

# Pecyn Dogfennau Cyhoeddus



Mae'r adroddiad canlynol yn Eitem Gwybodaeth ar gyfer y Pwyllgor Craffu yr Amgylchedd a Chynaliadwyedd.

## 1. Adroddiad Monitro'r Gyllideb 2020/2021.



## **ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE – FOR INFORMATION**

**SUBJECT: BUDGET MONITORING REPORT 2020/2021**

**REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES**

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

- 1.1 To inform Members of the most recent budget monitoring position for 2020/2021 for Communities Directorate Service Divisions, including Regeneration & Planning Division, Infrastructure Services Division, Public Protection Division and Community & Leisure Services Division.

### **2. SUMMARY**

- 2.1 The report summarises the most recent budget monitoring projections for 2020/2021 based on the latest available financial information.
- 2.2 The attached appendices outline more detailed budget monitoring figures for each of the Council Fund 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 detailed budget monitoring 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 The Council Budget is based on the achievement of both expenditure and income targets. In order to ensure that 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 Communities 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 appendices' 1a to 1d.
- 5.1.2 It should be noted that the budget report to Council on 20th February 2020 detailed the need to apply further budget efficiency savings in 2020/2021 to meet medium term financial plan (MTFP) targets and achieve budget strategy aims. Communities Directorate services were targeted to achieve new budget efficiency savings of £465k. 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.
- 5.1.3 It should be noted that this is the second monitoring report in a series of reports planned this financial year and continues to show that the financial position for each service is continuing to be significantly influenced by operational issues linked to the Covid 19 crisis. The position continues to evolve as the Covid 19 situation changes, with Welsh Government policies on restrictions and also funding support being amended and changed. A number of key assumptions have been applied in the financial projections relating to ongoing disruptions to service provision, especially where services have been significantly curtailed and/or income has not been generated or significantly limited, such as leisure centres, tourism venues, schools catering, registrars fees and car parks, but some operational costs such as staff salaries and fixed overheads are still being incurred.
- 5.1.4 Some additional operational costs directly linked to Covid 19 continue to be subject to claims to WG and funding has been received. Costs directly funded by WG are not included in the revenue budget monitoring position of services as outlined in this report. Claims are also being submitted to WG for lost income where services have temporarily ceased or have been significantly curtailed. A claim for funding for the April to June period has been submitted to WG and £1.324million received as grant covering lost income in relation to a range of Communities Directorate services including schools catering, leisure centres, tourism venues, countryside, sports pitches, commercial waste collections, car parks and civil parking enforcement. This grant income is included in the revenue accounts of the services and the budget monitoring and greatly assists in reducing the level of projected overspend outlined in this report. At this stage the value of additional funding that the Council may receive from WG in relation to lost income for the period July 2020 to March 2021 is uncertain, albeit WG have announced £78million of funding across Wales, which includes the claims submitted and paid for the April to June period noted above. The financial projections in this report therefore also include estimates of possible lost income funding for the 9 month period July 2020 to March 2021 of £2.9million. The estimates of lost income incorporated into these projections are calculated by first projecting the likely income and operating costs for each service, after taking into account latest assumptions regarding service operations, disruptions and site closures due to Covid 19 and also possible customer demand when services recommence, whether this be on a limited basis or full service commencement. The position is however continually changing as services react to the latest position regarding Covid 19 and decisions and announcements from Welsh Government in relation to restrictions, local lock downs and also funding support to Councils.
- 5.1.5 The table 1 below summarises the present budget monitoring position, with a large overall Directorate over spend of £1,386k, but exclusive of ring fenced budgets this over spend is increased to £1,745k Appendices 1a to 1d provide more detail on the

budget variation projections for each Service Division.

TABLE 1	ORIGINAL ESTIMATE 2020/2021	REVISED ESTIMATE 2020/2021	ANTICIPATED OUTTURN 2020/2021	ANTICIPATED VARIANCE 2020/2021 Under (Over) £000
	£000	£000	£000	£000
<b>Regeneration &amp; Planning Division</b>	<b>2,214</b>	<b>2,214</b>	<b>2,416</b>	<b>(202)</b>
<b>Infrastructure Division</b>	<b>19,917</b>	<b>19,917</b>	<b>20,117</b>	<b>(200)</b>
<b>Public Protection Division</b>	<b>7,450</b>	<b>7,450</b>	<b>7,387</b>	<b>63</b>
<b>Community &amp; Leisure Services Division</b>	<b>21,673</b>	<b>21,673</b>	<b>22,721</b>	<b>(1,048)</b>
<b>Directorate General</b>	<b>176</b>	<b>176</b>	<b>175</b>	<b>1</b>
<b>NET DIRECTORATE</b>	<b>51,430</b>	<b>51,430</b>	<b>52,816</b>	<b>(1,386)</b>
Home to School Transport - ring fenced under spend				<b>274</b>
Social Services Transport – ring fenced under spend				<b>74</b>
Cemeteries Task & Finish – ring fenced under spend				<b>11</b>
<b>NET DIRECTORATE over spend (excluding ring fenced budgets)</b>				<b>(1,745)</b>

