



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

**SUBJECT:      WHOLE AUTHORITY REVENUE BUDGET MONITORING REPORT  
2018/19**

**REPORT BY:    CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

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### **1.      PURPOSE OF REPORT**

- 1.1      To provide the Scrutiny Committee with details of projected whole-authority revenue budget expenditure for the 2018/19 financial year.

### **2.      SUMMARY**

- 2.1      This report provides information on the position of the whole-authority in respect of revenue budget monitoring for 2018/19. Detailed budget monitoring reports are prepared for Scrutiny Committees throughout the financial year. Consideration has been given to actual expenditure and income trends and projections have been made of the likely year-end outturn position. Where variations from budget have been identified these are commented upon throughout the report.

### **3.      LINKS TO STRATEGY**

- 3.1      The Council has a number of corporate strategies and this report deals with the use of resources in the achievement of those strategies.
- 3.2      Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 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      Members will be aware of the ongoing challenging financial outlook for Local Government and the need to identify significant savings to support the Council's Medium-Term Financial Plan (MTFP). Officers have been mindful of this and consequently expenditure has been curtailed

in a number of areas in recent years with the aim of identifying savings in advance to support the MTFP. This prudent approach has resulted in a trend of reported year-end underspends for some Directorates.

- 4.2 The table below provides a comparison between the original 2018/19 budget, a revised budget (where approved changes have been made in year), and the projected outturn. The detail in respect of each service area is covered in the Appendices 2 to 5 attached. The total projected revenue budget underspend for the Authority for 2018/19 is £1,899k.

<b>Service Area</b>	<b>Original Budget 2018/19 £000's</b>	<b>Revised Budget 2018/19 £000's</b>	<b>Projected Outturn 2018/18 £000's</b>	<b>Projected (Overspend)/ Underspend £000's</b>
Education & Lifelong Learning	124,564	124,564	125,376	<b>(813)</b>
Social Services, Public Protection and Corporate Policy	89,456	89,440	88,452	<b>989</b>
Communities	51,273	51,076	51,490	<b>(414)</b>
Corporate Services	21,050	21,262	20,133	<b>1,129</b>
Miscellaneous Finance	45,701	45,701	44,693	<b>1,008</b>
<b>Totals: -</b>	<b>332,043</b>	<b>332,043</b>	<b>330,144</b>	<b>1,899</b>

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **6. EQUALITIES IMPLICATIONS**

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

## **7. FINANCIAL IMPLICATIONS**

- 7.1 As detailed throughout the report.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 The personnel implications of agreed savings are carefully managed and staff are fully supported to identify redeployment opportunities wherever possible.

## **9. CONSULTATIONS**

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

## **10. RECOMMENDATIONS**

- 10.1 It is recommended that Members continue to request Directors and Heads of Service to review expenditure and income levels in order to ensure that annual budgets and in-year savings are achieved.

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

- 11.1 The Council budget is based upon the achievement of both expenditure targets and income targets. In order to ensure these are met and that the Council's financial integrity is maintained, Members are required to review expenditure and income trends included in budget monitoring reports.

## **12. STATUTORY POWER**

- 12.1 Local Government Act 1972 and 2000.

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Consultees: Andrew Southcombe, Finance Manager, Corporate Finance  
Dave Roberts, Principal Group Accountant, Corporate Services  
Mike Eedy, Finance Manager, Environment  
Jane Southcombe, Finance Manager, Education & Lifelong Learning  
Mike Jones, Interim Financial Services Manager, Social Services  
Rob Tranter, Head of Legal services & Monitoring Officer  
Steve Harris, Interim Head of Business Improvement services  
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance.

### Appendices:

- Appendix 1 Whole Authority Revenue Budget Monitoring Report 2018/19 – Summary by Directorate/Service Area.  
Appendix 2 Education & Lifelong Learning  
Appendix 3 Social Services  
Appendix 4 Communities  
Appendix 5 Corporate Services and Miscellaneous Finance

### Background Papers:

Council (22/02/18) - Budget Proposals 2018/19 and Medium-Term Financial Strategy 2018/2023

## Whole Authority Revenue Budget Monitoring Report 2018-19

## Summary by Directorate/Service Division

Directorate/Service Division	Original Budget 2018/19	Revised Budget 2018/19	Projected Outturn 2018/19	Projected (Overspend)/ Underspend
	£	£	£	£
<b>Education &amp; Lifelong Learning</b>				
- Planning and Strategy	104,976,523	104,976,523	105,506,126	(529,603)
- Learning, Education and Inclusion	15,237,131	15,237,131	15,807,931	(570,800)
- Lifelong Learning	4,350,049	4,350,049	4,062,407	287,642
<b>Sub-Total: -</b>	<b>124,563,703</b>	<b>124,563,703</b>	<b>125,376,464</b>	<b>(812,761)</b>
<b>Social Services &amp; Housing</b>				
- Children's Services	23,341,970	23,341,970	22,245,220	1,096,750
- Adult Services	62,387,484	62,387,484	62,522,881	(135,397)
- Service Strategy and Business Support	2,082,425	2,067,198	2,002,208	64,990
- Housing Services	1,643,637	1,643,637	1,681,476	(37,839)
<b>Sub-Total: -</b>	<b>89,455,516</b>	<b>89,440,289</b>	<b>88,451,785</b>	<b>988,504</b>
<b>Communities</b>				
- Regeneration and Planning	2,559,514	2,489,733	2,605,531	(115,798)
- Engineering	19,819,265	19,818,706	19,906,260	(87,554)
- Community and Leisure Services	21,491,782	21,365,386	21,751,651	(386,265)
- Public Protection	7,235,186	7,234,627	7,065,415	169,212
- Directorate General	167,738	167,738	161,000	6,738
<b>Sub-Total: -</b>	<b>51,273,485</b>	<b>51,076,190</b>	<b>51,489,857</b>	<b>(413,667)</b>
<b>Corporate Services</b>				
- Interim Chief Executive/Acting Director	460,085	367,177	296,243	70,934
- Corporate Finance	2,124,090	2,124,090	2,021,369	102,721
- Procurement and Customer Services	1,502,217	1,502,217	1,800,935	(298,718)
- Legal and Governance	3,065,565	3,068,172	2,869,252	198,920
- Information Technology/Central Services	4,488,861	4,443,177	4,151,473	291,704
- Corporate Property	5,356,212	5,425,993	5,162,661	263,332
- Corporate Policy	1,338,584	1,509,175	1,332,986	176,189
- Human Resources and Communications	1,811,558	1,919,693	1,731,699	187,994
- Health and Safety	902,518	902,518	766,584	135,934
<b>Sub-Total: -</b>	<b>21,049,690</b>	<b>21,262,212</b>	<b>20,133,202</b>	<b>1,129,010</b>
<b>Miscellaneous Finance</b>	<b>45,700,839</b>	<b>45,700,839</b>	<b>44,693,178</b>	<b>1,007,661</b>
<b>Grand Total: -</b>	<b>332,043,233</b>	<b>332,043,233</b>	<b>330,144,486</b>	<b>1,898,747</b>

**FOR INFORMATION****EDUCATION FOR LIFE SCRUTINY COMMITTEE - 8TH JANUARY 2019****SUBJECT: BUDGET MONITORING 2018/19****REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES****1. PURPOSE OF REPORT**

- 1.1 To outline the projected 2018-19 outturn position for the Directorate of Education and Lifelong Learning (LL), based on the most recent information available.

**2. SUMMARY**

- 2.1 The report identifies projected under / overspends currently forecast for 2018-19 (full details attached in Appendix 1), together with an update with regards to any issues relating to the progress of the 2018/19 savings targets.

**3. LINKS TO STRATEGY**

- 3.1 The report considers the use of resources within the Directorate to ensure that key strategies are achieved.
- 3.2 Effective financial planning and financial controls contribute to the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015. In particular as follows:

A healthier Wales, supporting vulnerable learners can improve their well-being and educational achievement.

A more equal Wales, a society that enables people to fulfil their potential no matter what their background is; and

A Wales of cohesive communities, improving quality of life with attractive, viable, safe and well connected communities.

**4. THE REPORT**

- 4.1 The report deals with the budget monitoring information for Education and Lifelong Learning (LL). The revenue position for the Directorate is summarised in Appendix 1, with a breakdown for the 3 service areas of Planning & Strategy; Learning, Education and Inclusion (LEI); and LL respectively.
- 4.2 The projected outturn position is based on actual income and expenditure details to the end of October 2018, together with data used to forecast income and expenditure. Account is also taken of the outturn position for 2017-18 and information available following discussions with Managers.

- 4.3 A net overspend of £813k is currently forecast, details with regards to each of the service areas are outlined below. To advise, £518k relates to the in year variance position and £295k relates to the projected deficit on closure of Cwmcarn High School.
- 4.4 Members are advised that the projected outturn position for Corporate Services is an underspend of £1.091m, consequently overall the projected outturn position for Education and Corporate Services (excluding the Cwmcarn High position which will be treated separately) is an underspend of £573k. The details with regards to the Corporate Services position will be reported to Policy & Resources Committee in January 2019.

**4.5 Planning & Strategy (Including Home to School Transport) – (Overspend £530k)**

- 4.5.1 The main variances in this service area relate to the following:

	£'000 (Under / (Over))
<b><i>Cwmcarn High School (On-Closure)</i></b>	<b><i>(295)</i></b>
Relief Supply Cover (SRB's & Maternity)	(221)
Retirement / Severance School Based Staff	(53)
Rationalisation / Vacant Properties	(39)
Management & Support Service Costs	68
Net Other	10
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Total	(530)

- 4.5.2 In February 2018, as part of the 2018/19 budget process, Members will recall that agreement was made to set aside £1.4m from the General Fund to meet the then projected deficit on closure of Cwmcarn High School. This projected deficit position is now updated to a figure of £1.7m. Since the financial position is not concluded (low value invoices are still being received), a final update on the deficit at closure will be included as part of the outturn report for 2018/19. The variance of £295k represents an additional cost in excess of the £1.4m. Consequently an update will be provided to Cabinet which will include funding options. The options could include the following:
- General Fund Reserves
  - Education & Lifelong Learning (General) Reserves
  - LMS Contingency Reserves
- 4.5.3 Due to the unpredictability of sickness in our Special Resource Bases and maternity absences across all school sectors, the relief supply cover spend on school based staff is always very closely monitored. Whilst it is very difficult to be able to forecast an outturn position, current data identifies an increase in maternity absences in our schools and previous trends suggest there will be an increased sickness pressure in the winter months. Monitoring is on-going due to the volatility and uncertain nature of the spend. The level of projected overspend has increased by circa £100k since the previous update, however due to the uncertain nature of this spend the budget position could improve or deteriorate further by the end of the financial year. This projected in year overspend has already been reduced on the assumption that the Directorate will need to access funding of £39k in balances (Relief Supply Equalisation Account – this is the full balance currently held in balances for this purpose).
- 4.5.4 The projected overspend of circa £53k, on the early retirement pension costs budget for school based staff, is impacted by staff losses resulting from the closure of Cwmcarn High School. In addition there are £39k of costs linked to the rationalisation of the Oakdale, Pontllanfraith and Cwmcarn sites, these are unavoidable costs linked primarily to short term security of the Pontllanfraith and Cwmcarn sites.

- 4.5.5 The underspend in relation to Management & Support costs relates predominantly to in year savings on staff costs. This variance is due largely to in year vacancies that are not on-going as posts are linked to delivering support through SLA Agreements with our Schools.
- 4.5.6 Members will recall that in September we reported a potential budget pressure (circa £18k) relating to the Home to School College Transport Budget. As Members are aware this area of the service is managed by the Engineering Division (with any variances ring fenced to Education). The update is currently a breakeven position.
- 4.5.7 In summary the net projected variance for Planning & Strategy is an overspend of £530k, this includes £295k relating to the closure of Cwmcarn High.

