



**POLICY AND RESOURCES SCRUTINY COMMITTEE –
22ND JANUARY 2013
(RESCHEDULED TO 30TH JANUARY 2013)**

**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 seven months of the financial 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 underspend by £386k 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. All vacant posts should be filled 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 £225k will be funded by a transfer from the earmarked reserve to cover election costs occurring 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 £124k on Information and Citizens Engagement. These savings are broken down as follows:-
 - 4.5.1 Customer First anticipated savings of £176k 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 an overspend of £78k, due to an anticipated loss of Income.
 - 4.5.3 Central Services underspend of £26k is due to vacancy management.
 - 4.5.4 IT services are anticipating a breakeven budget.
- 4.6 There is an anticipated £60k 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 that are no longer undertaken by Housing Advice Officers.
 - 4.6.2 Private Housing estimates a saving of £30k. These savings are in respect of salaries due to a reduction in working hours of some staff.
- 4.7 Human Resources anticipate an overspend of £5K due in the main to increased legal costs due to Equal Pay claims.
- 4.8 The estimated overspend of £15k 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 £92k, made up as follows:-
 - 4.9.1 Performance Management and Corporate Property expect to spend within budget.
 - 4.9.2 Corporate Buildings are projecting a net underspend of £120k, mainly due to energy savings. Energy budgets will be reviewed following new charges introduced from October plus the impact of winter consumption. There are savings on salaries due to vacancy management in Pontllanfraith.
 - 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 £97k have been identified and agreed with clients, leaving another £28k 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. 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 are anticipated to breakeven. Members are advised that budgets from Education and Leisure were transferred in from October 2012 in respect of repairs and maintenance. This is in accordance with the strategy to control all repairs and maintenance spend (excluding schools) corporately.

4.10 Miscellaneous Finance

- 4.10.1 Capital Financing is anticipated to show an underspend of £403K. This is due to a number of assumptions applied in the original budget setting process that have not materialised, such as maturing PWLB loans that have not been replaced as yet due to the availability of unspent capital (resulting in a saving in debt charges). Market rates for borrowing are also lower than originally anticipated. A transfer of budget to fund prudential borrowing instead of lease costs for Caerphilly library of £114k has occurred. Again the requirement to borrow has been delayed creating an in year one off saving.
- 4.10.2 Counsel fees are expected to show a £50k underspend by year end.
- 4.10.3 Corporate Health and Safety are expecting to overspend in the region of £100k. This is due to increased costs mainly in relation to asbestos issues. This budget is ringfenced the overspend will be funded from Health and Safety earmarked reserves.

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

Author: D. Roberts – Senior Group Accountant (Financial Advice and Support)
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C. Jeremic – Senior Accountant, Environment Finance
Cllr KV Reynolds – Deputy Leader and Cabinet Member for Corporate Services
Cllr HW David – Chairman, Policy and Resources Scrutiny Committee
Cllr J Summers – Vice-Chairman, Policy and Resources Scrutiny Committee

Background Papers:

Budget Monitoring Reports 2012-13

Estimates Working Papers 2012-13

Appendices:

Appendix 1 Corporate Services and Miscellaneous Finance