



**POLICY AND RESOURCES SCRUTINY COMMITTEE –
4TH OCTOBER 2011**

**SUBJECT: BUDGET MONITORING 2011-12 – CORPORATE SERVICES AND
MISCELLANEOUS FINANCE**

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to the budget for 2011-12 for Corporate Services Directorate including Miscellaneous Finance.

2. SUMMARY

- 2.1 The report projects the anticipated final outturn for these Services based upon expenditure and income trends for the first four months of the year. The report will highlight any significant variances from the original estimates. The Appendix attached shows the variances for each of the services.

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 24th February 2011.
- 3.2 The service areas within the Corporate Services Directorate assist clients in meeting the corporate themes of Education for Life, Regeneration, Health and Social Care and The Environment, as well as providing a number of frontline services. All areas seek to meet the Council's aim to:

'Carry out all services effectively and ensure value for money in service provision'.

- 3.3 Budget management itself is in accordance with the corporate theme of 'Delivering the Strategies'.

4. THE REPORT

4.1 Corporate Services

- 4.2 The Directorate overall is forecast to spend in line with budget for 2011-12. Reasons for service area variances to budget are outlined below:-

- 4.3 The anticipated underspend of £15k in Corporate Finance relates in the main to savings achieved due to the delay in filling vacant posts.

- 4.4 The anticipated overspend of £39k in Legal and Governance is broken down as follows:-

- 4.4.1 Legal services anticipate £84k overspend that relates to the budget constraints on the service area due to a reduction in Legal Fee income.
- 4.4.2 Democratic services anticipate savings of some £12k excluding savings in respect of Members related expenditure. The savings on Members related expenditure has been earmarked and ringfenced.
- 4.4.3 Electoral services anticipated underspend of £68k will be transferred to the earmarked reserve to cover election costs occurred every 4 years in respect of the Local Authority elections.
- 4.4.4 Policy Unit anticipate an underspend of £33k which relates in the main to one member of staff retiring and income received from external funding.
- 4.5 There is an anticipated underspend of £73k on Information and Citizens Engagement. These savings are broken down as follows:-
 - 4.5.1 Customer First anticipated savings of £179k are due to vacancies that have occurred, due to staff leaving and also long term sickness, not back-filled. Customer First is to provide a revised approach to providing these services, in line with the Medium Term Financial plan approved by Council.
 - 4.5.2 Communications anticipate an overspend of £84k, due to redeployment costs for the revised structure and an anticipated loss of Income.
 - 4.5.3 Central Services overspend of £23k is due to vacancy management targets still to be achieved but are constantly being monitored, proposals to restructure are in the process of being drafted.
- 4.6 The anticipated overspend of £30k in Human Resources relates to cost of employing agency staff to cover maternity and increasing the cover in the Occupational Health unit.
- 4.7 Performance and Property Services projected net underspend of £12k, made up as follows:-
 - 4.7.1 Net savings of £47k projected on Corporate Property services due to vacancy management and projected fee income.
 - 4.7.2 Corporate Buildings is projecting a net underspend of £105k, mainly due to projected energy savings. Energy budgets will be reviewed in the Autumn, when new contract prices are known. NNDR credits expected during the year on Tredomen/Ty Penallta sites are to be earmarked for asset management works, as these are one off savings.
 - 4.7.3 Building Consultancy relies on the generation of fee income from projects undertaken for Client Directorates to balance its budget. The original estimate showed £1.37m fees agreed with Client Directorates, with an additional £307k needed to balance the budget in 2011/2012. To date, projected staffing/consultancy costs have reduced by £37k and additional fees of £130k have been identified and agreed with clients. The remaining £140k fees needed to balance the budget will depend on Capital and Revenue schemes identified by Directorates during the year and their ability to fund them. Progress will be reported to committee as part of the budget monitoring process.

4.8 Miscellaneous Finance

4.9 Capital Financing

Due to the level of cash balances being higher than anticipated, and the fact that the interest rate achieved on investments is higher than that assumed in the budget, is likely to result in an increase in interest of some £80k on short-term deposits compared to the budget.

- 4.10 Counsel fees are expected to come in within the budget provision.
- 4.11 The accounts for 2010-11 have now been closed, but the audit has not yet been completed. The final position for 2010-11 showed Corporate Services having a net £251k underspend, with Miscellaneous Finance showing an underspend of £3,544k. This was reported to Cabinet in the Provisional Outturn for 2010/11 report on 5th July 2011.

5. FINANCIAL IMPLICATIONS

- 5.1 This report deals with financial issues.

6. PERSONNEL IMPLICATIONS

- 6.1 There are no personnel implications.

7. RECOMMENDATIONS

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

8. REASONS FOR THE RECOMMENDATIONS

- 8.1 To inform Members of the financial position of the Corporate Services Directorate including miscellaneous finance.

Author: D. Roberts – Principal Accountant (Financial Advice and Support).
Consultees: A. O’Sullivan - Chief Executive
N. Barnett – Deputy Chief Executive
N. Scammell, Head of Corporate Finance
D Perkins – Head of Legal Services
G. Hardacre – Head of People Management & Development
P. Evans - Head of Information, Communications & Technology Services
C. Jones – Head of Performance & Property Services
N. Roberts – Principal Group Accountant (Financial Advice and Support)
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Cllr. C. Mann – Cabinet Member for Finance, Resources & Sustainability
Cllr. J. Taylor – Chairman, Policy & Resources Scrutiny Committee
Cllr. M. E. Sargent – Vice-Chairman, Policy & Resources Scrutiny Committee

Background Papers:
Budget Monitoring Reports 2010/11
Estimates Working Papers 2010/11

Appendices:
Appendix 1 Corporate Services & Miscellaneous Finance