#### **4.6 Learning, Education & Inclusion – (Overspend £571k)**

- 4.6.1 The most significant variances within LEI are as follows:

	£'000 (Under / (Over))
Psychological Service	38
14 – 19 Initiative Transport	24
EOTAS / Addn. Support / Out of County	(879)
Early Years – Rising 3's	75
Early Years Central Team	94
Support Services & Resources	49
Music Service	(30)
Education Achievement Contract	28
Education Improvement Grant (Match)	27
Net Other	3
<b>Total</b>	<b>(571)</b>

- 4.6.2 The underspend in the Psychological Service is linked to in year staff savings. This is largely attributable to delays in recruitment due to a shortage of appropriately qualified staff.
- 4.6.3 The projected underspend on 14-19 transport (which allows pupils wider course access between Schools), is a trend that continues into 2018-19. This spend will continue to be monitored and is part of the Directorates savings proposals moving forwards.
- 4.6.4 The significant cost pressure within the Directorate continues to be in relation to the EOTAS (Education Other Than at School) provision. The provision accommodates learners who are unable to attend and learn in a mainstream school setting. In reviewing the continuum of additional support provided to pupils, our alternative EOTAS provision and Out of County Placements, the projected overspend against this budget heading is currently estimated at £879k (this is an increase of £49k on the previously reported projection). A review of demand, costs and structures is on-going. In recent years, savings in other areas of the Directorate have contributed towards funding this pressure, with the Directorate underspending as a whole. Based on projections for 2018/19 this will not be possible in the current financial year and going forwards. This pressure has been recognised in the Budget Proposals 2019/20 for the Authority.
- 4.6.5 The spend on Early Years – Rising 3's is very much demand led, as it is driven by the number of age 3 pupils who access nursery provision in the term following their 3<sup>rd</sup> birthday. This can vary from year to year, with spend based on the birth rate and parental choice with regards to accessing this "early" provision. Current projections do not indicate a significant increase in uptake, consequently based on recent trends the current projection is a saving of £75k. The Budget proposals 2019/20 include a budget reduction of £50k based on realignment to trend.

- 4.6.6 The projected underspend against the Early Years Central Team is consistent with the position in 2017/18 and is largely due to successfully accessing grant funding to contribute towards supporting specific posts within the Team. This update is an improved position and again a £20k budget reduction is part of the Proposals for 2019/20.
- 4.6.7 The variance against Support Services & Resources relates predominantly to in year vacancy gaps. The position in the Music Service relates to a mix of additional expenditure and reduced income to the original predication.
- 4.6.8 In 2018-19, the charge on the main contract with the Education Achievement Service is less than current budget provision. Similarly the budget for the Authority's match funding requirement against the Education Achievement Grant is greater than required. These variances are part of savings proposals for future years.
- 4.6.9 In summary, the net projected variance for Learning, Education & Inclusion is an overspend of £571k. Overall this is a marginal variance to the £586k reported in September.

#### **4.7 Life Long Learning – (Underspend £288k)**

- 4.7.1 In 2018-19 the main budget variances are as follows:

	£'000 (Under / (Over))
Community Education (Adult & Youth)	107
Library Service	181
Net Other	Nil
<b>Total</b>	<b>288</b>

- 4.7.2 The projected underspend within Community Education is a mix of both the Adult Education and Youth Services. In adult education an underspend of £41k is attributable to a vacant management post following a retirement and a further in year vacancy gap. The Youth service underspend of circa £65k relates largely to in year gaps in the part time youth service. These vacancies form part of the MTFP budget proposals in 2019/20.
- 4.7.3 The Libraries variance relates primarily to a one off rebate for NNDR (National Non Domestic Rate) charges of £130k. This refund relates to 4 libraries covering financial year 2010/11 through to 2017/18. A further projected net saving of £51k relates largely to in year vacancies and supply cover arrangements.

#### **4.8 Progress Made Against the 2018/19 Revenue Budget Savings Targets**

- 4.8.1 The 2018/19 revenue budget settlement for Education and Lifelong Learning included a specific savings target of £1,221k. Managers have progressed implementation of the targets set and there are currently no significant issues causing concern. The impact has been referenced in the narrative of this report and the projected outturn position for 2018-19.
- 4.8.2 Members will be aware that the revenue budget of £333k for Maintenance of School Buildings (50/50 Funding with Schools) formed part of the £1,221k savings target for 2018-19. In 2018-19, the Authority has continued to support building maintenance projects on a 50/50 basis with our Schools by accessing funds from LMS Contingency balances. The details of planned expenditure are contained in the Education Capital Report 2018/19, which went to Education for Life Scrutiny on 26<sup>th</sup> February 2018.



## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 Equality Impact Assessments (EIA's) have been completed for all the savings proposals in 2018/19 that are anticipated to have a public impact.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 In summary, based on information currently available there is a projected revenue overspend for Education & Lifelong Learning of £813k. This includes £295k linked directly to the deficit on closure of Cwmcarn High School. The net balance is £518k is significantly impacted by the current spend position on our most vulnerable learners and this has been recognised in the Budget Proposals for 2019/20.
- 7.2 In 2018/19 there are a number of one off savings which have assisted with regards to reducing the projected overspend position, most notably an NNDR net refund of £130k within the Library Service. In addition current projections assume that circa £39k is utilised from an earmarked equalisation account. However it's important to be clear that the pressures relating to Relief Supply & Maternity costs is not linked to a mismatch with regards to the number of school days that fall in the 2018/19 financial year.
- 7.3 Overall the current projected outturn position for Education & Corporate Services is an underspend of £573k.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 In 2018-19 the Directorate will continue with the strategy of prudent vacancy management.
- 8.2 The budget proposals include provision to pay the living wage, as agreed by Council.
- 8.3 In striving to achieve these budget proposals the service area will have regard to the Council's Workforce Flexibilities Policies. However, should employees still be placed at risk, either through the achievement of any agreed budget savings or grant funding reductions, they will be supported via the Council's agreed HR policies to address any issues.

## **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 this report and the detailed budget monitoring information contained in Appendix 1.

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

- 11.1 The Council Budget is based on the achievement of both expenditure and income targets. In order to ensure that these are met and the Council's financial integrity maintained Directors are required to review income and expenditure trends.

## 12. STATUTORY POWER

### 12.1 Local Government Act 1972.

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Appendices:	
Appendix 1:	Projected Revenue Outturn Figures 2018-19

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2018-19 £</b>	<b>Estimated Outturn 2018/19 £</b>	<b>Variance Under (Over) 2018/19 £</b>
<b><u>SUMMARY</u></b>			
<b>PLANNING and STRATEGY</b>	<b>104,976,523</b>	<b>105,506,126</b>	<b>(529,603)</b>
<b>LEARNING, EDUCATION and INCLUSION</b>	<b>15,237,131</b>	<b>15,807,931</b>	<b>(570,800)</b>
<b>LIFELONG LEARNING</b>	<b>4,350,049</b>	<b>4,062,407</b>	<b>287,642</b>
<b>TOTAL SERVICE EXPENDITURE (Revenue)</b>	<b>124,563,703</b>	<b>125,376,464</b>	<b>(812,761)</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2018-19 £</b>	<b>Estimated Outturn 2018/19 £</b>	<b>Variance Under (Over) 2018/19 £</b>
<b><u>PLANNING and STRATEGY</u></b>			
<b><i>Individual Schools Budget</i></b>	<b>102,404,172</b>	<b>102,404,172</b>	<b>0</b>
<b><i>Cwmcarn High School (On-Closure)</i></b>		<b>294,741</b>	<b>(294,741)</b>
<b><i>Post 16 Initiative (Grant Income)</i></b>	<b>(4,003,381)</b>	<b>(4,003,381)</b>	<b>0</b>
<b><i>Earmarked Formula Funding (inc. Joint Use Sites)</i></b>	<b>214,064</b>	<b>214,115</b>	<b>(51)</b>
<b><i>Schools LMS Contingencies</i></b>	<b>192,687</b>	<b>192,687</b>	<b>0</b>
<b><i>Other Direct School Related</i></b>			
Learning Support Staff Registration Fee	19,690	19,690	0
PFI Funding Gap	322,117	322,117	0
PFI Building Maintenance	48,230	48,230	0
Former Key Stage 2 Grant	1,370,822	1,370,822	0
Secondary Additional Funding	1,059,471	1,059,471	0
School Meal Admin. Utility & Telephone	423,893	413,893	10,000
Relief Supply Cover (SRB's & Maternity)	467,077	688,360	(221,283)
Copyright and Licensing (Schools)	69,461	68,623	838
	<b>3,780,761</b>	<b>3,991,206</b>	<b>(210,445)</b>
<b><i>Home to School/College Transport (Environment)</i></b>		<b>(31)</b>	<b>31</b>
<b><i>Early Retirement Pension Costs of School Based Staff</i></b>	<b>1,815,907</b>	<b>1,868,831</b>	<b>(52,924)</b>
<b><i>School Rationalisation &amp; Vacant Properties</i></b>	<b>-</b>	<b>39,124</b>	<b>(39,124)</b>
<b><i>Management &amp; Support Costs</i></b>	<b>572,313</b>	<b>504,662</b>	<b>67,651</b>
<b><u>EXPENDITURE TO DIRECTORATE SUMMARY</u></b>	<b>104,976,523</b>	<b>105,506,126</b>	<b>(529,603)</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2018-19 £</b>	<b>Estimated Outturn 2018/19 £</b>	<b>Variance Under (Over) 2018/19 £</b>
<b><u>LEARNING, EDUCATION and INCLUSION</u></b>			
<b><i>Social Inclusion</i></b>			
Psychological Service	476,492	438,716	37,776
Behaviour Support	174,704	155,971	18,733
Education Welfare Service	404,597	408,661	(4,064)
Youth Offending Team	52,292	51,666	626
School Based Counselling	278,243	270,452	7,791
	<b>1,386,328</b>	<b>1,325,466</b>	<b>60,862</b>
<b><i>Additional Learning Needs</i></b>			
ALN Advisory Support Service	218,572	223,319	(4,747)
Learning Support	10,693	4,691	6,002
Professional/Statementing	63,760	85,123	(21,363)
Language Support Primary	428,848	420,756	8,092
Specialist Resources	42,239	42,205	34
ALN Improvement Initiative	349,478	349,478	0
Childrens Centre	46,900	41,250	5,650
SNAP Cymru	37,744	39,606	(1,862)
Outreach Trinity Fields	49,657	49,657	0
Speech Therapy	50,406	56,384	(5,978)
<b>SENCOM (Sensory Service)</b>	<b>715,647</b>	<b>723,992</b>	<b>(8,345)</b>
Autism	198,962	198,962	0
	<b>2,212,906</b>	<b>2,235,423</b>	<b>(22,517)</b>
<b><i>Learning Pathways Partnership</i></b>			
14 - 19 Initiative (Transport Costs)	166,967	142,944	24,023
	<b>166,967</b>	<b>142,944</b>	<b>24,023</b>
<b><i>EOTAS, Additional Support &amp; Out of County Provision</i></b>	<b>7,277,092</b>	<b>8,156,468</b>	<b>(879,376)</b>
<b><i>Early Years Provision &amp; Support</i></b>			
Early Years (Rising 3's)	865,868	791,248	74,620
Early Years Central Team	373,198	279,433	93,765
	<b>1,239,066</b>	<b>1,070,681</b>	<b>168,385</b>
<b><i>LEI Service Provision</i></b>			
Service Support & Resources	312,802	263,860	48,942
SACRE	2,490	2,490	0
Outdoor Education Advisor SLA	29,568	29,568	0
School Improvement	344,858	338,586	6,272
Music Service	499,949	530,005	(30,056)
WJEC & Subscriptions	35,704	38,618	(2,914)
	<b>1,225,371</b>	<b>1,203,127</b>	<b>22,244</b>

<b>EDUCATION &amp; LIFELONG LEARNING</b>	<b>Original Estimate 2018-19 £</b>	<b>Estimated Outturn 2018/19 £</b>	<b>Variance Under (Over) 2018/19 £</b>
<b>Education Achievement Service (EAS) &amp; Regional Grant Match Funding</b>			
Contribution to EAS Joint Working	1,070,012	1,041,858	28,154
Education Improvement Grant - Match Funding	659,389	631,964	27,425
	1,729,401	1,673,822	55,579
<b>EXPENDITURE TO DIRECTORATE SUMMARY</b>	<b>15,237,131</b>	<b>15,807,931</b>	<b>(570,800)</b>
<b><u>LIFELONG LEARNING</u></b>			
<b>Community Education</b>	<b>1,663,832</b>	<b>1,557,221</b>	<b>106,611</b>
<b>Library Service</b>	<b>2,595,826</b>	<b>2,415,259</b>	<b>180,567</b>
<b>LLL Insurance &amp; Non Operational Property/Land</b>	<b>90,391</b>	<b>89,927</b>	<b>464</b>
<b><u>EXPENDITURE TO SERVICE SUMMARY</u></b>	<b>4,350,049</b>	<b>4,062,407</b>	<b>287,642</b>



## HEALTH, SOCIAL CARE AND WELL BEING SCRUTINY COMMITTEE 23RD OCTOBER 2018

**SUBJECT: BUDGET MONITORING REPORT (MONTH 5)**

**REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES**

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

- 1.1 To inform Members of projected revenue expenditure for the Social Services Directorate for the 2018/19 financial year.
- 1.2 To update Members on the progress made against the savings targets built in to the 2018/19 revenue budget for the Directorate.

