



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION**

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE REVENUE  
BUDGETS 2017-18**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

---

---

### **1. PURPOSE OF REPORT**

1.1 To provide Members with details of the 2017/18 revenue budgets for Corporate Services and Miscellaneous Finance.

### **2. SUMMARY**

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

### **3. LINKS TO STRATEGY**

3.1 The contents of this report reflect the budget strategy agreed by Council at its meeting on the 22nd February 2017.

3.2 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.

### **4. THE REPORT**

#### **4.1 2017/18 Revenue Budget**

4.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2017/18 financial year is an increase of 0.12% i.e. a cash increase of £0.326m.

4.1.2 Members will recall that as a consequence of the financial settlement a revised package of savings totalling £9.046m was agreed to enable the Council to deliver a balanced budget for the 2017/18 financial year. Savings for Corporate Services and Miscellaneous Finance amount to £6.712m.

4.1.3 The approved 2017/18 budgets for Corporate Services and Miscellaneous Finance total £69.559m and full details are provided in Appendix 1.

## 4.2 Corporate Services

4.2.1 The 2017/18 budget for Corporate Services is £22.435m, which is net of agreed savings totalling £0.915m.

4.2.2 In line with the budget strategy agreed at Council on the 22nd February 2017 the Corporate Services base budget has been uplifted for inflation. An allowance of 1.2% has been made for pay (£246k) and 1.6% for non-pay (£135k)

4.2.3 The main budget increases due to inescapable service pressures are:-

- Welsh Language Standards - £198k
- Tiryberth Depot running costs - £75k
- Apprentice Levy - £80k
- Additional Holiday Pay - £25k

## 4.3 Miscellaneous Finance

4.3.1 The 2017/18 budget for Miscellaneous Finance is £47.124m, which is net of agreed savings totalling £5.797m.

4.3.2 The main budget increases, in line with the budget strategy agreed at Council on the 22nd February 2017 are:-

- £207k for non-pay budgets headings (1.6%)
- £27k for the Coroners levy.
- £52k for Welsh Language Standards.
- £60k for City Deal.

4.3.3 The budget for the Council Tax Reduction Scheme has been reduced by £360k partly offset by a £91k transfer in from the Revenue Support Grant.

## 4.4 Budget Strategy for 2018/2019 to 2021/2022

4.4.1 At its meeting on the 22nd February 2017 Council was presented with an updated Medium Term Financial Plan (MTFP) which showed an indicative savings requirement of £28.789m for the 4 year period 2018/19 to 2021/22.

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

## 5 WELL-BEING OF FUTURE GENERATIONS

5.1 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.

## **6. EQUALITIES IMPLICATIONS**

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

## **7. FINANCIAL IMPLICATIONS**

- 7.1 As identified throughout the report.

## **8. PERSONNEL IMPLICATIONS**

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

## **9. CONSULTATIONS**

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

## **10. RECOMMENDATIONS**

- 10.1 That Scrutiny Committee notes the content of this report.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 To ensure that the Scrutiny Committee is provided with full details of the 2017/18 revenue budgets for Corporate Services and Miscellaneous Finance.

## **12. STATUTORY POWER**

- 12.1 Local Government Acts 1972 and 2000.

Author: - D. Roberts – Principal Accountant (Financial Advice and Support).  
roberda@caerphilly.gov.uk Tel: 01443 863342

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.  
Lesley Allen, Principal Accountant, Housing  
Christina Harrhy – Corporate Director Communities  
Shaun Couzens, Chief Housing Officer.  
Rob Hartshorn, Head of Public Protection

Background Papers

Report to Council 22/2/17 – Budget Proposals 2017/18 and Medium Term Financial Strategy  
2017/2022

Budget working papers – Accountancy Section

Appendices

Appendix 1 – 2017/18 Revenue Budgets (Corporate Services and Miscellaneous Finance)

