



## REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE - 17TH JULY 2012

**SUBJECT: REVENUE BUDGET 2012/ 2013: ENVIRONMENT DIRECTORATE**

**REPORT BY: CHIEF EXECUTIVE**

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

- 1.1 To provide information to Members on the Environment Directorate revenue budget for 2012/2013 including detailed estimates in relation Engineering Services Division, Regeneration Planning and Economic Development Division, Public Protection Division and Public Services Division. Also, details of contract efficiency savings applied to the Direct Labour and Direct Service trading accounts, within the Directorate.

### **2. SUMMARY**

- 2.1 The report summarises the budget for the above services for the financial year 2012/2013.
- 2.2 It attaches, as an Appendix, the detailed budget 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 and approved by the Council at its meeting of 23rd February 2012.
- 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 management itself is in accordance with the corporate theme of Delivering the Strategies.

### **4. THE REPORT**

#### **4.1 Introduction**

- 4.1.1 At the meeting of the Council on the 23rd February 2012, the budget for 2012/2013 was considered and approved. The report outlined the Welsh Assembly Government (WAG) rate 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 2012/2013 as part of the Medium Term Financial Plan (MTFP).

- 4.1.2 The budget strategy of the Environment Directorate includes a number of budgetary changes agreed by Council, some of which are summarised in the table below and incorporated budget pages attached.
- 4.1.3 Overall the Environment Directorate was expected to achieve new budget savings of £411,000 in 2012/2013, with further savings targeted in 2013/2014 and 2014/2015 as part of the MTFP. The details of new budget savings allocated are included in this report.
- 4.1.4 Budget efficiency savings implemented in previous financial years were applied to Direct Labour and Direct Service Organisations (DLO/DSO's) as contract efficiency savings and there is also presently an element held at strategic Directorate level in relation to vacancy management which is being allocated to service divisions as new vacancy management savings are identified.

Table 1 below summarises the general budget adjustments for inflation and superannuation. The table also summarises budget growth, budget efficiency savings allocated and also budget transfers between services as a result of changes in senior management arrangements.

<b>ESTIMATE 2012/2013 £000</b>	<b>ENGINEERING  £000</b>	<b>REGENERATION PLANNING &amp; ECONOMIC DEVELOPMENT  £000</b>	<b>PUBLIC PROTECTION  £000</b>	<b>PUBLIC SERVICES  £000</b>	<b>ENVIRONMENT GENERAL  £000</b>
<b>Estimate 2011/2012</b>	22,450	5,029	4,118	18,140	(194)
Inflation	0	0	0	0	0
Superannuation	66	62	37	93	0
<b>New Budget Savings</b>					
Vacancy Management					(121)
Street Lighting	(50)				
Highway Maintenance	(50)				
Car Park Maintenance	(20)				
Winter Maintenance	(40)				
Llancaiach Fawr		(130)			
<b>Efficiency Savings</b>					
Vacancy Management	(28)	(42)		(56)	125
Essential Car User	(19)	(43)	(34)	(17)	
<b>Budget Transfers</b>					
Catering Services			1,873		
Other transfers		252	2	81	
Outcome Agreement				(200)	
Net Increase / (Decrease)	(141)	99	1,878	(99)	4
<b>Estimate 2012/2013</b>	<b>22,309</b>	<b>5,128</b>	<b>5,996</b>	<b>18,041</b>	<b>(190)</b>

## **Engineering Services**

- 4.2.1 Engineering Division estimates for 2012/2013 do not include any budget growth. The estimate does include a reduction for required new budget savings of £160k in relation to street lighting, highway, winter and car park maintenance as noted in the table above. The estimate also includes a budget reduction of £28k for vacancy management savings applied and £19k for essential car allowances.
- 4.2.2 The Highway Infrastructure / Roads Maintenance budget for 2012/13 includes an allocation of £400k Deprivation Grant this is consolidated into the Divisions base budget and also £350k of Outcome Agreement as part of theme 3 highway investments. A separate report on this agenda deals with the 2012/13 Highway Infrastructure revenue budget and the street lighting budget in more detail.
- 4.2.3 The Engineering Division estimates for 2012/2013 include ringfenced estimates in relation to home to school transport and social services transport. Any year end budget over or under spends in relation to these specific services will be identified separately and transferred back to Education & Leisure Directorate and Social Services Directorate.