## 5.2 REGENERATION & PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a projected overspend of £202k, primarily linked to shortfalls in income in relation to tourism venues, industrial properties, planning and building control fees and search fees, all of which have in recent years underachieved income targets. The tourism venue projections do assume that WG funding for lost income due to Covid 19 will be received for the full financial year, which significantly improve the financial outlook for the venues.
- 5.2.2 Development Control is reporting overspend of £104k primarily due to a projected shortfall in planning application fees of £101k compared to the budget of £538k. At present there is no apparent negative impact of Covid 19 on the number of planning application fees, as the fee income levels although below budget are greater than the previous financial year. Pre-application advice fee income is also projected at £8k below budget. The underachievement in income is partly offset by delayed filling of a vacant post. Building Control is reporting overspend of £68k due to a shortfall in income against the £273k budget, again, there seems to be no apparent impact of Covid 19 as fee levels are similar to the previous year. Building Control fees have also been well below the budget targets for a number of years.
- 5.2.3 Strategic Planning is presently projected to be £17k underspent due to delayed filling of a vacant post and staff on reduced working hours. Planning administrative, technical and GIS/Land Gazeteer support services is underspent by £39k due to delayed filling of vacant posts, staff not top of the incremental scales and additional administrative fee income from managing the CIL (Community Infrastructure Levy) service. Land charge services are £34k overspent due to a shortfall in search fee income compared to the budget of £113k. Again unclear if Covid 19 is having an

impact on search fee income and search fees were £26k short of the budget last year.

- 5.2.4 Business Support and Urban Renewal report underspend of £37k, primarily due to additional staff fee income supporting grant funded projects, reduced spend on community projects and other operational costs but offset by additional cost of NNDR on vacant properties under the teams management. Town Centre Management is projecting overspend of £20k this is due to planned expenditure on integrating WIFI running costs being introduced within a number of town centres, which is funded from the anticipated underspends in Business Support & Urban Renewal.
- 5.2.5 There is a projected £121k over spend in relation to industrial properties primarily due to shortfall in property rents resulting from a number of units being unoccupied, albeit rental income is projected to be £2.1million. The service is proactively seeking to ensure vacant units are let as quickly as possible by identifying businesses interested in taking up a rental. Approval has been given to award a three month rental holiday to some business tenants on the Tredomen Campus that could not benefit from the NDR Business Grant scheme as they are not registered ratepayers, the likely cost of this is estimated at £75k in reduced rental income.
- 5.2.6 Overall Tourism Venues are reporting combined overspend of £102k. All the venues have been closed due to the Covid 19 crisis and this has had a significant impact on income generation, albeit some of the venues have some offsetting reductions in non- staff operating costs associated with café's, shops, artists fees and energy. Most of the venues are beginning to open, albeit with significant restrictions in services they can provide. Llancaiach Fawr and Cwmcarn VC have seen the most significant impact financially due to closure and now restrictions linked to services such as the Manor House, school visits, catering and wedding ceremonies for Llancaiach Fawr and camp site (including the pods and chalets') and coffee shop for Cwmcarn and also no car park income due to Councils free parking policy. Both venues also have a large element of fixed costs linked to the buildings and also staff have continued to be paid. In contrast, although BMI has experienced a significant loss of income from events, shows and the pantomime, this has been offset by greater opportunity to reduce variable costs particularly linked to artist & production fees, publicity & promotion and energy costs. It is difficult at this stage to anticipate what levels of income might be generated as venues reopen albeit further assessments are being made, so the position will be monitored closely. However WG funding of £133k has been received in relation to lost net income for the April to June period and it is also assumed in the projections, that further funding for July 2020 to March 2021 of £331k will be claimed and received in due course, the WG funding is therefore greatly assisting in reducing the level of projected overspend. The overspends in Tourism venues is partly offset by underspend of £55k in relation to Arts Development where programmes of work commissioned have been curtailed due to Covid 19.
- 5.2.7 Offsetting to a certain extent on tourism venues, tourism events report net underspend of £64k. There have been no events taking place this year and none are planned for the remainder of the year, so there is a significant reduction in operating expenditure (£269k), albeit some staffing costs are being incurred as stewards are being paid an average salary. Underspend in operating costs of is however offset to a great extent by there being no income generated from pitch hires and trading concessions at the various events (£204k).

