vacancies and savings around supply cover arrangements, together with savings relating to premises and vehicle hire. The premises and vehicle hire savings equate to circa £60k and this has been identified as part of the savings proposals for 2018/19.

4.4 Social Services, Public Protection and Corporate Policy (Projected Overspend of £1,780k)

4.4.1 A net overspend of £1,780k is currently projected as summarised in the following table: -

Service Area	2017/18 Revised Budget £000's	2017/18 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
Social Services: -			
- Children's Services	21,457	24,206	(2,749)
- Adult Services	57,072	56,704	368
- Service Strategy/Business Support	2,594	2,452	142
Social Services Sub-Total: -	81,123	83,362	(2,239)
Public Protection	7,224	6,887	337
Corporate Policy	1,390	1,268	122
Total: -	89,737	91,517	(1,780)

Children's Services

4.4.2 The Children's Services Division is currently projected to overspend its budget by £2,749k as summarised in the following table: -

	2017/18 Revised Budget £000's	2017/18 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
Management, Fieldwork & Administration	9,163	8,814	349
External Residential Care	2,398	5,270	(2,872)
Fostering & Adoption	7,293	7,628	(335)
Youth Offending	395	395	0
Families First	75	0	75
After Care Support	726	739	(13)
Other Costs	1,407	1,360	47
Totals: -	21,457	24,206	(2,749)

Management, Fieldwork and Administration

4.4.3 In response to the anticipated reductions in Welsh Government funding over the forthcoming financial years, a prudent approach to vacancy management has been adopted. This has led to a projected underspend of £349k against Management, Fieldwork and Administration posts within the Children's Services Division.

External Residential Care/Fostering & Adoption

4.4.4 An overall overspend of £3,207k is projected in respect of children's placement costs. Significant budgetary pressures are being experienced in this area and forecasts assume that all current placements will remain in place throughout the financial year. However, every effort will continue to be made to identify more cost effective arrangements wherever possible.

Families First

4.4.5 The £75k underspend in respect of Families First is due to additional Welsh Government funding being made available to fund the core staff team.

Aftercare

4.4.6 An overspend of £13k is projected in respect of Aftercare Services and this reflects the number of 16 to 18 year olds currently in receipt of leaving care services.

Other Costs

- 4.4.7 The projected £47k underspend for 'Other Costs' is largely the result of maximising the Edge of Care Grant funding from Welsh Government. The work of the Immediate Response Team has been re-focused towards achieving the objectives of this specific grant funding and therefore the cost of the team will be funded through this grant.

Adult Services

- 4.4.8 The Adult Services Division is currently projected to underspend its revised budget by £368k as summarised in the following table: -

	2017/18 Revised Budget £000's	2017/18 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
Management, Fieldwork & Administration	7,621	7,199	422
Own Residential Care and Supported Living	5,923	5,704	219
External Residential Care	13,567	13,454	113
Own Day Care	4,344	4,163	181
External Day Care	1,163	1,235	(72)
Supported Employment	71	68	3
Aid and Adaptations	783	654	129
Home Assistance and Reablement (excl. Frailty)	10,981	11,210	(229)
Gwent Frailty Programme	2,274	2,183	91
Other Domiciliary Care	11,225	11,514	(289)
Resettlement	(1,020)	(1,020)	0
Supporting People	0	650	(650)
Other Costs	713	590	123
Additional Social Care Workforce Costs	0	240	(240)
Social Care Workforce Grant	(573)	(1,140)	567
Totals: -	57,072	56,704	368

Management, Fieldwork and Administration

- 4.4.9 The £422k underspend in Management, Fieldwork and Administration can be attributed to a prudent approach to vacancy management.

Own Residential Care and Supported Living

- 4.4.10 The £219k underspend in this area includes around £82k in respect of Clos Tir y Pwll Supported Living Home. This home is currently under-occupied and staffing levels have been adjusted as a result. The remainder of this underspend can be attributed to staffing vacancies at Min y Mynydd and Beatrice Webb Residential Homes for Older People. A review of staff rotas has enabled these vacancies to be held for an extended period with no detriment to service provision and will help the Division meet its MTFP savings targets.