## **Regeneration Planning and Economic Development**

- 4.3.1 The Division has not received any specific service budget growth in 2012/2013.
- 4.3.2 The estimate for 2012/2013 includes a budget reduction of £130k for efficiency savings in relation to Llancaiach Fawr, these savings were actually identified and achieved a year early in 2011/2012. The estimate also includes a budget reduction of £42k for vacancy management savings applied and £43k for essential car allowances
- 4.3.3 The planning application fee income and the building control fee income budgets for 2012/2013 have remained the same as 2011/2012. It should be noted that the amount of 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 could fall short of the budget targets and will therefore be monitored closely.
- 4.3.4 Rural Development Plan schemes continue in 2012/13 whereby 80% of the cost should be covered by European grant.
- 4.3.5 The Division estimates for 2012/2013 include additional budget of £219k for services transferred into the Economic Development and Tourism group in relation to Voluntary Sector Grants and also other staff of £33k.

## **Public Protection**

- 4.4.1 No specific service growth has been awarded to the Public Protection Division in 2012/2013. The estimate for 2012/2013 includes a budget reduction of £34k applied to the Division for essential user car allowances.
- 4.4.2 There will be budget pressures in 2012/2013 particularly in the Environmental Health Pollution team, due to ongoing air quality management issues and costs of work at Aberbargoed Closed Landfill site. Budgets within the group have been realigned to target the purchase of air monitoring equipment.
- 4.4.3 Health Improvement funding for projects from National Public Health Service is being reduced from July 2012 and Wellbeing Income of £12k has been carried forward from 2011/2012 to cover this shortfall. Officers are actively pursuing alternative ways of sustaining initiatives for future years. The Food Team have received £1,799 ring fenced from the Council's budget for 2012/2013, to continue the inspection of sun bed premises, this follows the introduction of

new regulations for sun bed premises in 2011/2012, for which a grant of £10k was received from the Welsh Government. Food Standards Agency income of £10k has also been carried forward from 2011/2012 to continue additional food safety initiatives.

- 4.4.4 The income budget in relation to licensing fees for The Trading Standards, Licensing and Registration service group has been set at £329k, which is the same as last year, but this will be monitored closely during the year, as income generated from licenses can be volatile and influenced by the general economic climate.
- 4.4.5 The Community Safety group has experienced a reduction of £70k in grant funding for 2012/2013 in relation to Home Office Community Safety Funding also, Monmouthshire Council terminated the service level agreement under which the Control Room monitors their CCTV cameras, which has resulted in a loss of income of £45k. However, additional Outcome Agreement grant of £50k has been included in the estimates for Community Safety initiatives.
- 4.4.6 As a result of changes in senior management arrangements as outlined in paragraph 4.1.4 above, the Public Protection Division estimates for 2012/2013 include additional budget of £1,873k for the transfer of Catering Services to the Service Division. There are ongoing pressures on the Catering service budgets in relation to implementation of healthy eating initiatives in schools and the impact this may have on school meal take up and income generation and also food cost inflation.