### **2. SUMMARY**

- 2.1 The report summarises the projected financial position for the Social Services Directorate for the 2018/19 financial year based on information available as at month 5 (August 2018). It identifies budget pressures relating to services for adults with learning disabilities and highlights the financial successes achieved by the Children's Services division despite an increase in the numbers of looked after children. Full details are attached at Appendix 1.
- 2.2 The report also identifies the savings targets that have been factored into the Directorate's budget for 2018/19 and highlights the good progress made towards achieving those targets.

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

- 3.1 The expenditure of the Directorate is linked directly to its ability to shape and deliver its strategic objectives, which in turn assists the achievement of the Authority's stated aims and well-being goals.
- 3.2 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 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 Based on known commitments as at the end of August 2018, the Social Services revised budget of £87.797m for 2018/19 is forecast to be underspent by around £1,027k. However, this does not account for the costs of transport of Social Services service users which is funded through a budget held by the Integrated Transport Unit within the Directorate of Communities. This budget for transport costs amounts to £1.465m and is forecast to be overspent by around £130k giving a forecasted net underspend of £897k when offset against the £1,027k underspend within the Social Services Directorate.

Division	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Children's Services	23,342	22,245	(1,097)
Adult Services	62,388	62,523	135
Service Strategy & Business Support	2,067	2,002	(65)
<b>Sub Total Directorate of Social Services</b>	<b>87,797</b>	<b>86,770</b>	<b>(1,027)</b>
Transport Costs	1,465	1,595	130
<b>Grand Total</b>	<b>89,262</b>	<b>88,365</b>	<b>(997)</b>

### 4.2 Children's Services

- 4.2.1 The Children's Services Division is currently projected to underspend its budget by £1,097k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,067	7,740	(327)
Residential Care Including Secure Accommodation	5,420	4,775	(645)
Fostering & Adoption	7,724	7,791	67
Youth Offending	395	395	0
Families First	64	26	(38)
After Care Support	786	633	(153)
Other Costs	886	885	(1)
<b>Totals: -</b>	<b>23,342</b>	<b>22,245</b>	<b>(1,097)</b>

#### *Management, Fieldwork and Administration*

- 4.2.2 A prudent approach to recruitment to back office posts and difficulties in recruiting to social work posts has resulted in a potential staffing underspend of £327k across the division.

#### *Residential Care Including Secure Accommodation*

- 4.2.3 There has been a reduction of 2 expensive secure accommodation placements since the 2018/19 budget was set. This has been partially offset by an increase of 1 less expensive residential placement resulting in a net underspend of £443k. One-off slippage against staff costs during recruitment to posts within our second in-house residential home has added a further underspend of £202k bringing the total projected underspend for residential care to £645k. However, it is important to acknowledge that the situation is volatile and just one additional standard residential placement could cost up to £250K per year.

#### *Fostering and Adoption*



- 4.2.4 Since the beginning of the financial year, the division has seen an increase of 8 Special Guardianship places and a net increase of 11 foster placements. However, the division has experienced some recent success in recruiting in-house foster carers, while support received through the MIST Therapeutic Fostering Service has enabled more challenging children to be supported by in-house carers. This has enabled a reduction of 5 independent foster care placements, thereby mitigating a large part of the financial impact of the overall increase in demand and restricting the potential overspend to around £67k. Again, it is important to acknowledge that the situation is volatile.
- 4.2.5 The introduction of the MIST Therapeutic Fostering Service and a revised fee structure for in-house foster carers has achieved early successes in mitigating the cost of increasing numbers of looked after children. However, both of these initiatives will be funded from reserves throughout 2018/19 so it should be noted that additional funding may be required to fund these arrangements beyond 31<sup>st</sup> March 2019 unless further reductions in residential placements and independent fostering placements can be achieved. These 2 initiatives are likely to cost in the order of £900k in 2019/20.

#### *Families First*

- 4.2.6 The £38k underspend in respect of Families First is largely due to vacancies within the core staff team.

#### *Aftercare*

- 4.2.7 An overspend of £153k is projected in respect of Aftercare Services and reflects the numbers of 16 to 18 year olds currently in receipt of leaving care services.

#### *Other*

- 4.2.8 There has been no inflationary increase in the costs of supporting the 2 unaccompanied asylum seeking children placed with foster care agencies since 2017/18, resulting in a small underspend of £1k in respect of other children's services costs.

### 4.3 **Adult Services**

- 4.3.1 The Adult Services Division is currently projected to overspend its budget by £226k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management, Fieldwork & Administration	8,199	8,003	(196)
Own Residential Care and Supported Living	6,017	5,900	(117)
Own Day Care	4,211	4,094	(117)
Supported Employment	68	68	0
Aid and Adaptations	789	737	(52)
Gwent Frailty Programme	2,252	2,239	(13)
Supporting People (net of grant funding)	0	0	0
External Residential Care	14,503	14,970	467
External Day Care	1,327	1,438	111
Home Care (In-House and Independent Sector)	10,835	10,990	155
Other Domiciliary Care	11,861	12,593	732
Resettlement	(1,020)	(1,020)	0
Services for Children with Disabilities	1,480	1,296	(184)
Other Costs	1,866	1,215	(651)
<b>Totals: -</b>	<b>62,388</b>	<b>62,523</b>	<b>135</b>

#### *Management, Fieldwork and Administration*

- 4.3.2 An underspend of £196k is currently projected in respect of Management, Fieldwork and Administration costs. However, this assumes around £256k of vacancy savings can be achieved in the remaining 7 months of the financial year.

#### *Own Residential Care and Supported Living*

- 4.3.3 A combination of reduced vacancy levels and increasing costs of staff cover in July and August has reduced the projected underspend within in our residential homes and supported living homes to £117k, a reduction of £117k when compared with the £234k underspend reported in month 3.

#### *Own Day Care*

- 4.3.4 Vacancy levels in our own day care services have increased over the last 2 months thereby increasing the projected underspend in this area to £117k from the £66k underspend reported in month 3.

#### *Aids and Adaptations*

- 4.3.5 The £52k underspend is due to a repayment from the Gwent Wide Integrated Community Equipment Service (GWICES) in respect of unspent funding from 2017/18.

#### *External Residential Care*

- 4.3.6 An overspend of £418k was forecast in month 3 in respect of external residential care which was largely due to the 7 additional placements for people with learning disabilities. This potential overspend has now increased to £467k mainly as a result of increased demand for placements for older people.

#### *External Day Care*

- 4.3.7 The projected overspend of £111k in respect of external day care can be attributed to an increase in service users with learning disabilities since the start of the financial year.

#### *Home Care (In-House and Independent Sector)*

- 4.3.8 Actual costs incurred in recent months suggest the number of hours paid to in-house carers has returned to budgeted levels after a recent recruitment campaign, resulting in a reduction in the projected underspend in respect of the in-house service to £106k. This has been partially offset by a reduction in the over commitment in respect of domiciliary care commissioned through the independent sector to £261k. This leaves a net over commitment of £155k which is due to the inclusion of a £264k savings target within the 2018/19 budget. This would suggest that £109k of the savings target has been achieved to date.

#### *Other Domiciliary Care*

- 4.3.9 An overspend of £732k is projected in respect of other domiciliary care costs. However, around £680k of this can be attributed to the cost of care packages that were previously funded through the Welsh Independent Living Grant. This grant funding transferred into the Revenue Support Grant in April 2018 and a core budget of £872k was earmarked within the Social Services Other Costs budget to fund the ongoing cost of this care. Many of the service users that were previously receiving care funded through this grant have been reviewed in line with Welsh Government requirements and the care has been absorbed in to wider packages of support including supported living, direct payments and shared lives arrangements. This has caused a shift in costs of £680k from Other Costs to Other Domiciliary Care. Once all the necessary reviews have been completed budgets will need to be transferred to reflect these

changes.

- 4.3.10 After adjusting for the impact of the Welsh Independent Living Grant changes the projected net overspend in respect of Other Domiciliary Care amounts to around £52k which can be attributed to the replacement of flat rate supporting people tariff funding with individual needs assessments. This has led to a reduction in supporting people grant contributions towards many care packages without the corresponding reduction in the total cost of the packages that had been anticipated. The overspend in this area would have been higher had it not been for the projected additional £186k in service user contributions based on current income levels.

#### *Other Costs*

- 4.3.11 An underspend of £651k has been forecast in respect of Other Costs but after adjusting for the Welsh Independent Living grant changes highlighted above, this becomes an overspend of £29k. This is largely attributable to staffing cover within the Telecare Service.

#### *Children with Disabilities*

- 4.3.12 With effect from 1<sup>st</sup> April 2018, the budget for services for Children with Disabilities transferred from the Children's Services budget to the Adult Services budget to reflect a change in management reporting lines. These services now fall within the portfolio of the service manager with responsibility for services for adults with disabilities in order to minimise the impact on service users of transitioning from childhood in to adulthood. An underspend of £184k is currently forecast against this budget, largely as a result of a reduction in foster care placements.

### 4.4 **Service Strategy & Business Support**

- 4.4.1 The service area is currently projected to underspend by £65k as summarised in the following table: -

	Revised Budget (£000's)	Projection/ Commitment (£000's)	Over/(Under) Spend (£000's)
Management and Administration	861	829	(32)
Office Accommodation	224	213	(11)
Office Expenses	172	178	6
Other Costs	810	782	(28)
<b>Totals: -</b>	<b>2,067</b>	<b>2,002</b>	<b>(65)</b>

- 4.4.3 The underspend of £65k in respect of Business Support is largely attributable to vacancies and spinal point savings within Financial Services and savings delivered in advance of the Medium Term Financial Plan requirements.

### 4.5 **Transport Costs**

- 4.5.1 In addition to the £87.797m budget managed within the Directorate of Social Services, the Directorate of Communities manages a budget of £1.465m for the purposes of transporting Social Services service users. An overspend of £130k is currently forecast against this budget including £80k which is reflective of the increasing numbers of children in foster care placements and £50k largely due to increased taxi journeys commissioned on behalf of Adult Services service users.

### 4.6 **Progress Made Against the 2018/19 Revenue Budget Savings Targets**

- 4.6.1 The 2018/19 budget for Social Services included a savings target of £1,328k. The following table provides a summary of how this saving was to be achieved:-

Paragraph Number	Targeted Area of Service	Savings Target (£000s)
4.6.2	Children's Services staffing	335
4.6.3	Children's Services voluntary sector contracts	50
4.6.4	Adult Services voluntary sector contracts	202
4.6.5	Implications of the Social Services & Wellbeing (Wales) Act	264
4.6.6	Contract for extra care services	26
4.6.7	Domiciliary care service user contributions	75
4.6.8	In-House day services	200
4.6.9	Vacant posts within residential homes	96
4.6.10	Respite care	30
4.6.11	Office accommodation	10
4.6.12	Business Support Services staffing	40
<b>4.6.1</b>	<b>TOTAL SOCIAL SERVICES SAVINGS TARGET 2018/19</b>	<b>1,328</b>

- 4.6.2 The potential underspend of £327k identified in paragraph 4.2.2 would suggest that the £335k savings target from reviewing Children's Services staffing structures has been exceeded. However, this underspend is partially due to temporary vacancies, secondments and career breaks so further work is required to identify further posts that can be permanently deleted from the structure to achieve a recurring saving.
- 4.6.3 The £50k savings target in respect of Children's Services voluntary sector contracts has been achieved in full through a combination of realigning budgets with contract values and reviewing contracts that were approaching their end dates.
- 4.6.4 Of the £202k savings target in respect of Adults Services voluntary sector contracts, £56k has been achieved through a review of existing contracts and £134k has been achieved through decommissioning. The remaining £12k was to be achieved through the decommissioning of 2 luncheon club contracts from April 2018 however it has become necessary to extend funding into 2018/19 while alternative funding is sourced. As a result, there is likely to be a £6k shortfall against this target in 2018/19 but the full target will be achieved for future years.
- 4.6.5 An amount of £264k was deducted from the Adult Services budget for 2018/19 as it was felt that savings could be achieved through signposting potential service users to other agencies or other low cost services. The Home Care budget is currently overcommitted by around £155k which would suggest that around £109k of this target has been achieved at this point. However, demographic changes are likely to have increased costs in this area so it could be argued that this target has been fully achieved and the over-commitment is due to demographic changes.
- 4.6.6 The £26k savings target in respect of extra care services has been achieved in full through realigning budgets with contract values.
- 4.6.7 The £75k savings target in respect of domiciliary care service user contributions was to be achieved by realigning the budget to reflect the additional levels of service user contributions that were experienced throughout 2017/18. The levels of contributions experienced in the first quarter of 2018/19 would suggest that this target will be exceeded.
- 4.6.8 Some of the contractual changes required to achieve the £200k savings target for in-house day services have taken a little longer to achieve than anticipated but a number of temporary vacancies within the service have more than compensated for this in 2018/19 and a full year effect of the contractual changes can be expected in 2019/20.