Own Day Care

- 4.4.11 Around £64k of the underspend of £181k within CCBC's own day care services is due to temporary staffing vacancies within the Mental Health Community Support Team. The remainder of this underspend can be attributed to a prudent approach to vacancy management which will help the Division meet its MTFP savings targets.

Aids and Adaptations

- 4.4.12 The £129k underspend is due to a refund from the Gwent-Wide Integrated Community Equipment Service (GWICES) in respect of unspent funding from 2016/17.

Gwent Frailty Programme

- 4.4.13 Underspending across the Gwent Frailty Programme largely resulting from short-term staffing vacancies is likely to result in a £91k reduction in the contribution required from Caerphilly Social Services.

Supporting People

- 4.4.14 Demand for services linked to homelessness, mental health issues, substance misuse and floating support arrangements has continued to grow throughout the financial year while Welsh Government grant funding has remained at the 2016/17 level. This has contributed to a potential overspend of £650k.

Costs of Care Packages

- 4.4.15 An overall overspend of £150k is projected for 2017/18 in respect of packages of care commissioned with the independent sector or through the in-house Home Assistance & Reablement Team as shown in the table below:-

	2017/18 Revised Budget £000's	2017/18 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
External Residential Care	13,567	13,454	113
External Day Care	1,163	1,235	(72)
Home Assistance and Reablement (excl. Frailty)	10,981	11,210	(229)
Other Domiciliary Care	11,225	11,514	(289)
Additional Social Care Workforce Costs	0	240	(240)
Social Care Workforce Grant	(573)	(1,140)	567
Totals: -	36,363	36,513	(150)

- 4.4.16 The overall cost of care packages for adults has increased by £717k since the budget was set at the beginning of the year, mainly resulting from fee increases aimed at resolving workforce issues within the independent sector. These pressures have largely been offset by a second tranche of Welsh Government Social Care Workforce Grant funding targeted at tackling these workforce issues which has resulted in the net overspend of £150k.
- 4.4.17 Demand for these services is difficult to predict and can fluctuate significantly, particularly through the winter months, and with an ageing population it is quite possible that this overspend could increase further by the end of the financial year.

Other Costs

- 4.4.18 An underspend of £123k is predicted against other Adult Services budgets. Around £88k of this has resulted from the maximisation of Welsh Government Grant. The remaining variance is largely as a result of a review of voluntary sector contracts which will help the Division meet its MTFP savings targets.

Service Strategy & Business Support

- 4.4.19 This service area is currently projected to underspend by £142k as summarised in the following table: -

	2017/18 Revised Budget £000's	2017/18 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
Management and Administration	1,124	1,037	87
Office Accommodation	467	428	39
Office Expenses	169	168	1
Other Costs	834	819	15
Totals: -	2,594	2,452	142

4.4.20 The underspend of £142k in respect of Service Strategy & Business Support includes a £87k underspend resulting from vacancy savings and salary spinal point savings, and a £39k underspend resulting from office re-locations. The remainder of the underspend is attributable to the Joint Workforce Development Team.

Public Protection

4.4.21 Public Protection is currently projecting an underspend of £337k on an overall revenue budget of £7,224k.

4.4.22 Environmental Health is projecting a net underspend of £144k primarily due to an underspend of £158k in salaries from a combination of vacant posts (some of which are being held to support savings requirements for 2018/19), maternity leave, reduced hour contracts and reduced overtime. There are a number of ongoing issues in respect of pollution and contaminated land sites that are unpredictable and difficult to assess in terms of financial cost, but it is assumed the existing provisions and budget will cover this at present. Pollution and contaminated land sites are being closely monitored as any increases in this area would impact on the overall financial position.

4.4.23 Trading Standards, Licensing, Community Safety and CCTV has a projected net underspend of £155k. This is primarily due to a combination of vacant posts, staff secondment and reduced working hours. There is also some additional income in Registrar's and one-off sampling recharge income in relation to Trading Standards. Licensing fee income can be subject to variation so this will be monitored closely.

