

Pecyn Dogfennau Cyhoeddus



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

- 1 Adroddiadau Monitro Cyllideb Refeniw ar gyfer Gwasanaethau Corfforaethol a Chyllid Amrywiol (Cyfnod 5)



POLICY AND RESOURCES SCRUTINY COMMITTEE - 8TH NOVEMBER 2022

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2022/23
BUDGET MONITORING REPORT (PERIOD 5)**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND 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 2022/23 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 overspend of £220k for the 2022/23 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 underspend of £107k, consequently overall the projected outturn position for Education and Corporate Services is an overspend of £113k.
- 5.1.3 There is an anticipated net underspend on Chief Executive and Director of Education & Corporate Services of £26k.
- 5.1.4 The anticipated net underspend of £287k in Corporate Finance relates in the main to in-year vacancies, some of which are in the process of being filled, additional one-off grant income,

together with the use of reserves to fund a number of fixed term posts.

- 5.1.5 There is an anticipated net underspend of £210k in Digital Services, after taking into account the agreed use of reserves. The underspends will be monitored during the year and may reduce depending on agreed project work. The underspends consist of: -
- A projected underspend of £9k for IT Services which is due in the main to delays in filling vacancies, offset with the additional use of consultants to fund project work and reduced income levels.
 - A projected net underspend of £198k on Procurement & Information Governance which relates in the main to delays in filling vacant posts.
 - An underspend of £3k for Customer First which is due in the main to vacant posts still to be filled offset by reduced income levels.
- 5.1.6 Legal & Governance is projecting a net underspend of £115k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -
- Projected underspend on Members related expenditure of £155k. This is due in the main to underspends on Members' Allowances and associated budgets which is partly offset by increased costs on Members' superannuation costs.
 - Projected overspend of £180k on Electoral Services, due in the main to the costs of the local elections. The Electoral Services overspends will be funded from the ring-fenced Election reserve.
- 5.1.7 The net underspend of £115k for Legal & Governance is due in the main to a one-off increase in income levels, some staff not reaching the top of their pay scales, some temporary reduced hours, delays in filling vacant posts and savings associated with working from home. The income levels will be monitored closely during the year. The net underspend is after taking into account the agreed use of reserves for an additional Committee Services Officer.
- 5.1.8 There is a projected net underspend of £408k for People Services mainly consisting of: -
- Human Resources projected net underspend of £114k due in the main to delays in filling vacant posts and some temporary reductions in working hours, partially offset by increased costs for Licence Fees. The net underspend is after taking account of the agreed use of reserves.
 - Health & Safety underspend of £225k due in the main to salary savings arising from delays in recruitment after taking account of the agreed use of reserves for Fire & Asbestos Officers. The underspend is partially offset by reduced internal training income as courses are restarting after Covid-19. There are also some small savings arising from working from home.
 - Occupational Health is projecting a net breakeven position after utilizing some agreed ring-fenced reserves to provide additional clinics as Covid-19 restrictions are lifted.
 - The Communications Unit is projecting a net underspend of £76k, due in the main to delays in filling vacant posts and increased levels of internal income, partially offset by the increased costs of printing levels. Income levels will be closely monitored in year.
 - CMT Support and the Leadership Development Program are expected to break even.
 - The Apprentice Program is progressing with a number of apprentices employed. It is envisaged that any unused budget this year will be ring-fenced to support the program moving forward.
- 5.1.9 There is an anticipated £280k net underspend in Business Improvement Services after taking account of the following: -
- Management – Projected net underspend of £109k due to a vacant post, which is partially offset by additional temporary costs for an existing Head of Service to cover duties.

- Projected net underspend of £60k in the Policy Team due in the main to a delay in filling a vacant post and various one-off savings on budgets.
- Projected underspend of £50k 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 and delays in filling vacant posts.
- Projected small overspend of £23k in the Performance Management Unit.
- Projected net underspend of £29k in the Transformation Team due in the main to delays in filling vacant posts, after taking account of the agreed transfer of reserves.
- The Community Empowerment Fund is expected to fully spend in this financial year.
- Projected net underspend of £54k in the Decarbonisation Team. This team has been brought together from the posts within Policy to aid reporting on the decarbonisation agenda. All posts were within other sections of Business Improvement Services.

