

Pecyn Dogfennau Cyhoeddus



Mae'r adroddiadau canlynol yn Eitemau Gwybodaeth ar gyfer y Pwyllgor Craffu Tai a'r Amgylchedd.

- 1 Monitro Cyllideb y Cyfrif Refeniw Tai - Cyfnod 9.
- 2 Adroddiad Monitro Cyllideb yr Economi a'r Amgylchedd 2023/2024 (Cyfnod 9).



HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE – INFORMATION ITEM – 26TH MARCH 2024

SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING – PERIOD 9

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To inform Members of the projected position for the Housing Revenue Account (HRA) for the 2023/24 financial year, based on the income and expenditure movements of the first 9 months of the year. The HRA capital programme which is predominantly funded by the HRA is also included within this report.

2. SUMMARY

- 2.1 Members will be aware of the distinction between the HRA, which is funded by rental income received from council tenants, and General Fund Housing activities, which fall under the General Fund and are funded via Council Tax and the Revenue Support Grant (RSG). Although there is a clear separation of these funds, the majority of council tenants rent is funded from housing benefits which are derived from the taxpayers' purse and therefore value for money must always be sought.
- 2.2 The HRA budget for 2023/24 is £55.500m with its main components consisting of £21.600m of salaries, £8.100m of capital financing charges, £4.300m of building maintenance and response repairs (net of salaries), £2.800m of internal service recharges, and £13.300m of revenue contributions to fund the PAMS (Post Asset Management Strategy) programme. There is also a budget of £8.900m for the PAMS programme which is recharged fully to the Capital Programme and predominantly covers the maintenance of the WHQS programme, voids, and remodelling works. The spend on the HRA is self-financed mainly by the rental income we collect from our Council Tenants, of which about 77% is funded by Housing Benefits. The main projected variances on the HRA are explained below.

3. RECOMMENDATIONS

- 3.1 Members are requested to note the contents of the report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure Members are informed of the financial position of the Housing Revenue Account.

5. THE REPORT

5.1 Introduction

- 5.1.1 The HRA has a projected underspend of £1.185m for the end of 2023/24 financial year, which represents about 2.2% of the total HRA budget. This is based on the income and expenditure patterns for the first 9 months of the year together with knowledge of the service from the respective managers. The surplus is split between general revenue underspends and capital related underspends. The main variances are summarised below, and full financial details are provided in Appendix 1.

5.2 Salaries and Mileage (£1.371m underspend)

- 5.2.1 Salaries and associated costs within the HRA are currently expected to underspend by some £1.371m which represents about 6.41% of the salary budget. There are offsetting over and under spends in this area given the volume of staff which includes sickness cover, requests for reduced hours and timing for filling vacant posts. This also accounts for the pay award announced early November 2023.

5.3 Non-Pay Related (£1.104m underspend)

- 5.3.1 This includes an underspend of £0.984m associated with office related costs.
- 5.3.2 £0.120m underspend is attributable to budgets that are service specific such as Tenant Participation, Older Persons Housing utilities and decoration allowances. Some costs however have increased such as Council Tax charges and security on void properties which are currently being offset.

5.4 Building Maintenance and Response Repairs (£1.163m overspend)

- 5.4.1 This area is currently projecting an overspend of £1.163m. There is projected underspend of £0.123m against revenue projects budget which includes Sheltered Projects and Contingency. Expenditure on the Housing Response Operations (HRO) budget is anticipating a £1.081m overspend overall which includes any salaries and non-pay savings identified in 5.2 and 5.3 above. There is an increased spend on sub-contractors due to increased material costs as a result of continued high inflation and contracts have had to be uplifted accordingly. Statutory works are projecting an underspend of £0.246m, including reduced forecast spend on Electrical Testing.
- 5.4.2 A budget of £8.900m has been allocated for the In-House team who support the capital programme with a further £2.000m allocation towards non-priority large scale repairs. The work involved includes the maintenance of the WHQS programme through the PAMS programme, sheltered remodelling and void works. There is a nil cost to the HRA because the cost is fully recharged to the capital programme. However, there is a predicted underspend of £1.536m due to the re-distribution of workforce to complete void properties and reduce HRO repairs backlog.