- 5.2.8 Community Regeneration is reporting a £28k underspend primarily due to reduced spend on Community projects and rent income in excess of running costs for the Community hubs.
- 5.2.9 There is underspend in senior management support of £9k due to staff not paid at the top of the incremental scale.
- 5.2.10 Children and Communities and C4W initiatives are both fully funded from grant

### 5.3 **INFRASTRUCTURE DIVISION**

- 5.3.1 Infrastructure is overall reporting over spend of £200k on a £19.917million budget, but after excluding budget variations in relation to Home to School Transport (£274k underspend) and Social Services Transport (£74k under spend) which will be ring fenced and appropriated back to the Service Directorates, the over spend increases to £548k, this includes WG funding for lost income in some service areas, already received for the period April to June and assumed and included in the projections for July to March 2021.
- 5.3.2 Highway Operations is actually reporting underspend of £199k. Highway maintenance is underspending by £269k mainly due to ongoing delays in projects and schemes due to Covid, albeit this is offset by overspend in relation to NCS (see paragraph 5.3.6 below) as the in- house contractor has suffered from reduced workload. The under spend in highway maintenance is partly offset by £56k overspend in street lighting where price increases have more than offset reductions in energy consumption albeit the ongoing investment in LED street lights has helped to reduce energy consumption and costs. There is also overspend in relation to SAB £40k (sustainable drainage) after £18k of lost income funding is included due to reduced work. There is also reduced income in relation to new roads and street works act (NRSWA), drop kerbs, scaffolding permits etc albeit WG funding for lost income is assumed for April to March of £45k. At present winter maintenance costs are difficult to predict but it is assumed the full budget of £1.1million) will be spent.
- 5.3.3 EPG (Engineering Projects Group) is reporting overspend of £43k due to reduced fee income linked to delays in projects due to Covid.
- 5.3.4 Transportation Engineering overall is projecting a large overspend of £481k. This is mainly due to reduced income linked to Covid 19 in relation to car parking £688k (albeit WG grant funding of £130k has been received for the April to June period). The Council has made the decision not to charge for car parks until January 2021 due to the impact of Covid 19 on employment, town centre trade and the general economy and so income generation will be significantly reduced. From January 2021 it is also presently assumed that income generation will be significantly reduced compared to income generation in previous years. Further, lost income in relation to car parks for July onwards cannot form part of any claims to WG, because WG have stipulated that any local Council decisions impacting on future income generation cannot be considered for funding. Shortfalls in income generated from Civil Parking Enforcement is however offset by £49k WG funding received for the April to June period and £135k assumed from July to March. The income shortfall noted for car parks is part offset by underspend on school crossing patrols of £82k due to vacant posts linked to sites not meeting ROSPA criteria.
- 5.3.5 Public Transport is reporting an under spend of £174k, with underspend in relation to bus subsidies of £61k linked to the 75% retainer initiative during the Covid 19 crisis,

albeit with some risk of operator failure leading to increased cost in future. Also, underspend in Passenger Transport Fee Income £24k due to extra management income for Bus Contactless payment scheme and some underspend in staffing £49k. Lost income in relation to bus departure charges of £100k is funded by £18k lost income funding from WG for April to June and a further £84k assumed for July to March.

- 5.3.6 At this stage Network Contracting Services (NCS) is anticipating a deficit of £398k with an underachievement in the income targets primarily linked to a significantly reduced workload due to Covid 19 along with the need to adhere to social distancing and TU agreement that only limited staff were able to work in the early stages of the pandemic. NCS is heavily dependent on the volume and value of work secured during the year and this is monitored closely along with productivity levels within the workforce. However as noted in paragraph 5.3.2 above there is underspend in the main highway maintenance budgets due delays in schemes that NCS would normally be undertaking.
- 5.3.7 Home to School Transport is presently projecting underspend of £274k on a £7.2million budget, with underspend of £11k in salaries/office costs and £421k in contractor costs linked to the 75% retainer scheme introduced during the height of the Covid 19 pandemic when the school services were not operating (this includes an anticipated increase by 10% from January 2021 on bus contracts). These underspends are partly offset by estimated additional expenditure of £160k to support bus contractors in relation to PPE, sanitiser and cleaning requirements now school transport services are recommencing.
- 5.3.8 Social Services Transport is projecting under spend of £74k including £26 on salaries, £21k vehicles and £30k for service operators. Again there is risk of operator failure leading to increased cost in future although this is partly an in-house operator function rather than private contractor.

#### 5.4 PUBLIC PROTECTION

- 5.4.1 Public Protection is presently projecting underspend of £63k on an overall revenue budget of £7.450million. However this includes £320k overspend in relation to Catering services primarily linked to changes in the Welsh Government funding support to the free school meal service.
- 5.4.2 Environmental Health is currently projecting a net underspend of £284k. This is partly due to a £174k underspend in salaries from a combination of staff on reduced hours and delayed filling of vacant posts in relation to Community Safety Wardens (£40k), Pollution (£33k) and Enforcement (£73k). Underspend in Pollution services of £153k is primarily due to £130k grant received from WG to fund staffing costs linked to Hafodyrnys. At this stage it is not known whether this will be required to fund any shortfall in the purchase/compensation Capital grant received from WG to fund the acquisition and payment of compensation for the houses at Hafodyrnys. There is a ring fenced reserve of £268k for this purpose, but until the final properties are all purchased and associated costs paid the final costs and funding requirement cannot be established. There are also a number of other ongoing issues in respect of air quality, pollution and contaminated land and these are being closely monitored as any increases in this area would impact on the overall financial position.
- 5.4.3 Trading Standards, Licensing, Registrars and CCTV services are projecting net underspend of £99k, this is primarily due to staff vacant posts in trading standards and CCTV and staff not on the top of incremental scales. Registrars is projecting a significant shortfall in income due to reduction in wedding and civil ceremonies linked

