

Pecyn Dogfennau Cyhoeddus



Mae'r adroddiadau canlynol yn Eitemau Gwybodaeth ar gyfer y Pwyllgor Craffu Polisi ac Adnoddau.

- 1 Gwasanaethau Corfforaethol a Chyllid Amrywiol – Adroddiad Monitro Cyllideb 2020/21 (Cyfnod 5).
- 2 Gwasanaethau Corfforaethol a Chyllid Amrywiol - Grantiau Refeniw 2020/21.
- 3 Gwasanaethau Corfforaethol a Chyllid Amrywiol - Cyllidebau Refeniw 2020-21.



POLICY AND RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES & MISCELLANEOUS FINANCE 2020/21
BUDGET MONITORING REPORT (PERIOD 5)**

REPORT BY: CORPORATE DIRECTOR OF EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 To inform members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2020/21 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 five months of the financial year.

3. RECOMMENDATIONS

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

4. REASONS FOR THE RECOMMENDATIONS

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

5. THE REPORT

5.1 Corporate Services

5.1.1 The Directorate of Corporate Services is currently forecasting an underspend of £309k for the 2020/21 financial year, full details of which are provided in Appendix 1.

5.1.2 Members are advised that the projected outturn for Education & Lifelong Learning is a net overspend of £98k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £211k.

5.1.3 There is an anticipated underspend on Chief Executive and Director of Education & Corporate Services of £15k.

5.1.4 The anticipated net overspend of £91k in Corporate Finance relates in the main to delays in delivering approved 2020/21 savings. This is partially offset by in-year vacancies being held until the recently appointed permanent Head of Financial Services & S151 Officer has reviewed the position. The projected position also takes account of funding from reserves for

an apprentice.

5.1.5 There is an anticipated net underspend of £163k in Digital Services, after taking into account the agreed use of reserves. This consists of: -

- A projected underspend of £293k on Procurement which relates in the main to vacancies still to be filled, with the recruitment being delayed by Covid-19.
- Customer First – a net £37k overspend, after agreed use of reserves for apprentices. This is due in the main to the second year of an agreed contract for Thoughtonomy.
- IT Services - £92k overspend which is due in the main to vacancies still to be filled offset by the estimated costs of the IT contracts register.

5.1.6 Legal & Governance is projecting a net underspend of £45k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -

- Projected underspend on Members related expenditure of £76k. This is due in the main to underspend on Members related Allowances which is partly off-set by increased costs on Members' superannuation costs.
- Projected underspend of £41k on Electoral Services. The Electoral Services underspends in non-election years are ring-fenced to fund overspends in election years.
- Agreed funding from reserves to fund an apprentice for a fixed term.

The net underspend of £45k for Legal & Governance is due in the main to staff not reaching the top of their pay scales and some temporary reduced hours, these are one off savings.

5.1.7 There is an anticipated £136k net underspend in Business Improvement Services after taking account of the following: -

- Management – Projected net underspend of £130k due to a vacant Head of Service post.
- Projected net underspend of £43k in the Policy Team due partly to delays in filling a vacant post and some additional one-off income after the agreed use of reserves to fund a Fleet Review Officer.
- Projected underspend of £15k in the Equalities and Welsh Language Team due in the main to some staff not reaching the top of pay scales in the current year.
- Projected net breakeven position in the Performance Management Unit.
- Projected net overspend of £52k in the Transformation Team after taking account of the agreed transfer of reserves. This overspend is initially being funded from underspends in other budgets across Business Improvement Services.

5.1.8 There is a projected net overspend of £73k for People Services mainly consisting of: -

- Human Resources projected net underspend of £4k due in the main to staff on maternity and career break offset by reduced income levels. The net underspend is after taking account of the agreed use of reserves.
- CMT Support underspend of £4k due in the main to staff temporarily reducing hours.
- The Communications Unit is projecting a net overspend of £116k, due in the main to reduced levels of internal income arising from Covid-19. Staff re-gradings have also contributed to the projected overspend after taking account of the agreed use of reserves for an apprentice. Income levels will be closely monitored in year.
- A projected net underspend of £28k for Health & Safety, which includes: -
 - Occupational Health underspend of £22k due in the main to salary savings due to delays in recruitment to the revised structure.
 - Health & Safety £6k due in the main to salary savings arising from delays in recruitment to the revised structure after taking account of the agreed use of reserves for fire officers and an apprentice. These are offset by reduced internal training income due to Covid-19. There is also a forecast saving on food audits, which are managed by procurement, together with potential vehicle hire savings.

- A grant claim has been submitted to WG for £7.2k of lost income for the H&S training section, but the funding has not yet been confirmed.

5.1.9 For Property Services there is a net projected underspend of £189k, consisting of the following: -

- Management - £42k underspend due staff on temporary reduced hours and small non salary savings.
- Energy - £1k underspend.
- Estates - £50k overspend due mainly to a reduction in the anticipated level of fee income which has been partially offset by staff vacancies/reduced hours. This is after taking account of the agreed use of reserves for a member of staff. The income levels will be monitored closely in year.
- Non – operational Properties - £2k underspend mainly due to reduced utility costs being incurred.
- Corporate Facilities - £39k underspend mainly due to savings on utilities.
- Maintenance – Projected £71k underspend due in the main to delays in filling vacant posts and increased fee income.
- Building Consultancy – Projected £84k underspend due in the main to delays in filling vacant posts.