5.5 Capital Financing Requirement (CFR) (£0.150m overspend)

- 5.5.1 The increase on the CFR charge is attributed to an increase in interest rates on our current debt.
- 5.5.2 Borrowing levels forecasted in the 2023/24 Business Plan have not changed at this stage, and no borrowing is anticipated for this financial year.
- 5.5.3 The borrowing cap of £100m was agreed by Full Council on May 23rd, 2023, to accommodate anticipated borrowing in 2024/25 and 2025/26 to fund commitments for increasing housing supply. However, an updated Business Plan that is due to be submitted to Welsh Government in March 2024, which will reflect the agreed 2024/25 rent increase and a reprofiled new build programme could impact on the borrowing requirement and will be updated within the Business Plan report that is presented to members annually.

5.6 Income (£0.078m under recovery)

- 5.6.1 Variations represent less than 0.14% of the total income budget.

5.7 Revenue Contributions to Capital Outlay (RCCO)

- 5.7.1 The HRA allows for some £13.300m of revenue contributions towards the HRA Capital programme.
- 5.7.2 The HRA RCCO allocation will fund the capital spend this year in addition to the £7.300m Major Repairs Allowance (MRA) from Welsh Government. The MRA allowance will need to be utilised first as this funding does not carry over into financial years. Some expenditure will also be eligible to be claimed under various WG grants such as the Transitional Accommodation Capital Programme (TACP), Social Housing Grant (SHG) and the Optimised Retrofit Programme (ORP).
- 5.7.3 Total capital spend to period 9 is some £15.832m which is a combination of PAMS including voids and the New Build Programme. Projected capital outturn for the year is £26.600m. There has been some reprofiling of the New Build programme which is inherent of a development programme of this size, meaning spend is relatively low in this area and some contracts are now likely to progress into next financial year. However, costs have increased on existing PAMS contracts, as well as an increased specification of works on void properties, so it is estimated that the RCCO will be fully utilised this year.

5.8 HRA Working Balances

- 5.8.1 Working balances at the start of 2023/24 financial year were £22.500m. The majority of this is derived from underspends in previous years and is anticipated to be used to contribute towards the capital programme this year. Any funding not utilised will be carried forward into future years to reduce borrowing.

6. ASSUMPTIONS

- 6.1 The projected outturn position is based on actual income and expenditure details for the first nine months in the 2023/24 financial year.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 This report is for information only, so an IIA is not required.

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:

Cllr Andrew Whitcombe	- Chair Housing and Environment Scrutiny Committee
Cllr Shane Williams	- Vice Chair Housing and Environment Scrutiny Cttee
Cllr Shayne Cook	- Cabinet Member for Housing
Dave Street	- Deputy Chief Executive
Nick Taylor-Williams	- Head of Housing
Stephen R Harris	- Head of Financial Services and S151 Officer
Fiona Wilkins	- Housing Services Manager
Jane Roberts-Waite	- Head of Strategy and Development
Catherine Edwards	- Head of Asset Maintenance and Repairs
Michael Williams	- Planned Asset Maintenance Manager
Jason Fellows	- HRO Manager
Kerry Denman	- Housing Solutions Manager
Rhian Williams	- Group Accountant (Treasury and Capital)
Leanne Sykes	- Deputy Head of Financial Services and S151 Officer

Appendices: Appendix 1 HRA Financial Plan 2023/24 Period 9.

