



ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: REVENUE BUDGET 2020/ 2021 COMMUNITIES DIRECTORATE

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the revenue budget for 2020/2021 for the Communities Directorate, including Regeneration & Planning Division, Infrastructure Division, Public Protection Division and Community & Leisure Services Division.

2. SUMMARY

- 2.1 The report summarises the budget for the above services for the financial year 2020/2021.
- 2.2 It attaches, as appendices 1a to 1d, the summary budget for the services outlined in paragraph 1.1 above.

3. RECOMMENDATIONS

- 3.1 Environment and Sustainability Scrutiny Committee Members are requested to note the contents of this report and the budget summary pages that follow in respect of Infrastructure Services Division, Public Protection Division and Community & Leisure Services Division, which all fall within the remit of this Scrutiny.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To enable the achievement of the Service Divisions' objectives for 2020/2021.

5. THE REPORT

5.1 INTRODUCTION

- 5.1.1 At the meeting of the Council on the 20th February 2020, the budget for 2020/2021 was considered and approved. The report outlined the Welsh Government (WG) revenue support grant (RSG) settlement, the general economic climate, Authority wide inflationary and general cost pressures, identified corporate growth and growth to individual service Directorates and also the required need to apply budget savings in 2020/2021 as part of the Medium Term Financial Plan (MTFP).

- 5.1.2 The budget strategy of the Communities Directorate includes a number of budgetary changes agreed by Council, which are summarised in the table below and incorporated in the budget pages attached in appendix 1a to 1d.

As outlined in table 1 below, the Communities Directorate has MTFP savings of £465k allocated across the four Service Divisions. These savings represent 0.95% of the 2019/2020 net controllable revenue budgets of the services. The savings required and applied to service budgets were significantly lower than the £2.1million of savings originally considered, due to the more favourable financial settlement eventually received from Welsh Government, which lead to a further review of the savings, taking into account feedback from the consultation process. A number of the original savings proposals have been withdrawn and a number have been deferred and will be subject to Service Reviews under the Council's Transformation Programme, details of these savings were reported in the budget report to Council on 20th February 2020 appendix 2.

- 5.1.3 Additional budget of £1.103million has been allocated to the Directorate revenue budgets for inescapable cost pressures in relation to pay inflation (2%), non- pay inflation (1.7%), and living wage.
- 5.1.4 Budget growth of £93k has been provided to Community & Leisure Waste Management services to offset a reduction in SWMG (Sustainable Waste Management Grant) received from WG. Budget growth has also been awarded to Infrastructure Home to School Transport Services of £44k in relation to Trinity Fields school due to increase in student numbers and need. Social Services transport budget has also been increased by £71k to support ongoing vehicle investments.
- 5.1.5 Temporary budget savings applied to the 2019/2020 budget to support the Council's financial position were also reinstated in 2020/2021.
- 5.1.6 Table 1 also summarises other general budget adjustments including transfers in relation to service realignment,

Overall, the Communities Directorate net controllable budget for 2020/2021 has increased by £2.881million compared to 2019/2020 increasing from £48.549million to £51.430million.

Table 1	INFRASTRUCTURE	REGENERATION & PLANNING	COMMUNITY & LEISURE	PUBLIC PROTECTION	DIRECTOR
	£000	£000	£000	£000	£000
Estimate 2019/2020	17,937	2,246	20,953	7,240	173
Pay & Non Pay Inflation	332	68	438	220	3
Living Wage	0	1	26	15	0
Budget Growth					
Trinity Fields Transport	44				
Social Services Transport	71				
Sustainable Waste			93		
Reinstatement of temporary MTFP savings in 19/20	1,533	110	346		
MTFP Budget Savings 20/21	0	(211)	(183)	(71)	
Other Budget Transfers: Approved budget transfers				46	
Budget Increase (Reduction)	1,980	(32)	720	210	3
Estimate 2020/2021	19,917	2,214	21,673	7,450	176

5.2 INFRASTRUCTURE SERVICES

5.2.1 Infrastructure Service Division estimates for 2020/2021 include additional budget of £332k for inescapable cost pressures and budget growth for Home to School Transport (£44k) in relation to Trinity Fields school and also Social Care transport (£71k) towards vehicle acquisitions, this element of funding was initially received during 2019/2020 and added to the 2020/21 budgets as permanent funding.

