



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 1ST JULY 2014

SUBJECT: REVENUE BUDGET 2014/2015 ENVIRONMENT DIRECTORATE

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the revenue budget for 2014/2015 for Environment Directorate, including Regeneration, Planning & Economic Development Division, Engineering 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 2014/2015.
- 2.2 It attaches, as appendices 1a to 1d, the summary budget for the 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 26th February 2014.
- 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 26th February 2014, the budget for 2014/2015 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 2014/2015 as part of the 2014/2017 Medium Term Financial Plan (MTFP).
- 4.1.2 The budget strategy of the Environment 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.

4.1.3 As outlined in table 1 below and in line with the MTFP, the Environment Directorate identified MTFP savings of £2,662k allocated across the four Service Divisions and also £50k as budget efficiency savings applied to the Building Cleaning Direct Service Organisation as contract efficiency savings. The detailed list of savings are shown in appendix 2 attached. In addition there are Corporate MTFP savings in relation to casual mileage and risk management insurance of £382k applied to Service Divisions and £36k to the DLO/DSO's.

4.1.4 The Directorate did not receive any budget growth for 2014/2015, although £240k growth has been held corporately for increases in landfill tax. Additional budget of £94.6k has been allocated to the Directorate in relation to increases in the living wage, primarily in relation to Catering services and also the Building Cleaning DSO.

The table also summarises the general budget adjustments for inflation, centralised budgets and transferred funding from Welsh Government for new direct responsibilities.

	ENGINEERING	REGENERATION & PLANNING	COMMUNITY & LEISURE	PUBLIC PROTECTION	GENERAL
	£000	£000	£000	£000	£000
Estimate 2013/2014	21,661	5,700	21,669	7,323	(194)
Inflation	302	59	314	106	(3)
Living Wage	0	3	1	32	0
New Responsibilities WG: Catering Breakfast Clubs				(6)	
Budget Growth	0	0	0	0	0
MTFP Budget Savings					
Service Savings	(426)	(715)	(1,422)	(99)	0
Casual mileage	(4)	(8)	(4)	(7)	0
Risk Management Insurance	(174)	(36)	(112)	(37)	0
Other Adjustments:					
Centralised budgets	(59)	(71)	(338)	(47)	0
Other Corporate budget transfers	4	0	4	4	0
Other service budget transfers	0	0	40	0	0
Budget Reduction	(357)	(768)	(1,517)	(54)	(3)
Estimate 2014/2015	21,304	4,932	20,152	7,269	(197)

4.2 ENGINEERING SERVICES

4.2.1 Engineering Service Division estimates for 2014/2015 do not include any budget growth. As noted in table, paragraph 4.1.3 above, the estimate does include budget reductions for service related MTFP savings of £426k and corporate savings in relation to mileage and insurance of £178k. The service related MTFP savings are detailed in appendix 2.

- 4.2.2 The Highway Infrastructure / Roads Maintenance budget for 2014/15 includes an allocation of £400k Deprivation Grant this is consolidated into the Divisions base budget. A separate report on this agenda deals with the 2014/15 Highway Infrastructure revenue budget and the street lighting budget in more detail.
- 4.2.3 The Engineering Division estimates for 2014/2015 includes ring fenced budgets in relation to home to school transport (£6.5million) and social services transport (£1.4million) which represent 37% of the overall Engineering budget. The Home to School Transport budget for 2014/2015 does include a £50k reduction for MTFP savings for efficiency savings on contracts this is part of the overall Engineering Division savings as noted in paragraph 4.2.1 and detailed in appendix 2. 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.

4.3 REGENERATION PLANNING and ECONOMIC DEVELOPMENT

- 4.3.1 The Division has not received any specific service budget growth in 2014/2015.
- 4.3.2 The estimate for 2014/2015 includes budget reductions for service related MTFP savings of £715k and corporate savings in relation to mileage and insurance of £44k. The service related MTFP savings are detailed in appendix 2.
- 4.3.3 The planning application fee income budget for 2014/2015 is £553k including a new budget of £20k for pre –application advice and the building control fee income budget is £302k. It should be noted that the amount 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.
- 4.3.4 Rural Development Plan schemes will continue during 2014/15 financial year, as some extensions to European grant funding have been secured to the end of the financial year, with funding in 2014/2015 budgeted at £262k.
- 4.3.5 Community First grant funding of £3.1million has been secured for 2014/2015.

4.4 PUBLIC PROTECTION

- 4.4.1 The Division has not received any specific service budget growth in 2014/2015. Catering services has however received additional £30k budget to fund increases in the living wage.
- 4.4.2 The estimate for 2014/2015 includes budget reductions for service related MTFP savings of £99k and corporate savings in relation to mileage and insurance of £44k. The service related MTFP savings are detailed in appendix 2.
- 4.4.3 The Licensing fee income budget has been set at £337.3k and the Registration services fees & charges budget has been set at £197k, income generation in these services can be subject to variation and will be monitored closely.
- 4.4.4 Grant funding in 2014/2015 for Community Safety initiatives includes Community Safety Fund from the Home Office of £54k and Safer Communities Funding from WG of £280k. Grant in relation to Substance Misuse Action Fund (SMAF) is now allocated directly to the Gwent Substance Misuse Area Planning Board, with Newport City Council acting as lead Authority.
- 4.4.5 Additional Outcome Agreement grant of £50k in relation to Community Safety is included in the estimates for 2014/2015.