4.4.24 There is a projected overall net underspend of £38k for Catering Services.

Corporate Policy

4.4.25 Corporate Policy is projecting an underspend of £122k after taking account of: -

- A projected underspend of £35k in the Policy Team due to various small in-year savings.
- A projected underspend of £82k in the Equalities and Welsh Language Team due to delays in appointing to translator posts to cope with the additional workload arising from the new Welsh Language Standards, together with reduced costs in external translation.
- Projected small underspend in the Performance Management Unit of £1k
- Projected underspend of £6k for the Community Safety budget.

4.5 Communities (Projected Underspend of £262k)

4.5.1 The projected outturn for the Communities Directorate is an underspend of £262k. However, after adjusting for the previously approved transfer of a projected underspend on Cemeteries to a ring-fenced reserve, the net underspend for the Directorate reduces to £81k as summarised in the following table: -.

Service Area	2017/18 Revised Budget £000's	2017/18 Projection/ Commitment £000's	Projected (Overspend)/ Underspend £000's
Regeneration & Planning	4,018	3,881	137
Engineering Services	19,984	19,917	67
Community & Leisure Services	18,490	18,492	(2)
Housing Services	1,354	1,294	60
Directorate General	164	164	0
Total: -	44,010	43,748	262
Transfer of Cemeteries Projected Underspend to Earmarked Reserve	-	-	(181)
Net Projected Underspend: -	-	-	81

- 4.5.2 Overall an underspend of £137k is projected for the Regeneration & Planning Division consisting of an overspend of £163k for Planning Services and an underspend of £300k for Economic Development and Tourism.
- 4.5.3 Countryside Services are reporting an underspend of £59k, with a shortfall in income generation from car park charging of £30k being more than offset by underspends from vacant posts and other operational costs.
- 4.5.4 Development Control is reporting an overspend of £80k partly as a result of Planning application fee income presently being projected to be £70k short of the £564k budget. Additional legal fees and advice linked to a number of large planning applications are also resulting in a further overspend of £64k. These overspends are partly offset by staffing underspends due to a vacant post. There is also an overspend of £86k in Building Control, where income is presently projected to be £102k below the £295k budget. Planning application fee and building control fee income is dependent on the number of applications received and applications and fee levels can vary significantly. The addition of one or two large planning applications can make a significant difference to income levels and this will be monitored closely over the next few months.
- 4.5.5 Strategic Planning budgets are presently projected to be £51k overspent due a shortfall in rechargeable fee income, partly offset by staffing underspend due to staff on reduced working hour contracts.
- 4.5.6 Overall Regeneration is presently projecting an underspend of £300k. Business Support has an underspend of £120k which is due to a combination of underspend of £100k in the Community Regeneration Fund due to an anticipated reduction in the number of applicants for grant match funding support, and reductions in other operational costs such as marketing and promotion, subscriptions etc.
- 4.5.7 Business Urban Renewal is reporting an overspend of £46k. This includes a projected overspend of £55k in relation to the Bargoed retail shop units due to under-occupancy of the units and reduced rental income in 2017/18. This is partly offset by underspends in other operational costs within the Urban Renewal and Town Centre management teams.
- 4.5.8 There is a projected £40k underspend in relation to Industrial Properties due to rental income being in excess of budget and underspends in some operational costs.
- 4.5.9 Tourism Events and marketing have a net underspend of £22k due to additional income from pitch fees and concessions at various events and town centre markets, and reductions in some operational costs in the marketing, promotion and events team. At present the Tourism Venues (including the Blackwood Miners' Institute) are reporting an overall combined underspend of £124k primarily due to the delayed filling of vacant posts and some vacant

posts which are MTFP savings in advance. Income targets at some venues are being exceeded particularly the Caerphilly Visitor Centre.

- 4.5.10 Community Regeneration has an underspend of £7k; mainly due to additional staff recharge income from support provided to the grant funded Communities First Programme.