### **Public Services**

- 4.5.1 No specific service growth has been awarded to the Public Service Division in 2012/2013. Budget growth in relation to ongoing increases in landfill tax is presently retained corporately until a point in time when waste management services require the additional funding.
- 4.5.2 The estimate for 2012/2013 includes a reduction for vacancy management savings applied to the Division of £56k and a budget reduction of £17k for essential user car allowances. The budget also shows a £200k reduction due to changes in the allocation of Output Agreement funding.
- 4.5.3 The service division estimates include operating costs in relation to frontline refuse & cleaning services and ground maintenance services which no longer operate on a trading account basis.
- 4.5.4 Sustainable Waste management grant allocation, included in the estimates, has been reduced by £51k to £3.656 million, as a result of reductions in grant funding announced by WG.
- 4.5.5 Public Services Division continues to review waste recycling strategies and initiatives including recycling collection and organic and residual waste treatment. Partnership projects in relation to Prosiect Gwyrdd (residual waste) and Heads of the Valleys Waste Project (organic waste) form a vital part of this strategy.
- 4.5.6 Budget support requirements for the waste management strategies will be continually reviewed and the financial impact of a number of anticipated future issues and cost pressures including landfill tax, transport costs, agency staff legislation and CA site & transfer station requirements will be monitored closely.

### **Environment General**

- 4.6.1 As noted in paragraph 4.1.4 above, an element of Environment Directorate budget efficiency savings in relation to vacancy management is held centrally and is allocated to services when specific savings are identified. The value of unallocated savings in 2011/2012 reduced from £194k to £126k as savings were identified. At the start of 2012/2013, a further £121k savings requirement was added as part of the MTFP, giving a revised unallocated target of £247k, but as a result of new savings identified of £57k, this is reduced to £190k.

## Direct Labour Organisations

As outlined in paragraph 4.1.4 above an element of the budget efficiency savings are applied to the DLO/DSO's in the form of contract efficiency savings. Table 2 below summarises the ongoing net contract efficiency savings for each DLO/DSO.

<b>DLO/DSO</b>	<b>Contract Efficiency</b> <b>£000</b>
Net Work Contracting Services	180
Vehicle Maintenance and Transport	37
<b>TOTAL</b>	<b>217</b>

## 5. EQUALITIES IMPLICATIONS

5.1 There are no equalities issues.

## 6. FINANCIAL IMPLICATIONS

6.1 This report deals with the financial issues.

## 7. PERSONNEL IMPLICATIONS

7.1 Service Divisions are expected to achieve vacancy management savings as outlined in the paragraphs above.

## 8. CONSULTATIONS

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

## 9. RECOMMENDATIONS

9.1 Members are requested to note the contents of this report and the detailed budget pages that follow.

## 10. REASONS FOR THE RECOMMENDATIONS

10.1 To enable the achievement of the Service Divisions' objectives for 2012/2013.

## 11. STATUTORY POWERS

11.1 Local Government Act 1972 and Local Government Act 2003

Author: Mike Eedy, Finance Manager (Environment Directorate) Tel 01495235413  
Email eedymp@caerphilly.gov.uk

Consultees  
Councillor D.T Davies Chair Regeneration & Environment Scrutiny Committee  
Councillor Mrs E.M Aldworth Vice Chair Regeneration & Environment Scrutiny Committee  
Councillor, K. James, Cabinet Member Regeneration, Planning & Sustainable Development  
Councillor, D. Poole Cabinet Member Community & Leisure Services  
Councillor T. Williams Cabinet Member Highways, Transportation & Engineering  
Anthony O'Sullivan, Chief Executive  
Pat Mears, Head of Planning, Economic Development and Regeneration  
Robert Hartshorn, Head of Public Protection  
Terry Shaw, Head of Engineering Services  
Mark S Williams Head of Public Services  
Nicole Scammell, Head of Corporate Finance  
Geoffrey Edwards, Group Accountant  
Cheryl Jeremic, Senior Accountant  
Gwyn James, DLO Accountant  
Rose Shears, Finance Officer

Background Papers:  
Divisional budget papers 2012/2013

Appendices:  
Appendix 1 Engineering Services  
Appendix 2 Regeneration Planning and Economic Development  
Appendix 3 Planning  
Appendix 4 Economic Development and Tourism  
Appendix 5 Public Protection  
Appendix 6 Public Services

Links to other Documents:  
Minutes Council Meeting 23/2/2012: "Budget Proposals 2012/13"  
Agenda Item No. 2(c)