4.5 COMMUNITY & LEISURE SERVICES

- 4.5.1 Budget growth of £240k has been provided for the anticipated £8 per ton increase in landfill tax and this will be allocated to the Division during the year.
- 4.5.2 The estimate for 2014/2015 includes budget reductions for service related MTFP savings of £1,422k and corporate savings in relation to mileage and insurance of £116k. The service related MTFP savings are detailed in appendix 2.
- 4.5.3 Budget of £250k has been transferred to Corporate Asset Management in relation to maintenance of pavilions and changing rooms which is now part of the responsibilities of the Corporate Buildings Service.
- 4.5.4 Sustainable Waste management grant allocation from WG has been reduced by £103k to £3.553 million this grant has been reducing steadily over recent years, reducing by £331k since 2010/2011.
- 4.5.5 The Community & Leisure Division continues to review waste management & recycling strategies including residual waste and recycling collection regimes, residual waste disposal & treatment and recycling and organic treatment. The partnership project in relation to Prosiect Gwyrdd (residual waste) forms a vital part of this strategy.
- 4.5.6 Service delivery and staffing structures in relation to Sports & Leisure Services have been reviewed in order to make the staff structure more fit for purpose and MTFP savings are included in the 2014/2015 budget as detailed in appendix 2.

4.6 ENVIRONMENT GENERAL

- 4.6.1 An element of Environment Directorate budget efficiency savings in relation to vacancy management is presently held centrally and is allocated to services when specific savings are identified. The value of unallocated savings at the start of 2014/2015 is £194k.

4.7 DIRECT LABOUR ORGANISATIONS

- 4.7.1 As outlined in paragraph 4.1.3 above an element of the budget efficiency savings are applied to the DLO/DSO's in the form of contract efficiency savings. For 2014/2015 as part of the MTFP, £50k contract efficiency charge was applied to the Building Cleaning DSO. NCS (Network Contracting Services) has an existing contract efficiency of £164k and Vehicle Maintenance a contract efficiency of £46k.
- 4.7.2 The Building Cleaning DSO has received additional funding of £30k for increases in the living wage.

4.8 FINANCIAL STRATEGY for 2015/16 and 2016/17

- 4.8.1 The indicative RSG settlement for 2015/16 is a further cut of 1.34%. In the absence of indicative figures from the Welsh Government for 2016/17 a further reduction of 1.34% is currently assumed. This will result in further estimated Council-wide savings of £6.5m for 2015/16 and £6.9m in 2016/17.
- 4.8.2 Members will recall that the budget strategy agreed by Council in February 2014 aims to deliver these savings through two main strands. The first of these is further proposals for Members to consider in respect of up to 3% efficiency savings, which will deliver approximately £5m. The second strand involves a review of discretionary services, with a view to identifying savings proposals totalling over £8m.
- 4.8.3 To ensure that full and proper consideration is given to savings proposals, a series of Special Scrutiny Committee meetings will be held over the coming months. Four meetings of the

Regeneration and Environment Scrutiny Committee are planned to consider savings proposals of the four service divisions, Engineering Services, Community & Leisure Services, Public Protection Services and Regeneration & Planning Services. If necessary further meetings will be arranged.

5. EQUALITIES IMPLICATIONS

- 5.1 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.

6. FINANCIAL IMPLICATIONS

- 6.1 This report deals with the financial issues.

7. PERSONNEL IMPLICATIONS

- 7.1 Included in the Service Division budget savings summarised in the report and detailed in appendix 2 are savings in relation to staff restructures and vacancy management. Also as outlined in paragraph 4.8 there may be personnel implications from future budget saving initiatives. Consultations have/will be undertaken by the relevant service areas as appropriate.

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 2014/2015.

11. STATUTORY POWER

- 11.1 Local Government Acts 1998 and 2003.

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Councillor, D. Poole Cabinet Member Community & Leisure Services
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David A Thomas, Senior Policy Officer (Equalities and Welsh Language)
Sian Phillips, HR Manager
Cheryl Jeremic, Senior Accountant
Rose Shears, Finance Officer
Jane Southcombe, Financial Services Manager
Dave Roberts, Principal Group Accountant

Background Papers:

Divisional budget papers 2014/2015.

Appendices:

Appendix 1a – Summary Budget – Environment Directorate – Engineering Division

Appendix 1b – Summary Budget – Environment Directorate – Regeneration, Planning and
Economic Development

Appendix 1c – Summary Budget – Environment Directorate – Public Protection

Appendix 1d – Summary Budget – Environment Directorate – Community and Leisure Services

Appendix 2 – Environment Directorate - Savings 2014/15

Links to other Documents:

Minutes Council Meeting 26/2/2014: Budget Proposals 2014/15

Agenda Item No. 3(1)