5.1.10 Although Property Services is managed within the Economy & Environment Directorate, budget monitoring has traditionally been considered by the Policy and Resources Scrutiny Committee. For Property Services there is a net projected overspend of £5k, consisting of the following: -

- Management – Net £53k underspend due in the main to staff on temporary reduced hours and delays in appointing to vacant posts. This is after taking into account the agreed use of reserves for the purchase of Monitors and Laptops for the section.
- Energy - £3k underspend, due to a temporary reduction in hours of a member of staff.
- Estates – £26k overspend. This is due to reduced fee income levels, partly offset by small salary savings. The fee income will be monitored closely in-year.
- Non – Operational Properties - £13k underspend mainly due to additional income.
- Corporate Facilities – a net £42k overspend mainly due to increased electricity costs for Ty Penallta, partially offset by savings in salaries due to some temporary reductions in hours. The net overspend is after the agreed in-year virement of £225k to cover the dilapidation costs from the vacation of a building leased to the Authority.
- Maintenance – Projected £23k underspend due in the main to delays in filling a vacant post along with staff on temporary reduced hours and some staff not paying into the pension scheme.
- Building Consultancy – Projected £31k overspend due to additional consultancy costs.

5.1.11 There is a projected overspend of £1.541m on Housing Services (excluding HRA) which consists of the following: -

- General Fund Housing is expected to show a £1.219m overspend at this stage, which is mainly as a result of ongoing Bed & Breakfast placements.
- This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict. The demand for B&B placements as a result of Covid-19 has been significant with on average 70 cases per month, together with accompanying security costs for the relevant establishments. Welsh Government have funded these costs (net of any housing benefits) from the Covid-19 Hardship Fund, but this funding stopped in March 2022. A replacement grant has been awarded from WG called The No-one Left Out grant (£403k), but this has significantly reduced from the original Covid-19 Hardship funding received for the previous 2 years. There has been a Covid-19 reserve set up corporately and details of how this can be claimed are still being considered, therefore any funding from this has not been assumed at this stage. In addition to this, it is likely that B&B placements will increase further as more people are expected to find themselves homeless as a consequence of the Cost-of-Living crisis and possibly the introduction of the new Renting Homes Wales Act in December 2022. Furthermore, there could be an increase and delay with placements as a result of the current Ukraine situation.
- In the long term, however, Welsh Government has set out an ambitious Programme for Government with the aim of making our community a better place to live and work, which will be achieved in part, by reforming homelessness services to focus on prevention and

rapid rehousing, which should in theory eradicate the need for B&B placements. However, this is a long-term strategy likely to take 5-10 years. Emergency Accommodation will still be required but on a smaller scale and officers are currently undertaking a review with regard what this provision will look like for CCBC in the longer term. In the meantime, the Council is maximising its Caerphilly Keys Private Rented Sector project and recently launched its own website whilst running a heightened media campaign in an attempt to attract more landlords to the project, so that the Housing Solutions Team can maximise move on within that sector.

- Private Sector Housing is expected to show a £322k overspend at this stage. This budget relies on its fee income to be able to fund the service. Unfortunately, due to 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. The reduced activity during the pandemic has created a backlog of work which officers are now trying to manage, together with a significant disruption on staffing levels due to long term sickness. In addition, there is an impact on contractor availability, material supplies and construction costs/rates.
- Welsh Government offered up a lost income financial assistance grant as a consequence of Covid-19, and claims made for the lost agency fee were fully successful over the past two years. However, that support ended in March 2022. There is an intention to claim on the internal covid reserve once the process has been agreed but any funding likely to be received has not been assumed at this stage. Officers are reviewing the budget for long term sustainability as part of the Medium-Term Financial Plan (MTFP) process.

5.2 Miscellaneous Finance

5.2.1 There is an overall projected underspend of £1.598m in Miscellaneous Finance.

5.2.2 There is a projected net underspend of £1.011m on Capital Financing budgets which is due to the following: -

- £754k underspend on Debt Charges due to delays in borrowing requirements.
- Investment income being £257k more than the budgeted level due to the new medium to long term investments.

5.2.3 There is a projected overspend of £72k 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.

5.2.4 The Counsel Fees budget is projected to be breakeven at present, but this is a volatile budget that will be monitored closely in year.

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

- £38k on the Class 1A NI savings, this is due in the main to a reduced take-up of the Tusker GASS car scheme.

