



POLICY AND RESOURCES SCRUTINY COMMITTEE - FOR INFORMATION

**SUBJECT: CORPORATE SERVICES & MISCELLANEOUS FINANCE REVENUE
BUDGETS 2016-17**

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & S151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the 2016/17 revenue budgets for Corporate Services and Miscellaneous Finance.

2. SUMMARY

- 2.1 The report provides details of the 2016/17 revenue budgets for Corporate Services and Miscellaneous Finance and briefly outlines the next steps to progress the budget strategy for 2017/18.

3. LINKS TO STRATEGY

- 3.1 The contents of this report reflect the budget strategy agreed by Council at its meeting on the 24th February 2016.

4. THE REPORT

4.1 2016/17 Revenue Budget

- 4.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2016/17 financial year is a reduction of 0.9% i.e. a cash decrease of £2.275m.
- 4.1.2 Members will recall that as a consequence of the financial settlement a revised package of savings totalling £11.117m was agreed to enable the Council to deliver a balanced budget for the 2016/17 financial year. Savings for Corporate Services and Miscellaneous Finance amount to £4.215m.
- 4.1.3 The approved 2016/17 budgets for Corporate Services and Miscellaneous Finance total £77.282m and full details are provided in Appendix 1.

4.2 Corporate Services

- 4.2.1 The 2016/17 budget for Corporate Services is £22.087m, which is net of agreed savings totalling £2.459m.

4.2.2 In line with the budget strategy agreed at Council on the 24th February 2016 the Corporate Services base budget has been uplifted for inflation. An allowance of 1.2% has been made for pay (£248k), together with a 2% uplift for NI contributions (£367K) and a reduction in the employer's pension contribution of 0.58% (£103K)

4.2.3 The budgets for Corporate Policy and Performance Management have been amalgamated within the budget report to reflect the fact that these teams have been merged from April 2016.

4.3 Miscellaneous Finance

4.3.1 The 2016/17 budget for Miscellaneous Finance is £55.195m, which is net of agreed savings totalling £1.755m.

4.3.2 The main budget increases, in line with the budget strategy agreed at Council on the 24th February 2016 are:-

- £2.5m for the Social Services Cost Pressures Contingency.
- £1.6M one off funding for Dry Recycling Waste.
- £215K one off funding for Carbon Management Initiatives
- £76K Local Government Borrowing Initiative for 21st Century Schools funding.

4.3.3 The budget for the Council Tax Reduction Scheme has been increased by £195k in line with the increase in the Council Tax for 2016-17.

4.4 Budget Strategy for 2017/18 to 2019/20

4.4.1 No indicative RSG settlement figures for future years have been provided by the Welsh Government. For planning purposes the Council's current Medium Term Financial Plan (MTFP) assumes further reductions in the RSG of 1.4% for the three year period 2017/18 to 2019/20. This results in total savings required of £32.159m over the period 2016/17 to 2019/20.

4.4.2 Further detailed work will be carried out to identify a range of savings proposals to meet the significant financial challenges that lie ahead.

5. EQUALITIES IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

6.1 As identified throughout the report.

7. PERSONNEL IMPLICATIONS

7.1 The personnel implications of agreed savings will be carefully managed and where possible staff will be fully supported to identify appropriate redeployment opportunities.

8. CONSULTATIONS

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

9. RECOMMENDATIONS

9.1 That Scrutiny Committee notes the content of this report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To ensure that the Scrutiny Committee is provided with full details of the 2016/17 revenue budgets for Corporate Services and Miscellaneous Finance.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2000.

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Consultees: - Corporate Services Senior Management Team
N. Scammell – Acting Director of Corporate Services & S151 Officer
S. Harris – Interim Head of Corporate Finance
A. Southcombe – Finance Manager Corporate Services
M. Eedy – Finance Manager.
Cllr Barbara Jones, Deputy Leader/Cabinet Member for Corporate Services

Background Papers

- Report to Council 24/2/16 – Budget Proposals 2016/17 and Medium Term Financial Strategy 2016/2021
- Budget working papers – Accountancy Section

Appendices

Appendix 1 – 2016/17 Revenue Budgets (Corporate Services and Miscellaneous Finance)

