



## **CORPORATE SERVICES AND REGENERATION SCRUTINY COMMITTEE – INFORMATION ITEM - 20<sup>TH</sup> FEBRUARY 2024**

**SUBJECT: CORPORATE SERVICES AND MISCELLANEOUS FINANCE 2023/24  
BUDGET MONITORING REPORT (PERIOD 9)**

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

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

- 1.1 To inform members of projected revenue expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2023/24 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 nine months of the financial year.

### **3. RECOMMENDATIONS**

- 3.1 Members are requested to note the contents of the report.

### **4. REASONS FOR THE RECOMMENDATIONS**

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

### **5. THE REPORT**

#### **5.1 Corporate Services**

- 5.1.1 The Directorate of Corporate Services is currently forecasting a net underspend of £0.993m for the 2023/24 financial year, full details of which are provided in Appendix 1.
- 5.1.2 There is an anticipated net underspend on Chief Executive and Director of Education and Corporate Services of £0.041m, mainly due to the delay in recruiting to the Deputy Chief Executive post, which has now been appointed.
- 5.1.3 The anticipated net underspend of £0.148m in Corporate Finance relates in the main to in-year vacancies, some of which are in the process of being filled, additional one-off grant income, together with the use of reserves to fund a number of fixed term posts.
- 5.1.4 There is an anticipated net underspend of £0.813m in Digital Services, after taking into

account the agreed use of reserves. The underspends will be monitored during the year and may reduce depending on agreed project work. The underspends consist of: -

- A projected underspend of £0.170m for IT Services which is due in the main to delays in filling vacancy posts.
- A projected net underspend of £0.432m on Procurement and Information Governance which relates in the main to a “rebate” of £0.286m as a result a “Wales wide” food procurement contract, along with delays in filling vacant posts after taking into account the agreed use of reserves.
- An underspend of £0.212m for Customer First which is due in the main to vacant posts still to be filled offset by reduced income levels.

5.1.5 Legal and Governance is projecting a net underspend of £0.069m after allowing for the following to be ring-fenced and transferred to earmarked reserves: -

- Projected underspend on Members related expenditure of £0.087m. This is due in the main to underspends on Members’ Allowances and associated budgets which is partly offset by increased costs on Members’ superannuation costs.
- Projected underspend of £0.040m on Electoral Services, due in the main to delays in filling vacant posts.

5.1.6 The net underspend of £0.069m for Legal and Governance is due in the main to delays in filling vacant posts and savings associated with working from home. The net underspend is after taking into account the agreed use of reserves for an additional Committee Services Officer.

5.1.7 There is a projected net underspend of £0.362m for People Services mainly consisting of: -

- Human Resources projected net underspend of £0.158m due in the main to delays in filling vacant posts and some temporary reductions in working hours. The net underspend is after taking account of the agreed use of reserves.
- Health and Safety underspend of £0.073m due in the main to salary savings arising from delays in recruitment after taking account of the agreed use of reserves for Fire and Asbestos Officers.
- Occupational Health is projecting a small underspend of £0.012m.
- The Communications Unit is projecting a net underspend of £0.049m, due in the main to delays in filling vacant posts.
- CMT Support is anticipating a small overspend of £0.001m.
- The Leadership Development Programme budget is anticipated to underspend by £0.068m.
- The Apprentice Programme is progressing with a number of apprentices employed. It is envisaged that any unused budget this year will be ring-fenced to support the programme moving forward.

5.1.8 There is an anticipated £0.150m net underspend in Business Improvement Services after taking account of the following: -

- Management – Projected small underspend of £0.005m.
- Projected net underspend of £0.029m in the Policy Team due in the main to a delay in filling a vacant post.
- Projected underspend of £0.031m in the Equalities and Welsh Language Team due in the main to vacancies and reduced external translation costs.
- Projected underspend of £0.048m in the Performance Management Unit due in the main to delays in filling vacant posts.
- Projected net underspend of £0.022m in the Transformation Team due in the main to some staff not yet reaching the top of salary scales.
- The Community Empowerment Fund is expected to fully spend in this financial year.

- Projected net underspend of £0.014m in the Decarbonisation Team due in the main to staff not being yet being at the top of salary scales and one-off income.