to Covid 19, where income could be £109k below the £250k budget. However a claim to WG for lost income for the April to June period of £58k has been submitted and in addition this monitoring assumes that further funding of £92k will be received from WG for estimated lost income for the July to March 2021 period. This additional funding significantly improves the financial position of the Registrars service. Licensing income is also £34k below budget mainly relating to reductions in numbers of temporary events notices and changes to Premises and Personal licences associated with pubs and clubs and also street trading applications. At this stage some of this could be considered to be delayed income due to Covid not fully lost income and therefore only £20k is assumed to be funded by WG.

- 5.4.4 Catering Services are projecting a large overspend of £320k on a £3.7million budget. This overspend primarily relates to changes in WG funding for additional costs incurred linked to free school meal provision. Since April and the closure of schools due to Covid 19, WG have been providing funding of £2.72 per meal, representing the estimated difference in cost of providing a free school meal at school compared to a free school meal delivered to pupils homes. However for the first two weeks of September and start of new school terms, WG reduced the funding subsidy per meal to £1.03 and from mid-September the funding has ceased as WG assumed that school canteen facilities would reopen. However, Caerphilly Council does not anticipate school canteens reopening until November and so the existing free school meal provision to pupil's homes will continue without WG funding until then. In addition there has been a significant increase in free school meal take up since meals have been delivered to pupil's homes and therefore overall increase in cost of free school meals. Catering services are also projecting a significant reduction in cash income from pupils who normally pay for their meals, as no school canteens have been open since April and are not expecting to be open until November. However WG funding of £362k representing net lost cash income for April to June period has been received and a further £763k assumed for the July to March 2021 period. Without this lost income funding the overall projected overspend would be far greater. The position regarding future WG funding will be monitored closely as WG may take the view that lost income linked to pupils paying for meals will not be funded beyond the middle of September, as this was the date from which WG assumed school canteens would be up and running. However as noted, CCBC school canteens are not expected to reopen until November at the earliest. Without this additional lost income funding the overall projected overspend would be far greater. The staff restaurant is also closed and is likely to be for this financial year, this will result in income shortfall of £180k from meal sales offset by reduced food costs, albeit lost income funding from WG of £47k is included in the projections.

## 5.5 COMMUNITY & LEISURE SERVICES

- 5.5.1 The Community & Leisure Division is presently projecting overall a large net overspend of £1,048k on a budget of £21.673 million.
- 5.5.2 Waste Management & Cleansing Services is presently reporting overspend of £338k on a budget of £14.166 million. There is anticipated overspend in waste collection costs for the various waste streams (£416k), due to a combination of additional agency and staff cover linked to sickness absence and Covid related shielding and isolation, also additional vehicle hire, albeit this is offset by a reduction in anticipated expenditure on vehicle acquisitions and underspend in RCCO (revenue contribution to capital outlay) of £151k. This is however being kept under review as circumstances change. Waste treatment costs are now showing overspend of £111k due to a fairly significant increase in both dry recycling (£445k overspend) and residual waste (£301k overspend) over the past few months, a trend that is anticipated to continue



due to the impact of local Covid lock down restrictions. However this is part offset by underspend in organic treatment of £106k and £525k underspend in relation to CA sites primarily due to ongoing proof of residency policies which have resulted in a significant reduction in out of County waste. Closure of the CA sites in April and May has also had an impact on overall tonnage to date. Waste treatment costs will be monitored closely however as they can vary due to changes in tonnage of waste and variations in contract prices and the ongoing impact of Covid 19. There is presently anticipated overspend in relation to commercial waste of £227k due to a shortfall in income from external customers, this has been a problem for a number of years, but has been accentuated this year by the impact of Covid 19. However £49k of funding has been received from WG for the net lost income for April to June although no further funding is anticipated, as it was a Council decision not to charge organisations that were not trading during the July to September period. Sustainable Waste Management Grant (SWMG) from WG is £38k greater than budgeted as a result of revisions to WG allocations. Overspends in waste management are also to a great extent, offset by an increasing projected underspend in street cleaning (£191k) which is due to a combination of staff vacant posts and staff continuing to be redirected to help cover waste collection rounds due to covid related and general sickness absence.

