



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE REVENUE
BUDGETS 2018-19**

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 To provide Members with details of the 2018/19 revenue budgets for Corporate Services and Miscellaneous Finance.

2. SUMMARY

2.1 The report provides details of the 2018/19 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 2018/19 Revenue Budget

4.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2018/19 financial year is a net cash increase of 1.8% i.e. a cash increase of £1.973m. However after adjusting for the transfer in of specific grants and new responsibilities this equated to a net cash reduction of £2.965m (1%) compared to 2017-18 financial year.

4.1.2 Members will recall that as a consequence of the financial settlement a revised package of savings totalling £6.736m was agreed to enable the Council to deliver a balanced budget for the 2018/19 financial year. Savings for Corporate Services and Miscellaneous Finance amount to £1.957m.

4.1.3 The approved 2018/19 budgets for Corporate Services and Miscellaneous Finance total £68.394m and full details are provided in Appendix 1.

4.2 Corporate Services

4.2.1 The 2018/19 budget for Corporate Services is £22.693m, which is net of agreed savings totalling £1.150m.

4.2.2 In line with the budget strategy agreed at Council on the 22nd February 2018 the Corporate Services base budget has been uplifted for inflation. An allowance of 2.2% has been made for pay (£450k), a 0.28% allowance for Superannuation costs (£46k), living Wage (£15K) and 2% for non-pay (£187k).

4.2.3 The main budget increases due to new responsibilities/budget-virements are:-

- Corporate Premises - £291k
- Homelessness Prevention - £282k

4.2.4 The budget also includes the agreed use of reserves to fund staff in the following areas:-

- Legal Services
- Human Resources
- Trade Union

4.3 Miscellaneous Finance

4.3.1 The 2018/19 budget for Miscellaneous Finance is £45.701m, which is net of agreed savings totalling £0.807m.

4.3.2 The main budget increases, in line with the budget strategy agreed at Council on the 22nd February 2018 are:-

- £150k for non-pay budgets headings (2%)
- £178k for City Deal.

4.3.3 The budget for the Council Tax Reduction Scheme has been reduced by £771.87k.

4.3.4 This also takes into account a transfer of £547k from Capital Financing to the delegated schools budget to fund the Teachers pay award.

4.4 Budget Strategy for 2019/2020 to 2021/2022

4.4.1 At its meeting on the 22nd February 2018 Council was presented with an updated Medium Term Financial Plan (MTFP) which showed an indicative savings requirement of £40.822m for the 5 year period 2018/19 to 2022/23.

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.

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Consultees: Corporate Services Senior Management Team.

N. Scammell – Head of Corporate Finance & S151 Officer.

S. Harris – Deputy S151 Officer.

Southcombe – Finance Manager Corporate Services.

M. Eedy – Finance Manager.

Lesley Allen, Principal Accountant, Housing.

Shaun Couzens, Chief Housing Officer.

Rob Hartshorn, Head of Public Protection

Cllr B. Jones, Deputy Leader/Cabinet Member for Finance, Performance & Governance.

Cllr C. Gordon, Cabinet Member for Corporate Services.

Cllr L. Phipps, Cabinet Member for Homes & Places.

Background Papers:

- Report to Council 22/2/18 – Budget Proposals 2018/19 and Medium Term Financial Strategy 2018/2022
- Budget working papers – Accountancy Section

Appendices:

Appendix 1 2018/19 Revenue Budgets (Corporate Services and Miscellaneous Finance)

<i>CORPORATE SERVICES DIRECTORATE & OTHER</i>	Estimate 2017/18	Revised Estimate 2017/2018	Estimate 2018/2019
SUMMARY			
CHIEF EXECUTIVE AND SECRETARIAT	249,967	249,967	255,465
DEPUTY CHIEF EXECUTIVE/DIRECTOR CORPORATE SERVICES & EDUCATION	200,161	200,161	204,620
CORPORATE FINANCE			
Financial services & Internal Audit	2,069,794	2,103,458	2,124,090
	2,069,794	2,103,458	2,124,090
PROCUREMENT & CUSTOMER SERVICES			
Procurement	438,467	390,108	314,726
Customer First	1,182,248	1,230,607	1,187,491
	1,620,715	1,620,715	1,502,217
LEGAL & GOVERNANCE SUPPORT			
Legal & Democratic Services	1,032,569	1,032,569	1,090,282
Members Allowances	1,648,122	1,648,122	1,681,273
Electoral Services	315,411	315,411	323,524
	2,996,102	2,996,102	3,095,079
INFORMATION AND TECHNOLOGY			
IT Services	4,316,066	4,316,066	4,085,463
Central Services	386,915	386,915	403,398
	4,702,981	4,702,981	4,488,861
CORPORATE PROPERTY SERVICES			
Management	0	0	312,809
Energy		137,453	135,870
Estates	519,199	372,203	57,357
Non Operational Properties	0	127,500	130,051
Facilities	2,380,113	2,355,992	2,746,018
Maintenance	2,190,006	2,190,006	2,176,038
Building Consultancy	(57,146)	(57,146)	(201,931)
	5,032,172	5,126,008	5,356,212
HUMAN RESOURCES, COMMUNICATIONS & HEALTH & SAFETY			
Human Resources	1,563,174	1,563,174	1,505,946
Trade Union Facilities	26,122	26,122	88,151
Communications Unit	286,527	286,527	308,953
Health & Safety	943,894	943,894	902,518
	2,819,717	2,819,717	2,805,568
TOTAL CORPORATE SERVICES	19,691,609	19,819,109	19,832,112
CORPORATE POLICY			
Policy	671,173	671,173	648,395
Equalities	382,832	382,832	384,562
Performance Management Unit	207,917	207,917	223,534
Community Safety	127,926	127,926	82,093
	1,389,848	1,389,848	1,338,584
HOUSING SERVICES			
General Fund Housing	990,666	990,666	1,317,617
Private Housing	363,362	363,362	326,020
	1,354,028	1,354,028	1,643,637
TOTAL NON-CORPORATE SERVICES	2,743,876	2,743,876	2,982,221
RESERVES			
Social Services	0	0	(29,514)
Corporate Services	0	0	(91,492)
TOTAL RESERVES	0	0	(121,006)
TOTAL SERVICES	22,435,485	22,562,985	22,693,327