5.1.9 Although Property Services is managed within the Economy and Environment Directorate, budget monitoring has traditionally been considered by the Policy and Resources Scrutiny Committee. For Property Services there is a net projected underspend of £0.114m, consisting of the following: -

- Management – Net £0.023m overspend.
- Energy – estimating a small £0.003m underspend.
- Estates – £0.037m overspend. This is due to reduced fee income levels, partly offset by small salary savings. The fee income will be monitored closely in-year.
- Non – Operational Properties - £0.011m underspend mainly due to additional income.
- Corporate Facilities – a net £0.044m overspend mainly to additional costs to support the heating systems while the new system is installed, partly offset by projected energy costs being lower than expected.
- Maintenance – Projecting a breakeven position but will be monitored closely during the year.
- Building Consultancy – Projected £0.204m underspend due to additional income generated from Fees offset by some additional consultancy costs.
- Agile Zone – this is funded from the agreed earmarked reserve.

5.1.10 There is a projected overspend of £0.704m on Housing Services (excluding the Housing Revenue Account (HRA)), which consists of the following: -

- General Fund Housing is expected to show a £1.029m overspend at this stage, which is mainly as a result of the ongoing Bed and Breakfast placements as well as increased costs by providers.
- This service area includes a statutory duty for Temporary Accommodation which is demand led and difficult to predict. The demand for B&B placements as a result of Covid-19 has been significant with on average 70 cases per month, together with accompanying security costs for the relevant establishments. WG replaced the original Covid Hardship Grant with The Noone Left Out grant but this has significantly reduced from the original Covid Hardship funding received for the previous 2 years. WG confirmed funding in 2023/24 of £0.623m but temporary growth from reserves of £1.700m was also necessary this year to fund the demand. In addition to this, it is evident that B&B placements are still increasing as more people find themselves homeless as a consequence of the Cost of Living crisis especially since the introduction of the new Renting Homes Wales Act in December 2022.
- To give members the scale of increase, the number of homeless placements in B&B this December was 232, compared to 160 in December 22, 136 in December 2021 and 79 in December 2020 which is an increase of 194% in the last 3 years. In this financial year there has been a 23% increase in placements since April.
- - Furthermore, there could be an increase and delay with placements as a result of the current Ukraine situation. It is important to note that for every temporary accommodation placement, the council has to fund on average 80% of the cost. The DWP only funds on average 20% of the cost via housing benefits, which is why the overspend is increasing.
- - There is an added concern now that due to the significant lack of move on accommodation being available in the borough, the length of time people are staying in temporary accommodation is longer, especially where single people are concerned with some being in B&B placements for 24 months or more. This will have a significant impact on the cost of our non-permanent housing as we owe a statutory duty to provide interim accommodation until a suitable offer of housing is made.
- - In addition, in 2023 following the withdrawal of the Lease Scheme with a Social Landlord provider, meant that we have had to hand back approx. 36 properties that were used as suitable forms of emergency housing to the landlord, which has seen an increase in family placements into other forms of temporary accommodation like hotels and bed and

breakfasts which incur higher costs. Whilst we are in the process of establishing and developing alternative models, then we are still required to provide interim housing and therefore are reliant on hotels and bed and breakfast.

- In the long term, however, Welsh Government has set out an ambitious Programme for Government with the aim of making our community a better place to live and work, which will be achieved in part, by reforming homelessness services to focus on prevention and rapid rehousing, which should in theory eradicate the need for B&B placements. However, this a long term strategy likely to take 5-10 years. Emergency Accommodation will still be required but on a
- smaller scale and officers are currently undertaking a review with regard what this provision will look like for CCBC in the longer term. In the meantime, the Council are maximising its Caerphilly Keys Private Rented Sector project and recently launched its own website whilst running a heightened media campaign in an attempt to attract more landlords to the project, so that the Housing Solutions Team can maximise move on within that sector. Funding from the Welsh Governments TACP (Transitional Accommodation Capital Programme) has also helped Caerphilly Homes buy back ex-council homes and Includes a modular housing element that officers are currently considering.
- There is further consideration being given to the Welsh Government White Paper proposal to ending homelessness with interim accommodation where standards, space sharing, young people and the use of hotels and B&B's are concerned.
- Private Sector Housing is currently predicting a £0.325m underspend. After receiving £0.635m budgetary growth this year, this service area no longer has to rely on its fee income to be able to fund the service. However, some agency fee income is still being recovered whilst officers await a decision on reviewing the Private Sector Housing Renewal Policy (due for Cabinet consideration on 13 December 2023). At this point, £0.200m surplus on this budget, due to agency fee income, will be offered back corporately as part of the temporary savings to assist with the 2024/25 transitional budget.