- 4.6.9 A small number of posts within our homes for older people have remained vacant for some time and have therefore been removed from the structure on a permanent basis in order to deliver the savings target of £96k with no impact on residents.
- 4.6.10 The £30k savings target in respect of respite care has been achieved in full through realigning budgets to reflect actual expenditure levels in recent years.
- 4.6.11 The budget for I.T. and telephony costs at the North Resource Centre has been realigned to reflect the actual level of recharges from the Aneurin Bevan University Health Board experienced over the last two financial years. This has enabled the £10k savings target in respect of office accommodation to be achieved in full.
- 4.6.12 The termination of the South East Wales IT Shared Service has meant that the savings target of £40k in respect of Business Support Services staffing has been exceeded and an additional £23k saving has been earmarked as a saving in advance of the Medium Term Financial Plan requirements. The support previously received from this shared service will in future be received from the regional WCCIS support service which will be funded through Integrated Care Fund grant.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 This report is for information purposes, so the Council's Equalities Impact Assessment 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 asked to note the projected underspend of £1,027k against the Directorate's budget for 2018/19 and the projected overspend of £124k against the Directorate of Communities' transport budget for 2018/19.
- 10.2 Members are asked to note the progress made towards delivering the savings target of £1.328m that was included in the Directorate's budget for 2018/19.

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

11.1 To ensure Members are apprised of the latest financial position of the Directorate.

## **12. STATUTORY POWER**

12.1 Local Government Act 1972 and 2000.

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Consultees: Social Services Senior Management Team  
Nicole Scammell (Head of Corporate Finance)  
Stephen Harris (Interim Head of Business Improvement Services)

Appendices: Appendix 1 - Social Services 2018/19 Budget Monitoring Report (Month 5)

# APPENDIX 1 – Social Services 2018/19 Budget Monitoring Report (Month 5)

	Revised Budget 2018/19	Projection	Over/ (Under) Spend
	£	£	£
<b><u>SUMMARY</u></b>			
CHILDREN'S SERVICES	£23,341,970	£22,245,220	(£1,096,750)
ADULT SERVICES	£62,387,484	£62,522,881	£135,397
RESOURCING AND PERFORMANCE	£2,067,198	£2,002,208	(£64,990)
<b>SOCIAL SERVICES TOTAL</b>	<b>£87,796,652</b>	<b>£86,770,310</b>	<b>(£1,026,342)</b>
<b><u>CHILDREN'S SERVICES</u></b>			
<b>Management, Fieldwork and Administration</b>			
Children's Management, Fieldwork and Administration	£8,805,904	£8,416,849	(£389,055)
Appropriation from Specific Reserve	(£588,604)	(£543,259)	£45,345
Intermediate Care Fund Contribution	(£150,842)	(£133,342)	£17,500
<b>Sub Total</b>	<b>£8,066,458</b>	<b>£7,740,248</b>	<b>(£326,210)</b>
<b>Residential Care Including Secure Accommodation</b>			
Own Residential Homes	£1,190,608	£988,635	(£201,973)
Gross Cost of Placements	£4,315,171	£3,860,474	(£454,697)
Contributions from Education	(£85,912)	(£74,388)	£11,524
Contributions from Health	£0	£0	£0
<b>Sub Total</b>	<b>£5,419,867</b>	<b>£4,774,722</b>	<b>(£645,145)</b>
<b>Fostering and Adoption</b>			
Gross Cost of Placements	£7,322,369	£7,533,068	£210,699
Appropriation from Specific Reserve	(£613,933)	(£764,992)	(£151,059)
Other Fostering Costs	£122,086	£140,086	£18,000
Adoption Allowances	£110,616	£100,180	(£10,436)
Other Adoption Costs	£354,519	£354,519	£0
Professional Fees Inc. Legal Fees	£428,749	£428,749	£0
<b>Sub Total</b>	<b>£7,724,406</b>	<b>£7,791,609</b>	<b>£67,203</b>
<b>Youth Offending</b>			
Youth Offending Team	£395,152	£395,152	£0
<b>Sub Total</b>	<b>£395,152</b>	<b>£395,152</b>	<b>£0</b>
<b>Families First</b>			
Families First Team	£214,017	£181,479	(£32,538)
Other Families First Contracts	£2,547,484	£2,542,022	(£5,462)
Grant Income	(£2,697,747)	(£2,697,747)	£0
<b>Sub Total</b>	<b>£63,754</b>	<b>£25,754</b>	<b>(£38,000)</b>
<b>Other Costs</b>			
Preventative and Support - (Section 17 & Childminding)	£64,736	£64,736	£0
Aftercare	£785,768	£632,799	(£152,969)
Agreements with Voluntary Organisations	£670,962	£670,960	(£2)
Other	£150,867	£149,240	(£1,627)
<b>Sub Total</b>	<b>£1,672,333</b>	<b>£1,517,735</b>	<b>(£154,598)</b>
<b>TOTAL CHILDREN'S SERVICES</b>	<b>£23,341,970</b>	<b>£22,245,220</b>	<b>(£1,096,750)</b>

	Revised Budget 2018/19	Projection	Over/ (Under) Spend
	£	£	£
<b>ADULT SERVICES</b>			
<b>Management, Fieldwork and Administration</b>			
Management	£124,883	£132,425	£7,542
Protection of Vulnerable Adults	£268,983	£272,145	£3,162
OLA and Client Income from Client Finances	(£269,645)	(£295,590)	(£25,945)
Commissioning	£641,369	£655,546	£14,177
Section 28a Income Joint Commissioning Post	(£17,175)	(£17,175)	£0
Older People	£2,425,718	£2,460,343	£34,625
Less Wanless Income	(£44,747)	(£44,747)	£0
Physical Disabilities	£2,224,696	£2,261,421	£36,725
Provider Services	£383,986	£401,989	£18,003
ICF Funding	(£132,275)	(£134,435)	(£2,160)
Learning Disabilities	£778,793	£757,710	(£21,083)
Contribution from Health and Other Partners	(£44,253)	(£44,253)	£0
Mental Health	£1,331,381	£1,366,297	£34,916
Section 28a Income Assertive Outreach	(£94,769)	(£94,769)	£0
Drug & Alcohol Services	£367,897	£330,713	(£37,184)
Emergency Duty Team	£254,536	£251,758	(£2,778)
Further Vacancy Savings	£0	(£256,293)	(£256,293)
<b>Sub Total</b>	<b>£8,199,378</b>	<b>£8,003,084</b>	<b>(£196,294)</b>
<b>Own Residential Care</b>			
Residential Homes for the Elderly	£6,452,046	£6,424,720	(£27,326)
Intermediate Care Fund Contribution	(£97,387)	(£101,136)	(£3,749)
-Less Client Contributions	(£2,251,840)	(£2,228,959)	£22,881
-Less Section 28a Income (Ty Iscoed)	(£115,350)	(£115,350)	£0
-Less Inter-Authority Income	(£38,297)	(£21,184)	£17,113
Net Cost	£3,949,172	£3,958,091	£8,919
Accommodation for People with Learning Disabilities	£2,463,760	£2,312,113	(£151,647)
-Less Client Contributions	(£63,437)	(£63,437)	£0
-Less Contribution from Supporting People	(£25,985)	(£41,206)	(£15,221)
-Less Inter-Authority Income	(£306,801)	(£266,016)	£40,785
Net Cost	£2,067,537	£1,941,455	(£126,082)
<b>Sub Total</b>	<b>£6,016,709</b>	<b>£5,899,545</b>	<b>(£117,164)</b>
<b>External Residential Care</b>			
Long Term Placements			
Older People	£10,147,329	£10,192,004	£44,675
Less Wanless Income	(£303,428)	(£303,428)	£0
Less Section 28a Income - Allt yr yn	(£151,063)	(£151,063)	£0
Physically Disabled	£428,951	£492,008	£63,057
Learning Disabilities	£3,042,534	£3,317,579	£275,045
Mental Health	£893,783	£941,555	£47,772
Substance Misuse Placements	£58,902	£95,902	£37,000
Net Cost	£14,117,008	£14,584,557	£467,549



	Revised Budget 2018/19	Projection	Over/ (Under) Spend
	£	£	£
<b>Short Term Placements</b>			
Older People	£248,822	£248,822	£0
Carers Respite Arrangements	£39,330	£39,330	£0
Physical Disabilities	£41,149	£41,149	£0
Learning Disabilities	£16,264	£16,264	£0
Mental Health	£40,353	£40,353	£0
Net Cost	£385,918	£385,918	£0
<b>Sub Total</b>	<b>£14,502,926</b>	<b>£14,970,475</b>	<b>£467,549</b>
<b>Own Day Care</b>			
Older People	£848,144	£778,646	(£69,498)
-Less Attendance Contributions	(£16,869)	(£16,869)	£0
Learning Disabilities	£2,860,936	£2,868,017	£7,081
-Less Attendance Contributions	(£20,691)	(£20,691)	£0
-Less Inter-Authority Income	(£24,986)	(£29,846)	(£4,860)
Mental Health	£731,515	£673,474	(£58,041)
ICF Funding	(£85,682)	(£77,628)	£8,054
-Less Section 28a Income (Pentrebane Street)	(£81,366)	(£81,366)	£0
<b>Sub Total</b>	<b>£4,211,001</b>	<b>£4,093,737</b>	<b>(£117,264)</b>
<b>External Day Care</b>			
Elderly	£3,005	£8,816	£5,811
Physically Disabled	£162,676	£126,474	(£36,202)
Learning Disabilities	£1,189,119	£1,350,128	£161,009
Section 28a Income	(£72,659)	(£72,659)	£0
Mental Health	£44,900	£25,868	(£19,032)
<b>Sub Total</b>	<b>£1,327,041</b>	<b>£1,438,627</b>	<b>£111,586</b>
<b>Supported Employment</b>			
Mental Health	£68,088	£68,088	£0
<b>Sub Total</b>	<b>£68,088</b>	<b>£68,088</b>	<b>£0</b>
<b>Aids and Adaptations</b>			
Disability Living Equipment	£535,638	£484,495	(£51,143)
Adaptations	£246,169	£246,169	£0
Chronically Sick and Disabled Telephones	£7,000	£6,432	(£568)
<b>Sub Total</b>	<b>£788,807</b>	<b>£737,096</b>	<b>(£51,711)</b>
<b>Home Assistance and Reablement</b>			
Home Assistance and Reablement Team			
Home Assistance and Reablement Team (H.A.R.T.)	£3,968,343	£3,878,973	(£89,370)
Wanless Funding	(£67,959)	(£67,959)	£0
ICF Funding	(£29,504)	(£46,043)	(£16,539)
Independent Sector Domiciliary Care			
Elderly	£5,545,788	£5,879,689	£333,901
Physical Disabilities	£772,024	£733,348	(£38,676)
Learning Disabilities (excluding Resettlement)	£360,725	£328,399	(£32,326)
Mental Health	£285,169	£283,319	(£1,850)
Gwent Frailty Programme	£2,320,293	£2,307,363	(£12,930)
Appropriation from Specific Reserve	(£68,226)	(£68,226)	£0
<b>Sub Total</b>	<b>£13,086,653</b>	<b>£13,228,863</b>	<b>£142,210</b>

	Revised Budget 2018/19	Projection	Over/ (Under) Spend
	£	£	£
<b>Other Domiciliary Care</b>			
Shared Lives			
Shared Lives Scheme	£916,695	£987,479	£70,784
-Less Contribution from Supporting People	(£138,698)	(£125,378)	£13,320
Net Cost	£777,997	£862,101	£84,104
Supported Living			
Older People	£50,029	£50,029	(£0)
-Less Contribution from Supporting People	£0	£0	£0
Physical Disabilities	£1,360,081	£1,427,882	£67,801
-Less Contribution from Supporting People	(£15,737)	(£22,116)	(£6,379)
Learning Disabilities	£7,547,846	£8,105,858	£558,012
Less Section 28a Income Joint Tenancy	(£28,987)	(£28,987)	£0
-Less Contribution from Supporting People	(£397,099)	(£263,247)	£133,852
Mental Health	£2,135,574	£2,027,920	(£107,654)
-Less Contribution from Supporting People	(£15,326)	(£10,018)	£5,308
Net Cost	£10,636,381	£11,287,319	£650,938
Direct Payment			
Elderly People	£187,100	£87,538	(£99,562)
Physical Disabilities	£574,901	£698,082	£123,181
Learning Disabilities	£536,344	£729,242	£192,898
Section 28a Income Learning Disabilities	(£20,808)	(£20,808)	£0
Mental Health	£3,594	£3,456	(£138)
Net Cost	£1,281,131	£1,497,510	£216,379
Other			
Sitting Service	£289,802	£277,513	(£12,289)
Extra Care Sheltered Housing	£540,689	£518,875	(£21,814)
-Less Contribution from Supporting People	(£13,635)	(£13,635)	£0
Net Cost	£816,856	£782,754	(£34,102)
Total Home Care Client Contributions	(£1,650,816)	(£1,836,462)	(£185,646)
<b>Sub Total</b>	<b>£11,861,549</b>	<b>£12,593,222</b>	<b>£731,673</b>
<b>Resettlement</b>			
External Funding			
Section 28a Income	(£1,020,410)	(£1,020,410)	£0
<b>Sub Total</b>	<b>(£1,020,410)</b>	<b>(£1,020,410)</b>	<b>£0</b>