Appendix 1 HRA Financial Plan 2023/24 period 9

Housing	Estimate 2023/24	Projected Outturn 2023/24	Variance 2023/24
<u>HOUSING REVENUE ACCOUNT</u>	£	£	£
<u>SUMMARY</u>			
GENERAL MANAGEMENT	1,810,093	1,599,395	210,698
CAPITAL FINANCING	8,077,566	8,227,706	(150,140)
CENTRAL RECHARGES	2,822,441	2,833,777	(11,336)
STRATEGY AND PERFORMANCE	2,995,632	1,885,546	1,110,086
PUBLIC SECTOR HOUSING	7,834,404	7,134,102	700,302
SUPPORTED HOUSING	-	-	-
BUILDING MAINTENANCE SERVICES	31,998,293	32,595,487	(597,194)
GROSS EXPENDITURE	55,538,429	54,276,014	1,262,415
INCOME	(55,538,429)	(55,460,753)	(77,676)
(SURPLUS)/DEFICIT CONTRIBUTION (TO)/FROM WORKING BALANCES	-	(1,184,740)	1,184,740
<u>HOUSING REVENUE ACCOUNT</u>	£	£	£
<u>GENERAL MANAGEMENT</u>	1,810,093	1,599,395	210,698
<u>CAPITAL FINANCING COSTS</u>			
Interest Charge	5,418,353	5,568,493	(150,140)
Principal	2,624,213	2,624,213	-
Debt Management	35,000	35,000	-
Rescheduling Discount	-	-	-
EXPENDITURE TO HRA SUMMARY	8,077,566	8,227,706	(150,140)
<u>CENTRAL RECHARGES</u>			
Central Recharges	2,302,038	2,309,119	(7,081)
Grounds Maintenance recharge to HRA	520,403	524,658	(4,255)

EXPENDITURE TO HRA SUMMARY	2,822,441	2,833,777	(11,336)
<u>HOUSING REVENUE ACCOUNT</u>	£	£	£
<u>STRATEGY AND PERFORMANCE</u>			
Housing Strategy and Development	2,995,632	1,885,546	1,110,086
Transforming Lives and Communities	-	-	-
EXPENDITURE TO HRA SUMMARY	2,995,632	1,885,546	1,110,086
<u>HOUSING REVENUE ACCOUNT</u>	£	£	£
<u>PUBLIC SECTOR HOUSING</u>			
Landlord General	614,740	542,896	71,844
Sheltered Accommodation	2,064,352	1,763,454	300,897
Floating Support	34,673	35,732	(1,059)
Holly Road Community Support	5,063	3,675	1,388
Eastern Valley Area Housing Office	913,478	1,026,377	(112,899)
Upper Rhymney Area Housing Office	1,061,681	1,016,771	44,910
Lower Rhymney Valley Area Housing Office	-	-	-
Lansbury Park Neighbourhood Housing Office	433,854	369,059	64,795
Graig Y Rhacca Neighbourhood Housing Office	334,467	327,700	6,767
Housing Allocations Contribution	153,807	146,924	6,883
Tenants and Communities Involvement	396,698	374,480	22,218
Leaseholders Management	45,662	32,292	13,370
Tenancy Enforcement	375,743	359,702	16,041
Rents	1,382,021	1,112,638	269,382
Community Wardens	(51,834)	(54,406)	2,572
Renting Homes Act	70,000	76,809	(6,809)

EXPENDITURE TO HRA SUMMARY	7,834,404	7,134,102	700,302

<u>HOUSING REVENUE ACCOUNT</u>	£	£	£
<u>RESPONSE REPAIRS AND MAINTENANCE</u>			
Employee Expenses net of recharges	766,098	672,124	93,974
Repairs and Maintenance on Housing Stock			
Responsive Repairs	13,551,742	14,633,020	(1,081,278)
Revenue Contribution to Capital – WHQS Programme	13,335,447	13,335,447	-
Group/Planned Repairs (priorities 5 and 8)	-	-	-
Void Repairs (priority 6)	-	-	-
Depot Recharges	-	-	-
Revenue Projects	1,114,000	990,727	123,273
Planned Cyclical	3,062,838	2,816,629	246,209
Planned Programme	-	-	-
	31,064,027	31,775,823	(711,796)
Transport Related	18,685	16,393	2,292
Supplies and Services	149,483	131,146	18,336
EXPENDITURE TO HRA SUMMARY	31,998,293	32,595,487	(597,194)

