



POLICY AND RESOURCES SCRUTINY COMMITTEE – 2ND OCTOBER 2012

SUBJECT: BUDGET MONITORING 2012/13 – CORPORATE SERVICES AND MISCELLANEOUS FINANCE

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to budget monitoring for 2012-13 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 23rd February 2012.
- 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 2012-13. Reasons for service area variances to budget are outlined below:-

- 4.3 The anticipated underspend of £130k in Corporate Finance and Procurement relates in the main to savings achieved due to the delay in filling vacant posts as staff are promoted, retire and leave the Authority. There is an intention to fill all of the vacant posts during the remainder of the financial year.

- 4.4 Legal and Governance anticipate a breakeven budget after the following budgets are ringfenced:-
- 4.4.1 The savings on Members related expenditure has been earmarked and ringfenced.
- 4.4.2 Electoral services anticipated overspend of £208k will be funded by a transfer from the earmarked reserve to cover election costs occurred every 4 years in respect of the Local Authority elections. This budget will then breakeven for the financial year.
- 4.5 There is an anticipated underspend of £205k on Information and Citizens Engagement. These savings are broken down as follows:-
- 4.5.1 Customer First anticipated savings of £175k are predominately due to a delay in appointing to the new Customer First posts in Caerphilly Library as the facility is not yet ready to use.
- 4.5.2 Communications anticipate breakeven budget.
- 4.5.3 Central Services underspend of £30k is due to vacancy management.
- 4.6 There is an anticipated £59k underspend on Housing services. These savings are broken down as follows:-
- 4.6.1 General Housing fund anticipate savings of £30k. These Savings are expected in respect of standby callouts which are no longer undertaken by Housing Advice Officers.
- 4.6.2 Private Housing estimates a saving of £29k. These savings are in respect of salaries due to a reduction in working hours of some staff.
- 4.7 Human Resources anticipate a breakeven budget.
- 4.8 The estimated overspend of £30k in Health and Safety relates to loss of income on Hand, Arm and Vibration training.
- 4.9 Performance and Property Services are projecting a net underspend of £7k, made up as follows:-
- 4.9.1 Performance Management and Corporate Property on budget to date.
- 4.9.2 Corporate Buildings are projecting a net underspend of £97k, mainly due to energy savings. Energy budgets will be reviewed in the Autumn, when new contract prices are known.
- 4.9.3 Building Consultancy relies on the generation of fee income from projects undertaken for Client Directorates to balance its budget. The budget shows that to date, additional fees of £21k have been identified and agreed with clients, leaving another £92k needed during the year to balance the budget. This 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 during the year as part of budget monitoring. Historically additional fee income is normally generated in the latter half of the financial year to deliver a breakeven situation.
- 4.9.4 Asset management and facilities - £2k small saving projected on facilities budgets transferred from Social Services to date. Budgets were transferred on 1st April 2012. Further, progress will be reported during the year.
- 4.10 Miscellaneous Finance**
- 4.10.1 Counsel fees are expected to come in within the budget provision. This budget heading had caused problems historically, where the budget was regularly overspent. In recent years spend has come in within budget.

5. FINANCIAL IMPLICATIONS

5.1 This report deals with financial issues.

6. EQUALITIES IMPLICATIONS

6.1 This report is for information only, therefore no Equality Impact Assessment has been undertaken.

7. PERSONNEL IMPLICATIONS

7.1 There are no personnel implications.

8. RECOMMENDATIONS

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

9. REASONS FOR THE RECOMMENDATIONS

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

Author: D. Roberts - Senior Group Accountant (Financial Advice and Support)
Consultees: A. O'Sullivan - Chief Executive
N. Barnett - Deputy Chief Executive
N. Scammell - Head of Corporate Finance and Section 151 Officer
D. Perkins - Head of Legal and Governance
G. Hardacre - Head of Human Resources and Organisation Development
P. Evans - Head of Information, Communications and Technology Services
C. Jones - Head of Performance and Property Services
A. Southcombe - Finance Manager, Corporate Finance
L. Allen - Principal Accountant, Housing
N. Akthar - Group Accountant, Revenue Advice and Support
C. Jeremic - Senior Accountant, Environment Finance
Cllr K.V. Reynolds - Deputy Leader and Cabinet Member for Corporate Services
Cllr H.W. David - Chairman, Policy and Resources Scrutiny Committee
Cllr J. Summers - Vice-Chairman, Policy and Resources Scrutiny Committee

Background Papers:

Budget Monitoring Reports 2012 - 2013

Estimates Working Papers 2012 - 2013

Appendices:

Appendix 1 Corporate Services and Miscellaneous Finance