<i>MISCELLANEOUS FINANCE</i>	Estimate 2017/18	Revised Estimate 2017/2018	Estimate 2018/2019
MISCELLANEOUS FINANCE			
Staff Related Costs			
Pension Contribution - Former Authorities Ongoing	1,215,689	1,215,689	1,215,689
Recharge to Education - Former Authorities	(189,629)	(189,629)	(189,629)
	1,026,060	1,026,060	1,026,060
Catering			
Subsidy	56,313	56,313	0
	56,313	56,313	0
Statutory Benefit Schemes			
Council Tax Benefits	14,560,178	14,560,178	13,788,308
DHP Rent allowances		61,053	56,808
DHP Rent Rebates		549,472	511,276
DHP Income		(610,525)	(568,084)
General Rent Allowances	28,118,381	28,118,381	28,543,432
Rent Rebates	29,009,587	29,009,587	27,456,591
Rent Allowance War Widow Concessions	35,000	35,000	35,000
Housing Benefit Subsidy	(57,127,968)	(57,127,968)	(56,000,023)
	14,595,178	14,595,178	13,823,308
Levies Upon the Council			
Coroner	196,975	196,975	200,946
Archives	209,092	209,092	209,092
Fire Service Authority	8,378,145	8,378,145	8,475,706
	8,784,212	8,784,212	8,885,744
Capital Financing			
Debt Charges (Principal Repaid)	14,316,180	2,373,043	2,383,236
Debt Charges (Interest Payments)		8,708,589	8,977,172
Debt Charges (Debt Management Exp's)		44,519	42,285
Income from External Investments:		(400,000)	(600,000)
Rescheduling Discounts		(152,931)	(110,369)
Earmarked for specific funds/balances	259,960	812,891	846,498
CERA (Capital Expenditure funded from Revenue Account)	217,872	3,407,901	2,604,319
	14,794,012	14,794,012	14,143,141
Corporate and Democratic Core Costs			
Bank Charges	185,978	185,978	189,698
Income from HRA	(31,281)	(31,281)	(31,907)
Income from DLO/DSO	(13,353)	(13,353)	(13,620)
External Audit Fees	474,584	474,584	484,076
Income from HRA	(79,825)	(79,825)	(81,422)
Income from DLO/DSO	(34,074)	(34,074)	(34,755)
Subscriptions	110,736	110,736	110,736
	612,765	612,765	622,806

<i>MISCELLANEOUS FINANCE</i>	Estimate 2017/18	Revised Estimate 2017/2018	Estimate 2018/2019
Grants to Voluntary sector			
Assistance to Voluntary sector	175,817	175,817	179,333
	175,817	175,817	179,333
Private Finance Initiative			
PFI Schools	2,459,038	2,459,038	2,340,304
PFI SEW	4,043,023	4,043,023	3,960,234
	6,502,061	6,502,061	6,300,538
Other			
Budget Pressures	121,166	121,166	0
NNDR - Authority Empty Properties	130,608	130,608	130,608
Counsel Fees	330,720	330,720	330,720
Careline	35,900	35,900	35,900
Carbon Management Scheme	27,618	27,618	28,170
Carbon Energy Tax	221,856	221,856	229,884
IT Replacement Strategy	129,257	129,257	131,842
PV Panels Income	(40,600)	(40,600)	(40,600)
Risk Management Contribution	(456,511)	(456,511)	(456,511)
Class 1A NI	(60,000)	(60,000)	(60,000)
Welsh Language	52,115	52,115	53,157
City Deal	60,000	60,000	239,200
Matched Funding for Community Schemes	25,400	13,400	15,908
Targeted Rate Relief Scheme			77,000
Miscellaneous Items			4,631
	577,529	565,529	719,909
TOTAL MISCELLANEOUS FINANCE	47,123,947	47,111,947	45,700,839
EXPENDITURE TO DIRECTORATE SUMMARY	69,559,432	69,674,932	68,394,166