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The following report is an Information Item for the Housing and Regeneration Scrutiny Committee.

- 1 Economy and Environment 2021/22 Budget Monitoring Report (Period 9).



HOUSING AND REGENERATION SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: ECONOMY AND ENVIRONMENT 2021/22 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 2021/22 financial year. Service Divisions include 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 2021/2022 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 Environment and Sustainability Scrutiny Committee.
- 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 Housing 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 & 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. 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 Economy & 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 appendices 1a to 1d.

- 5.1.2 The table 1 below summarises the present budget monitoring position, with an overall Directorate underspend of £788k, but exclusive of ring-fenced budgets is projecting an underspend of £189k. Appendices 1a to 1d provide more detail on the budget variation projections for each Service Division.

TABLE 1	Estimate 2021/2022	Revised Estimate 2021/2022	Outturn 2021/2022	Variance 2021/2022
Regeneration & Planning Division	2,866	2,866	2,212	654
Infrastructure Division	20,694	20,694	20,219	475
Public Protection Division	7,543	7,543	7,434	109
Community & Leisure Services Division	22,284	22,284	22,683	(399)
Directorate General	178	178	229	(51)
NET DIRECTORATE	53,565	53,565	52,777	788
Home to School Transport - ring fenced under spend				316
Social Services Transport – ring fenced under spend				157
Cemeteries Task & Finish – ring fenced under spend				126
NET DIRECTORATE under spend (excluding ring fenced budgets)				189

5.2 REGENERATION & PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a projected underspend of £654k for the 2021-22 financial year, full details are provided in Appendix 1
- 5.2.2 Development Control is reporting underspend of £99k primarily due to salary savings due to delays in filling vacant posts. Income is projected to be slightly above budget but is very volatile and will be monitored during the year.
- 5.2.3 Building Control is reporting underspend of £98k due in the main to delays in filling vacant posts and income levels being better than anticipated. The income level is volatile and will be monitored during the year.
- 5.2.4 Strategic Planning is presently projecting a small net underspend of £15k. This is due in the main to a delay in the filling of a vacant post and staff on reduced working hours. This is after the agreed ringfencing of the Community Infrastructure Levy (CIL) and the agreed transfer from the LDP reserve.
- 5.2.5 Regeneration & Planning Administrative Support are projecting a £38k underspend this is due in the main to salary savings due to delays in filling vacant posts.
- 5.2.6 GIS/Land Gazetteer support services is projecting an underspend of £18k due to delays in filling of vacant posts.
- 5.2.7 Land charge services are projecting an underspend of £18k due in the main to increased income levels. The income level is volatile and will be monitored during the year.
- 5.2.8 Business Support and Urban Renewal are projecting a net £72k underspend, primarily due to savings linked to home working such as mileage, room hire, printing, stationary, postage, publicity and project work together with a small over achievement of income in Bargoed Unit

shops along with additional recharges into the various grant scheme and salary savings due to delays in filling vacant posts, offset by additional NNDR for an acquired property in Caerphilly pending demolition. This is after the agreed use of reserves for the International Trade Support Officer.