	Revised Budget 2018/19	Projection	Over/ (Under) Spend
	£	£	£
<b>Supporting People (including transfers to Housing)</b>			
People Over 55 Years of Age	£842,157	£753,418	(£88,739)
People with Physical and/or Sensory Disabilities	£60,000	£50,351	(£9,649)
People with Learning Disabilities	£161,846	£153,197	(£8,649)
People with Mental Health issues	£915,651	£892,631	(£23,020)
Families Supported People	£499,171	£491,158	(£8,013)
Generic Floating support to prevent homelessness	£881,334	£999,998	£118,664
Young People with support needs (16-24)	£968,966	£1,117,667	£148,701
Single people with Support Needs (25-54)	£414,170	£387,840	(£26,330)
Women experiencing Domestic Abuse	£448,444	£435,253	(£13,191)
People with Substance Misuse Issues	£298,466	£304,094	£5,628
Alarm Services (including in sheltered/extra care)	£19,210	£14,853	(£4,357)
People with Criminal Offending History	£43,419	£65,678	£22,259
Contribution to Social Services Schemes	£749,956	£636,651	(£113,305)
Newport CC funding transfer	(£70,000)	(£70,000)	£0
Less supporting people grant	(£6,232,790)	(£6,232,790)	£0
<b>Sub Total</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Services for Children with Disabilities</b>			
Blackwood Resource Centre	£319,996	£319,996	£0
Residential Care	£283,152	£310,254	£27,102
Foster Care	£619,834	£411,908	(£207,926)
Preventative and Support - (Section 17 & Childminding)	£9,248	£9,248	£0
Respite Care	£68,031	£68,031	£0
Direct Payments	£179,480	£176,304	(£3,176)
<b>Sub Total</b>	<b>£1,479,741</b>	<b>£1,295,740</b>	<b>(£184,001)</b>
<b>Other Costs</b>			
Telecare Gross Cost	£589,788	£613,722	£23,934
Less Client and Agency Income	(£353,985)	(£353,985)	£0
-Less Contribution from Supporting People	(£83,476)	(£83,476)	(£0)
Agreements with Voluntary Organisations			
Children with Disabilities	£391,442	£391,442	£0
Elderly	£148,410	£154,013	£5,603
Learning Difficulties	£60,904	£60,904	£0
Section 28a Income	(£52,020)	(£52,020)	£0
Mental Health & Substance Misuse	£102,444	£102,444	(£0)
MH Capacity Act / Deprivation of Libert Safeguards	£95,176	£93,378	(£1,798)
Other	£95,304	£95,304	£0
Wales Independent Living Expenditure	£872,014	£192,274	(£679,740)
Gwent Enhanced Dementia Care Expenditure	£279,692	£279,692	£0
Gwent Enhanced Dementia Care Grant	(£209,692)	(£209,692)	£0
Intermediate Care Fund Contribution	(£70,000)	(£69,186)	£814
<b>Sub Total</b>	<b>£1,866,001</b>	<b>£1,214,813</b>	<b>(£651,188)</b>
<b>TOTAL ADULT SERVICES</b>	<b>£62,387,484</b>	<b>£62,522,881</b>	<b>£135,397</b>

	Revised Budget 2018/19	Projection	Over/ (Under) Spend
	£	£	£
<b><u>SERVICE STRATEGY AND BUSINESS SUPPORT</u></b>			
<b>Management and Administration</b>			
Policy Development and Strategy	£167,448	£165,904	(£1,544)
Business Support	£693,879	£663,013	(£30,866)
<b>Sub Total</b>	<b>£861,327</b>	<b>£828,917</b>	<b>(£32,410)</b>
<b>Office Accommodation</b>			
All Offices	£283,079	£272,206	(£10,873)
Less Office Accommodation Recharge to HRA	(£59,430)	(£59,430)	£0
<b>Sub Total</b>	<b>£223,649</b>	<b>£212,776</b>	<b>(£10,873)</b>
<b>Office Expenses</b>			
All Offices	£171,750	£177,673	£5,923
<b>Sub Total</b>	<b>£171,750</b>	<b>£177,673</b>	<b>£5,923</b>
<b>Other Costs</b>			
Training	£314,448	£314,448	£0
Staff Support/Protection	£9,800	£9,800	£0
Information Technology	£11,186	£11,186	£0
Management Fees for Consortia	(£55,558)	(£55,558)	£0
Insurances	£252,763	£248,254	(£4,509)
Other Costs	£277,833	£254,712	(£23,121)
<b>Sub Total</b>	<b>£810,472</b>	<b>£782,842</b>	<b>(£27,630)</b>
<b>TOTAL RESOURCING AND PERFORMANCE</b>	<b>£2,067,198</b>	<b>£2,002,208</b>	<b>(£64,990)</b>



## REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – FOR INFORMATION

**SUBJECT: BUDGET MONITORING REPORT 2018/2019**

**REPORT BY: INTERIM CORPORATE DIRECTOR OF COMMUNITIES**

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

- 1.1 To inform Members of the most recent budget monitoring position for 2018/2019 for Communities Directorate Service Divisions, including Regeneration & Planning Division, Infrastructure Services Division, Public Protection Division and Community & Leisure Services Division.

### **2. SUMMARY**

- 2.1 The report summarises the most recent budget monitoring projections for 2018/2019 based on the latest available financial information.
- 2.2 It attaches, as appendices the more detailed budget monitoring figures for each of the Council Fund Services outlined in paragraph 1.1 above.

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

- 3.1 The content of the report is in accordance with the budget strategy considered by the Council at its meeting of 22nd February 2018.
- 3.2 The budget figures outlined in this report assist in meeting the ambition of the Authority to build better communities by building better public services, building better lifestyles, building a vibrant economy and building Futures Changing Lives.
- 3.3 Budget monitoring and management information itself is in accordance with the corporate theme of delivering the Strategies.
- 3.4 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 INTRODUCTION

- 4.1.1 The report outlines the revenue budget position for each of the service Divisions that form part of the Communities Directorate based on the most current financial information available. Projected outturn figures for the financial year are compared with the budget to show the anticipated under/overspends. More detailed budget monitoring figures are shown in the appendices' 1a to 1d.
- 4.1.2 It should be noted that the budget report to Council on 22nd February 2018 detailed the need to apply further budget efficiency savings in 2018/2019 to meet medium term financial plan (MTFP) targets and achieve budget strategy aims. Environment Directorate services were targeted to achieve new budget efficiency savings of £2.219million.
- 4.1.3 The table 1 below summarises the present budget monitoring position, with an overall Directorate over spend of £412k, but **exclusive** of ring fenced budgets this over spend is reduced to £377k. Appendices 1a to 1d provide more detail on the budget variation projections for each Service Division.

#### 4.1.4

TABLE 1	ORIGINAL ESTIMATE 2018/2019	REVISED ESTIMATE 2018/2019	ANTICIPATED OUTTURN 2018/2019	ANTICIPATED VARIANCE 2018/2019 Under (Over)
	£000	£000	£000	£000
Regeneration & Planning Division	2,560	2,490	2,605	(115)
Infrastructure Services Division	19,819	19,819	19,906	(87)
Public Protection Division	7,235	7,235	7,065	170
Community & Leisure Services Division	21,492	21,365	21,752	(387)
Directorate General	168	168	161	7
NET DIRECTORATE	51,274	51,077	51,489	(412)
Home to School Transport - ring fenced over spend				(40)
Social Services Transport – ring fenced over spend				(124)
Cemeteries Task & Finish – ring fenced under spend				129
NET DIRECTORATE over spend (excluding ring fenced budgets)				(377)

### 4.2 REGENERATION & PLANNING DIVISION

- 4.2.1 Overall, the service division presently has a projected over spend of £115k. Planning services are reporting over spend of £100k and Regeneration over spend of £15k.
- 4.2.2 Development Control is reporting an under spend of £78k due to staff vacant posts, one of which is being held vacant as part of MTFP savings for 2019/2020. Fee income is presently projected to be close to the budget of £537k and pre-application advice fee income is projected at £30k again close to the budget for the year. Building Control is however reporting

overspend of £122k where income is presently projected to be £109k below the £295k budget and there is also a £10k debtor write off in relation to dangerous structures linked to the Pound-stretcher building in Blackwood. Planning application fee and building control fee income is dependent on the number of applications received and applications and fee levels can vary significantly so will continue to be monitored closely.

- 4.2.3 Strategic Planning budgets are presently projected to be £42k over spent due a shortfall in rechargeable fee income, partly offset by staffing under spend due to staff on reduced working hour contracts and a temporary vacant principal planner post.
- 4.2.4 Land charge service is reporting overspend of £20k due to a shortfall in search fee income.
- 4.2.5 Overall Regeneration is presently projecting over spend of £15k. Business Support has underspend of £46k which is due to a vacant post which is being held in support of the MTFP for 2019/2020 and a reduction in some operational costs such as marketing, subscriptions etc.
- 4.2.6 Business Urban Renewal is reporting an over spend of £19k, this includes a projected over spend of £45k in relation to the Bargued retail shop units due to anticipated under occupancy of the units and reduced rental income in 2018/2019 partly offset by underspend in the Urban Renewal and Town Centre management teams from a vacant post and reduced operational costs.
- 4.2.7 There is a projected £10k over spend in relation to industrial properties primarily due to a shortfall in industrial property rent income resulting from a number of units becoming unoccupied because the companies have gone into liquidation. This underachievement in income is partly offset by under spend from staff vacant post and other operational costs. There will be further review of this service and initiatives identified to sustain and increase Industrial Property rent income in order to ensure budget targets are achieved in the future.
- 4.2.8 Overall Tourism Events and Tourism Venues are reporting a combined small overspend of £8k, this is primarily due to additional costs of security and health & safety in relation to the Big Cheese event and an underachievement in income at the tourism venues, offset by staffing underspends at the tourism venues. It is likely that income generation at some of the tourism venues such as Llancaich Fawr have been influenced by the unusually warm weather over the summer months and income at Cwmcarn VC has been affected by the summer mountain fires which had a negative impact on visitor numbers and on the bike trails.
- 4.2.9 Community Regeneration has an under spend of £3k, mainly due to additional staff recharge income from support provided to the grant funded Community First programme.
- 4.2.10 There is over spend of £27k in senior management support primarily due to one off payment in lieu of notice costs associated with the Interim Head of Service retiring.
- 4.2.11 The Head of Regeneration and Planning is currently reviewing the structure of the division with a view to achieving greater flexibility, clarity of roles and increasing the ability of the division to contribute to the MTFP for 2019/20 and beyond.

### **4.3 INFRASTRUCTURE SERVICES**

- 4.3.1 Infrastructure is reporting a net over spend of £87k on a £19.819million budget, but after excluding budget variations in relation to Home to School Transport (£40k overspend) and Social Services Transport (£124k over spend) which will be ring fenced and appropriated back to the Service Directorates, there is an under spend of £77k.
- 4.3.2 Highway Operations is reporting overspend of £82k, of which £100k relates to street lighting energy due to an increase in prices. The general highway maintenance and winter

maintenance budgets of £5.4million are presently projected to break-even but much will depend on the severity of winter weather and general wear and tear on the highway network. The expected amount of reactive maintenance required is difficult to predict, but every effort will be made to manage the maintenance programme within the budget available. Winter maintenance is assumed for now to be within the £1.1million budget, but it will depend on the severity of the winter. There is a winter maintenance reserve of £500k available to help fund costs associated with a very severe winter. There is also a £21k shortfall in fixed penalty income associated with New Roads Street Works (NRSWA). Overspends are partly offset by underspend in staffing of £34k some of which is MTFP in advance for 2019/2020.