Engineering Services

- 4.5.11 There is currently a projected underspend of £67k for Engineering Services.
- 4.5.12 Highway Operations is reporting a projected overspend of £48k. This includes a £23k overspend in highway maintenance works primarily due to additional pot hole repairs, partly offset by reduced call outs for other reactive maintenance work. In addition there is a projected £62k overspend in street lighting energy due to increased energy prices partly offset by savings from energy efficient light investments. There is also projected £20k reduced income in relation to New Roads and Streetworks Act (NRSWA) fixed penalties and additional income of £23k from dropped kerb installation requests.
- 4.5.13 The current assumption is that the winter maintenance element of the highway maintenance budget (£1.1m) will be fully spent but this will depend on the severity of the winter weather. There is funding in the winter maintenance reserve of £500k which can be accessed if necessary.
- 4.5.14 Engineering Projects Group is reporting an underspend of £29k including underspend in staffing from the delayed filling of posts (£74k) partly offset by reduced fee income and additional costs associated with the acquisition of surveying equipment and I.T. systems.
- 4.5.15 Public Transport is reporting an underspend of £27k, mainly due to the Connect 2 lead driver being funded via grant.
- 4.5.16 At this stage Network Contracting Services (NCS) is anticipating a surplus of £70k primarily in relation to the Sirhowy Enterprise Way (SEW) contract. The financial position of NCS is heavily dependent on the volume and value of work secured during the year and this is monitored closely along with productivity levels within the workforce.
- 4.5.17 Engineering General has a projected overspend of £36k primarily from additional costs of Head of Service cover.

Community & Leisure Services

- 4.5.18 The Community & Leisure Division is presently projecting an overall net overspend of £2k.
- 4.5.19 Waste Management & Cleaning Services is reporting an overspend of £382k. There is an anticipated overspend in dry recycling treatment (£326k), albeit that this has reduced significantly on previous years due to the commencement of the new dry recycling contract in July 2017. There are some ongoing recycling contamination problems which the Council is looking to address in conjunction with the new contractor and via an education, advice and enforcement programme with householders.
- 4.5.20 There is also a projected overspend of £126k in relation to Civic Amenity Sites, primarily due to increased tonnage of waste and running costs. Vehicle running costs for all the collection rounds are showing a £265k overspend in relation to repairs, cover vehicles and fuel. These overspends will be partly offset by an anticipated reduction in vehicle acquisitions this financial year and a net staffing underspend of £362k primarily due to vacant posts in Street Cleansing.
- 4.5.21 There is a one-off corporate contingency reserve of £800k to provide temporary support for cost pressures in waste management. This funding is not currently being released as the Communities Directorate is projecting an overall small surplus on its revenue budget for 2017/18.

- 4.5.22 An underspend of £221k is projected for Parks, Outdoor Facilities and Cemeteries. Cemeteries is reporting a projected £181k underspend due to income in excess of budget and reductions in maintenance expenditure. Any underspend in relation to Cemeteries is ring-fenced for future investment in cemetery infrastructure. Parks and Outdoor facilities are reporting a combined underspend of £40k primarily due to vacant posts, some of which are MTFP savings in advance, partly offset by an overspend in relation to tree maintenance. The tree maintenance budget is under significant pressure due to a requirement to undertake essential tree works on a number of road by-passes.
- 4.5.23 Leisure Services is projecting an overall underspend of £143k due to a combination of vacant posts which are MTFP savings in advance, and reduced operating costs. At present Leisure Centre income is projected to be close to budget, however income generation can vary depending on consumer demand and operational closures due to maintenance and refurbishments, so this will be monitored closely.
- 4.5.24 Vehicle Maintenance & Fleet Management is currently projecting a surplus of £19k. The outturn position will be dependent on the value of work through the workshop over the next few months and the ability to finance fixed overheads.