5.1.10 There is a projected overspend of £75k on Housing Services (excluding HRA) which consists of the following: -

- General Fund Housing is expected to show a £88k underspend at this stage, although there are some offsetting over and underspends contributing to this position.
- This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict, but trends show an annual increase in the need for this service evidenced by the increase in B&B accommodation over the past few years. This year however, B&B placements (not including Covid-19 related placements) have reduced and are expected to show a saving of some £100k by the end of the year. It is important to note, that this is because of the government embargo on evictions, which is currently in place until March 2021, and has therefore restricted the normal flow of homeless activity. The impact on this will obviously be felt when the restriction is lifted, and any underspend will be required to be carried forward to meet the impending increase in demand next financial year.
- However, the demand for B&B placements as a result of Covid-19 has continued to rise. Currently this is on average 60 cases per month, together with accompanying security costs for the relevant establishments. For the first 5 months (and including March 2020) £261k in total has been claimed against the Welsh Government Covid -19 LA Hardship Fund, of which £255k is for B&B placements and associated security costs. To date £34k funding has been received from Welsh Government towards these costs. Housing Benefit for these placements can be claimed (but up to the Local Housing Allowance rate), and this will be offset against this expenditure on the next claim. The projected spend for the year is currently estimated at £800k. Welsh Government, however, have indicated additional funding for the retention of those homeless clients placed into accommodation during the pandemic, and a bid is currently being negotiated with all 22 Local Authorities.
- The service received growth in the RSG settlement of £560k during 2017/18 & 2018/19 as a driver from Welsh Government to prevent homelessness however, about £220k (40%) of this growth is committed to pay Housing Benefits charges where some of our temporary accommodation do not meet full Housing Benefit eligibility unlike other supported temporary accommodation. This commitment will see a reduction due to B&B placements being delayed but is likely to increase in line with the B&B placements when the eviction embargo is lifted. Any underspend will be requested to be carried forward and retained for this service.

- 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. A renewal fund for Ty Croeso also exists for future repairs and maintenance.
- Private Sector Housing is expected to show a £163k overspend at this stage which is mainly because of under recovering the Agency Income Fee which remains a concern. Budget reductions to assist with the MTFP programme have increased the concern. The impact of the lockdown also means the MTFP contribution for 2020/21 (£52k) is unlikely to be achieved. The fee income has historically been generated from the private housing capital programme which has reduced substantially over the years. This budget relies on its fee income to be able to fund the service. Fee income is charged on works carried out which are typically capital in nature, such as historically, Area Renewal, Renovation Grants and more recently the WHQS programme, Home Repair Grants, Loans and Adaptations. Unfortunately, due to the Covid-19 restrictions, officers were unable to progress with any works, (other than emergencies) and as such have not been able to receive any significant fee income. There has also been a high level of recurring long-term sickness absence within the department. In addition, some staff were redeployed to more critical services such as the buddy scheme and contact tracing. Furthermore, a recent review of Home Repair Grants and the newly introduced loan scheme showed a slow take up last year which could mean a further reduction on this fee income when normal operations resume. The WHQS programme was also due to be completed in June 2020, and although this is likely to be extended, it will not offer up a long-term income solution for this service. Further monitoring of this service is necessary now that some operations are starting to return to normal, and this impact can then be more accurately measured. The loss of fee income for this service was identified on the Covid-19 loss of income claim to WG for the period April to June this year (£210k). The Quarter 1 claim has only recently been confirmed as eligible and is awaiting payment. The projected overspend is based on the worse-case scenario that no further financial assistance will be received from WG. Quarter 2 claim of £153k is pending awaiting a decision and will assist this budget significantly if eligible. An update will be provided to members at period 7.
- Cabinet recently agreed (9/9/20) separate funding to create an empty homes team within Private Sector Housing to support the delivery of Phase 2 Empty Property Grants via the Valleys Taskforce Initiative. This could not be progressed within current service resources as there is no dedicated staff resource to proactively progress the empty homes issues.

5.1.11 The following table provides a summary of progress in delivering agreed 2020/21 savings for the Directorate of Corporate Services: -

Section	Agreed MTFP Savings £'000	Progress against Savings £'000	Variance £'000
<u>Corporate Services.</u>			
Corporate Finance	208.00	0.00	208.00
Corporate Policy	17.00	17.00	0.00
Director	19.00	19.00	0.00
Legal & Governance	32.00	32.00	0.00
Customer & Digital Services	10.00	10.00	0.00
	286.00	78.00	208.00
<u>Non-Corporate Services.</u>			
General Fund Housing	25.00	0.00	25.00
Private Housing	27.00	0.00	27.00
Property Services	243.00	243.00	0.00
	295.00	243.00	52.00
Grand Total	581.00	321.00	260.00

5.1.12 The variance of £208k for Corporate Finance is due to a proposed vacancy management not being achieved. This shortfall will be met by other in-year savings within Corporate Finance.