<u>HOUSING REVENUE ACCOUNT</u>	£	£	£
<u>INCOME</u>			
<u>Rents – Dwelling</u>			
Gross Rent – Dwellings	(51,160,935)	(51,094,345)	(66,590)
Gross Rent – Sheltered	(4,132,185)	(4,145,323)	13,138
Gross Rent – Hostel	-	-	-
Voids – General Needs Dwelling/Sheltered	1,496,433	1,567,574	(71,141)
Additional Income O/Side Rent Debit (WHQS)	-	-	-
Voids – Hostel	-	-	-
Net Rent	(53,796,687)	(53,672,094)	(124,593)
<u>Rents – Other</u>			
Garages	(376,859)	(374,119)	(2,740)
Garage Voids	107,050	108,919	(1,869)
Shop Rental	(45,204)	(45,204)	-
	(315,013)	(310,404)	(4,609)
<u>Service Charges</u>			
Sheltered – Service Charges	(1,205,711)	(1,282,501)	76,790
Sheltered – Heating and Lighting	(51,530)	(32,857)	(18,673)
Sheltered and Dispersed – Alarms	-	-	-
Catering Recharge – Sheltered Accommodation	-	-	-
Voids Schedule Water	-	-	-
Non-Scheduled Water Rates	(26,488)	(19,897)	(6,591)
Welsh Water Commission	-	-	-
Leaseholder – Service Charges	-	-	-
	(1,283,729)	(1,335,255)	51,526
<u>Government Subsidies</u>			
Housing Subsidy	-	-	-
	-	-	-
<u>Interest Receivable</u>			
Mortgage Interest	-	-	-
Investment Income	(140,000)	(140,000)	-
	(140,000)	(140,000)	-
<u>Miscellaneous</u>			
Miscellaneous	-	-	-
Private Alarms	-	-	-
Ground Rent	(3,000)	(3,000)	-
	(3,000)	(3,000)	-

INCOME TO HRA SUMMARY

(55,538,429)

(55,460,753)

(77,676)



HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE – INFORMATION ITEM - 26TH MARCH 2024

**SUBJECT: ECONOMY AND ENVIRONMENT 2023/2024 BUDGET MONITORING
REPORT (PERIOD 9)**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To inform members of projected revenue expenditure for the Economy and Environment Directorate for the 2023/2024 financial year. Service Divisions include Regeneration and Planning Division, Infrastructure Services Division, Public Protection Division and Community and Leisure Services Division.

2. SUMMARY

- 2.1 The report summarises the most recent budget monitoring projections for 2023/2024 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 that fall within the remit of this Scrutiny.

3. RECOMMENDATIONS

- 3.1 Housing and Environment Scrutiny Committee Members are requested to note the contents of this report and the detailed budget monitoring pages that follow in respect of the Infrastructure Services Division, Public Protection Division and Community and 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. 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 and Environment Directorate based on the most current financial information available. Projected outturn figures for the financial year are compared with the budget to show the anticipated under/overspends. More detailed budget monitoring figures are shown in

the appendices 1A to 1C.

- 5.1.2 The table 1 below summarises the present budget monitoring position, with an overall Directorate overspend of £2.164m, but exclusive of ring-fenced budgets is projecting an overspend of £1.823m. Appendices 1A to 1C provide more detail on the budget variation projections for each Service Division, that falls within the remit of this Scrutiny.

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

5.2 INFRASTRUCTURE DIVISION

- 5.2.1 Infrastructure is overall reporting an overspend of £0.420m. When adjusting for the budget variations in relation to Home to School Transport (£0.950m overspend) and Social Services Transport (£0.609m underspend) which will be ring fenced and appropriated back to the Service Directorates, the net overspend is £0.079m.
- 5.2.2 Highway Services is reporting a net overspend of £0.349m. The main reason for the overspends are additional Statutory Maintenance (£1.130m), Street Lighting non routine maintenance (£0.150m) along with a shortfall in income (£0.175m) partially offset by salary savings due to delays in filling vacant posts (£0.208m), reduced Street Lighting energy costs (£0.800m) and Gully Cleansing (£0.270m). At present winter maintenance costs are difficult to predict but it is assumed the full budget of £1.16 million will be spent.
- 5.2.3 EPG (Engineering Projects Group) is reporting an underspend of £0.104m. This is due in the main to savings on salaries (£0.384m) partially offset by reduced income levels (£0.294m).
- 5.2.4 Transportation Engineering overall is projecting a net underspend of £0.018m after adjusting for the agreed use of the reserves.
- 5.2.5 Passenger Transport is reporting a nett underspend of £0.199m due in the main to salary savings (£0.095m) and Private Contractor costs (£0.124m) partly offset by reduced income levels (£0.110m).
- 5.2.6 Home to School Transport is presently projecting an overspend of £0.950m due in the main to additional contractor costs.
- 5.2.7 Social Services Transport is projecting underspend of £0.609m including £0.171m on salaries, £0.427m for service operators. 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.