- 5.5.3 An underspend of £55k is projected for Parks & Countryside, Outdoor Facilities and Cemeteries. Cemeteries is reporting a £11k under spend due reductions in cemetery maintenance requirements. Any underspend in relation to cemeteries is ring fenced for future investment in cemetery infrastructure. Parks & Countryside combined is reporting underspend of £87k due to staff vacant posts part offset by additional agency requirement and reduced material & equipment spend linked to delays in grass cutting and sports pitch maintenance during the Covid 19 crisis, albeit more work has taken place in the past few months as grass cutting and maintenance recommenced. These underspends are part offset by a £40k reduction in country park car park income as a result of the Council decision not to charge for the remainder of the year (albeit WG funding of £14k has been received for April to June period). Parks HQ has overspend of £43k primarily due to maintenance work at Abercarn depot partly offset by reduced plant & equipment repairs. Outdoor facilities was earlier in the year reporting a significant overspend (£96k) due to there being no anticipated, pitch fee income for the year. The position has since changed with a £12k underspend anticipated due to WG funding received for lost income of £7k for April to June and assumed £17k funding for July to September and then pitch fee income from October onwards, combined with a reduction in staffing costs. However this is very much dependent on sports clubs being able to fulfil fixtures, if this is delayed or curtailed due to any announcements from WG and the Council regarding outdoor sports activity linked to Covid 19, then the income shortfall will increase, but additional lost income funding claims will be submitted to WG to offset this shortfall.
- 5.5.4 Leisure Centres are reporting overspend of £443k. The leisure centres have been closed due to the Covid 19 crisis and no income has been generated, this is accentuated by the fact that staffing costs are still being incurred and an element of other operating expenditure is fixed cost in nature and cannot easily be reduced while the centres are closed. However this overspend projection includes WG funding of £549k received for net lost income for the April to June period, along with assumed lost income funding for July to September of £352k. Leisure Centres have from the start of September started to reopen on a phased basis. However, it is very difficult to predict the level of income that may be generated given that the phased approach will include the unlocking of more activity and increasing user numbers across the course of a number of weeks or as Government / industry guidelines allows, also, customer attitudes to returning to activity will be a big factor. For now it is assumed

that customer activity and income generation maybe 22% of normal activity. Future monitoring will assist in trying to more accurately quantify the level of income generation. It is assumed that the anticipated shortfall in income for the period October to March when the centres will have reopened will be funded by further claims to WG for lost income, estimated at £1,000k. The additional WG funding assumed significantly improves the financial outlook for the leisure centres, albeit overspend of £443k is anticipated as noted above because historically over the past few years leisure centres have underachieved income budget targets. The overspend on Leisure Centres is part offset by a £34k underspend in Leisure HQ, primarily due to vacant posts and reduced spend on marketing and training.

5.5.5 Community Centres are at present projecting underspend of £32k on a £359k budget due to reductions in operating costs. Caerphilly Adventures is reporting a large overspend of £345k. This service has in recent years reported overspends (£121k outturn 2019/2020), as operating costs have not been fully recovered by fee income from courses, albeit revised fee rates for 20/21 have been agreed with Education Directorate and schools, which would have helped to address the income shortfall in previous years. However, this year the financial position has deteriorated due to a significant reduction in income generation linked to Covid 19 and courses not being provided. Lost income funding for April to June of £5.4k has been received and a further £21k for July to September, however, the lost income claims are for external income only, so internal income related to schools including alternative curriculum support, which accounts for most of the income generated is not part of the WG funding support. Sports Development is projecting a break even position, with any shortfall in external income from summer school and other arranged sports activities being funded via WG lost income claims.

5.5.6 Vehicle Maintenance & Fleet Management is currently projecting overspend of £99k, primarily due to a reduction in in repair work. The outturn position will be dependent on the value of work through the workshop over the next few months and the ability to finance fixed overheads.

5.5.7 Building Cleaning is at present reporting underspend of £16k. Building Cleaning work has been affected by the Covid 19 crisis, with limited or no cleaning for a period of time being undertaken at Council buildings such as schools, leisure centres, tourism venues and libraries. However building cleaning have needed to provide enhanced cleaning to school hubs and corporate offices and now increased cleaning regimes at schools in preparation for schools reopening for the Autumn term. The decision was also made for all Council internal charges to be levied, so Building Cleaning services are still generating the income needed to cover staffing costs.

## 5.6 **MEDIUM TERM FINANCIAL PLANS (MTFP) SAVINGS 2020/2021**

5.6.1 The 2020/21 revenue budget for Communities Directorate included targeted MTFP savings of £465k. As noted in paragraph 5.1.3 above 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. The savings applied are summarised in table 2 below. The projected overspends and under spends discussed in the above paragraphs take account of these savings targets.