5.1.13 The variance of £25k for General Fund Housing is due to delays in WHQS adaptation work where fee income is generated. This shortfall is expected to be met by other in-year savings within General Fund Housing.

5.1.14 The variance of £27k for Private Housing is due to delays in a minor restructure. This shortfall is expected to be met by other in-year savings within Private Housing.

5.2 Miscellaneous Finance

5.2.1 There is an overall projected underspend of £511k in Miscellaneous Finance.

5.2.2 There is a projected net underspend of £213k on Capital Financing budgets which is due to the following: -

- £1,131k underspend on Interest Payments due to delays in borrowing requirements.
- £918k overspend due to reduced investment income combined with a delay in investment into pooled funds because of Covid-19.

5.2.3 There is a projected net overspend of £88k on the IT replacement strategy. There is a projected £465k overspend due in the main to Microsoft Office 365 licences, which will be part funded from the balance on the IT replacement reserve (£377k).

5.2.4 There is a projected overspend of £66k on the Trade Union budget. We are currently still in discussions with Trade Union colleagues to review and update our Facilities Agreement to ensure that equitable support arrangements are in place.

5.2.5 The remaining projected overspends in Miscellaneous Finance consist of the following: -

- £20k on the Class 1A NI savings, this is due in the main to a reduced take-up of the

Tusker GASS car scheme.

- £130k on Counsel fees – due to increased childcare cases, this will be funded by the ringfenced reserve.

5.2.6 The remaining projected underspends for Miscellaneous Finance consists of the following: -

- Subscriptions - £8k
- Carbon Management Scheme - £246k, scheme ended in 2019-20.
- City Deal - £217K delay in borrowing requirements.

5.2.7 The following table provides a summary of progress in delivering agreed 2020/21 savings for Miscellaneous Finance: -

Section	Agreed MTFP Savings £'000	Progress against Savings £'000	Variance £'000
Miscellaneous Finance	1,404.67	636.67	768.00
Grand Total	1,404.67	636.67	768.00

5.2.8 The variance of £768k is due to the following: -

- £50k Counsel Fees – due to increased levels of funding needed for childcare cases, which will be funded by the ringfenced reserve.
- £718k on the Investment Strategy – approved changes to the Strategy have been delayed due to Covid-19.

6. ASSUMPTIONS

- 6.1 Assumptions linked to this report were detailed in the budget report to Council on 20th February 2020.
- 6.2 The projected outturn position is based on actual income and expenditure details to the end of June 2020.
- 6.3 Forecasts have been made following discussions with Managers based on current information available.
- 6.4 All assumptions are linked to Covid 19 and the possible lifting of any restrictions that take place.
- 6.5 An exercise took place to advise WG of net external income losses for April to June 2020, in the context that these will be funded by WG.

7. RELEVANT LINKS TO COUNCIL POLICIES

- 7.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on 20th February 2020.
- 7.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 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.

8 WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management including the effective utilisation of external grant funding is a key element in ensuring that the Well-being Goals within the Well-Being of Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed throughout the report.

11. PERSONNEL IMPLICATIONS

- 11.1 There are no direct personnel implications arising from this report.

12. CONSULTATIONS

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

13. STATUTORY POWER.

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

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Cllr J Pritchard, Chair of P&R Scrutiny
Cllr G Kirby, Vice Chair of P&R Scrutiny

Appendices:

Appendix 1 Corporate Services & Miscellaneous Finance 2020/21 Budget Monitoring Report
(Period 5).

Background Papers:

Council (20/02/20) – Budget Proposals for 2020/21 and Medium-Term Financial Outlook