- 5.2.9 Town Centre Management is projecting an underspend of £28k, due in the main savings relating to a delay in filling a vacant post along with reduced mileage, postage costs together with an additional grant to offset additional costs relating to the ongoing costs of Wi-Fi in the town centres.
- 5.2.10 There is a projected £52k overspend in relation to industrial properties primarily due to shortfall in property rents of £100k linked to units being unoccupied, including Cherry Trees offset in the main to reductions in NNDR costs and utility costs. The industrial and office property portfolio should generate income of £2.16million 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.
- 5.2.11 Overall Tourism Venues are reporting combined underspend of £155k. Covid 19 has had a significant impact on the tourism venues due to restricted service provision. Where possible loss of income claims will be submitted and estimates are included. The main beneficiaries of these at this stage are Llancaich Fawr and Cwmcarn. Further details are below: -
- Llancaiach Fawr is projecting an overspend of £12k at present mainly due to reduced income levels offset by salary savings. Lifting of further restrictions from WG could aid this position which will be closely monitored in year.
 - Cwmcarn VC is projecting an underspend of £92k due in the main to better than expected income levels due to the scenic drive opening. At present CCBC and NRW have an agreement to split any profits 50/50, this has been factored into the projections.
 - Winding House is predicting an underspend of £15k due in the main to a one-off savings on NNDR due to a revaluation.
 - Caerphilly Visitor Centre is predicting a small £1k overspend due in the main to unachievable income targets due to the current restrictions although the manager has advised that his current income is increasing.
 - Blackwood Miners Institute is projecting a small underspend of £47k due in the main to reduced utility costs and artistes' fees offset by reductions in income for the shows.
 - Arts Development is projecting a small underspend of £5k due to reduced artistes' fees and associated costs.
- 5.2.12 Tourism Events are projecting a net underspend of £39k. There have been no events taking place this year, but plans are in place for revised "Christmas Market events" to take place along with a virtual snoopy trail along with some additional one-off grant funding.
- 5.2.13 Community Regeneration is projecting a net £124k underspend due to staff vacancies and associated costs after the transfer of staff to Caerphilly Cares. This is after the agreed use of reserves for the Apprentice Officer.
- 5.2.14 There is a very small underspend in senior management support of £4k due to staff not being paid at the top of the incremental scale. This is after the agreed use of reserves for the Placeshaping Manager.
- 5.2.15 Children and Communities Grant (CCG), C4W and C4WPlus Additional Funding initiatives are all fully funded from grant, currently all three are projecting underspends which total £359k. This has no effect on the outturns as the grant only funds the actual spend on the projects.

5.3 Conclusion

- 5.3.1 Members are advised that Regeneration & Planning only is the only division within the

Economy & Environment Directorate which is in the remit of this scrutiny committee. Overall, the Directorate provides a very diverse range of front-line services to residents and businesses. The overall Directorate has a budget totalling £53.565m. with a projected net underspend of £189k in a very turbulent year where service provision and ability to achieve income has been significantly disrupted. 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 and where applicable income loss claims will be submitted to WG.

6. ASSUMPTIONS

- 6.1 Assumptions linked to this report were detailed in the budget report to Council on 24th February 2021.
- 6.2 The projected outturn position is based on actual income and expenditure details to the end of December 2021.
- 6.3 Forecasts have been made following discussions with Managers based on current information available.
- 6.4 All assumptions are linked to Covid 19 and the possible lifting of any restrictions that take place.
- 6.5 An exercise took place to advise WG of net external income losses for April to December 2021, in the context that these will be funded by WG. Further claims are expected and projections are included where applicable in this report.

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

Councillor J Ridgewell, Chair Housing and Regeneration Scrutiny Committee
Councillor M Adams, Vice Chair Housing and Regeneration Scrutiny Committee
Christina Harrhy, Chief Executive
D Street, Corporate Director Social Services and Housing
Mark S Williams, Corporate Director for Economy and Environment
Rhian Kyte, Head of Regeneration and Planning
Steve Harris, Head of Financial Services & S151 Officer
Cllr E. Stenner, Cabinet Member for Performance, Economy & Enterprise
Cllr A. Whitcombe, Cabinet Member for Sustainability, Planning & Fleet

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

Background Papers:

Council (24/02/21) – Budget Proposals for 2021/22 and Medium-Term Financial Outlook