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

- Subscriptions - £8k
- Carbon Energy Tax - £247k (scheme ended in 2019-20).
- £4k Carbon Management Scheme.
- £438k due to delays in recruitment to Head of Service posts.

5.3 Virements

5.3.1 The following permanent virements have taken place since the period 3 budget monitoring : -

- £165k has been vired to the Communications Team for the agreed posts of Senior Business Partner and Senior Relationship Manager. These posts were agreed in the budget report on 24th February 2022.
- £5,715,355 has been vired to Social Services to fund inescapable budget pressures. The budget was agreed via the February budget report but held in Miscellaneous Finance in the first instance.

6. ASSUMPTIONS

- 6.1 The projected outturn position is based on actual income and expenditure details to the end of August 2022.
- 6.2 Forecasts have been made following discussions with Managers based on current information available.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report is for information only so an IIA is not required.

8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

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

10. CONSULTATIONS

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

11. STATUTORY POWER.

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

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Cllr S. Cook, Cabinet Member for Housing
Cllr G. Johnston, Chair of Policy and Resources Scrutiny
Cllr B. Miles, Vice Chair of Policy and Resources Scrutiny

Appendices:

Appendix 1 Corporate Services & Miscellaneous Finance 2022/23 Budget Monitoring Report
(Period 5).

Background Papers:

Council (24/02/22) – Budget Proposals for 2022/23 and Medium-Term Financial
Outlook

CORPORATE SERVICES DIRECTORATE	Original Estimate 2022-23	Revised Estimate 2022-23	Anticipated Outturn 2022-23	Anticipated Variance 2022-23
SUMMARY				
CHIEF EXECUTIVE	214,584	214,584	204,921	9,663
DEPUTY CHIEF EXECUTIVE/DIRECTOR CORPORATE SERVICES & EDUCATION	158,503	158,503	142,577	15,926
CHIEF EXECUTIVE & DIRECTOR OF EDUCATION & CORPORATE SERVICES	373,087	373,087	347,498	25,589
CORPORATE FINANCE				
Financial services & Internal Audit	2,219,607	2,219,607	1,903,726	315,881
Approved Use of Reserves - IR 35 Officer	(42,818)	(42,818)	(35,021)	(7,797)
Approved Use of Reserves - Capital Accounting Officer	(42,818)	(42,818)	(17,841)	(24,977)
Approved Use of Reserves - Grants Officer	(47,086)	(47,086)	(27,467)	(19,619)
Approved Use of Reserves - Business Partner	(52,728)	(52,728)	(29,373)	(23,355)
Approved Use of Reserves - Finance Officer - Cashless Catering	(33,206)	(33,206)	(30,479)	(2,727)
Approved Use of Reserves - Ctax	0	0	(15,000)	15,000
Approved Use of Reserves - Idox	0	0	(5,000)	5,000
Approved Use of Reserves - Pay 360 Cloud	0	0	(30,000)	30,000
	2,000,951	2,000,951	1,713,546	287,405
DIGITAL SERVICES				
IT Services	6,101,157	6,101,157	5,627,046	474,111
Approved Use of Reserves	(1,245,933)	(1,245,933)	(695,960)	(549,973)
Approved Use of Reserves _ EAS	0	0	(85,000)	85,000
Procurement & Information Governance	1,674,742	1,674,742	1,368,713	306,029