CORPORATE SERVICES DIRECTORATE	Original Estimate 2020-21	Revised Estimate 2020-21	Anticipated Outturn 2020-21	Anticipated Variance 2020-21
SUMMARY				
CHIEF EXECUTIVE	206,353	206,353	201,611	4,742
DEPUTY CHIEF EXECUTIVE/DIRECTOR CORPORATE SERVICES & EDUCATION	152,556	152,556	142,119	10,437
Approved Use of Reserves - Leadership	0	0		0
CHIEF EXECUTIVE & DIRECTOR OF EDUCATION & CORPORATE SERVICES	358,909	358,909	343,729	15,180
CORPORATE FINANCE				
Financial services & Internal Audit	1,892,141	1,892,141	1,981,097	(88,956)
Approved Use of Reserves - Apprentice	(28,282)	(28,282)	(26,544)	(1,738)
	1,863,859	1,863,859	1,954,552	(90,693)
DIGITAL SERVICES				
IT Services	3,299,116	3,299,116	3,391,432	(92,316)
Procurement	1,290,509	1,326,586	1,033,813	292,773
Customer First	1,309,590	1,273,513	1,287,170	(13,657)
Approved Use of Reserves - Apprentices	(54,168)	(54,168)	(30,516)	(23,652)
Agreed Use of Reserves for Customer First (Abavus)				0
	5,845,047	5,845,047	5,681,900	163,147
LEGAL & GOVERNANCE SUPPORT				
Legal & Democratic Services	1,132,629	1,132,629	1,059,397	73,232
Approved Use of Reserves - Apprentice	(28,282)	(28,282)	0	(28,282)
Members Allowances	1,755,221	1,755,221	1,678,682	76,539
Ringfenced to Earmarked Reserves		0	76,539	(76,539)
Electoral Services	339,916	339,916	299,152	40,765
Ringfenced to Earmarked Reserves			40,765	(40,765)
	3,199,484	3,199,484	3,154,534	44,950
BUSINESS IMPROVEMENT SERVICES				
Management	130,163	130,163	0	130,163
Policy	611,414	611,414	561,155	50,259
Approved Use of Reserves - Fleet Review Officer	(45,162)	(45,162)	(37,775)	(7,387)
Transformation Team	193,176	193,176	183,564	9,612
Approved Use of Reserves - Transformation	(142,602)	(142,602)	(131,284)	(11,318)
Proposed Use of Reserves - Transformation	(50,574)	(50,574)	0	(50,574)
Equalities	406,078	406,078	391,096	14,982
PMU	225,522	225,522	225,398	124
	1,328,015	1,328,015	1,192,153	135,862
PEOPLES SERVICES				
Human Resources	1,564,197	1,548,003	1,534,601	13,402
Approved Use of Reserves - Managing Attendance Officer	(31,850)	(31,850)	(31,850)	0
Approved Use of Reserves - Transformation Management	(50,574)	(50,574)	(41,269)	(9,305)
Health & Safety	946,797	946,797	917,398	29,399
Approved Use of Reserves - Apprentice/Fire Officer	(70,559)	(70,559)	(68,865)	(1,694)
Communications Unit	368,788	368,788	460,429	(91,641)
Approved Use of Reserves - Apprentice	(24,622)	(24,622)	0	(24,622)
CMT Support	134,452	134,452	130,417	4,035
H&S loss of income funding for External Training April - June			(7,200)	7,200
	2,836,629	2,820,435	2,893,660	(73,225)
TOTAL CORPORATE SERVICES	15,431,943	15,415,749	15,220,529	195,220
PROPERTY SERVICES				
Management	369,297	369,297	327,340	41,957
Energy	143,167	143,167	142,420	747
Estates	143,726	143,726	183,929	(40,203)
Approved Use of Reserves - Asset Manager	(30,344)	(30,344)	(20,613)	(9,731)
Non Operational Properties	135,124	135,124	132,788	2,336
Facilities	2,182,658	2,182,658	2,143,852	38,806
Maintenance	2,139,718	2,139,718	2,068,536	71,182
Building Consultancy	(180,770)	(180,770)	(264,677)	83,907
	4,902,576	4,902,576	4,713,574	189,002
HOUSING SERVICES				
General Fund Housing	1,333,341	1,333,341	1,245,033	88,308
Private Housing	294,625	294,625	457,978	(163,353)
	1,627,966	1,627,966	1,703,011	(75,045)
TOTAL NON-CORPORATE SERVICES	6,530,542	6,530,542	6,416,585	113,957
TOTAL SERVICES	21,962,485	21,946,291	21,637,115	309,176