5.2.2 The Infrastructure estimate does not include any applied MTFP savings for 2020/2021. As noted in paragraph 5.1.2 above, the original MTFP savings considered were subsequently reviewed and revised by Council and in the case of Infrastructure no MTFP savings were applied in 2020/2021, with a range of savings linked to highway maintenance, traffic management and school crossing patrols being withdrawn. However one saving initiative in relation to the subsidised bus route between Blackwood and Ystrad Mynach was deferred and will be subject to future service review under the Council's Transformation Programme. Also a range of temporary MTFP savings applied in 2019/2020 (£1,533k) were reinstated into the 2020/2021 budget again linked to highway, canal maintenance and winter maintenance.

5.2.3 The Infrastructure budget includes £7.2million to fund highway network maintenance including roads & footways surface dressing and patching, gully cleaning, land drainage, street lighting

and winter maintenance. This budget is under constant financial pressure due to the demands put on the highway network which will continue during 2020/2021. The decision of Council not to apply any MTFP savings in 2020/2021 to the service area along with the return of £1.533m temporary MTFP's applied in 19/20 should help reduce this cost pressure.

- 5.2.4 Civil parking enforcement is now the responsibility of the Council's Infrastructure Division and a £384k enforcement operating cost budget is included in the estimates including employment of parking enforcement officers. These operating costs will however be funded from anticipated income from fixed penalty notices.
- 5.2.5 Car parking income budget of £733k is also included in the estimates. This includes £702.8k in relation to the Council's pay & display car parks and £30.2k for residential on street parking permits. The level of pay & display income generated can be susceptible to change, so this will be monitored closely against the budget targets set.
- 5.2.6 Public Transport includes WG grant funding for subsidised rural bus services £426.4k and concessionary fares £3.386million.
- 5.2.7 The Infrastructure Division estimates for 2020/2021 also include budgets in relation to home to school transport (£7.281million) and social services transport (£1.553million) which represent 44% of the overall Infrastructure budget. Any year end budget over or under spends in relation to these specific services will be identified separately and transferred back to Education Directorate and Social Services Directorate.

5.3 **REGENERATION and PLANNING**

- 5.3.1 The Division has received additional budget of £69k for inescapable cost pressures.
- 5.3.2 The estimate for 2020/2021 includes budget reductions for service related MTFP savings of £211k as noted in table 1 above and these savings represent 9.4% of the 2019/2020 revenue base budget. The savings are primarily linked to operational costs and income generation in the tourism venues, budget realignment in business support and urban renewal and a reduction in Community Regeneration projects. Temporary budget reductions in 2019/2020 of £110k were reinstated in relation to the Community Regeneration fund, Business grants and Community Regeneration projects, albeit the saving of £35k in relation to Community regeneration projects was subsequently included in the 2020/2021 savings.
- 5.3.3 The planning application fee income budget for 2020/2021 is £574k and the building control fee income budget is £273k, income generated from planning applications and building control fees is susceptible to changes in the general economic climate and the building industry in particular and actual income generated will be monitored closely against the budget targets set.
- 5.3.4 The service division also has a large income budget for Industrial and Commercial property rentals of £2.3million which can also be susceptible to variation due to general economic conditions and the level of occupancy of the units rented by the Council.
- 5.3.5 Tourism Venues have been subject to a range of MTFP savings (£100k) in 202/2021 and are presently subject to review as part of the Councils Transformation programme. Combined income budgets of the 5 venues is £1.6million but income generation is susceptible to variation due to range of factors linked to customer demand, weather and market competition, so will be monitored closely.
- 5.3.6 Welsh Government grant funded initiatives "Children & Communities Grant" is partially run by Regeneration officers, the project is to help support vulnerable people and communities. The level of funding allocated to Regeneration for 2020/21 is £1,403k. In future years allocations of

funding may well change. Additionally there is an allocation via the European Social Fund for “Communities for Work” of £597k.