Economy and Environment Directorate	Estimate 2021/2022	Revised Estimate 2021/2022	Outturn 2021/2022	Variance 2021/2022
<u>REGENERATION & PLANNING</u>				
Regeneration & Planning Senior Management Support	149,217	149,217	191,834	(42,617)
Use of Reserves For Placeshaping Officer	0	0	(46,900)	46,900
Support Services				
Business Support & Urban Renewal	563,905	563,905	510,634	53,271
Use of Reserves For International Trade Support Officer	0	0	(18,817)	18,817
Events	79,001	79,001	39,781	39,220
Property Operations	(1,218,726)	(1,218,726)	(1,167,051)	(51,675)
Town Centre Management	197,933	197,933	169,749	28,184
Tourism Venues				
Tourism Venues Management Support	75,117	75,117	66,093	9,024
Llanciach Fawr	466,596	466,596	478,810	(12,214)
Winding House & Museum	159,305	159,305	144,800	14,505
Caerphilly Visitor Centre	62,944	62,944	64,037	(1,093)
Cwmcarn Visitor Centre	245,061	245,061	152,604	92,457
Blackwood Miners Institute	305,955	305,955	259,156	46,799
Arts Development	158,322	158,322	152,872	5,450
Community Regeneration	140,614	140,614	56,174	84,440
Use of Reserves for Apprentice Gateway Scheme	0	0	(39,460)	39,460
Children & Communities Grant				
Expenditure	819,003	819,003	738,302	80,701
Grant Funding	(819,003)	(819,003)	(738,302)	(80,701)
C4W Grant				
Expenditure	603,010	603,010	515,298	87,712
Grant Funding	(603,010)	(603,010)	(515,298)	(87,712)
Communities for Work Plus Additional Funding				
Expenditure	412,399	412,399	221,883	190,516
Grant Funding	(412,399)	(412,399)	(221,883)	(190,516)
Planning Services				
Planning Services Management	144,154	144,154	146,130	(1,976)
Regeneration & Planning Administrative Support	548,803	548,803	510,907	37,896
Strategic Planning	334,958	334,958	(222,885)	557,843
Transfer to Community Infrastructure Levy Ringfenced Reserve	0	0	584,496	(584,496)
Agreed Use of Reserves for LDP	0	0	(41,231)	41,231
Development Control	199,691	199,691	100,664	99,027
Building Control	76,191	76,191	(21,699)	97,890
Land Charges	14,171	14,171	(3,912)	18,083
GIS & Land Gazetteer	163,198	163,198	145,341	17,857
TOTAL NET BUDGET	2,866,410	2,866,410	2,212,129	654,281

Appendix 1B

Economy and Environment Directorate	Page No	Estimate 2021/2022	Revised Estimate 2021/2022	Outturn 2021/2022	Variance 2021/2022
<u>INFRASTRUCTURE DIVISION</u>					
HIGHWAY SERVICES		9,225,831	9,225,831	9,294,321	(68,490)
ENGINEERING PROJECTS GROUP		(93,085)	(93,085)	(117,223)	24,138
TRANSPORTATION ENGINEERING		516,492	516,492	1,186,706	(670,214)
Agreed Use of Covid 19 Reserve to fund Car Park income		0	0	(660,000)	660,000
PASSENGER TRANSPORT		1,665,286	1,665,286	1,649,522	15,764
HOME TO SCHOOL TRANSPORT		7,923,081	7,923,081	7,607,102	315,979
SOCIAL SERVICES TRANSPORT		1,564,373	1,564,373	1,407,207	157,166
NETWORK CONTRACTING SERVICES		(127,514)	(127,514)	(167,514)	40,000
ENGINEERING - GENERAL		19,482	19,482	19,252	230
TOTAL NET EXPENDITURE		20,693,946	20,693,946	20,219,373.00	474,573