<i>MISCELLANEOUS FINANCE</i>	Original Estimate 2020-21	Revised Estimate 2020-21	Anticipated Outturn 2020-21	Anticipated Variance 2020-21
MISCELLANEOUS FINANCE				
Staff Related Costs				
Pension Contribution - Former Authorities Ongoing	1,155,689	1,155,689	1,155,689	0
Recharge to Education - Former Authorities	(179,629)	(179,629)	(179,629)	0
	976,060	976,060	976,060	0
Statutory Benefit Schemes				
Council Tax RS	15,439,702	15,439,702	15,296,615	143,087
Ringfenced to Earmarked Reserves	0	0	143,087	(143,087)
DHP Rent allowances	61,814	61,814	61,814	0
DHP Rent Rebates	556,327	556,327	556,327	0
DHP Income	(618,141)	(618,141)	(618,141)	0
General Rent Allowances	20,153,635	20,153,635	23,063,323	(2,909,688)
Rent Rebates	25,756,400	25,756,400	27,523,208	(1,766,808)
Rent Allowance War Widow Concessions	25,000	25,000	25,000	0
Housing Benefit Subsidy	(45,910,035)	(45,910,035)	(50,586,531)	4,676,496
	15,464,702	15,464,702	15,464,702	0
Levies Upon the Council				
Coroner	287,775	287,775	287,775	0
Archives	209,092	209,092	209,092	0
Fire Service Authority	8,871,593	8,871,593	8,871,593	0
	9,368,460	9,368,460	9,368,460	0
Capital Financing				
Debt Charges (Principal Repaid)	2,548,275	2,548,275	2,548,275	0
Debt Charges (Interest Payments)	8,828,506	8,828,506	7,697,564	1,130,942
Debt Charges (Debt Management Exp's)	48,815	48,815	48,815	0
Income from External Investments:	(1,518,333)	(1,518,333)	(600,000)	(918,333)
Rescheduling Discounts	0	0	0	0
Earmarked for specific funds/balances	812,500	812,500	812,500	0
CERA (Capital Expenditure funded from Revenue Account)	4,679,847	4,679,847	4,679,847	0
	15,399,610	15,399,610	15,187,001	212,609
Corporate and Democratic Core Costs				
Bank Charges	197,553	197,553	197,553	0
Income from HRA	(33,228)	(33,228)	(33,228)	0
Income from DLO/DSO	(14,184)	(14,184)	(14,184)	0
External Audit Fees	435,380	435,380	435,380	0
Actuarial Fees	1,832	1,832	1,832	0
Income from HRA	(73,537)	(73,537)	(73,537)	0
Income from DLO/DSO	(31,391)	(31,391)	(31,391)	0
Subscriptions	112,619	128,813	120,739	8,074
	595,044	611,238	603,164	8,074
Grants to Voluntary sector				
Assistance to Voluntary sector	186,759	186,759	186,759	0
	186,759	186,759	186,759	0
Private Finance Initiative				
PFI Schools	2,210,676	2,210,676	2,210,676	0
PFI SEW	3,686,817	3,686,817	3,686,817	0
	5,897,493	5,897,493	5,897,493	0
Other				
NNDR - Authority Empty Properties	0	0	0	0
Welsh Language	0	0	0	0
Free School Meal Grant	307,550	307,550	307,550	0
Counsel Fees	270,070	270,070	400,000	(129,930)
Use Of Counsel Fee Reserve	0	0	(129,930)	129,930
Careline	16,170	16,170	16,170	0
Carbon Management Scheme	3,910	3,910	3,910	0
Carbon Energy Tax	246,839	246,839	0	246,839
IT Replacement Strategy	135,108	135,108	600,096	(464,988)
IT Replacement Reserve	0	0	(377,280)	377,280
PV Panel Maintenance	2,083	2,083	2,083	0
PV Panels Income	(58,579)	(58,579)	(58,579)	0
Risk Management Contribution	(456,511)	(456,511)	(456,505)	(6)
Class 1A NI	(100,000)	(100,000)	(80,000)	(20,000)
City Deal	352,200	352,200	135,200	217,000
Matched Funding for Community Schemes	15,255	15,255	15,255	0
Targeted Rate Relief Scheme	225,189	225,189	225,189	0
Miscellaneous Items	873,737	873,737	873,737	0
Trade Union Facilities	28,485	28,485	93,993	(65,508)
PFI Review	849,000	849,000	849,000	0
	2,710,506	2,710,506	2,419,888	290,618
TOTAL MISCELLANEOUS FINANCE	50,598,634	50,614,828	50,103,527	511,301
EXPENDITURE TO DIRECTORATE SUMMARY	72,561,119	72,561,119	71,740,642	820,477



POLICY & RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE REVENUE
GRANTS 2020-21**

**REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to revenue grants for 2020-21 for Corporate Services and Miscellaneous Finance.

2. SUMMARY

- 2.1 The report provides details of the 2020-21 revenue grant funding for Corporate Services and Miscellaneous Finance. The report excludes grant funded schemes where CCBC merely acts as banker for Partnership schemes. During the financial year further grants are often made available subject to new funding being identified and successful outcomes to bids.
- 2.2 The report is provided to ensure that Members are aware of grants and their intended purpose. Further details of individual grants can be made available to Members if requested.

3. RECOMMENDATIONS

- 3.1 Scrutiny Committee Members are requested to note the contents of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are aware of the 2020/21 revenue grants for Corporate Services and Miscellaneous Finance.

5. THE REPORT

- 5.1 Appendix 1 provides a list of grants known at this point in time, along with a brief description of the use of the grant funding. Grant funding applies in the main to specific schemes and initiatives and is often time limited.
- 5.2 The current administration arrangements are such that each grant has an agreed set of terms and conditions. The grant funding body at year-end requests information to satisfy itself that the grant monies have been spent in accordance with its terms and conditions and for the majority of grants an external audit is required.
- 5.3 Where required, Auditors will assess expenditure against the terms and conditions of the grant. This assessment would normally comprise a random sample of spend, followed by an

in-depth scrutiny of the sampled items. This could involve ensuring proper procurement processes have been adhered to and confirming spend complies with the conditions of the grant. Any issues identified will be investigated; this could lead to a need to review a larger sample of expenditure. The External Auditors produce a report annually summarising any issues that have come to light during their audit of the Authority's grants.

6. ASSUMPTIONS

6.1 There are no assumptions in the content of this report.

7. LINKS TO STRATEGY

7.1 The effective utilisation of grant funding will support the Authority in delivering its stated aims and objectives.

7.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 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.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial management including the effective utilisation of external grant funding is a key element in ensuring that the Well-being Goals within the Well-Being and Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

10.1 Grant funding levels can change leading to uncertainty of funding. The majority of grants are subject to external audit and the expenditure must comply with the grant terms and conditions. Failure to comply may result in a qualification of the grant by the External Auditors, which could result in the clawback of grant funding.