Approved Use of Reserves - Brexit Funding for Information Governance Po	(37,611)	(37,611)	(35,138)	(2,473)
Approved Use of Reserves - Brexit Funding for Procurement Post	(29,487)	(29,487)	(10,719)	(18,768)
Approved Use of Reserves - Waste Review	(211,834)	(211,834)	(125,484)	(86,350)
Customer First	1,271,358	1,271,358	1,268,496	2,862
	7,522,392	7,522,392	7,311,953	210,439
LEGAL & GOVERNANCE SUPPORT				
Legal & Democratic Services	1,232,243	1,232,243	1,115,131	117,112
Approved Use of Reserves - Committee Services Officer	(37,610)	(37,610)	(35,248)	(2,362)
Members Allowances	2,010,983	2,010,983	1,974,525	36,458
Agreed Use of Reserves - Hybrid Meetings	0	0	(118,507)	118,507
Ringfenced to Earmarked Reserves	0	0	154,966	(154,966)
Electoral Services	407,875	407,875	551,974	(144,099)
Approved Use of Reserves - Electoral Services Apprentices	(51,338)	(51,338)	(14,974)	(36,364)
Ringfenced to Earmarked Reserves	0	0	(180,464)	180,464
	3,562,153	3,562,153	3,447,403	114,750
PEOPLES SERVICES				
Human Resources	1,836,571	1,836,571	1,712,127	124,444
Approved Use of Reserves - Managing Attendance Officer	(33,206)	(33,206)	(33,206)	0
Approved Use of Reserves - HR Apprentice	(25,669)	(25,669)	(14,974)	(10,695)
Health & Safety	927,531	927,531	653,633	273,898
Agreed Use of Reserves for Fire/Asbestos Officer	(84,755)	(84,755)	(35,522)	(49,233)
Occupational Health	226,866	226,866	238,981	(12,115)
Agreed Use of Ringfenced Reserves for Clinics	0	0	(12,115)	12,115
Communications Unit	441,300	606,902	530,768	76,134
Approved Use of Reserves - Social Media Management System	(14,000)	(14,000)	(14,000)	0
Approved Use of Reserves - Apprentice	(25,669)	(25,669)	(19,174)	(6,495)
CMT Support	177,806	177,806	177,408	398
Leadership (MeUs) Development Programme	65,000	65,000	65,000	0
Apprentice Programme	250,000	250,000	250,000	0
	3,741,775	3,907,377	3,498,927	408,450
BUSINESS IMPROVEMENT SERVICES				
Management	135,355	135,355	26,000	109,355
Policy	683,217	636,131	516,982	119,149
Approved Use of Reserves - Brexit Officer	(47,086)	(47,086)	0	(47,086)
Approved Use of Reserves - Asylum Dispersal Officer	(11,771)	(11,771)	0	(11,771)
Equalities	484,949	484,949	434,818	50,131
Approved Use of Reserves - External Translation	(40,000)	(40,000)	(40,000)	0
Performance Management Unit	235,028	235,028	258,418	(23,390)
Transformation	898,449	739,644	461,325	278,319
Approved Use of Reserves - 4 Project Managers Transformation	(188,344)	(188,344)	(154,610)	(33,734)
Approved Use of Reserves - Well-being & Placeshaping Officer	(47,086)	(47,086)	0	(47,086)
Approved Use of Reserves - Project Officer Universal Primary FSM Scherr	(47,086)	(47,086)	(35,459)	(11,627)
Approved Use of Reserves - Community Connect	(206,890)	(206,890)	(50,306)	(156,584)
Community Empowerment Fund	341,120	341,120	341,120	0
Decarbonisation	0	205,891	100,108	105,783
Approved Use of Reserves - Fleet Review Officer	(47,086)	(47,086)	(46,179)	(907)
Approved Use of Reserves - Decarbonisation Officers	(84,697)	(84,697)	(33,711)	(50,986)
	2,058,072	2,058,072	1,778,504	279,568
TOTAL CORPORATE SERVICES	19,258,430	19,424,032	18,097,832	1,326,200