<b>CORPORATE SERVICES DIRECTORATE &amp; OTHER</b>	<b>Estimate 2016/2017</b>	<b>Revised Estimate 2016/2017</b>	<b>Estimate 2017/2018</b>
<b><u>SUMMARY</u></b>			
<b>CHIEF EXECUTIVE, DEPUTY CHIEF EXECUTIVE AND SECRETARIAT</b>	443,867	443,867	450,128
<b>CORPORATE FINANCE</b>			
Financial services & Internal Audit	2,030,073	2,014,664	2,069,794
	<b>2,030,073</b>	<b>2,014,664</b>	<b>2,069,794</b>
<b>PROCUREMENT &amp; CUSTOMER SERVICES</b>			
Procurement	402,416	402,416	438,467
Customer First	1,196,841	1,196,841	1,182,248
	<b>1,599,257</b>	<b>1,599,257</b>	<b>1,620,715</b>
<b>LEGAL &amp; GOVERNANCE SUPPORT</b>			
Legal & Democratic Services	844,518	844,518	1,032,569
Members Allowances	1,796,427	1,796,427	1,648,122
Electoral Services	309,829	309,829	315,411
	<b>2,950,774</b>	<b>2,950,774</b>	<b>2,996,102</b>
<b>INFORMATION AND TECHNOLOGY</b>			
IT Services	4,474,892	4,472,892	4,316,066
Central Services	417,070	410,070	386,915
	<b>4,891,962</b>	<b>4,882,962</b>	<b>4,702,981</b>
<b>CORPORATE PROPERTY SERVICES</b>			
Estates	544,566	544,566	519,199
Corporate Facilities	2,169,113	2,323,806	2,380,113
Maintenance	2,021,067	2,021,067	2,190,006
Building Consultancy	3,767	3,767	(57,146)
	<b>4,738,513</b>	<b>4,893,206</b>	<b>5,032,172</b>
<b>HUMAN RESOURCES, COMMUNICATIONS &amp; HEALTH &amp; SAFETY</b>			
Human Resources	1,705,549	1,705,549	1,563,174
Communications Unit	268,665	268,665	286,527
Health & Safety	913,335	905,335	943,894
	<b>2,887,549</b>	<b>2,879,549</b>	<b>2,793,595</b>
<b>TOTAL CORPORATE SERVICES</b>	<b>19,541,995</b>	<b>19,664,279</b>	<b>19,665,487</b>
<b>CORPORATE POLICY</b>			
Policy	900,836	676,424	703,212
Equalities	170,355	170,355	382,832
Performance Management Unit	228,787	228,787	207,917
Community Safety	115,974	115,974	95,887
	<b>1,415,952</b>	<b>1,191,540</b>	<b>1,389,848</b>
<b>HOUSING SERVICES</b>			
General Fund Housing	674,110	674,110	990,666
Private Housing	427,161	427,161	363,362
	<b>1,101,271</b>	<b>1,101,271</b>	<b>1,354,028</b>
<b>TOTAL NON-CORPORATE SERVICES</b>	<b>2,517,223</b>	<b>2,292,811</b>	<b>2,743,876</b>
<b>TOTAL SERVICES</b>	<b>22,059,218</b>	<b>21,957,090</b>	<b>22,409,363</b>