TABLE 2

<b>Service Division</b>	<b>Approved Savings 2020/2021 £000</b>
<b>Regeneration &amp; Planning Division</b>	<b>211</b>
<b>Infrastructure Services Division</b>	<b>0</b>
<b>Public Protection Division</b>	<b>71</b>
<b>Community &amp; Leisure Services Division</b>	<b>183</b>
<b>TOTAL</b>	<b>465</b>

5.6.2 A number of the MTFP savings applied in 2020/2021 have not been achieved as yet, most due to the significant disruption caused by the Covid 19 crisis and an inability to action many of the initiatives. This would include:

- Regeneration, Tourism Venues and events additional income across a number of venues of £32k.
- Catering services additional income from comprehensive schools (£12k) and also the restaurant facilities at Ty Penallta (£10k).
- Community & Leisure, Parks operations, deletion of an administrative post £25k and closure of Penallta depot £24k.

5.6.3 Most of the unachieved MTFP savings are associated with additional income generation, which as detailed in the body of this report has been significantly reduced across many services due to the Covid 19 crisis. Income generation would under normal circumstances normally have a greater risk of non-achievement, due to the volatility in customer demand for services and factors outside the control of the service that can impact on usage and income levels, but the Covid 19 crisis has accentuated these problems significantly.

## 5.7 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. Financial pressures this year, have been further significantly increased by the impact the Covid 19 crisis has had on service provision, with a number of services not being provided or being significantly curtailed and some services experiencing significant reductions in income generation. The operational managers will endeavour to ensure however that service net expenditure does not exceed the budget available.

Some additional financial support from WG linked to costs directly associated with Covid 19 has been received. In addition, funding of £1.324million has been received from WG in relation to reductions in income for the April to June period due to services such as schools catering, leisure centres, tourism venues, countryside, sports pitches, commercial waste collection, car parks and civil parking enforcement being significantly curtailed during the Covid crisis, this has assisted greatly in reducing the overall impact on service revenue accounts. Further funding from WG in

relation to lost income is anticipated and the financial projections in this report assume estimated additional funding of £2.9million across a range of services for July to March 2021. Some services will rely very heavily on this WG funding support for lost income to improve the financial outlook.

## 6. **ASSUMPTIONS**

- 6.1 Expenditure and income projection assumptions are included in this report many based on likely future scenario's linked to Covid 19, in particular the length of time that some services may not be provided or continue to be significantly curtailed. The financial position of each service may well vary significantly later in the year if the position regarding Covid 19 changes.
- 6.2 The financial monitoring assumes that all staff of the Authority will continue to be paid their full salary, irrespective of the position regarding the ability of the service to provide services to the general public, this includes staff on casual and relief contracts who continue to receive an average pay.
- 6.3 Finally the financial projections include WG funding to support services who have incurred additional costs associated with Covid 19 and/or have significantly reduced income generation due to the impact Covid 19. Covid related expenditure up to an including August has been funded and also lost income for the period April to June. Further estimated lost income funding for the July to March 2021 period of circa £2.9million is also included in these projections.

## 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 content of the report is in accordance with the budget strategy considered and approved by Council at its meeting of 20th February 2020.
- 7.3 Budget management itself is in accordance with the corporate theme of Delivering the Strategies.
- 7.4 **Corporate Plan 2018-2023.**

Effective financial planning and financial control contributes towards all the Corporate Well-being Objectives of:

Objective 1 - Improve education opportunities for all

Objective 2 - Enabling employment

Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on

the environment

Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

Objective 6 - Support citizens to remain independent and improve their well-being  
The objectives are high level themes and each have several outcomes that sit underneath them, (36 in total) so it may benefit the author to look at the outcomes within the plan to understand the cross-cutting nature of the Council's priorities with regard to any impact the report may have on the Corporate Plan.

## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 Effective financial management is a key element in ensuring that all the Well-being Goals within the Well-Being of Future Generations (Wales) Act 2015 are met.

- 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

8.2 Effective financial management is also consistent with the five ways of working as defined within the sustainable development principle in the Act.

- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs
- Prevention - How acting to prevent problems occurring, or getting worse, may help public bodies meet their objectives
- Integration – Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies
- Collaboration – Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives
- Involvement – The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

## **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 As noted in the table in paragraph 4.1.3 above some service under/over spends will be appropriated to ring fenced reserves including Social Services Transport (£74k underspend), Home to Schools Transport (£274k underspend) and Cemeteries (£11k underspend). In line with the Councils reserves protocol, general revenue underspends not subject to specific ring fencing are appropriated to Directorate strategic reserves and Council working balances on a 50/50 basis, however any Directorate over spends will be appropriated to Service Directorate reserves in full and will require funding from previous years reserve balances where they exist or future years revenue budgets.
- 10.2 Based on current projections, combined general revenue overspend for the Directorate of £1,745k in relation to Regeneration & Planning, Infrastructure, Community & Leisure services and Public Protection would be appropriated to Communities Strategic reserve (this excludes ring fenced under/overspends noted in paragraph 10.1).
- 10.3 As noted in the report the overall outturn position of each Service Division will be affected by Covid 19 and on the impact this has on ongoing service provision and also on decisions made by Welsh Government in terms of additional financial support provided in recognition of additional costs being incurred and/or reduced income generation to the Council.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 Members will be aware that when setting the budget, MTFP savings were identified for the Communities Directorate in relation to vacancy management savings, these are reflected in the financial figures reported.