11. PERSONNEL IMPLICATIONS

11.1 Grant funded posts may be at risk if the funding is withdrawn. Wherever possible this risk is mitigated through fixed-term appointments to grant funded posts.

12. CONSULTATIONS

- 12.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

13. STATUTORY POWER

- 13.1 Local Government Act 1972 and 2003 and the Council's Financial Regulations.

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Consultees: R. Edmunds, Corporate Director for Education & Corporate Services
S. Harris, Head of Financial Services & S151 Officer
M. Eedy, Finance Manager, Communities
R. Tranter, Head of Legal Services & Monitoring Officer
L. Donovan, Head of People Services
L. Lucas, Head of Customer & Digital Services
C. Harrhy, Chief Executive
L. Allen, Principal Accountant, Housing
S. Couzens, Chief Housing Officer
D. Street, Corporate Director for Social Services & Housing
M.S. Williams, Interim Corporate Director, Communities
M. Williams, Interim Head of Property
A. Southcombe, Finance Manager, Corporate Services
Cllr E. Stenner, Cabinet Member for Finance, Performance & Customer Service
Cllr C. Gordon, Cabinet Member for Corporate Services
Cllr L. Phipps, Cabinet Member for Housing & Property
Cllr J. Pritchard, Chair of P&R Scrutiny
Cllr G. Kirby, Vice Chair of P&R Scrutiny

Background Papers:

Grant Allocation Reports 2020-21

Appendices:

Appendix 1- Schedule of Corporate Services and Miscellaneous Finance Grants 2020-21

Appendix 1 - Schedule of Corporate Services and Miscellaneous Finance Revenue Grant Funding for 2020-21

Grant	Funding Body	Grant Funding	Matched Funding	Division	Lead Officer	Purpose of Grant	Subject to Audit
Housing Benefits	Department for Work and Pensions (DWP)	£597,598		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
New Burdens Funding	Department for Work and Pensions (DWP)	£80,167		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
Verify Earnings & Pension Service	Department for Work and Pensions (DWP)	£22,342		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
Universal Credits	Department for Work and Pensions (DWP)	£27,709		Housing Benefits	Benefits Manager	Funds housing benefit staff who process housing benefit claims.	Yes
Housing Benefit Subsidy	Department for Work and Pensions (DWP)	£45,910,035		Housing Benefits	Benefits Manager	Funds the housing benefits payments	Yes
Discretionary Housing Payments	Department for Work and Pensions (DWP)	£618,141		Housing Benefits	Benefits Manager	Funds the discretionary housing benefits payments	Yes
Police & Crime Panel	Home Office	TBC approx. £71895		Legal & Governance	Head of Legal Services & Monitoring Officer	Funds the panel members and associated costs in running the panel.	Yes
Strengthening Local Government Delivery of the Covenant	Ministry Of Defence	£40,000		Corporate Policy	Corporate Policy Manager	To fund a regional post to support the Armed Forces. Post funded for 12 months, with use of prior year agreed underspend	No
Housing Support Grant	Welsh Government	£167,406		Housing	Housing Advice Manager	Fund Homeless Prevention Services/Initiatives	No
Total: -		£47,463,398					



POLICY & RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES & MISCELLANEOUS FINANCE REVENUE
BUDGETS 2020-21**

**REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND CORPORATE
SERVICES**

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the 2020/21 revenue budgets for Corporate Services and Miscellaneous Finance.

2. SUMMARY

- 2.1 The report provides details of the 2020/21 revenue budgets for Corporate Services and Miscellaneous Finance.
- 2.2 Budget monitoring reports will be prepared throughout the financial year to ensure that Members are updated on projected spend against budgets.

3. RECOMMENDATIONS

- 3.1 That Scrutiny Committee Members note the content of this report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Scrutiny Committee is provided with full details of the 2020/21 revenue budgets for Corporate Services and Miscellaneous Finance.

5. THE REPORT

5.1 2020/21 Revenue Budget

- 5.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2020/21 financial year is a net cash increase of £14.753m (5.49%) after adjusting for the transfer in of specific grants, new responsibilities and changes to the Council Tax base.
- 5.1.2 Members will recall that as a consequence of the Financial Settlement a revised package of savings totalling £3.007m was agreed to enable the Council to deliver a balanced budget for the 2020/21 financial year. Savings for Corporate Services and Miscellaneous Finance amount to £1.986m.

5.1.3 The approved 2020/21 budgets for Corporate Services and Miscellaneous Finance total £72.561m and full details are provided in Appendix 1.

5.2 Corporate Services

5.2.1 The 2020/21 budget for Corporate Services is £21.962m, which is net of agreed savings totalling £581k.

5.2.2 In line with the budget strategy agreed at Council on the 20th February 2020 the Corporate Services base budget has been uplifted for inflation. An allowance of 2% has been made for pay (£422k), living Wage (£1.5k), 1.7% for non-pay (£146k) and 1.7% on Fees and Charges (£28k).