5.1.11 The following table provides a summary of progress in delivering agreed 2023/24 savings for the Directorate of Corporate Services: -

Section	Agreed MTFP Savings £'m	Progress against Savings £'m	Variance £'m
<b>Corporate Services.</b>			
CEO	0.000	0.000	0.000
Director	0.011	0.011	0.000
Corporate Finance	0.218	0.217	0.000
Digital Services	0.274	0.274	0.000
Legal & Governance Support	0.116	0.109	0.007
Peoples Services	0.235	0.216	0.019
Business Improvement Services	0.244	0.235	0.009
	1.098	1.062	0.035
<b>Non-Corporate Services.</b>			
Property Services	0.311	0.262	0.048
	0.311	0.262	0.048
<b>Grand Total</b>	<b>1.409</b>	<b>1.324</b>	<b>0.083</b>

5.1.12 The MTFP budgets were set with an assumed vacancy target, the £0.035m variance in Corporate Services is due in the main to the full target not currently being achieved. This will be kept under review as we progress through the remainder of the financial year. Property Services saving is due to an unexpected call on its maintenance budget.

5.1.13 It is expected that the unachieved MTFP savings will be covered off by other budget savings in the service areas.

## 5.2 Miscellaneous Finance

5.2.1 There is an overall projected underspend of £2.940m in Miscellaneous Finance.

5.2.2 There is a projected net underspend of £2.293m on Capital Financing budgets which is due to the following: -

- £0.636m underspend on Debt Charges due to delays in borrowing requirements.
- Investment income being £1.657m more than the budgeted level due to new medium to long-term investments and increases in the Bank of England base interest rate.

5.2.3 There is a projected overspend of £0.069m on the Trade Union budget. We are currently still in discussions with Trade Union colleagues to review and update our Facilities Agreement to ensure that equitable support arrangements are in place.

5.2.4 The Counsel Fees budget is projected to be breakeven at present, but this is a volatile budget that will be monitored closely during the remainder of the financial year.

5.2.5 The remaining projected overspends in Miscellaneous Finance consist of the following: -

- £0.054m on the Class 1A NI savings, this is due in the main to a reduced take-up of the Tusker GASS car scheme.
- £0.055m net of recharges on Bank Charges, due in the main to increased on-line payments and post office cards.
- £0.072m additional contribution to the Coroners levy due to increased costs of the service.
- £0.009m on PV Panel Maintenance due to an ongoing safety requirement to review the Panels yearly.

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

- Subscriptions - £0.014m
- Former Authority on-going pension liability net of recharges – £0.119m.
- £0.757m as a result of not having fund borrowing costs for City Deal
- £0.006m on PV Feed in Tariff income

5.2.7 The following budgets have previously had agreement to ringfence any underspends to their earmarked reserves: -

- Council Tax Reduction Scheme - £0.253m
- Discretionary Rate Relief Scheme - £0.063m, this is due to the revaluation of the businesses and the transitional relief provided by WG for this year only.

5.2.8 The following table provides a summary of progress in delivering agreed 2023/24 savings for Miscellaneous Finance: -

Section	Agreed MTFP Savings £'m	Progress against Savings £'m	Variance £'m
<b>Miscellaneous Finance</b>	4.619	4.619	0.000
<b>Grand Total</b>	4.619	4.619	0.000

5.2.9 The agreed MTFP savings for Miscellaneous Finance are anticipated to be achieved.

## 6. ASSUMPTIONS

- 6.1 Assumptions linked to this report were detailed in the budget report to Council on 23rd February 2023.
- 6.2 The projected outturn position is based on actual income and expenditure details to the end of December 2023.
- 6.3 Forecasts have been made following discussions with Managers based on current information available.

## 7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report is for information only, so an IIA is not required.

## 8. FINANCIAL IMPLICATIONS

- 8.1 As detailed throughout the report.

## 9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report.

## 10. CONSULTATIONS

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

## 11. STATUTORY POWER.

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

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Appendices:

Appendix 1 Corporate Services and Miscellaneous Finance 2023/24 Budget Monitoring Report (Period 9).