## **12. CONSULTATIONS**

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

## **13. STATUTORY POWER**

- 13.1 Local Government Act 1972 and 2000.

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Consultees: Councillor D.T Davies Chair Environment & Sustainability Scrutiny Committee  
Councillor A Hussey Vice Chair Environment & Sustainability Scrutiny Committee  
Christina Harray, Chief Executive.  
Mark S Williams Interim Corporate Director of Communities  
Robert Hartshorn, Head of Public Protection, Community & Leisure Services  
Rhian Kyte, Head of Regeneration and Planning  
Marcus Lloyd, Head of Infrastructure  
Steve Harris, Head of Financial 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 monitoring working papers 2020/21

**Appendices:**

Appendix 1A Budget Monitoring Report - Regeneration and Planning  
Appendix 1B Budget Monitoring Report - Infrastructure Services Division  
Appendix 1C Budget Monitoring Report - Public Protection Division  
Appendix 1D Budget Monitoring Report - Community and Leisure Services

**Links to other Documents:**

Special Council 20<sup>th</sup> February 2020: Budget Proposals 2020/21 and Medium- Term  
Financial Plan Outlook – Agenda Item No. 8 Special Council 20th February 2020

<i><b>DIRECTORATE OF COMMUNITIES</b></i>		<b>Estimate 2020/21</b>	<b>Revised Estimate 2020/21</b>	<b>Projected Outturn 2020/2021</b>	<b>Variance 2020/21</b>
<b><u>REGENERATION &amp; PLANNING</u></b>					
Regeneration & Planning Senior Management Support		211,926	211,926	202,900	9,026
Regeneration & Planning Administrative Support		533,470	533,470	512,559	20,911
<b>Support Services</b>					
Business Support & Urban Renewal		577,380	577,380	540,263	37,117
Events		78,253	78,253	13,912	64,341
Property Operations	-	1,325,762	1,325,762	1,203,892	121,870
Town Centre Management		199,209	199,209	219,908	20,699
Marketing & promotion		-	-	-	-
<b>Tourism Venues</b>					
Tourism Venues Management Support		61,529	61,529	62,540	1,011
Llanciach Fawr		380,853	380,853	468,832	87,979
Winding House & Museum		157,930	157,930	137,553	20,377
Caerphilly Visitor Centre		62,073	62,073	74,392	12,319
Cwmcarn Visitor Centre		243,165	243,165	293,685	50,520
Blackwood Miners Institute		302,847	302,847	273,821	29,026
Arts Development		157,175	157,175	101,540	55,635
<b>Community Regeneration</b>		139,591	139,591	111,985	27,606
<b><i>Children &amp; Communities Grant</i></b>					
Expenditure		1,403,068	1,403,068	1,258,591	144,477
Grant Funding	-	1,403,068	1,403,068	1,258,591	144,477
<b>C4W Grant</b>					
Expenditure		597,465	597,465	512,803	84,662
Grant Funding	-	597,465	597,465	512,803	84,662
<b>Planning Services</b>					
Planning Services Management		78,027	78,027	77,215	812
Strategic Planning		328,030	328,030	310,891	17,139
Development Control	-	77,450	77,450	27,023	104,473
Building Control	-	48,994	48,994	19,299	68,293
Land Charges		(5,749)	(5,749)	28,297	34,046
GIS & Land Gazetteer		160,694	160,694	142,894	17,800
<b>TOTAL NET BUDGET</b>		<b>2,214,197</b>	<b>2,214,197</b>	<b>2,415,617</b>	<b>(201,420)</b>



<i>ENVIRONMENT DIRECTORATE</i>	Page No	Estimate 2020/21	Revised Estimate 2020/21	Projected Outturn 2020/2021	Variance 2020/2021
<b><i>INFRASTRUCTURE DIVISION</i></b>					
<i>HIGHWAY OPERATIONS</i>		9,157,623	9,157,623	8,958,926	198,697
<i>ENGINEERING PROJECTS GROUP</i>		(92,163)	(92,163)	(48,633)	(43,530)
<i>TRANSPORTATION ENGINEERING</i>		473,521	473,521	954,916	(481,395)
<i>PASSENGER TRANSPORT</i>		1,648,785	1,648,785	1,474,923	173,862
<i>HOME TO SCHOOL TRANSPORT</i>		7,281,504	7,281,504	7,007,639	273,865
<i>SOCIAL SERVICES TRANSPORT</i>		1,552,829	1,552,829	1,479,045	73,784
<i>NETWORK CONTRACTING SERVICES</i>		(124,899)	(124,899)	272,845	(397,744)
<i>ENGINEERING - GENERAL</i>		19,336	19,336	17,576	1,760
<b><i>TOTAL NET EXPENDITURE</i></b>		<b>19,916,536</b>	<b>19,916,536</b>	<b>20,117,237</b>	<b>(200,701)</b>