5.4 COMMUNITY & LEISURE SERVICES

- 5.4.1 The Division has received additional budget to fund inescapable cost pressures of £464k and also budget growth of £93k to help support waste management recycling initiatives linked to a reduction in the amount of SWMG received from WG.
- 5.4.2 The estimate for 2020/2021 includes budget reductions for service related MTFP savings of £183k as noted in table 1 above, which represents 0.9% of the 2019/2020 revenue budget. Temporary budget reductions in 2019/2020 of £346k have been reinstated including £300k waste management RCCO budget (revenue contribution to capital outlay) used to fund the acquisition of replacement vehicles.
- 5.4.3 A number of originally considered MTFP savings were subsequently deferred in the Council meeting of 20th February and will be subject to Service Reviews under the Council’s Transformation Programme, these include Trehir CA site, cleaning services staff resources, bulky waste collection charges and Community centre caretaker staffing levels.
- 5.4.4 Waste management services have revenue budget of £9.7million to support residual and recycling collection and treatment services and to help develop service initiatives to ensure increased recycling targets are achieved. Also, Welsh Government funding of £850k for SWMG (Sustainable Waste Management Grant) is included in the estimates. The Street Cleansing budget is £4.079million.
- 5.4.5 Parks, Cemeteries and Countryside have combined budgets of £4million with £115k of MTFP savings applied in 2020/2021 linked to operational costs and depot rationalisation,
- 5.4.6 Leisure services have budget of £3.2million including £2.672million direct funding and management and administrative support to leisure centres. The Councils Sport and Active Recreation Strategy 2019-2029 has established a future purpose and direction for the provision for sport and active recreation and a number of initiatives will be implemented and others considered to fulfil this strategy and in doing so also generate future financial savings.

5.5 PUBLIC PROTECTION

- 5.5.1 The Division has received additional budget of £235k for inescapable cost including an additional £15k towards living wage increases in Catering
- 5.5.2 The estimate for 2020/2021 includes budget reductions for service related MTFP savings of £71k as detailed in table 1 above, which represents 1.0% of the 2019/2020 revenue budget, these savings primarily relate to CCTV energy cost, some operational costs and catering school and staff restaurant income. There is also a transfer of £46k into Environmental Health from Corporate Services in relation to environmental health grant funding initiatives linked to positive engagements, domestic abuse, community safety partnerships, safer communities and anti- social behaviour.
- 5.5.3 A number of originally considered MTFP savings were subsequently deferred in the Council meeting of 20th February and will be subject to Service Reviews under the Council’s Transformation Programme, these include the structure of Community Safety Wardens and Environmental Health enforcement teams and review of pest control charges.

- 5.5.4 The Licensing fee income budget remains at £320k in 2020/2021 and this will be monitored closely as levels of licensing income is influenced by the general economic climate and the number of businesses trading. The Registration services fees & charges budget has been increased by £5k to £250k as part of the MTFP savings approved for the service area.
- 5.5.5 Public Protection Division delivers a large proportion of statutory services linked to licensing, trading standards, environmental health, food safety and pollution and service expenditure can sometimes be influenced by one off significant issues in relation to pollution, air quality, food contamination and trading standards problems in the wider community which can put significant pressure on financial resources available.
- 5.5.6 Catering services has net budget of £3.7million including school income budgets of £3.5million. Income generation in schools can be subject to variation depending on a range of factors such as school closures for adverse weather and other incidences and trends in school meal take up, so these will be monitored closely during the year.

5.6 CONCLUSION

The Communities Directorate provides a diverse range of services as outlined in the report and appendices and the report notes that the services face significant ongoing financial pressures due to the requirement to achieve budget savings in support of the Councils medium term financial plan.

For the 2020/2021 financial year, the Covid 19 crisis will have an additional significant impact on the financial position of many services in the Communities Directorate and in depth monitoring will be needed to try and ascertain the full impact on Council financial resources and in order to secure additional financial support from Welsh Government.