CORPORATE SERVICES & MISCELLANEOUS FINANCE 2022-23 BUDGET MONITORING REPORT (PERIOD 5)

APPENDIX 1

PROPERTY SERVICES				
Management	375,157	411,907	359,083	52,824
Agreed Use of Reserves - Laptops & Monitors	0	(36,750)	(36,750)	0
Energy	149,200	149,200	145,937	3,263
Estates	167,793	167,793	193,494	(25,701)
Non Operational Properties	104,142	104,142	90,566	13,576
Facilities	2,285,058	2,510,058	2,551,989	(41,931)
Maintenance	2,058,926	2,058,926	2,035,623	23,303
Building Consultancy	(119,760)	(119,760)	(89,231)	(30,529)
	5,020,516	5,245,516	5,250,712	(5,196)
HOUSING SERVICES				
General Fund Housing	1,426,508	1,426,508	2,645,474	(1,218,966)
Private Housing	405,044	405,044	727,314	(322,270)
	1,831,552	1,831,552	3,372,788	(1,541,236)
TOTAL NON- CORPORATE SERVICES	6,852,068	7,077,068	8,623,500	(1,546,432)
TOTAL SERVICES	26,110,498	26,501,100	26,721,332	(220,232)

MISCELLANEOUS FINANCE	Original Estimate 2022-23	Revised Estimate 2022-23	Anticipated Outturn 2022-23	Anticipated Variance 2022-23
MISCELLANEOUS FINANCE				
Staff Related Costs				
Pension Contribution - Former Authorities Ongoing	1,125,689	1,125,689	1,125,689	0
Recharge to Education - Former Authorities	(179,629)	(179,629)	(179,629)	0
	946,060	946,060	946,060	0
Statutory Benefit Schemes				
Council Tax RS	16,041,850	16,041,850	15,501,234	540,616
Ringfenced to Earmarked Reserves	0	0	540,616	(540,616)
DHP Rent allowances	33,239	33,239	33,239	0
DHP Rent Rebates	299,149	299,149	299,149	0
DHP Income	(332,388)	(332,388)	(332,388)	0
General Rent Allowances	18,718,703	18,718,703	18,718,703	0
Rent Rebates	23,036,303	23,036,303	23,036,303	0
Rent Allowance War Widow Concessions	25,000	25,000	25,000	0
Housing Benefit Subsidy	(41,755,006)	(41,755,006)	(41,755,006)	0
	16,066,850	16,066,850	16,066,850	0
Levies Upon the Council				
Coroner	326,991	326,991	326,991	0
Archives	238,731	238,731	238,731	0
Fire Service Authority	9,286,956	9,286,956	9,286,956	0
	9,852,678	9,852,678	9,852,678	0
Capital Financing				
Debt Charges (Principal Repaid)	2,672,511	2,672,511	2,672,511	0
Debt Charges (Interest Payments)	7,634,217	7,634,217	6,879,929	754,288
Debt Charges (Debt Management Exp's)	41,792	41,792	41,792	0
Income from External Investments:	(1,443,333)	(1,443,333)	(1,700,000)	256,667
Earmarked for specific funds/balances	812,500	812,500	812,500	0
CERA (Capital Expenditure funded from Revenue Account)	3,750,912	3,353,912	3,353,912	0
	13,468,599	13,071,599	12,060,644	1,010,955
Corporate and Democratic Core Costs				
Bank Charges	206,996	206,996	206,996	0
Income from HRA	(34,816)	(34,816)	(34,816)	0
Income from DLO/DSO	(14,862)	(14,862)	(14,862)	0
External Audit Fees	456,191	456,191	456,191	0
Actuarial Fees	1,920	1,920	1,920	0
Income from HRA	(77,053)	(77,053)	(77,053)	0
Income from DLO/DSO	(32,891)	(32,891)	(32,891)	0
Subscriptions	134,970	134,970	127,343	7,627
	640,455	640,455	632,828	7,627
Grants to Voluntary sector				
Assistance to Voluntary sector	195,686	195,686	195,686	0
	195,686	195,686	195,686	0
Private Finance Initiative				
PFI Schools	2,045,098	2,045,098	2,045,098	0
PFI SEW	3,449,351	3,449,351	3,449,351	0
	5,494,449	5,494,449	5,494,449	0
Other				
Free School Meals Grant	322,250	322,250	322,250	0
Counsel Fees	282,980	282,980	282,980	0
Careline	16,942	16,942	16,942	0
Carbon Management Scheme	4,097	4,097	0	4,097
Carbon Energy Tax	246,839	246,839	0	246,839
IT Replacement Strategy	141,566	141,566	141,566	0
PV Panel Maintenance	2,183	2,183	2,183	0
PV Panels Income	(61,379)	(61,379)	(61,379)	0
Risk Management Contribution	(474,771)	(474,771)	(474,771)	0
Class 1A NI	(88,780)	(88,780)	(51,024)	(37,756)
City Deal	512,845	512,845	512,845	0
Matched Funding for Community Schemes	15,984	15,984	15,984	0
Targeted Rate Relief Scheme	235,953	235,953	235,953	0
Miscellaneous Items	6,674,026	6,508,424	6,508,424	0
Trade Union Facilities	29,340	29,340	101,037	(71,697)
PFI Review	851,944	851,944	851,944	0
Transformation Posts	437,760	437,760	0	437,760
Inescapable Social Services Budget Pressure	5,715,355	0	0	0
	14,865,134	8,984,177	8,404,934	579,243
TOTAL MISCELLANEOUS FINANCE	61,529,911	55,251,954	53,654,129	1,597,825
EXPENDITURE TO DIRECTORATE SUMMARY	87,640,409	81,753,054	80,375,460	1,377,594