- 4.3.3 EPG (Engineering Projects Group) is reporting underspend of £27k mainly due to delayed filling of posts.
- 4.3.4 Transport Engineering overall is projecting a £30k under spend, with a shortfall in car park income of £85k (on £736k budget), being more than offset by staffing underspend of £86k, of which £42k relates to school crossing patrol which is mostly MTFP in advance for 2019/2020. There is also underspend traffic signal maintenance (£11k) and road accident and road conditions surveys (£9k) both of which are planned MTFP savings for 2019/2020.
- 4.3.5 Public Transport is reporting an under spend of £23k, mainly due to the Connect 2 lead driver being recovered via grant.
- 4.3.6 At this stage Network Contracting Services (NCS) is anticipating surplus of £53k primarily in relation to the SEW contract. The financial position of NCS is heavily dependent on the volume and value of work secured during the year and this is monitored closely along with productivity levels within the workforce.
- 4.3.7 Engineering general support costs are underspent by £25k due to a vacant post which is MTFP in advance for 2019/20.
- 4.3.8 Home to School Transport is projected to overspend by £40k at present, due to increased operator costs (buses and taxis) resulting from increased demand, the financial position will be monitored closely as it is subject to variation during the year.
- 4.3.9 Social Services Transport is projecting over spend of £124k again due to increased operator costs resulting from increased demand in adult services (£50k) and children services (£76k). This budget will be monitored closely as it is also subject to variation in demand and costs during the year.
- 4.3.10 The Head of Infrastructure is currently reviewing the structure of the division with a view to achieving greater flexibility, clarity of roles and increasing the ability of the division to contribute to the MTFP for 2019/20 and beyond.

#### **4.4 PUBLIC PROTECTION**

- 4.4.1 Public Protection is presently projecting an under spend of £170k on an overall revenue budget of £7.235million.
- 4.4.2 Environmental Health is currently projecting a net underspend of £127k this is primarily due to underspend in salaries from a combination of vacant posts some being held to support the Medium-Term Financial Plan savings requirement for 2019/20, maternity, reduced hour contracts and reduced overtime. There are a number of ongoing issues in respect of pollution and contaminated land sites that are unpredictable and difficult to assess in terms of financial cost, but it is assumed the existing provisions and budget will cover this at present. Pollution and contaminated land sites are being closely monitored as any increases in this area would impact on the overall financial position.



- 4.4.3 Trading Standards, Licensing, Community Safety and CCTV has a projected net underspend of £35k. This is primarily in relation to staffing costs (£48k) from career break savings, vacancy management, associated costs in relation to car allowances and staff not currently top of the incremental scale. These underspends are partly offset by a shortfall in licensing fee income of £20k. Licensing fee income can be subject to variation so this will be monitored closely.
- 4.4.4 Catering Services are projecting a small overall underspend of £8k on a £3.483million budget, this includes underspend in relation to Comprehensive schools (£33k) this is mainly due to over achievement in income, this has been assisted by an increase in the number of schools implementing a policy of school children not leaving the premises at lunch time. There is projected overspend in Primary schools however of £113k due to an underachievement in income targets of £91k and overspend in staffing of £65k partly offset by underspend in other operational costs. Income generation will be monitored closely as it can vary depending on pupil take up, school disruptions due to poor weather etc. There is underspend in HQ costs of £29k and underspend in relation to staff restaurants of £53k due to increased income and reduced staffing costs and overspend in meals direct of £24k due to a shortfall in income partly offset by reduced operating costs.

## **4.5 COMMUNITY & LEISURE SERVICES**

- 4.5.1 The Community & Leisure Division is presently projecting overall net overspend of £387k on a budget of £21.365 million.
- 4.5.2 Waste Management & Cleaning Services is reporting over spend of £531k. There is anticipated overspend in dry recycling treatment (£753k), due to inadequate budget to fund the service, there is however a corporate contingency reserve of £800k available to finance any overspend during 2018/2019. The dry recycling contract with Newport Paper Company is being monitored closely as future contract rates will depend on factors such as the quality of waste/level of contamination in the waste streams collected and also resale markets for recycling materials. There is overspend in relation to CA sites (£49k) due to increased tonnage of waste being deposited at the CA sites and the associated increase in running costs. Initiatives are being considered to help reduce some of these cost pressures including introducing restrictions and better controls on the waste deposited at the CA sites. Vehicle running costs are showing £263k overspend primarily in relation to unscheduled repairs, cover vehicles due to downtime on the fleet and fuel costs. It is anticipated that the new Fleet Services contract will generate savings in vehicle running costs in the future. These overspends are partly offset by an anticipated reduction in vehicle purchases this financial year from deferring acquisitions and therefore reduced RCCO (£391k), albeit vehicles will still need replacing in subsequent years and adequate budget provision will be required to fund replacements. There is also a net staffing under spend of £198k primarily due to vacant posts in street cleansing services some of which are being held to support the Medium-Term Financial Plan savings requirement for 2019/20 partly offset by a £114k overspend in agency costs. HQ staffing also shows underspend of £79k due to vacant posts.
- 4.5.3 An underspend of £169k is projected for Parks & Countryside, Outdoor Facilities and Cemeteries. Cemeteries is reporting a £129k under spend due to income in excess of budget and reductions in maintenance expenditure. Any underspend in relation to cemeteries is ring fenced for future investment in cemetery infrastructure. Parks & Countryside combined is reporting underspend of £40k primarily due to staff vacant posts in outdoor facilities and HQ support, some of which is held vacant in support of the MTFP for 2019/2020. The tree maintenance budget is being monitored closely as there is a requirement to undertake essential tree works on a number of road by- passes.
- 4.5.4 Leisure Centres are reporting a net overspend of £50k, with a £250k shortfall in income targets being mostly offset by underspend in staffing & tutors and other operating costs. Income generation at the Leisure centres can vary depending on consumer demand, operational closures due to adverse weather (which was significant in the 2018 winter),

closures due to maintenance and refurbishments (Centre of Sporting Excellence this year due to renovation to the football pitch) and other factors, including this year, an apparent reduction in consumer demand due to the exceptionally hot summer. The recent Cabinet decision to apply a VAT exemption on the supply of sporting services following a legal challenge and a decision by the Court of Justice of the European Union (subsequently accepted by HMRC) to allow public bodies including local authorities to apply an exemption to VAT on sporting services, will result in additional leisure related income, which will assist in ensuring Leisure Centres can achieve their income budget targets. The overspend in Leisure centres is more than offset by underspend in Leisure HQ costs of £64k including customer services, marketing & training and uniforms.

- 4.5.5 Community Centres are at present projecting underspend of £46k on a £360k budget due to reductions in general maintenance and other operating costs and Caerphilly Adventures is reporting overspend of £27k as the service has suffered an element of disruption in its provision due to the move to Cwmcarn forest drive in the summer of 2018.
- 4.5.6 Vehicle Maintenance & Fleet Management is currently projecting overspend of £57k. The outturn position will be dependent on the value of work through the workshop over the next few months and the ability to finance fixed overheads.
- 4.5.7 Building Cleaning is at present reporting a break even budget this is due to income greater than budgeted offset by staff additional hours to cover sickness and holidays. The service is continually seeking to secure additional cleaning contract work to sustain employments levels and finance fixed overheads.

#### 4.6 MEDIUM TERM FINANCIAL PLANS (MTFP) SAVINGS 2018/2019

- 4.6.1 The 2018/19 revenue budget for Environment Directorate included targeted MTFP savings of £2.219million as summarised in table 2 below. The projected overspends and under spends discussed in the above paragraphs take account of these savings targets.

TABLE 2

<b>Service Division</b>	<b>Approved Savings 2018/2019 £000</b>
<b>Regeneration &amp; Planning Division</b>	<b>575</b>
<b>Infrastructure Services Division</b>	<b>732</b>
<b>Public Protection Division</b>	<b>295</b>
<b>Community &amp; Leisure Services Division</b>	<b>617</b>
<b>TOTAL</b>	<b>2,219</b>

- 4.6.2 Most of the £2.219million MTFP savings applied in 2018/2019 are being achieved or are expected to be achieved. However at present a number of MTFP savings are not being fully achieved and the position on these will be monitored closely, the under achieved MTFP savings include:
- Increased rental income industrial properties (£10k MTFP) not achieved due to shortfall in income as noted in paragraph 4.2.7
  - Urban Renewal rental income from town centre events spaces (£10k MTFP) not achieved due to lower demand for events space
  - Tourism Venues, increased income and expenditure realignment from Caerphilly Visitor Centre (£15k MTFP) not achieved due to reduced income as a result of disruption from refurbishment works to the public toilets and suspected impact of hot summer weather on

consumer demand.

- Tourism Llancaich Fawr staffing rotas and administration roles (£34k MTFP), £16k underspend in staffing, so not fully achieved. Also review of events at Llancaich Fawr (£10k MTFP), due to general shortfall in income generation as noted in paragraph 4.2.8.
- Infrastructure, New Roads Street Works Act fee increases (£2.5k MTFP) not achieved as noted in paragraph 4.3.2 above
- Infrastructure, bus shelter maintenance (£10k MTFP) not achieved due to overspend on bus station maintenance
- Public Protection Catering, increased income from increasing prices at Primary schools (£54k MTFP) not being achieved due to present projected shortfall in primary school catering income as noted in paragraph 4.4.4
- Public Protection Catering, increased charge for meals on wheels (£11k MTFP) not achieved due to due shortfall in income as noted in paragraph 4.4.4
- Community & Leisure Countryside, leasing of buildings (£11.5k MTFP) not achieved as lease agreements not negotiated
- Community & Leisure Waste Management & Cleaning, early retirement of two supervisors (£67k MTFP) not achieved as yet due to the late decision of both staff members not to retire, but offset by greater increased savings in other operational posts.
- Community & Leisure, Caerphilly Adventures, increased income (£20k MTFP) not fully achieved as yet as noted in paragraph 4.5.5

4.6.3 Most of the unachieved MTFP savings are associated with additional income generation, which does have a greater risk of non-achievement, often due to the volatility in customer demand for services and factors outside the control of the service that can impact on usage and income levels (general economic climate, weather, consumer trends etc.)

## **5. WELL-BEING OF FUTURE GENERATIONS**

5.1 Effective financial management 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 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

## **7. FINANCIAL IMPLICATIONS**

7.1 As noted in the table in paragraph 4.1.3 above some service under/over spends will be appropriated to ring fenced reserves including Social Services Transport (£140k overspend), Home To School Transport (£40k overspend) and Cemeteries (£129k underspend). In line with the Council's reserves protocol, general revenue underspends not subject to specific ring fencing are appropriated to Directorate strategic reserves and Council working balances on a 50/50 basis, however any Directorate over spends will be appropriated to Service Directorate reserves in full and will require funding from previous years reserve balances where they exist

or future years revenue budgets.

- 7.2 Based on current projections, combined general revenue overspend for the Directorate of £377k in relation to Regeneration & Planning, Infrastructure, Community & Leisure services and Public Protection would be appropriated to Communities Strategic reserve (this excludes ring fenced under/overspends noted in paragraph 7.1). If as noted in paragraph 4.5.2 overspend of £753k in relation to dry recycling treatment is funded from Council Corporate contingency reserves, the net general underspend for these Divisions will be £376k of which £188k would be appropriated to the Communities Strategic reserve and £188k to Council working balances. Consideration will be given to possible use of the contingency reserve at outturn when further updates of the financial position are reported.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 Members will be aware that when setting the budget, MTFP savings were identified for the Communities Directorate in relation to vacancy management savings, these are reflected in the financial figures reported.

## **9. CONSULTATIONS**

- 9.1 There are no consultation responses, which have not been included in this report.

## **10. RECOMMENDATIONS**

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

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

- 11.1 The Council Budget is based on the achievement of both expenditure and income targets. In order to ensure that these are met and the Council's financial integrity is maintained Directors are required to review income and expenditure trends.

## **12. STATUTORY POWER**

- 12.1 Local Government Act 1972 and 2000.