- 5.2.8 At this stage Network Contracting Services (NCS) is anticipating an overspend of £0.069m due in the main to additional contractor costs (£0.256m), additional hire charges (£0.291m) and reduced income (£0.271m) offset by salary savings (£0.281m), reduced material costs (£0.142m) and reduced tipping costs (£0.114m), the income will be monitored closely during the year.
- 5.2.9 Engineering General are projecting a small underspend of £0.017m, this is in the main due to reduced Postage, Printing and Computer costs.

5.3 PUBLIC PROTECTION

- 5.3.1 Public Protection is presently projecting an underspend of £0.185m on their overall revenue budget details below.
- 5.3.2 Environmental Health is currently projecting a net underspend of £0.143m. The main variances are: -
- Community Safety Wardens is forecasting an underspend of £0.072m due in the main to delays in filling vacant posts.
 - Health Division is predicting a net underspend of £0.014m after taking into account the agreed use of reserves for the software upgrade.
 - Community Safety Partnership is predicting a small underspend of £0.012m due to delays in filling a vacant post.
 - Enforcement is forecasting an underspend of £0.035m mainly due to salary savings (£0.042m), reduced fees (£0.013m) along with some additional income (£0.014m) and partially increased contract costs and (£0.032m).
 - Pollution Control are predicting a net overspend of £0.074m due in the main to additional Fencing costs (£0.061m) and increased cost of equipment linked to testing (£0.078m) partially offset by savings due to vacant posts (£0.042m). At this stage it is unlikely 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 Hafodyrynys, as this was practically completed in 2020/21. Hafodyrynys Compensation/Acquisition has been funded by a ring-fenced reserve of £268k (from prior to 2020/21 grant) and an RCCO in 2020/21 of £34k (from 2020/21 grant). 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.
 - Food Team is predicting an underspend of £0.082m due to staff costs (£0.096m) offset by reduced income levels (£0.018m).
 - Emergency Planning is predicting a small underspend of £0.001m.
- 5.3.3 Trading Standards are projecting a net overspend of £0.078m, due in the main to increased kennelling costs (£0.093m) after an enforcement action partially offset by reduced salary costs (£0.012m).
- 5.3.4 Core and Democratic costs are projecting a small overspend of £0.002m.
- 5.3.5 Licensing are projecting an underspend of £0.040m due in the main to reduced salary costs (£0.066m) partially offset by reduced income levels (£0.029m). The income levels are volatile and will be monitored during the course of the year.
- 5.3.6 Registrars are projecting a net £0.008m overspend mainly due to various small overspends linked to cover for staff absences, the temporary increase in ceremony numbers and associated income. This is after the applied use of reserves for the new Wedding Ceremony Software.
- 5.3.7 CCTV services are projecting a breakeven position.

5.3.8 Catering Services are projecting a net underspend of £0.090m after the agreed use of reserves. The underspend is due in the main to additional one-off income being received from WG (£0.198m), additional costs have been incurred for both staffing, food and equipment which have been offset by the additional grant for the UFSM roll out for primary schools. Any income will be monitored during the year especially as WG committed to a phased roll out of UFSM for all Primary pupils.

5.4 COMMUNITY and LEISURE SERVICES

5.4.1 The Community and Leisure Division is presently projecting overall a net overspend of £1.698m, this overspend is noted below.