5.2.3 2019/20 approved temporary one-off savings totalling £309k have been returned to the relevant service area for the 2020/21 financial year.

5.2.4 The 2020/21 budget also includes the agreed use of reserves to fund staff, mainly apprentices, in the following areas:-

- Legal Services
- People Services
- Corporate Finance
- Digital Services
- Corporate Estates

5.3 Miscellaneous Finance

5.3.1 The 2020/21 budget for Miscellaneous Finance is £50.599m, which is net of agreed savings totalling £1.405m.

5.3.2 The main budget increases/reductions, in line with the budget strategy agreed at Council on the 20th February 2020 are:-

- £205k for non-pay budgets headings (1.7%).
- £46k for City Deal.
- £849k for PFI Review.
- £47k for Levies.
- £867k for Pay Contingency.
- -£202k Private Finance Initiative in line with the agreed grant profiling.

5.3.3 The budget for the Council Tax Reduction Scheme has been increased by £693k.

5.3.4 The following approved temporary one-off savings taken in 2019/20 have been returned to the relevant service areas for the 2020/21 financial year: -

- £500k Deferred Borrowing.
- £129k PC Refresh.

6. ASSUMPTIONS

6.1 At the time of approving the 2020/21 budget in February 2020 there were a range of assumptions made in respect of pay and non-pay inflationary increases and inescapable service cost pressures.

7. LINKS TO STRATEGY

7.1 The contents of this report reflect the budget strategy agreed by Council at its meeting on the 20th February 2020.

7.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 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.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial management including the effective utilisation of external grant funding is a key element in ensuring that the Well-being Goals within the Well-Being and Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

10.1 As identified throughout the report.

11. PERSONNEL IMPLICATIONS

11.1 The personnel implications of agreed savings will be carefully managed and if required staff will be fully supported to identify appropriate redeployment opportunities.

12. CONSULTATIONS

12.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

13. STATUTORY POWER

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

Author: - D. Roberts, Principal Accountant (Financial Advice and Support)
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Consultees: - R. Edmunds, Corporate Director for Education & Corporate Services
S. Harris, Head of Financial Services & S151 Officer
M. Eedy, Finance Manager, Communities

R. Tranter, Head of Legal Services
L. Donovan, Head of People Services
L. Lucas, Head of Customer & Digital Services
C. Harrhy, Interim Chief Executive
L. Allen, Principal Accountant, Housing
S. Couzens, Chief Housing Officer
D. Street, Corporate Director Social Services
M.S. Williams, Interim Corporate Director Communities
M. Williams, Interim Head of Property
A. Southcombe, Finance Manager, Corporate Services
Cllr E. Stenner, Cabinet Member for Finance, Performance & Customer Service
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Cllr L. Phipps, Cabinet Member for Housing & Property
Cllr J. Pritchard, Chair of P&R Scrutiny
Cllr G. Kirby, Vice Chair of P&R Scrutiny

Background Papers

- Report to Council 20/02/20 – Budget Proposals for 2020/21 and Medium-Term Financial Outlook
- Budget working papers – Accountancy Section

Appendices

Appendix 1 – 2020/21 Revenue Budgets (Corporate Services and Miscellaneous Finance)

<i>CORPORATE SERVICES DIRECTORATE & OTHER</i>	Estimate 2019/20	Revised Estimate 2019/20	Original Estimate 2020/21
<i>SUMMARY</i>			
<i>CHIEF EXECUTIVE AND SECRETARIAT</i>	202,343	202,343	206,353
<i>DEPUTY CHIEF EXECUTIVE/DIRECTOR CORPORATE SERVICES & EDUCATION</i>	168,129	168,129	152,556
<i>CORPORATE FINANCE</i>			
Financial services & Internal Audit	2,079,893	2,079,893	1,892,141
	2,079,893	2,079,893	1,892,141
<i>LEGAL & GOVERNANCE SUPPORT</i>			
Legal & Democratic Services	1,140,124	1,140,124	1,132,629
Members Allowances	1,724,937	1,724,937	1,755,221
Electoral Services	333,543	333,543	339,916
	3,198,604	3,198,604	3,227,766
<i>DIGITAL SERVICES</i>			
IT Services	3,786,891	3,786,891	3,299,116
Central Services	382,239	382,239	0
Procurement	289,665	289,665	1,290,509
Customer First	1,263,132	1,263,132	1,309,590
	5,721,927	5,721,927	5,899,215
<i>PEOPLE SERVICES</i>			
Human Resources	1,471,511	1,471,511	1,564,197
Health & Safety	945,331	945,331	946,797
Communications Unit	360,572	360,572	368,788
CMT Support	131,823	131,823	134,452
	2,909,237	2,909,237	3,014,234
<i>BUSINESS IMPROVEMENT SERVICES</i>			
Management	127,611	127,611	130,163
Policy	558,024	558,024	611,414
Transformation			193,176
Equalities	413,128	413,128	406,078
Performance Management Unit	221,127	221,127	225,522
Community Safety	45,653	0	0
	1,365,543	1,319,890	1,566,353
<i>TOTAL CORPORATE SERVICES</i>	15,645,676	15,600,023	15,958,618
<i>CORPORATE PROPERTY SERVICES</i>			
Management	320,073	320,073	369,297
Energy	140,325	140,325	143,167
Estates	133,058	133,058	143,726
Non Operational Properties	114,856	114,856	135,124
Facilities	2,263,151	2,263,151	2,182,658
Maintenance	1,984,349	1,984,349	2,139,718
Building Consultancy	(198,506)	(198,506)	(180,770)
	4,757,306	4,757,306	4,932,920
<i>HOUSING SERVICES</i>			
General Fund Housing	1,289,212	1,289,212	1,333,341
Private Housing	323,376	323,376	294,625
	1,612,588	1,612,588	1,627,966
<i>TOTAL NON-CORPORATE SERVICES</i>	6,369,894	6,369,894	6,560,886
<i>RESERVES</i>			
Corporate Services	(294,230)	(294,230)	(557,019)
<i>TOTAL RESERVES</i>	(294,230)	(294,230)	(557,019)
<i>TOTAL SERVICES</i>	21,721,340	21,675,687	21,962,485