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### **Consultees**

Councillor D.T Davies Chair Regeneration & Environment Scrutiny Committee  
Mark S Williams Interim Corporate Director of Communities  
Robert Hartshorn, Head of Community & Leisure, Policy and Public Protection  
Rhian Kyte, Head of Regeneration and Planning  
Marcus Lloyd, Head of Infrastructure  
Nicole Scammell Head of Corporate Finance and Section 151 Officer  
Steve Harris, Deputy Section 151 Officer  
Rose Shears, Finance Officer  
Jane Southcombe, Education Financial Services Manager  
Dave Roberts, Principal Group Accountant

Paul Adams, Senior Assistant Accountant  
Mike Jones, Interim Financial Services Manager Social Services

Background Papers:

Divisional budget monitoring working papers 2018/2019

Appendices:

Appendix 1A Budget Monitoring Report - Regeneration and Planning

Appendix 1B Budget Monitoring Report - Infrastructure Services Division

Appendix 1C Budget Monitoring Report - Public Protection Division

Appendix 1D Budget Monitoring Report - Community and Leisure Services

Links to other Documents:

Council Meeting 22/2/2018: Budget Proposals 2018/19 and Medium- Term Financial Strategy  
2018/2023 - Item No. 4

<http://www.democracy.caerphilly.gov.uk/ieListDocuments.aspx?CId=127&MId=11179>

<b>DIRECTORATE OF THE ENVIRONMENT</b>	<b>Page No</b>	<b>Estimate 2018/19</b>	<b>Revised Estimate 2018/2019</b>	<b>Projected Outturn 2018/2019</b>	<b>Variance 2018/2019</b>
<b><u>REGENERATION &amp; PLANNING</u></b>					
<b>REGENERATION</b>					
<b>Senior Management Support</b>		<b>77,982</b>	<b>77,982</b>	<b>105,383</b>	<b>(27,401)</b>
<b>Business Support -</b>					
Business Support & Funding		433,213	433,213	386,554	46,659
Commercial Properties		(1,063,437)	(1,133,218)	(1,123,381)	(9,837)
		<b>(630,224)</b>	<b>(700,005)</b>	<b>(736,827)</b>	<b>36,822</b>
<b>Business Urban Renewal</b>		<b>297,045</b>	<b>297,045</b>	<b>316,465</b>	<b>(19,420)</b>
<b>Destination &amp; Events</b>					
Management, Marketing & Events		372,691	372,691	377,445	(4,754)
Tourism Venues		894,754	894,754	906,441	(11,687)
Blackwood Miners Institute		324,362	324,362	315,643	8,719
Arts Development		152,997	152,997	152,997	0
		<b>1,744,804</b>	<b>1,744,804</b>	<b>1,752,526</b>	<b>(7,722)</b>
<b>Community Regeneration</b>		<b>168,576</b>	<b>168,576</b>	<b>165,959</b>	<b>2,617</b>
<b>Legacy/C4W Grant Programmes</b>					
Expenditure		2,001,161	2,015,293	1,595,675	419,618
Grant Funding		(2,001,161)	(2,015,293)	(1,595,675)	(419,618)
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>1,658,183</b>	<b>1,588,402</b>	<b>1,603,506</b>	<b>(15,104)</b>
<b>PLANNING</b>					
Strategic Planning		404,256	404,256	446,821	(42,565)
Development		332,384	332,384	253,729	78,655
Building Control		(30,845)	(30,845)	91,295	(122,140)
Land Charges		(9,849)	(9,849)	10,848	(20,697)
HQ, Corporate and Democratic Core		205,385	205,385	199,332	6,053
		<b>901,331</b>	<b>901,331</b>	<b>1,002,025</b>	<b>(100,694)</b>
<b>TOTAL NET BUDGET</b>		<b>2,559,514</b>	<b>2,489,733</b>	<b>2,605,531</b>	<b>(115,798)</b>

## Appendix 1B

<i>ENVIRONMENT DIRECTORATE</i>	<b>Page No</b>	<b>Estimate 2018/19</b>	<b>Revised Estimate 2018/19</b>	<b>Projected Outturn 2018/2019</b>	<b>Variance 2018/2019</b>
<b><u>INFRASTRUCTURE SERVICES DIVISION</u></b>					
<i>HIGHWAY OPERATIONS</i>		9,394,216	9,393,657	9,475,912	(82,255)
<b>ENGINEERING PROJECTS GROUP</b>		(99,873)	(99,873)	(127,264)	27,391
<i>TRANSPORTATION ENGINEERING</i>		567,051	567,051	537,512	29,539
<b>PASSENGER TRANSPORT</b>		1,751,908	1,751,908	1,728,875	23,033
<b>HOME TO SCHOOL TRANSPORT</b>		6,831,258	6,831,258	6,871,560	(40,302)
<i>SOCIAL SERVICES TRANSPORT</i>		1,465,319	1,465,319	1,589,321	(124,002)
<b>NETWORK CONTRACTING SERVICES</b>		(146,017)	(146,017)	(200,000)	53,983
<i>ENGINEERING - GENERAL</i>		55,403	55,403	30,344	25,059
<b>TOTAL NET EXPENDITURE</b>		19,819,265	19,818,706	19,906,260	(87,554)

## Appendix 1C

<b>DIRECTORATE OF THE ENVIRONMENT</b>	<b>Page No</b>	<b>Estimate 2018/2019</b>	<b>Revised Estimate 2018/2019</b>	<b>Projected Outturn 2018/2019</b>	<b>Variance 2018/2019</b>
<b><u>PUBLIC PROTECTION DIVISION</u></b>					
<b>TRADING STANDARDS</b>		794,619	794,619	746,499	48,120
<b>LICENSING</b>		51,183	51,183	79,880	(28,697)
<b>REGISTRARS</b>		67,848	67,848	54,506	13,342
<b>CCTV</b>		466,777	466,777	470,124	(3,347)
<b>COMMUNITY WARDENS</b>		355,019	355,019	322,332	32,687
<b>CORPORATE AND DEMOCRATIC COSTS (CDC)</b>		54,643	54,643	48,618	6,025
<b>HEALTH DIVISIONAL BUDGET</b>		244,869	244,869	251,169	(6,300)
<b>ENFORCEMENT</b>		641,124	641,124	591,149	49,975
<b>POLLUTION</b>		410,366	410,366	379,708	30,658
<b>FOOD TEAM</b>		571,716	571,716	541,392	30,324
<b>EMERGENCY PLANNING</b>		93,185	93,185	103,737	(10,552)
<b>CATERING</b>		3,483,837	3,483,278	3,476,301	6,977
<b>TOTAL NET EXPENDITURE</b>		<b>7,235,186</b>	<b>7,234,627</b>	<b>7,065,415</b>	<b>169,212</b>



<b>DIRECTORATE OF THE ENVIRONMENT</b>	<b>Page No</b>	<b>Estimate 2018/2019</b>	<b>Revised Estimate 2018/2019</b>	<b>Projected Outturn 2018/2019</b>	<b>Variance 2018/2019</b>
<b><u>COMMUNITY &amp; LEISURE SERVICES</u></b>					
<b>WASTE MANAGEMENT</b>					
Residual Waste		2,331,900	2,331,900	2,646,054	(314,154)
Organics recycling		1,330,439	1,330,439	1,307,913	22,526
Civic Amenity Sites		2,989,173	2,989,173	3,037,773	(48,600)
Waste Transfer Station		108,839	108,839	160,910	(52,071)
Dry Recycling		2,175,012	2,175,012	3,107,712	(932,700)
RCCO		391,000	391,000	0	391,000
Bulky Waste		149,892	149,892	153,442	(3,550)
Commercial Waste		(538,660)	(538,660)	(396,185)	(142,475)
Other Waste		71,055	71,055	62,788	8,267
Trehir		126,224	126,224	125,612	612
Sustainable Waste Management Grant		(942,804)	(942,804)	(942,804)	0
HQ Staff		1,280,201	1,155,482	1,075,099	80,383
<b>CLEANSING</b>					
Public Conveniences		93,146	93,146	94,868	(1,722)
Street Cleansing		4,235,188	4,235,188	3,773,856	461,332
<b>GROUND MAINTENANCE AND PARKS</b>					
Cemeteries		(140,856)	(140,856)	(270,135)	129,279
Allotments		39,231	39,231	26,094	13,137
Parks and Playing Fields		1,705,503	1,705,503	1,790,421	(84,918)
Playgrounds		284,223	284,223	284,964	(741)
Outdoor facilities		274,003	274,003	220,892	53,111
Community Assets Funding		54,160	54,160	54,160	0
Countryside		1,092,071	1,092,071	1,092,624	(553)
HQ Staffing		1,009,471	1,009,471	949,184	60,287
<b>LEISURE SERVICES</b>					
Leisure Centres		2,594,077	2,593,518	2,579,753	13,765
Sports & Health Development		20,024	20,024	20,699	(675)
Outdoor Education		143,091	143,091	170,282	(27,191)
Community Centres		359,855	359,855	313,287	46,568
		<b>21,235,458</b>	<b>21,110,180</b>	<b>21,439,263</b>	<b>(329,083)</b>
Building Cleaning		517,207	516,648	516,705	(57)
Vehicle Maintenance & Fleet Management		(260,883)	(261,442)	(204,317)	(57,125)
<b>Total net expenditure Community &amp; Leisure Services</b>		<b>21,491,782</b>	<b>21,365,386</b>	<b>21,751,651</b>	<b>(386,265)</b>



## POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2018/19  
BUDGET MONITORING REPORT (PERIOD 7)**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & 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 2018/19 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 seven 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 2018.
- 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 £1,091k for the 2018/19 financial year, full details of which are provided in Appendix 1.
- 4.1.2 Members are advised that the projected outturn for Education & Lifelong Learning is a net overspend of £518k, consequently overall the projected outturn position for Education and Corporate Services is an underspend of £573k. The net in year overspend for Education &

Lifelong Learning of £518k does not include an increase in the projected deficit position at closure for Cwmcaru High School. The full details with regards to the Education & Lifelong Learning position will be reported to Education for Life scrutiny committee in January.

4.1.3 The anticipated underspend of £103k 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 2019/20 and some additional income.

4.1.4 The anticipated net overspend of £7k in Customer & Digital Services consists of:-

- A projected underspend of £143k on Procurement which relates in the main to vacancies still to be filled pending a revised structure being developed offset by reduced levels of income and a one-off refund.
- Customer First - £58k underspend which is due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2019/20 offset by increased printing costs.
- IT Services - £217k underspend which is due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2019/20.
- Central Services - £75k underspend due in main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2019/20.
- Agreement by Cabinet on 31<sup>st</sup> October 2018 requires a transfer from underspends to a earmarked reserve of £500k to cover the investment in Digital Technology.

4.1.5 Legal & Governance is projecting a net underspend of £199k after allowing for the following to be ring-fenced and transferred to earmarked reserves: -

- Projected underspend on Members related expenditure of £10k. This is due in the main to underspend on Members Allowances which is partly off-set by costs on new equipment for the Members to facilitate a reduction in printing/photocopying costs.
- Projected underspend of £73k on Electoral Services. The Electoral Service underspends in non-election years are ring-fenced to fund overspends in election years.
- Agreed one-off funding from reserves to fund staff for a fixed term.

The net underspend of £199k for Legal & Governance is due in the main to vacant posts being held pending a review of the structure after the appointment of a new Head of Service.

4.1.6 There is an anticipated underspend of £176k in Business Improvement Services consisting of the following:-

- Management - £41k due to a delay in appointing to the vacant post of Interim Head of Business Improvement Services.
- Projected underspend of £44k in the Policy Team due in the main to staff reducing their working hours.
- Projected underspend of £72k in the Equalities and Welsh Language Team due in the main to delays in appointing to Translator posts.
- Projected small overspend in the Performance Management Unit.
- Projected underspend of £19k on the Community Safety budget due to a delay in filling a post.

4.1.7 There is a projected net underspend of £324k for Peoples Services mainly consisting of:-

- Human Resources projected net underspend of £182k due in the main to vacancies being held to support the Medium-Term Financial Plan savings requirement for 2019/20, after taking into account the agreed use of reserves for staff.
- CMT Support overspend of £6k due in the main to budget transferred not being sufficient to cover the new staffing structure. This is being monitored closely during the year.

- Trade Union Facilities project a small net underspend of £2k after taking into account the agreed one-off use of reserves to fund staff.
- Communications Unit - £10k underspend due in the main to an increased income on design and print work. This will be closely monitored in year.
- A projected underspend of £136k for Health & Safety, due in the main to salary savings due to delays in recruitment pending a revised structure being implemented to support the Medium Term Financial Plan savings requirement for 2019-20.

4.1.8 For Corporate Property (which forms part of the Communities Directorate) there is a net projected underspend of £263k, consisting of the following: -

- Management - £15k underspend due to various non salary related underspends.
- Energy - £12k underspend due mainly to a temporary reduction in hours of a member of staff.
- Estates - £48k overspend due mainly to a reduction in the anticipated level of fee income, which has been partially offset by staff vacancies. These will be monitored closely in year to try to mitigate the anticipated overspend.
- Non – operational Properties - £17k underspend mainly due to reduced utility costs being incurred.
- Corporate Facilities - £367k underspend mainly due to anticipated savings on various corporate properties. This also includes an anticipated £279k on Ty Duffryn which includes £197k of lease income for 2018-19, this aims to support the Medium Term Financial Plan savings requirement for 2019-20.
- Maintenance – Projected £185k overspend mainly due to the cost of clearing backlog statutory maintenance remedials. These will be monitored closely in year to try to mitigate the anticipated overspend. Many of these costs are one offs and once the backlog is cleared the rate of expenditure should reduce significantly.
- Building Consultancy – Projected £85k underspend due in the main to anticipated increased workload and associated fee income. These will be monitored closely in year.

