



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

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2017/18  
BUDGET MONITORING REPORT (PERIOD 4)**

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

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

1.1 To inform Members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2017/18 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 four months of the financial year.

### **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 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 Corporate Services**

4.1.1 The Directorate of Corporate Services is currently forecasting an underspend of £947k for the 2017/18 financial year, full details of which are provided in Appendix 1.

4.1.2 The anticipated underspend of £337k in Corporate Finance relates in the main to delays in appointing to vacant posts together with vacancies which are being held to support the Medium-Term Financial Plan (MTFP) savings requirements for 2018/19 and some one-off additional income.

4.1.3 The anticipated underspend of £64k in Procurement and Customer Services consists of:-

- A small projected overspend of £9k on Procurement which relates to one-off costs being incurred in year to support the Medium-Term Financial Plan savings requirement for 2018/19.
- Customer First - £73k underspend which is due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2018/19 offset by a reduction in income.

4.1.4 Legal & Governance is projecting a net underspend of £60k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -

- Projected underspend on Members related expenditure of £48k. This is due in the main to underspends on Members Allowances which is partly off-set by costs on printing/webcasting and new equipment for the new Members.
- Projected overspend of £184k on Electoral Services due to the local elections. The Electoral Service underspends in non-election years are ringfenced to fund the overspends in election years.

The net underspend of £60k for Legal & Governance is due to vacant posts.

4.1.5 There is an anticipated underspend of £285k in Information and Technology, consisting of the following:-

- IT Services - £273k underspend which is due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2018/19.
- Central Services - £12k underspend due in the main to some staff not being in the pension scheme.

4.1.6 For Corporate Property Services there is a net projected overspend of £74k, consisting of the following: -

- Estates - £121k underspend due mainly to vacant posts and a member of staff on maternity leave.
- Corporate Facilities - £209k overspend mainly due to costs being incurred for Ty Pontllanfraith (£244k) pending demolition of the buildings and disposal of the site. This is partially offset by small savings on property related costs and rental income.
- Maintenance – Projected £29k overspend mainly due to increased maintenance and rental costs. These will be monitored closely in year to try to mitigate the anticipated overspend.
- Building Consultancy – Projected £43k underspend due in the main to anticipated increased fee income.

4.1.7 There is a projected underspend of £99k for Human Resources mainly consisting of:-

- Human Resources projected underspend of £57k due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2018/19.
- Communications Unit - £12k underspend due in the main to additional income received from a Service Level Agreement (SLA) with schools.
- A projected underspend of £30k for Health & Safety, due in the main to salary savings due to delays in recruitment and additional SLA income from schools.

4.1.8 Corporate Policy is projecting an underspend of £98k after taking account of: -

- Projected underspend of £20k in the Policy Team due to various small in year savings. This is after the transfer of earmarked reserve. Projected underspend of £77k in the Equalities and Welsh Language Team due to delays in appointing to translator posts to

cope with the additional workload arising from the new Welsh Language Standards, together with reduced costs in external translation.

- Projected small underspend in the Performance Management Unit of £1k
- Projected breakeven on the Community Safety budget.

4.1.9 There is a projected underspend of £32k on Housing services which consists of the following:-

- General Fund Housing is expected to show a £26k underspend at this stage, although there are some offsetting over and underspends contributing to the expected position. These include an increase in spend for the Allocations Team as a result of gearing up for the new Common Housing Register and an underspend in Housing Advice due to the application of transitional funding for preventing homelessness. This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict. This year the budget has had to rely on the income received for leasing out Ty Croeso which has normally been set aside as a renewal fund for future building maintenance works. 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.
- Private Housing is anticipating an underspend of £6k, mainly due to delays in filling vacant posts. The Private Sector Housing Manager has recently retired which could result in further savings pending a management restructure by the Chief Housing Officer. The main concern for this budget is Agency Fee Income which has under-recovered in previous years. The fee income has historically been generated from the private housing capital programme which has reduced substantially over the years. This has recently been supplemented by additional fee income expected from the allocation of WHQS works to leasehold properties, which if achieved should manage any potential shortfall.

4.1.10 The following table provides a summary of progress in delivering agreed 2016/17 savings for the Directorate of Corporate Services: -

<b>Section</b>	<b>Agreed MTFP Savings £'000</b>	<b>Progress against Savings £'000</b>	<b>Variance £'000</b>
Corporate Finance	74.75	74.75	0.00
Corporate Property Services	166.00	166.00	0.00
Human Resources	220.00	220.00	0.00
Information Technology	301.00	291.00	(10.00)
Legal & Governance Support	10.00	10.00	0.00
Procurement & Customer Services	38.00	38.00	0.00
<b>Grand Total</b>	<b>809.75</b>	<b>799.75</b>	<b>(10.00)</b>

4.1.11 The variance of £10K for Information Technology is due to a proposed reduction in rented vans not being achieved. This shortfall will be met by other in-year savings.

## 4.2 Miscellaneous Finance

4.2.1 There is an overall projected underspend of £1,311k in Miscellaneous Finance.

4.2.2 There is a projected net underspend of £1,203k on Capital Financing budgets which is due to the following: -

- Assumed borrowing in 2017/18 being deferred to 2018/19, this includes the 21<sup>st</sup> Century Schools and HRA, partly offset by a reduced contribution from HRA for the debt costs due to the deferred borrowing.
- Improved returns on investments.

4.2.3 There is a projected overspend of £33k on City Deal programme management costs due to a reduction in the anticipated underspends brought forward from 2016/17.

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

- Subscriptions - £9k
- Budget Pressures - £72k
- NNDR Authority Empty Properties - £8k.
- Welsh Language - £52k

## **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 of 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 detailed throughout the report.

## **8. PERSONNEL IMPLICATIONS**

8.1 There are no direct personnel implications arising from this report.

## **9. CONSULTATIONS**

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

## **10. RECOMMENDATIONS**

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

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

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

## 12. STATUTORY POWER

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

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Appendices:  
Appendix 1 - Corporate Services & Miscellaneous Finance 2017/18 Budget Monitoring Report  
(Period 4).