6. ASSUMPTIONS

- 6.1 Assumptions linked to this report were detailed in the budget report to Council on 20th February 2020.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The content of the report is in accordance with the budget strategy considered and approved by Council at its meeting of 20th February 2020.
- 7.2 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.
- 7.3 Budget management itself is in accordance with the corporate theme of Delivering the Strategies.
- 7.4 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

8. WELL-BEING OF FUTURE GENERATIONS

- 8.1 Effective financial management 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 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.

10. FINANCIAL IMPLICATIONS

- 10.1 This report deals with the financial issues.

11. PERSONNEL IMPLICATIONS

- 11.1 Included in the Service Division budget savings summarised in the report are savings in relation to staff restructures and vacancy management, these will be managed in accordance with HR policies.

12. CONSULTATIONS

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

13. STATUTORY POWER

- 13.1 Local Government Acts 1998 and 2003

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Consultees: Councillor D.T Davies Chair Environment & Sustainability 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
Steve Harris, Interim Head of Business Improvement Services & Section 151 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 papers 2020/2021.

Appendices:

Appendix 1A Summary Budget - Infrastructure Services Division

Appendix 1B Summary Budget - Regeneration and Planning

Appendix 1C Summary Budget - Community and Leisure Services

Appendix 1D Summary Budget - Public Protection Division

Links to other Documents:

Minutes Council Meeting 20/02/2020: Budget Proposals 2020/21 and Medium- Term Financial Outlook

Agenda Item No. 8

<https://democracy.caerphilly.gov.uk/ieListDocuments.aspx?CId=127&MId=11923&LLL=0>

<i>COMMUNITIES DIRECTORATE</i>	Page No	Estimate 2019/20	Revised Estimate 2019/20	Budget 2020/21
<i>INFRASTRUCTURE SERVICES DIVISION</i>				
<i>HIGHWAY OPERATIONS</i>		7,496,995	7,496,995	9,157,623
ENGINEERING PROJECTS GROUP		(94,021)	(94,021)	(92,163)
<i>TRANSPORTATION ENGINEERING</i>		455,685	455,685	473,521
PASSENGER TRANSPORT		1,617,349	1,617,349	1,648,785
HOME TO SCHOOL TRANSPORT		7,115,947	7,115,947	7,281,504
<i>SOCIAL SERVICES TRANSPORT</i>		1,455,068	1,525,068	1,552,829
NETWORK CONTRACTING SERVICES		(128,565)	(128,565)	(124,899)
<i>INFRASTRUCTURE - GENERAL</i>		18,700	18,700	19,336
TOTAL NET EXPENDITURE		17,937,158	18,007,158	19,916,536

COMMUNITIES DIRECTORATE	Page No	Estimate 2019/2020	Revised Estimate 2019/2020	Estimate 2020/2021
<u>REGENERATION & PLANNING</u>				
Regeneration & Planning Senior Management Support		208,655	208,655	211,926
Regeneration & Planning Administrative Support		513,247	513,247	533,470
Support Services				
Business Support & Urban Renewal		425,839	425,839	577,380
Events		88,630	100,630	78,253
Property Operations		(1,271,593)	(1,271,593)	(1,325,762)
Town Centre Management		105,241	105,241	199,209
Marketing & promotion		183,523	183,523	0
Tourism Venues				
Tourism Venues Management Support		60,324	60,324	61,529
Llanciachfawr		377,905	377,905	380,853
Winding House & Museum		208,114	208,114	157,930
Caerphilly Visitor Centre		65,539	65,539	62,073
Cwmcaru Visitor Centre		247,164	247,164	243,165
Blackwood Miners Institute		327,815	327,815	302,847
Arts Development		152,792	152,792	157,175
Community Regeneration		136,969	136,969	139,591
Children & Communities Grant				
Expenditure		1,403,068	1,403,068	1,403,068
Grant Funding		(1,403,068)	(1,403,068)	(1,403,068)
C4W Grant				
Expenditure		601,975	601,975	597,465
Grant Funding		(601,975)	(601,975)	(597,465)
Planning Services				
Planning Services Management		76,647	76,647	78,027
Strategic Planning		333,058	333,058	328,030
Development Control		(87,723)	(87,723)	(77,450)
Building Control		(56,204)	(56,204)	(48,994)
Land Charges		(7,114)	(7,114)	(5,749)
GIS & Land Gazetteer		157,546	157,546	160,694
TOTAL NET BUDGET		2,246,374	2,258,374	2,214,197