Housing Services

- 4.5.25 There is a projected underspend of £60k on Housing services which consists of the following:-
- General Fund Housing is expected to show a £30k underspend at this stage, although there are some offsetting over and underspends contributing to the expected position. These include an increase in spend for the Allocations Team as a result of gearing up for the new Common Housing Register and an underspend in Housing Advice due to the application of transitional funding for preventing homelessness. This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict. This year the budget has had to rely on the income received for leasing out Ty Croeso which has normally been set aside as a renewal fund for future building maintenance works. The temporary accommodation for families at Ty Fesen is assumed to be fully financed but this includes a £20k renewal fund that will be transferred to earmarked balances at year-end.
 - Private Housing is anticipating an underspend of £30k, mainly due to delays in filling vacant posts. The Private Sector Housing Manager has recently retired which could result in further savings pending a management restructure by the Chief Housing Officer. The main concern for this budget is Agency Fee Income which has under-recovered in previous years. The fee income has historically been generated from the private housing capital programme which has reduced substantially over the years. This is now being supplemented by additional fee income expected from the allocation of WHQS works to leasehold properties, which will assist in managing any potential shortfall.

4.6 Corporate Services (Projected Underspend of £1,134k)

- 4.6.1 The Directorate of Corporate Services is currently forecasting an underspend of £1,134k for the 2017/18 financial year.
- 4.6.2 There is a projected underspend of £369k in Corporate Finance which relates in the main to delays in appointing to vacant posts together with vacancies which are being held to support MTFP savings requirements and some one-off additional income.
- 4.6.3 There is an anticipated underspend of £52k in Procurement and Customer Services consisting of the following: -
- A small projected underspend of £2k on Procurement which relates to some in-year staffing vacancies largely offset by one-off costs being incurred to support MTFP savings requirements for 2018/19.

- A £50k projected underspend in Customer First due in the main to vacancies being held to support savings requirements for 2018/19, partially offset by a reduction in income.

4.6.4 Legal & Governance is projecting a net underspend of £67k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -

- Projected underspend on Members related expenditure of £60k. This is due in the main to an underspend on Members Allowances, which is partly off-set by costs on printing/webcasting and new equipment for the new Members.
- Projected overspend of £194k on Electoral Services due to the local elections. The Electoral Service underspends in non-election years are ring-fenced to fund the overspends in election years.

The net underspend of £67k for Legal & Governance is due to vacant posts.

4.6.5 There is an anticipated underspend of £374k in Information Technology/Central Services, consisting of the following:-

- IT Services - £352k underspend which is due in the main to vacancies being held to support savings requirements for 2018/19.
- Central Services - £22k underspend due in the main to some staff not being in the pension scheme.

4.6.6 For Corporate Property there is a net projected underspend of £57k, consisting of the following:-

- Estates - £99k underspend due mainly to vacant posts and a member of staff on maternity leave.
- Corporate Facilities - £34k underspend mainly due to anticipated savings on various corporate properties, partially offset by costs being incurred for Ty Pontllanfraith (£177k) pending demolition of the buildings and disposal of the site.
- Maintenance – Projected £92k overspend mainly due to increased maintenance and rental costs. These are being monitored closely in-year to try to mitigate the anticipated overspend.
- Building Consultancy – Projected £16k underspend due in the main to anticipated increased fee income.

4.6.7 There is a projected underspend of £96k for Human Resources and Communications:-

- Human Resources projected underspend of £105k due in the main to vacancies being held to support savings requirement for 2018/19.
- Communications Unit - £9k overspend due in the main to reduced printing fee income works partially offset by additional income received from a Service Level Agreement (SLA) with schools.

4.6.8 There is a projected underspend of £78k for Health & Safety, due to delays in recruitment and additional SLA income from schools.

4.7 Miscellaneous Finance (Projected Underspend of £1,186k)

4.7.1 There is an overall projected underspend of £1,186k in Miscellaneous Finance.

4.7.2 There is a projected net underspend of £1,078k on Capital Financing budgets which is due to the following: -

- Assumed borrowing in 2017/18 being deferred to 2018/19. This includes the 21st Century Schools and the Housing Revenue Account (HRA), partly offset by a reduced contribution from HRA for the debt costs due to the deferred borrowing.
- Improved returns on investments.

4.7.3 There is a projected overspend of £33k on City Deal programme management costs due to a reduction in the anticipated underspends brought forward from 2016/17.