<i>MISCELLANEOUS FINANCE</i>	<b>Estimate 2016/2017</b>	<b>Revised Estimate 2016/2017</b>	<b>Estimate 2017/2018</b>
<b><i>MISCELLANEOUS FINANCE</i></b>			
<b><i>Staff Related Costs</i></b>			
Pension Contribution - Former Authorities Ongoing	1,249,024	1,249,024	1,215,689
Recharge to Education - Former Authorities	(193,629)	(193,629)	(189,629)
	<b>1,055,395</b>	<b>1,055,395</b>	<b>1,026,060</b>
<b><i>Catering</i></b>			
Subsidy	55,426	55,426	56,313
	<b>55,426</b>	<b>55,426</b>	<b>56,313</b>
<b><i>Statutory Benefit Schemes</i></b>			
Council Tax Benefits	14,828,941	14,828,941	14,560,178
General Rent Allowances	32,359,654	32,359,654	28,118,381
Rent Rebates	29,905,413	29,905,413	29,009,587
Rent Allowance War Widow Concessions	35,000	35,000	35,000
Housing Benefit Subsidy	(62,265,067)	(62,265,067)	(57,127,968)
	<b>14,863,941</b>	<b>14,863,941</b>	<b>14,595,178</b>
<b><i>Levies Upon the Council</i></b>			
Coroner	167,707	167,707	196,975
Archives	223,138	223,138	209,092
Fire Service Authority	8,278,714	8,278,714	8,378,145
	<b>8,669,559</b>	<b>8,669,559</b>	<b>8,784,212</b>
<b><i>Capital Financing</i></b>			
Debt Charges	17,646,367	17,646,367	14,316,180
Investment Income net of Recharges	196,028	196,028	259,960
CERA (Capital Expenditure funded from Revenue Account)	217,872	217,872	217,872
	<b>18,060,267</b>	<b>18,060,267</b>	<b>14,794,012</b>
<b><i>Corporate and Democratic Core Costs</i></b>			
Bank Charges	138,758	138,758	185,978
Income from HRA	(23,339)	(23,339)	(31,281)
Income from DLO/DSO	(9,963)	(9,963)	(13,353)
External Audit Fees	467,110	467,110	474,584
Income from HRA	(78,568)	(78,568)	(79,825)
Income from DLO/DSO	(33,538)	(33,538)	(34,074)
Subscriptions	108,992	108,992	110,736
	<b>569,452</b>	<b>569,452</b>	<b>612,765</b>

<b>MISCELLANEOUS FINANCE</b>	<b>Estimate 2016/2017</b>	<b>Revised Estimate 2016/2017</b>	<b>Estimate 2017/2018</b>
<b>Grants to Voluntary sector</b>			
Assistance to Voluntary sector	173,048	173,048	175,817
	<b>173,048</b>	<b>173,048</b>	<b>175,817</b>
<b>Private Finance Initiative</b>			
PFI Schools	2,541,828	2,541,828	2,459,038
PFI SEW	4,161,756	4,161,756	4,043,023
	<b>6,703,584</b>	<b>6,703,584</b>	<b>6,502,061</b>
<b>Other</b>			
Miscellaneous Items	15,674	15,674	0
Prudential Borrowing for Islwyn West Secondary School	188,012	188,012	0
Budget Pressures	191,952	191,952	121,166
NNDR - Authority Empty Properties	128,551	128,551	130,608
Counsel Fees	325,512	325,512	330,720
Careline	35,335	35,335	35,900
Carbon Management Scheme	238,797	238,797	27,618
Carbon Energy Tax	218,362	218,362	221,856
IT Replacement Strategy	127,221	127,221	129,257
PV Panels Income	(40,600)	(40,600)	(40,600)
Risk Management Contribution	(449,322)	(449,322)	(456,511)
Class 1A NI	(60,000)	(60,000)	(60,000)
Welsh Language	0	0	52,115
City Deal	0	0	60,000
Trade Union Facilities	27,844	27,844	26,122
Matched Funding for Community Schemes	25,000	13,000	25,400
Social Services Cost Pressure Contingency	2,500,000	0	0
Dry Recycling Waste	1,600,000	800,000	0
	<b>5,072,338</b>	<b>1,760,338</b>	<b>603,651</b>
<b>TOTAL MISCELLANEOUS FINANCE</b>	<b>55,223,010</b>	<b>51,911,010</b>	<b>47,150,069</b>
<b>EXPENDITURE TO DIRECTORATE SUMMARY</b>	<b>77,282,228</b>	<b>73,868,100</b>	<b>69,559,432</b>