Appendix 1C

<i>DIRECTORATE OF COMMUNITIES</i>	Page No	Estimate 2019/2020	Revised Estimate 2018/2019	Estimate 2020/2021
<u>COMMUNITY & LEISURE SERVICES</u>				
WASTE MANAGEMENT				
<i>Residual Waste</i>		2,308,527	2,308,527	2,282,953
<i>Organics recycling</i>		1,416,330	1,416,330	1,350,335
<i>Civic Amenity Sites</i>		3,056,924	3,056,924	3,082,763
<i>Waste Transfer Station</i>		111,580	111,580	107,968
<i>Dry Recycling</i>		2,534,207	2,534,207	2,714,455
<i>RCCO</i>		91,000	91,000	391,000
<i>Bulky Waste</i>		127,833	127,833	128,220
<i>Commercial Waste</i>		(532,533)	(532,533)	(508,650)
<i>Other Waste</i>		22,761	22,761	23,148
<i>Treher</i>		129,253	129,253	131,451
<i>Sustainable Waste Management Grant</i>		(942,804)	(942,804)	(849,804)
<i>HQ Staff</i>		1,204,318	1,204,318	1,232,590
CLEANSING				
<i>Street Cleansing</i>		3,980,053	3,980,053	4,079,727
GROUND MAINTENANCE AND PARKS				
<i>Cemeteries</i>		(193,454)	(193,454)	(201,269)
<i>Allotments</i>		37,172	37,172	37,804
<i>Parks and Playing Fields</i>		1,693,830	1,693,830	1,763,051
<i>Playgrounds</i>		281,512	281,512	276,548
<i>Outdoor facilities</i>		242,600	242,600	237,104
<i>Community Assets Funding</i>		0	0	0
<i>Countryside</i>		915,267	915,267	893,301
<i>HQ Staffing</i>		1,011,762	1,011,762	998,661
LEISURE SERVICES				
<i>Leisure Centres</i>		2,614,006	2,614,006	2,672,870
<i>Sports & Health Development</i>		21,262	21,262	21,480
<i>Outdoor Education</i>		149,939	149,939	153,993
<i>Community Centres</i>		364,722	364,722	359,171
		20,646,067	20,646,067	21,378,870
<i>Building Cleaning</i>		579,609	579,609	570,558
<i>Vehicle Maintenance & Fleet Management</i>		(272,828)	(272,828)	(276,299)
Total net expenditure Community & Leisure Services		20,952,848	20,952,848	21,673,129

Appendix 1D

<i>DIRECTORATE OF COMMUNITIES</i>	Page No	Estimate 2019/2020	Revised Estimate 2019/2020	Estimate 2020/2021
<u>PUBLIC PROTECTION DIVISION</u>				
<i>TRADING STANDARDS</i>		757,674	757,674	772,055
<i>LICENSING</i>		90,579	90,579	91,989
<i>REGISTRARS</i>		66,697	66,697	53,417
<i>CCTV</i>		429,739	429,739	417,023
<i>COMMUNITY WARDENS</i>		235,127	235,127	239,720
<i>CORPORATE AND DEMOCRATIC COSTS (CDC)</i>		56,633	56,633	57,631
<i>HEALTH DIVISIONAL BUDGET</i>		287,422	287,422	293,052
<i>COMMUNITY SAFETY PARTNERSHIP</i>		0	45,653	46,963
<i>ENFORCEMENT</i>		628,848	628,848	642,501
<i>POLLUTION</i>		391,524	391,524	398,936
<i>FOOD TEAM</i>		579,750	579,750	591,349
<i>EMERGENCY PLANNING</i>		103,510	103,510	105,923
<i>CATERING</i>		3,612,851	3,612,851	3,739,710
<i>TOTAL NET EXPENDITURE</i>		7,240,354	7,286,007	7,450,269