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

- Subscriptions - £9k
- Budget Pressures - £72k
- NNDR Authority Empty Properties - £8k
- Welsh Language - £52k

5. WELL-BEING OF FUTURE GENERATIONS

5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

6. EQUALITIES IMPLICATIONS

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

7. FINANCIAL IMPLICATIONS

7.1 As detailed throughout the report.

8. PERSONNEL IMPLICATIONS

8.1 The personnel implications of agreed savings are carefully managed and staff are fully supported to identify redeployment opportunities wherever possible.

9. CONSULTATIONS

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

10. RECOMMENDATIONS

10.1 It is recommended that Members continue to request Directors and Heads of Service to review expenditure and income levels in order to ensure that annual budgets and in-year savings are achieved.

11. REASONS FOR THE RECOMMENDATIONS

11.1 The Council budget is based upon the achievement of both expenditure targets and income targets. In order to ensure these are met and that the Council's financial integrity is maintained, Members are required to review expenditure and income trends included in budget monitoring reports.

12. STATUTORY POWER

12.1 Local Government Act 1972 and 2000.

Author: Stephen Harris, Interim Head of Corporate Finance
Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: Andrew Southcombe, Finance Manager, Corporate Finance
Dave Roberts, Principal Group Accountant, Corporate Services
Mike Eedy, Finance Manager, Environment
Jane Southcombe, Finance Manager, Education & Lifelong Learning
Mike Jones, Interim Financial Services Manager, Social Services
Richard Harris, Internal Audit Manager & Acting Deputy Monitoring Officer

Background Papers:
Council (22/02/17) - Budget Proposals 2017/18 and Medium-Term Financial Strategy 2017/2022

Appendices:
Appendix 1 Whole Authority Revenue Budget Monitoring Report 2017/18 – Summary by Directorate/Service Area.

Whole Authority Revenue Budget Monitoring Report 2017/18**Summary by Directorate/Service Division**

Directorate/Service Division	Original Budget 2017/18	Revised Budget 2017/18	Projected Outturn 2017/18	Projected (Overspend)/ Underspend
	£	£	£	£
Education & Lifelong Learning				
- Planning and Strategy	105,508,829	105,508,829	105,524,348	(15,519)
- Learning, Education and Inclusion	15,061,442	14,936,872	14,975,642	(38,770)
- Lifelong Learning	4,422,605	4,422,605	4,223,502	199,103
Sub-Total: -	124,992,876	124,868,306	124,723,492	144,814
Social Services/Public Protection/Policy				
- Children's Services	21,318,016	21,457,151	24,206,564	(2,749,413)
- Adult Services	57,087,075	57,072,510	56,704,300	368,210
- Service Strategy and Business Support	2,593,436	2,593,436	2,451,629	141,807
- Public Protection	7,223,691	7,223,691	6,886,914	336,777
- Corporate Policy	1,389,848	1,389,848	1,267,412	122,436
Sub-Total: -	89,612,066	89,736,636	91,516,819	(1,780,183)
Communities				
- Regeneration and Planning	4,018,522	4,018,522	3,881,072	137,450
- Engineering	19,984,091	19,984,091	19,917,128	66,963
- Community and Leisure Services	18,489,635	18,489,635	18,492,190	(2,555)
- Housing Services	1,354,028	1,354,028	1,294,028	60,000
- Directorate General	164,113	164,113	164,113	0
Sub-Total: -	44,010,389	44,010,389	43,748,531	261,858
Corporate Services				
- Interim Chief Executive/Acting Director	450,128	450,128	409,671	40,457
- Corporate Finance	2,069,794	2,103,458	1,734,320	369,138
- Procurement and Customer Services	1,620,715	1,620,715	1,568,470	52,245
- Legal and Governance	2,996,102	2,996,102	2,929,484	66,618
- Information Technology/Central Services	4,702,981	4,702,981	4,328,835	374,146
- Corporate Property	5,032,172	4,998,508	4,941,905	56,603
- Human Resources and Communications	1,875,823	1,849,701	1,753,202	96,499
- Health and Safety	943,894	943,894	865,618	78,276
Sub-Total: -	19,691,609	19,665,487	18,531,505	1,133,982
Miscellaneous Finance	47,123,947	47,150,069	45,963,652	1,186,417
Grand Total: -	325,430,887	325,430,887	324,483,999	946,888