



POLICY & RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: CORPORATE SERVICES & MISCELLANEOUS FINANCE REVENUE
BUDGETS 2020-21**

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

1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the 2020/21 revenue budgets for Corporate Services and Miscellaneous Finance.

2. SUMMARY

- 2.1 The report provides details of the 2020/21 revenue budgets for Corporate Services and Miscellaneous Finance.
- 2.2 Budget monitoring reports will be prepared throughout the financial year to ensure that Members are updated on projected spend against budgets.

3. RECOMMENDATIONS

- 3.1 That Scrutiny Committee Members note the content of this report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Scrutiny Committee is provided with full details of the 2020/21 revenue budgets for Corporate Services and Miscellaneous Finance.

5. THE REPORT

5.1 2020/21 Revenue Budget

- 5.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2020/21 financial year is a net cash increase of £14.753m (5.49%) after adjusting for the transfer in of specific grants, new responsibilities and changes to the Council Tax base.
- 5.1.2 Members will recall that as a consequence of the Financial Settlement a revised package of savings totalling £3.007m was agreed to enable the Council to deliver a balanced budget for the 2020/21 financial year. Savings for Corporate Services and Miscellaneous Finance amount to £1.986m.

5.1.3 The approved 2020/21 budgets for Corporate Services and Miscellaneous Finance total £72.561m and full details are provided in Appendix 1.

5.2 Corporate Services

5.2.1 The 2020/21 budget for Corporate Services is £21.962m, which is net of agreed savings totalling £581k.

5.2.2 In line with the budget strategy agreed at Council on the 20th February 2020 the Corporate Services base budget has been uplifted for inflation. An allowance of 2% has been made for pay (£422k), living Wage (£1.5k), 1.7% for non-pay (£146k) and 1.7% on Fees and Charges (£28k).

5.2.3 2019/20 approved temporary one-off savings totalling £309k have been returned to the relevant service area for the 2020/21 financial year.

5.2.4 The 2020/21 budget also includes the agreed use of reserves to fund staff, mainly apprentices, in the following areas:-

- Legal Services
- People Services
- Corporate Finance
- Digital Services
- Corporate Estates

5.3 Miscellaneous Finance

5.3.1 The 2020/21 budget for Miscellaneous Finance is £50.599m, which is net of agreed savings totalling £1.405m.

5.3.2 The main budget increases/reductions, in line with the budget strategy agreed at Council on the 20th February 2020 are:-

- £205k for non-pay budgets headings (1.7%).
- £46k for City Deal.
- £849k for PFI Review.
- £47k for Levies.
- £867k for Pay Contingency.
- -£202k Private Finance Initiative in line with the agreed grant profiling.

5.3.3 The budget for the Council Tax Reduction Scheme has been increased by £693k.

5.3.4 The following approved temporary one-off savings taken in 2019/20 have been returned to the relevant service areas for the 2020/21 financial year: -

- £500k Deferred Borrowing.
- £129k PC Refresh.

6. ASSUMPTIONS

6.1 At the time of approving the 2020/21 budget in February 2020 there were a range of assumptions made in respect of pay and non-pay inflationary increases and inescapable service cost pressures.

7. LINKS TO STRATEGY

7.1 The contents of this report reflect the budget strategy agreed by Council at its meeting on the 20th February 2020.

7.2 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.

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial management including the effective utilisation of external grant funding is a key element in ensuring that the Well-being Goals within the Well-Being and Future Generations (Wales) Act 2015 are met.

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

10.1 As identified throughout the report.

11. PERSONNEL IMPLICATIONS

11.1 The personnel implications of agreed savings will be carefully managed and if required staff will be fully supported to identify appropriate redeployment opportunities.

12. CONSULTATIONS

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

13. STATUTORY POWER

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

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

Consultees: - R. Edmunds, Corporate Director for Education & Corporate Services
S. Harris, Head of Financial Services & S151 Officer
M. Eedy, Finance Manager, Communities

R. Tranter, Head of Legal Services
L. Donovan, Head of People Services
L. Lucas, Head of Customer & Digital Services
C. Harrhy, Interim Chief Executive
L. Allen, Principal Accountant, Housing
S. Couzens, Chief Housing Officer
D. Street, Corporate Director Social Services
M.S. Williams, Interim Corporate Director Communities
M. Williams, Interim Head of Property
A. Southcombe, Finance Manager, Corporate Services
Cllr E. Stenner, Cabinet Member for Finance, Performance & Customer Service
Cllr C. Gordon, Cabinet Member for Corporate Services
Cllr L. Phipps, Cabinet Member for Housing & Property
Cllr J. Pritchard, Chair of P&R Scrutiny
Cllr G. Kirby, Vice Chair of P&R Scrutiny

Background Papers

- Report to Council 20/02/20 – Budget Proposals for 2020/21 and Medium-Term Financial Outlook
- Budget working papers – Accountancy Section

Appendices

Appendix 1 – 2020/21 Revenue Budgets (Corporate Services and Miscellaneous Finance)