



CORPORATE SERVICES AND REGENERATION SCRUTINY COMMITTEE – INFORMATION ITEM - 20TH FEBRUARY 2024.

**SUBJECT: ECONOMY AND ENVIRONMENT 2023-24 BUDGET MONITORING
REPORT (PERIOD 9)**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To inform members of projected revenue expenditure for the Economy and Environment Directorate for the 2023-24 financial year. With particular reference to the Regeneration and Planning Division.

2. SUMMARY

- 2.1 The report summarises the most recent budget monitoring projections for 2023-24 based on the latest available financial information. It should be noted that it is only the Planning and Regeneration service division that is within the remit of this Scrutiny Committee with other service division budgets sitting within the remit of the Housing and Environment Scrutiny Committee.

3. RECOMMENDATIONS

- 3.1 Corporate Services and Regeneration Scrutiny Committee Members are requested to note the contents of this report and the detailed budget monitoring pages that follow in respect of the Regeneration and Planning Division, which is the only division that falls within the remit of this Scrutiny Committee.

4. REASONS FOR THE RECOMMENDATIONS

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

5. THE REPORT

5.1 INTRODUCTION

- 5.1.1 The report outlines the revenue budget position for each of the service Divisions that form part of the Economy and Environment 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 appendix 1A.
- 5.1.2 The table 1 below summarises the present budget monitoring position, with an overall

Directorate overspend of £2.164m, but exclusive of ring-fenced budgets is projecting an overspend of £1.823m. Appendix 1A provides more detail on the budget variation projection for Regeneration and Planning Division, which fall under the remit of this Scrutiny.

TABLE 1	Estimate 2023/24 £'m	Revised Estimate 2023/24 £'m	Anticipated Outturn 2023/24 £'m	Variance 2023-24 £'m
Regeneration and Planning Division	3.713	3.796	4.025	(0.229)
Infrastructure Division	25.200	25.317	25.737	(0.420)
Public Protection Division	10.409	10.554	10.370	0.185
Community and Leisure Services Division	28.259	28.620	30.318	(1.698)
Directorate General	0.195	0.192	0.193	(0.001)
NET DIRECTORATE	67.776	68.479	70.643	(2.164)
Home to School Transport - ring fenced over spend				0.950
Social Services Transport – ring fenced under spend				(0.609)
Cemeteries Task and Finish – ring fenced under spend				
NET DIRECTORATE under spend (excluding ring fenced budgets)				(1.823)

5.2 REGENERATION and PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a projected overspend of £0.229m for the 2023-24 financial year, full details are provided in Appendix 1
- 5.2.2 There is a small underspend in senior management support of £0.011m due to staff not being paid at the top of the incremental scale. This is after the agreed virement for the Caerphilly Town Placemaking Programme Manager budget.
- 5.2.3 Business Support and Urban Renewal are projecting a net £0.227m overspend, in the main due to reduced funding for the Multi-Disciplinary Team offset by salary savings and a projected underspend on the Community Enterprise Fund. This is after the agreed use of reserves for the International Trade Support Officer and transfer of Community Projects budget to fund the Placemaking Programme Manager.
- 5.2.4 Events are currently projecting a small overspend of £0.005m.
- 5.2.5 There is a projected £0.108m overspend in relation to industrial properties due in the main to an overspend on “property” related costs such as maintenance (£0.121m), Cleaning (£0.021m) and Security (£0.015m) together with additional costs for Equipment (£0.020m) along with supplies and services (£0.056m) offset with some savings on utility costs (£0.100m) and postage (£0.019m) along with an anticipated increased rental income (£0.018m). The industrial and office property portfolio should generate income of £2.49million to the Council. The service is proactively seeking to ensure vacant units are let as quickly as possible by identifying businesses interested in taking up a rental.
- 5.2.6 Town Centre Management is projecting an underspend of £0.024m, due in the main to a delay in filling a vacant post and some staff not being top of scale offset by reduced income levels.
- 5.2.7 Overall Tourism Venues are reporting combined overspend of £0.024m. Further details are below: -

- Tourism Venue Management support is projecting a £0.003m underspend.
- Llancaiach Fawr is projecting a small underspend position at present (£0.005m) due to salary savings and savings on Utilities offset by reduced income levels. Income levels will be closely monitored in year.
- Cwmcarn VC is projecting an overspend of £0.073m due in the main to increased Maintenance, Utility costs and reduced Income levels partially offset to salary savings due to delays in filling vacant posts.
- Winding House is predicting an underspend of £0.024m due in the main to a revaluation on NNDR costs and Utilities partially offset by a reduction in income, additional maintenance costs and salary costs to cover maternity.
- Caerphilly Visitor Centre is predicting a £0.025m overspend due to additional staffing, Utilities, Kitchen equipment and commodity costs being offset by increased income levels.
- Blackwood Miners' Institute is projecting an underspend of £0.043k due in the main to salary savings due to staff not reaching top of the scale offset by income projections being better than anticipated.
- Arts Development is projecting a breakeven position.