4.1.9 There is a projected overspend of £38k on Housing Services which consists of the following:-

- General Fund Housing is expected to show a £5k overspend at this stage, although there are some offsetting over and underspends contributing to this position which includes an increase in spend for the Allocations Team as a result of managing the new Common Housing Register, additional spend for preventing homeless for the newly acquired short term accommodation at Clos Ceirw, against a projected underspend in Housing Advice.
- This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict but trends are showing an annual increase in the need for this service. 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 service, however, has received growth in the RSG settlement of a further £282k this year for homeless prevention of which about £160k is committed for the management fee recently deducted from the Local Housing Allowance formula but is still claimed via Housing Benefits. The remaining allocation is assumed to be utilised throughout the year as resources are being identified to meet our statutory duty, to include support for increased house sharing options for young homeless care leavers. Therefore this budget is currently anticipating a full spend at this stage pending commitments being identified in year. Any underspend will be requested to be carried forward.
- 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.
- The projected overspend can be funded from service balances.

- Private Sector Housing is expected to show a £32k overspend at this stage. The main concern for this budget is the Agency Income Fee which has under-recovered in previous years. Budget reductions to assist with the MTFP programme have increased the concern. 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, but this is only received on completion of the works, and is unlikely to be sustainable once the WHQS has been achieved in 2020. Furthermore, a recent review of Home Repair Grants and the newly introduced loan scheme has shown a slow take up this year meaning the fee income has had to be reduced accordingly by some £70k. Again this is an area that is difficult to predict, although it is anticipated that access to the scheme will increase as it becomes more widely known. There is a projected underspend in salaries which will offset this overspend due to a restructure from the previous managers retirement. The projected overspend can be funded from service balances.

4.1.10 The following table provides a summary of progress in delivering agreed 2018/19 savings, all of these will be achieved in the current financial year: -

Section	Agreed MTFP Savings £'000	Progress against Savings £'000	Variance £'000
Corporate Finance	80.00	80.00	0.00
Corporate Property	197.00	197.00	0.00
Human Resources, Communication & Health & Safety	210.00	210.00	0.00
Information Technology	340.00	340.00	0.00
Policy	93.00	93.00	0.00
Private Housing	65.00	65.00	0.00
Procurement & Customer Services	165.00	165.00	0.00
Grand Total	1,150.00	1,150.00	0.00

## 4.2 Miscellaneous Finance

4.2.1 There is an overall projected underspend of £1,008k in Miscellaneous Finance.

4.2.2 There is a projected net underspend of £486k on Capital Financing budgets which is due to the following:-

- Temporary loans raised in 2018-19 to cover cashflow, offset by assumed borrowing in 2018/19 being deferred to 2019/20, 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.
- Provision of £242k to fund the ongoing liability of the Senior Officer, as agreed by Council on 13<sup>th</sup> December 2018.

4.2.3 There is a projected underspend of £216k on Miscellaneous Items due to a one off rebate from the "Cremation Services Joint Committee".

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

- War Widows Concessions - £10k
- Audit Fees - £60k net of recharges
- Subscriptions - £9k
- NNDR Authority Empty Properties - £131k.
- Class 1A NI - £42k
- Welsh Language - £53k

- 4.2.5 The projected overspend on the “Counsel fees” budget will be met from its earmarked reserve. The overspend is primarily due to costs incurred on childcare cases.

## **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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Consultees: R. Edmunds – Corporate Director for Education & Corporate Services.  
N. Scammell – Head of Corporate Finance & S151 Officer.  
S. Harris – Interim Head of Business Improvement Services.  
M. Eedy – Finance Manager.  
R Tranter – Head of Legal Services  
L Donovan – Head of Peoples Services  
L Lucas – Head of Customer & Digital Services  
C Harrhy, Interim Chief Executive

Lesley Allen, Principal Accountant, Housing.  
Shaun Couzens, Chief Housing Officer.  
D Street, Corporate Director Social Services  
Mark S Williams, Interim Corporate Director Communities  
Mark Williams, Interim Head of Property  
A. Southcombe, Finance Manager Corporate Services.  
Jane Southcombe, Finance Manager, Education, Lifelong Learning and Schools  
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.

Appendices:  
Appendix 1

Corporate Services & Miscellaneous Finance 2018/19 Budget Monitoring Report  
(Period 7).

CORPORATE SERVICES DIRECTORATE	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Outturn 2018/19	Anticipated Variance 2018/19
<b>SUMMARY</b>				
<b>CHIEF EXECUTIVE &amp; DIRECTOR OF EDUCATION &amp; CORPORATE SERVICES</b>	460,085	367,177	296,243	70,934
<b>CORPORATE FINANCE</b>				
Financial services & Internal Audit	2,124,090	2,124,090	2,021,369	102,721
	2,124,090	2,124,090	2,021,369	102,721
<b>BUSINESS IMPROVEMENT SERVICES</b>				
Management		124,160	83,215	40,945
Policy	648,395	691,472	647,052	44,420
Equalities	384,562	384,562	312,319	72,243
PMU	223,534	226,888	227,185	(297)
Community Safety Partnership	82,093	82,093	63,215	18,878
	1,338,584	1,509,175	1,332,986	176,189
<b>LEGAL &amp; GOVERNANCE SUPPORT</b>				
Legal & Democratic Services	1,090,282	1,090,282	882,066	208,216
Agreed Use of One Off Reserves for Legal Services	(29,514)	(29,514)	(20,218)	(9,296)
Member Services	1,681,273	1,683,880	1,673,685	10,195
Ringfenced to Earmarked Reserves		0	10,195	(10,195)
Electoral Services	323,524	323,524	250,123	73,401
Ringfenced to Earmarked Reserves			73,401	(73,401)
	3,065,565	3,068,172	2,869,252	198,920
<b>CUSTOMER &amp; DIGITAL SERVICES</b>				
IT Services	4,085,463	4,042,386	3,825,289	217,097
Central Services	403,398	400,791	326,184	74,607
Procurement	314,726	314,726	171,375	143,351
Customer First	1,187,491	1,187,491	1,129,560	57,931
Earmarked Transfer to Reserves (Cabinet 31/10/18)			500,000	(500,000)
	5,991,078	5,945,394	5,952,408	(7,014)
<b>PEOPLES SERVICES</b>				
Human Resources	1,505,946	1,505,946	1,294,356	211,590
Agreed Use of One Off Reserves for Human Resources	(30,045)	(30,045)	0	(30,045)
CMT Support	0	108,135	114,158	(6,023)
Trade Union Facilities	88,151	88,151	87,115	1,036
Agreed Use of One Off Reserves for Trade Union Facilities	(61,447)	(61,447)	(62,497)	1,050
Communications Unit	308,953	308,953	298,567	10,386
Health & Safety	902,518	902,518	766,584	135,934
	2,714,076	2,822,211	2,498,283	323,928
<b>TOTAL CORPORATE SERVICES</b>	15,693,478	15,836,219	14,970,541	865,678
<b>CORPORATE PROPERTY SERVICES</b>				
Management	312,809	312,809	298,136	14,673
Energy	135,870	135,870	123,480	12,390
Estates	57,357	100,434	148,401	(47,967)
Non Operational Properties	130,051	130,051	112,627	17,424
Facilities	2,746,018	2,772,722	2,405,235	367,487
Maintenance	2,176,038	2,176,038	2,361,570	(185,532)
Building Consultancy	(201,931)	(201,931)	(286,788)	84,857
	5,356,212	5,425,993	5,162,661	263,332
<b>HOUSING SERVICES</b>				
General Fund Housing	1,317,617	1,317,617	1,323,006	(5,389)
Private Housing	326,020	326,020	358,470	(32,450)
Building Maintenance	0	0		0
	1,643,637	1,643,637	1,681,476	(37,839)
<b>TOTAL NON- CORPORATE SERVICES</b>	6,999,849	7,069,630	6,844,137	225,493
<b>TOTAL SERVICES</b>	22,693,327	22,905,849	21,814,678	1,091,171

FALSE



<i>MISCELLANEOUS FINANCE</i>	Original Estimate 2018/19	Revised Estimate 2018/19	Anticipated Outturn 2018/19	Anticipated Variance 2018/19
<b>MISCELLANEOUS FINANCE</b>				
<b>Staff Related Costs</b>				
Pension Contribution - Former Authorities Ongoing	1,215,689	1,215,689	1,215,689	0
Recharge to Education - Former Authorities	(189,629)	(189,629)	(189,629)	0
	<b>1,026,060</b>	<b>1,026,060</b>	<b>1,026,060</b>	<b>0</b>
<b>Statutory Benefit Schemes</b>				
Council Tax RS	13,788,308	13,788,308	13,600,000	188,308
Ringfenced to Earmarked Reserves			188,308	(188,308)
DHP Rent allowances	56,808	56,808	56,808	0
DHP Rent Rebates	511,276	511,276	511,276	0
DHP Income	(568,084)	(568,084)	(568,084)	0
General Rent Allowances	28,543,432	28,543,432	28,543,432	0
Rent Rebates	27,456,591	27,456,591	27,456,591	0
Rent Allowance War Widow Concessions	35,000	35,000	25,000	10,000
Housing Benefit Subsidy	(56,000,023)	(56,000,023)	(56,000,023)	0
	<b>13,823,308</b>	<b>13,823,308</b>	<b>13,813,308</b>	<b>10,000</b>
<b>Levies Upon the Council</b>				
Coroner	200,946	200,946	200,946	0
Archives	209,092	209,092	209,092	0
Fire Service Authority	8,475,706	8,475,706	8,475,706	0
	<b>8,885,744</b>	<b>8,885,744</b>	<b>8,885,744</b>	<b>0</b>
<b>Capital Financing</b>				
Debt Charges (Principal Repaid)	2,383,236	2,383,236	2,437,379	(54,143)
Debt Charges (Interest Payments)	8,977,172	8,977,172	8,194,817	782,355
Debt Charges (Debt Management Exp's)	42,285	42,285	42,285	0
Income from External Investments:	(600,000)	(600,000)	(600,000)	0
Rescheduling Discounts	(110,369)	(110,369)	(110,369)	0
Earmarked for specific funds/balances	846,498	846,498	846,498	0
Earmarked additional Provision Snr Officer (Council 13/12/18)			242,000	(242,000)
CERA (Capital Expenditure funded from Revenue Account)	2,604,319	2,604,319	2,604,319	0
	<b>14,143,141</b>	<b>14,143,141</b>	<b>13,656,929</b>	<b>486,212</b>
<b>Corporate and Democratic Core Costs</b>				
Bank Charges	189,698	189,698	189,698	0
Income from HRA	(31,907)	(31,907)	(31,907)	0
Income from DLO/DSO	(13,620)	(13,620)	(13,620)	0
External Audit Fees	484,076	484,076	404,076	80,000
Income from HRA	(81,422)	(81,422)	(67,966)	(13,456)
Income from DLO/DSO	(34,755)	(34,755)	(29,011)	(5,744)
Subscriptions	110,736	110,736	101,520	9,216
	<b>622,806</b>	<b>622,806</b>	<b>552,790</b>	<b>70,016</b>
<b>Grants to Voluntary sector</b>				
Assistance to Voluntary sector	179,333	179,333	179,333	0
	<b>179,333</b>	<b>179,333</b>	<b>179,333</b>	<b>0</b>
<b>Private Finance Initiative</b>				
PFI Schools	2,340,304	2,340,304	2,340,304	0
PFI SEW	3,960,234	3,960,234	3,960,234	0
	<b>6,300,538</b>	<b>6,300,538</b>	<b>6,300,538</b>	<b>0</b>
<b>Other</b>				
NNDR - Authority Empty Properties	130,608	130,608	0	130,608
Counsel Fees	330,720	330,720	500,000	(169,280)
Ringfenced from Earmarked Reserves			(169,208)	169,208
Careline	35,900	35,900	35,900	0
Carbon Management Scheme	28,170	28,170	28,170	0
Carbon Energy Tax	229,884	229,884	229,884	0
IT Replacement Strategy	131,842	131,842	131,842	0
PV Panel Maintenance		2,000	2,000	0
PV Panels Income	(40,600)	(42,600)	(42,600)	0
Risk Management Contribution	(456,511)	(456,511)	(456,505)	(6)
Class 1A NI	(60,000)	(60,000)	(102,000)	42,000
Welsh Language	53,157	53,157	0	53,157
City Deal	239,200	239,200	239,200	0
Matched Funding for Community Schemes	15,908	15,908	15,908	0
Targeted Rate Relief Scheme	77,000	77,000	77,000	0
Miscellaneous Items	4,631	4,630	(211,115)	215,745
	<b>719,909</b>	<b>719,908</b>	<b>278,476</b>	<b>441,432</b>
<b>TOTAL MISCELLANEOUS FINANCE</b>	<b>45,700,839</b>	<b>45,700,838</b>	<b>44,693,178</b>	<b>1,007,660</b>
<b>EXPENDITURE TO DIRECTORATE SUMMARY</b>	<b>68,394,166</b>	<b>68,606,687</b>	<b>66,507,856</b>	<b>2,098,831</b>