MISCELLANEOUS FINANCE	Estimate 2019/20	Revised Estimate 2019/20	Original Estimate 2020/21
MISCELLANEOUS FINANCE			
Staff Related Costs			
Pension Contribution - Former Authorities Ongoing	1,155,689	1,155,689	1,155,689
Recharge to Education - Former Authorities	(179,629)	(179,629)	(179,629)
	976,060	976,060	976,060
Statutory Benefit Schemes			
Council Tax Benefits	14,746,611	14,746,611	15,439,702
DHP Rent allowances	49,301	49,301	61,814
DHP Rent Rebates	443,711	443,711	556,327
DHP Income	(493,012)	(493,012)	(618,141)
General Rent Allowances	23,156,581	23,156,581	20,153,635
Rent Rebates	27,279,064	27,279,064	25,756,400
Rent Allowance War Widow Concessions	25,000	25,000	25,000
Housing Benefit Subsidy	(50,435,645)	(50,435,645)	(45,910,035)
	14,771,611	14,771,611	15,464,702
Levies Upon the Council			
Coroner	236,487	236,487	287,775
Archives	209,092	209,092	209,092
Fire Service Authority	8,882,264	8,882,264	8,871,593
	9,327,843	9,327,843	9,368,460
Capital Financing			
Debt Charges (Principal Repaid)	2,492,141	2,492,141	2,548,275
Debt Charges (Interest Payments)	8,342,451	8,342,451	8,828,506
Debt Charges (Debt Management Exp's)	45,563	45,563	48,815
Income from External Investments:	(800,000)	(800,000)	(1,518,333)
Rescheduling Discounts	0	0	0
Earmarked for specific funds/balances	734,912	734,912	812,500
CERA (Capital Expenditure funded from Revenue Account)	3,330,436	3,330,436	4,679,847
	14,145,503	14,145,503	15,399,610
Corporate and Democratic Core Costs			
Bank Charges	194,251	194,251	197,553
Income from HRA	(32,673)	(32,673)	(33,228)
Income from DLO/DSO	(13,947)	(13,947)	(14,184)
External Audit Fees	429,903	428,102	435,380
Actuarial Fees		1,801	1,832
Income from HRA	(72,308)	(72,308)	(73,537)
Income from DLO/DSO	(30,866)	(30,866)	(31,391)
Subscriptions	110,736	110,736	112,619
	585,096	585,096	595,044
Grants to Voluntary sector			
Assistance to Voluntary sector	183,637	183,637	186,759
	183,637	183,637	186,759
Private Finance Initiative			
PFI Schools	2,293,465	2,293,465	2,210,676
PFI SEW	3,805,550	3,805,550	3,686,817
	6,099,015	6,099,015	5,897,493
Other			
Free School Meals Grant	302,409	302,409	307,550
Counsel Fees	314,720	314,720	270,070
Careline	15,900	15,900	16,170
Carbon Management Scheme	3,846	3,846	3,910
Carbon Energy Tax	239,711	239,711	246,839
IT Replacement Strategy	6,006	6,006	135,108
PV Panel Maintenance	2,048	6,006	2,083
PV Panels Income	(57,600)	(55,552)	(58,579)
Risk Management Contribution	(456,511)	(456,511)	(456,511)
Class 1A NI	(100,000)	(100,000)	(100,000)
City Deal	306,200	306,200	352,200
Matched Funding for Community Schemes	15,000	15,000	15,255
Targeted Rate Relief Scheme	221,425	221,425	225,189
Miscellaneous Items	6,208	6,208	873,737
Trade Union Facilities	27,728	27,728	28,485
PFI Review	0	0	849,000
	847,090	853,096	2,710,506
TOTAL MISCELLANEOUS FINANCE	46,935,855	46,941,861	50,598,634
EXPENDITURE TO DIRECTORATE SUMMARY	68,657,195	68,617,548	72,561,119