5.2.8 Community Regeneration is projecting a net £0.026k overspend after the agreed use of reserves for the Apprentice Officer, to support the "Kick-start" project. This is due in the main to the costs of the project work after the agreed transfer of budget to the Placeshaping Programme Managers post.

5.2.9 Uk Shared Prosperity Fund and C4WPlus Additional Funding initiatives are all fully funded from grant.

5.2.10 Planning Services Management are projecting a small underspend.

5.2.11 Regeneration and Planning Administrative Support are projecting a small underspend £0.013m.

5.2.12 Strategic Planning is presently projecting a small net underspend of £0.010m. This is due in the main to delays in recruiting to a vacant post. This is after the agreed ringfencing of the Community Infrastructure Levy (CIL) (£0.106m) and the agreed transfer from the LDP reserve (£0.029m).

5.2.13 Development Management is reporting underspend of £0.072m primarily due to salary savings due to delays in filling vacant posts partially offset by reduced income levels. Income is very volatile and will be monitored during the year.

5.2.14 Building Control is reporting overspend of £0.015m due in the main to reduced income levels being offset by salary savings. The income level is volatile and will be monitored during the year.

5.2.15 Land Charge Services along with Land Registry Automation are projecting a net underspend of £0.052m due in the main to increased income levels. The income level is volatile and will be monitored during the year. This takes into account the HMRC funding for the "Land Registry Automation."

5.2.16 GIS/Land Gazetteer support services is projecting an overspend of £0.005m.

5.3 **Medium Term Financial Plan Savings**

5.3.1 The following table provides a summary of progress in delivering agreed 2023/24 savings for the Directorate of Economy and Environment: -

Section	Agreed MTFP Savings £'m	Progress against Savings £'m	Variance £'m
<u>Economy & Environment</u>			
Infrastructure	1.161	1.118	0.043
Public Protection	0.060	0.051	0.009
Community & Leisure	0.254	0.147	0.106
Regeneration & Planning	0.364	0.276	0.088
Director	0.000	0.000	0.000
Grand Total	1.839	1.592	0.246

5.3.2 Details of the projected unachieved savings for the services that fall within the remit of this scrutiny are detailed below: -

5.3.3 The variance of £0.088m in Regeneration and Planning is due to: -

- £0.009m subsidy in Winding House.
- £0.008m subsidy in Llancaich Fawr
- £0.068m subsidy in Cwmcarn Visitor Centre
- £0.001m subsidy from BMI.
- £0.002m from various sections mileage reductions not being achieved.

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

5.4 Conclusion

5.4.1 Members are advised Regeneration and Planning is the only division within the Economy and Environment Directorate which is in the remit of this scrutiny committee. Overall, the Directorate provides a diverse range of front-line services to residents and businesses. The revised overall Directorate has a budget totalling £68.479m, with a projected net overspend of £2.164m (3.16% of total budget). The operational managers will endeavour to ensure that service net expenditure does not exceed the budget available.

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 Service Managers based on current information available.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An IIA is not necessary for this Information Only Report.

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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Consultees

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Cllr A, McConnell, Vice Chair Corporate Services and Regeneration Scrutiny Committee
Christina Harry, Chief Executive
Mark S Williams, Corporate Director for Economy and Environment
Rhian Kyte, Head of Regeneration and Planning
Steve Harris, Head of Financial Services and S151 Officer
Leanne Sykes, Deputy Head of Financial Services and S151 Officer
Rachel Smith, Assistant Accountant
Cllr J. Pritchard, Cabinet Member for Prosperity, Regeneration and Climate Change
Cllr P Leonard, Cabinet Member for Planning and Public Protection
Cllr C Andrews, Cabinet Member for Education and Communities

Appendices:

Appendix 1A Budget Monitoring Report - Regeneration and Planning