CORPORATE SERVICES DIRECTORATE	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
<u>SUMMARY</u>			
CHIEF EXECUTIVE AND SECRETARIAT	241,517	241,517	246,454
DEPUTY CHIEF EXECUTIVE	187,249	187,249	197,413
CORPORATE FINANCE			
Financial services	2,153,341	2,153,341	2,030,073
Procurement	447,226	447,226	402,416
	2,600,567	2,600,567	2,432,489
LEGAL & GOVERNANCE			
Legal	855,058	855,058	844,518
Democratic Services	1,880,945	1,880,945	1,796,427
Electoral Services	305,617	305,617	309,829
	3,041,620	3,041,620	2,950,774
CORPORATE POLICY			
Policy	457,776	457,776	900,836
Equalities	186,684	186,684	170,355
PMU			228,787
Community Safety			115,974
	644,460	644,460	1,415,952
HOUSING SERVICES			
General Fund Housing	672,683	672,683	674,110
Private Housing	526,188	526,188	427,161
Building Maintenance	(118,130)	0	0
	1,080,741	1,198,871	1,101,271
INFORMATION AND CITIZENS ENGAGEMENT			
IT Services	4,690,281	4,690,281	4,474,892
Central Services	407,598	407,598	417,070
Communications Unit	291,475	325,496	268,665
Customer First	1,450,953	1,450,953	1,196,841
	6,840,307	6,874,328	6,357,468
PERFORMANCE & PROPERTY			
Performance Management Unit	304,363	304,363	6,819
Corporate Property Services	573,299	573,299	537,747
Corporate Premises	2,676,909	2,676,909	2,169,113
Asset Management Facilities	2,090,150	2,090,150	2,021,067
Building Consultancy	(10,661)	(10,661)	3,767
	5,634,060	5,634,060	4,738,513
HUMAN RESOURCES			
Human Resources	1,884,625	1,907,047	1,705,549
Trade Union Facilities	25,230	25,230	27,844
	1,909,855	1,932,277	1,733,393
HEALTH & SAFETY	1,048,526	1,048,526	913,335
TOTAL CORPORATE SERVICES	23,228,902	23,403,475	22,087,062

CORPORATE SERVICES & MISCELLANEOUS FINANCE 2016/17 BUDGET REPORT

NDIX 1

MISCELLANEOUS FINANCE	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
MISCELLANEOUS FINANCE			
Staff Related Costs			
Pension Contribution - Former Authorities Ongoing	1,234,213	1,234,213	1,249,024
Recharge to Education - Former Authorities	(191,333)	(191,333)	191,333
	1,042,880	1,042,880	1,055,395
Catering			
Subsidy	204,394		204,394
	204,394		204,394
Statutory Benefit Schemes			
Council Tax Benefits	14,633,828	14,633,828	14,828,941
General Rent Allowances	32,359,654	32,359,654	32,359,654
Rent Rebates	29,905,413	29,905,413	29,905,413
Rent Allowance War Widow Concessions	35,000		35,000
Housing Benefit Subsidy	(62,265,067)	(62,265,067)	265,067
	14,668,828	14,668,828	14,863,941
Levies Upon the Council			
Coroner	160,313		160,313
Archives	223,138		223,138
Fire Service Authority	8,225,773	8,225,773	8,278,714
	8,609,224	8,609,224	8,669,559
Capital Financing			
Debt Charges	18,146,367	18,146,367	17,646,367
Investment Income net of Recharges	196,028		196,028
CERA (Capital Expenditure funded from Revenue Account)	444,974		174,707
	18,787,369	18,787,369	18,060,267
Corporate and Democratic Core Costs			
Bank Charges	138,758		138,758
Income from HRA	(23,339)		(23,339)
Income from DLO/DSO	(9,963)		(9,963)
External Audit Fees	467,110		467,110
Income from HRA	(78,568)		(78,568)
Income from DLO/DSO	(33,538)		(33,538)
Subscriptions	108,992		108,992
	569,452		569,452

CORPORATE SERVICES & MISCELLANEOUS FINANCE 2016/17 BUDGET REPORT

NDIX 1

MISCELLANEOUS FINANCE	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
Grants to Voluntary sector			
Assistance to Voluntary sector	229,048		229,04
	229,048		229,04
Other Grant funding			
Spend on ad hoc Community Projects	258,000		
	258,000		
Private Finance Initiative			
PFI Schools	2,624,617	2,624,617	2,541,828
PFI SEW	4,280,489	4,280,489	4,161,756
	6,905,106	6,905,106	6,703,584
Other			
Miscellaneous Items	15,260		15,26
Prudential Borrowing for Islwyn West Secondary School	111,949		88,010
Budget Pressures	191,952		191,95
Waste Management Contingency	243,672		243,67
NNDR - Authority Empty Properties	128,551		128,55
Apprentice/Trainee Costs	149,749		2,92
Counsel Fees	325,512		325,51
Careline	85,335		85,33
Carbon Management Scheme	23,797		23,79
Carbon Energy Tax	218,362		218,36
IT Replacement Strategy	327,221		327,22
PV Panels Income	(40,600)		(40,60)
Risk Management Contribution	(157,217)	(275,34
Class 1A NI	0		
Proposed Waste Transfer Station - Ty Duffryn	150,000		150,00
Matched Funding for Community Schemes	25,000		10,36
Social Services Cost Pressure Contingency	0		
Dry Recycling Waste	0		
	1,798,543	1,518,948	5,044,494
TOTAL MISCELLANEOUS FINANCE	53,072,844	52,535,249	55,195,166
EXPENDITURE TO DIRECTORATE SUMMARY	76,301,746	75,938,724	77,282,228