Economy and Environment Directorate	Page No	Estimate 2021/2022	Revised Estimate 2021/2022	Outturn 2021/2022	Variance 2021/2022`
<u>PUBLIC PROTECTION DIVISION</u>					
TRADING STANDARDS		773,421	773,421	760,345	13,076
CORPORATE AND DEMOCRATIC COSTS (CDC)		57,633	57,633	53,978	3,655
LICENSING		98,218	98,218	71,373	26,845
REGISTRARS		54,532	54,532	49,438	5,094
CCTV		423,218	423,218	401,661	21,557
COMMUNITY WARDENS		232,077	232,077	266,781	(34,704)
HEALTH DIVISIONAL BUDGET		295,082	295,082	287,089	7,993
COMMUNITY SAFETY PARTNERSHIP		47,865	47,865	37,740	10,125
ENFORCEMENT		663,822	663,822	639,786	24,036
Establish an Earmarked Reserve for 3 month extension to Agency staff		0	0	35,000	(35,000)
POLLUTION		402,007	402,007	321,074	80,933
Agreed RCCO To Ty Llwyd Replacement Culvert		0	0	37,189	(37,189)
FOOD TEAM		639,679	639,679	616,005	23,674
Earmarked Reserve For EHO		(50,946)	(50,946)	(50,946)	0
EMERGENCY PLANNING		106,705	106,705	105,383	1,322
CATERING		3,799,763	3,799,763	3,992,250	(192,487)
Approved Use of Reserves -Cashless Catering Officer		0	0	(13,823)	13,823
Approved Use of Reserves - Cashless Catering System		0	0	(176,267)	176,267
TOTAL NET EXPENDITURE		7,543,076	7,543,076	7,434,056	109,020

Economy and Environment Directorate	Page No	Estimate 2021/2022	Revised Estimate 2021/2022	Outturn 2021/2022	Variance 2021/2022
<u>COMMUNITY & LEISURE SERVICES</u>					
WASTE MANAGEMENT					
<i>Residual Waste</i>		2,676,976	2,676,976	2,725,564	(48,588)
<i>Organics recycling</i>		1,232,664	1,232,664	1,030,095	202,569
<i>Civic Amenity Sites</i>		3,015,585	3,015,585	3,051,111	(35,526)
<i>Waste Transfer Station</i>		119,329	119,329	139,022	(19,693)
<i>Dry Recycling</i>		2,539,307	2,539,307	3,525,912	(986,605)
<i>RCCO</i>		77,933	77,933	0	77,933
<i>Bulky Waste</i>		133,874	133,874	144,193	(10,319)
<i>Commercial Waste</i>		(351,696)	(351,696)	(339,650)	(12,046)
<i>Other Waste</i>		23,322	23,322	(3,272)	26,594
<i>Treher</i>		132,437	132,437	93,200	39,237
<i>Sustainable Waste Management Grant</i>		(849,804)	(849,804)	(833,848)	(15,956)
<i>HQ Staff</i>		1,248,937	1,248,937	1,185,080	63,857
CLEANSING					
<i>Street Cleansing/Public Conv</i>		4,284,763	4,284,763	3,720,606	564,157
GROUND MAINTENANCE AND PARKS					
<i>Cemeteries</i>		(202,692)	(202,692)	(328,788)	126,096
<i>Allotments</i>		38,088	38,088	29,580	8,508
<i>Parks and Playing Fields</i>		1,778,529	1,778,529	2,009,765	(231,236)
<i>Agreed Use of Reserves for Ash Dieback</i>		0	0	(54,035)	54,035
<i>Agreed Use of Reserves for Cleaner Greener Scheme</i>		0	0	(107,071)	107,071
<i>Playgrounds</i>		278,610	278,610	278,839	(229)
<i>Outdoor facilities</i>		238,864	238,864	226,095	12,769
<i>Countryside</i>		951,755	951,755	888,269	63,486
<i>HQ Staffing</i>		1,002,709	1,002,709	1,031,705	(28,996)
LEISURE SERVICES					
<i>Leisure Centres</i>		2,966,166	2,966,166	3,066,988	(100,822)
<i>Sports & Health Development</i>		21,875	21,875	32,326	(10,451)
<i>Outdoor Education</i>		249,038	249,038	257,323	(8,285)
<i>Community Centres</i>		361,758	361,758	361,758	0
		21,968,327	21,968,327	22,130,769	(162,442)
<i>Building Cleaning</i>		594,603	594,603	541,704	52,899
<i>Vehicle Maintenance & Fleet Management</i>		(278,651)	(278,651)	10,904	(289,555)
Total net expenditure Community & Leisure Services		22,284,279	22,284,279	22,683,377	(399,098)

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