<i>DIRECTORATE OF THE ENVIRONMENT</i>	<b>Page No</b>	<b>Estimate 2020/2021</b>	<b>Revised Estimate 2020/2021</b>	<b>Projected Outturn 2020/2021</b>	<b>Variance 2020/2021`</b>
<b><u>PUBLIC PROTECTION DIVISION</u></b>					
<i>TRADING STANDARDS</i>		772,055	772,055	737,529	34,526
<i>LICENSING</i>		91,989	91,989	98,753	(6,764)
<i>REGISTRARS</i>		53,417	53,417	14,315	39,102
<i>CCTV</i>		417,023	417,023	389,949	27,074
<i>COMMUNITY WARDENS</i>		239,720	239,720	189,275	50,445
<i>CORPORATE AND DEMOCRATIC COSTS (CDC)</i>		57,631	57,631	52,937	4,694
<i>HEALTH DIVISIONAL BUDGET</i>		293,052	293,052	309,718	(16,666)
<i>COMMUNITY SAFETY PARTNERSHIP</i>		46,963	46,963	65,224	(18,261)
<i>ENFORCEMENT</i>		642,501	642,501	548,478	94,023
<i>POLLUTION</i>		398,936	398,936	244,995	153,941
<i>FOOD TEAM</i>		591,349	591,349	577,668	13,681
<i>EMERGENCY PLANNING</i>		105,923	105,923	98,802	7,121
<i>CATERING</i>		3,739,710	3,739,710	4,059,566	(319,856)
<b><i>TOTAL NET EXPENDITURE</i></b>		<b>7,450,269</b>	<b>7,450,269</b>	<b>7,387,209</b>	<b>63,060</b>

<i>DIRECTORATE OF THE ENVIRONMENT</i>	Page No	Estimate 2020/2021	Revised Estimate 2020/2021	Projected Outturn 2020/2021	Variance 2020/2021
<b><u>COMMUNITY &amp; LEISURE SERVICES</u></b>					
<b>WASTE MANAGEMENT</b>					
<i>Residual Waste</i>		2,282,953	2,282,953	2,965,096	(682,143)
<i>Organics recycling</i>		1,350,335	1,350,335	1,191,556	158,779
<i>Civic Amenity Sites</i>		3,082,763	3,082,763	2,536,253	546,510
<i>Waste Transfer Station</i>		107,968	107,968	116,595	(8,627)
<i>Dry Recycling</i>		2,714,455	2,714,455	3,237,902	(523,447)
<i>RCCO</i>		391,000	391,000	240,000	151,000
<i>Bulky Waste</i>		128,220	128,220	154,079	(25,859)
<i>Commercial Waste</i>		(508,650)	(508,650)	(281,419)	(227,231)
<i>Other Waste</i>		23,148	23,148	21,295	1,853
<i>Treher</i>		131,451	131,451	92,601	38,850
<i>Sustainable Waste Management Grant</i>		(849,804)	(849,804)	(888,479)	38,675
<i>HQ Staff</i>		1,232,590	1,232,590	1,230,428	2,162
<b>CLEANSING</b>					
<i>Public Conveniences</i>		0	0	(380)	380
<i>Street Cleansing</i>		4,079,727	4,079,727	3,888,675	191,052
<b>GROUND MAINTENANCE AND PARKS</b>					
<i>Cemeteries</i>		(201,269)	(201,269)	(212,610)	11,341
<i>Allotments</i>		37,804	37,804	20,368	17,436
<i>Parks and Playing Fields</i>		1,763,051	1,763,051	1,723,099	39,952
<i>Playgrounds</i>		276,548	276,548	275,979	569
<i>Outdoor facilities</i>		237,104	237,104	224,725	12,379
<i>Community Assets Funding</i>		0	0	0	0
<i>Countryside</i>		893,301	893,301	876,323	16,978
<i>HQ Staffing</i>		998,661	998,661	1,042,102	(43,441)
<b>LEISURE SERVICES</b>					
<i>Leisure Centres</i>		2,672,870	2,672,870	3,081,919	(409,049)
<i>Sports &amp; Health Development</i>		21,480	21,480	21,480	0
<i>Outdoor Education</i>		153,993	153,993	459,573	(305,580)
<i>Community Centres</i>		359,171	359,171	326,879	32,292
		<b>21,378,870</b>	<b>21,378,870</b>	<b>22,344,039</b>	<b>(965,169)</b>
<i>Building Cleaning</i>		570,558	570,558	553,805	16,753
<i>Vehicle Maintenance &amp; Fleet Management</i>		(276,299)	(276,299)	(176,788)	(99,511)
<b>Total net expenditure Community &amp; Leisure Services</b>		<b>21,673,129</b>	<b>21,673,129</b>	<b>22,721,056</b>	<b>(1,047,927)</b>