5.4.2 Waste Management (Managed by Head of Infrastructure) is overall presently reporting a nett underspend of £0.073m due in the main to: -

- Residual Waste is projecting an overspend of £0.010m due in the main to additional purchase of Bins (£0.012m), additional costs of vehicle repairs (£0.188m), vehicle overhead costs (£0.006m) and Vehicle Hire (£0.164m). partially offset by reduced contractor payments (£0.328m), reduced fuel costs (£0.080m) and additional replacement Bin Charges (£0.008m)
- Organic recycling is projecting a nett £0.173m overspend due in the main vehicle maintenance costs (£0.111m), additional salary costs (£0.071m) additional Agency costs (£0.054m) partially offset by reduced fuel costs (£0.026m) along with vehicle overhead costs (£0.016m) after adjusting for the agreed use of reserves for the Waste Project.
- CA sites are projecting a £0.028m overspend due in the main to the additional site maintenance (£0.010m), additional cleaning (£0.006m), vehicle Repairs and Maintenance (£0.049m), additional agency costs (£0.040m) and additional contractor payments (£0.070m), partially offset by reduced Plant purchases (£0.030m), reduced Fuel costs (£0.045m) vehicle Hire (£0.017m) along with additional income for vehicle sales (£0.015m) after adjusting for the agreed use of reserves for the Waste Project.
- Waste Transfer Station is projecting a £0.021m underspend due in the main reduces fuel costs (£0.006m), reduced Vehicle repairs (£0.006m) along with reduced staff costs (£0.007m).
- Dry Recycling is forecasting a £0.005m overspend due in the main to vehicle repairs (£0.113m), additional salary costs (£0.013m), vehicle overhead costs (£0.018m) and additional Agency costs (£0.49m) partially offset by a reduction in fuel costs (£0.056m) together with savings on contractor payments (£0.101m) and additional income for replacement bins (£0.028m)
- Bulky Waste is projecting a £0.008m overspend due in the main to additional salary costs (£0.013m) along with additional contractor costs (£0.014m) partially offset by reduced fuel costs (£0.006m) reduced services costs (£0.010m) and some additional income (£0.002m).
- Commercial Waste is projecting a £0.023m overspend due in the main to additional bins (£0.011m) along with reduced income forecasts (£0.014m).
- Other Waste is projecting a £0.016m underspend due a Supplies and Services costs being lower than expected.
- Trehir is projecting a £0.0378m underspend due to reduced maintenance costs and a reduction in sewage charges.
- Sustainable Waste Management Grant (SWMG) from WG is £0.002m higher than expected.
- HQ staff predicted a nett underspend of £0.243m which is due in the main to vacant posts (£0.249m), partially offset by additional material costs (£0.038m), protective clothing (£0.029m), stationary costs (£0.020m) after adjusting for the agreed use of reserves for the Waste Project.
- Public Conveniences is projecting an overspend of £1k, costs for these buildings are still being generated without any budget provision as this was previously removed as part of the MTFP savings.

- 5.4.3 Cleansing Services (Managed by Head of Infrastructure) is overall presently reporting a net underspend of £0.173m. This is due in the main to staff vacant posts (£0.286m) and reduced contractor costs (£0.059m) partially offset by vehicle repairs (£0.052m), additional Hire charges (£0.020m), additional fuel charges (£0.013m), Street Sweeping charges (£0.010m), additional agency costs (£0.048m), along with reduced income (£0.032m).
- 5.4.4 A net overspend of £0.794m is projected for Parks and Countryside, Outdoor Facilities and Cemeteries.
- Cemeteries is reporting a £0.007m underspend, the underspend in relation to cemeteries is ring fenced and will be transferred to the ringfenced reserve.
 - Allotments are projecting an underspend of £0.016m due in the main to reduced maintenance and contractor costs.
 - Parks are projecting a net £0.759m overspend after taking into account the use of agreed reserves to fund "Ash-Die Back" and Cleaner Greener Schemes. This overspend is due in the main to reduced income levels (£0.378m), increased agency costs (£0.186m), Contractor payments (£0.261m), vehicle hire costs (£0.019m), vehicle repairs and maintenance (£0.047m), Planned plant servicing (£0.016m) and cleansing (£0.047m) partially offset by salary savings (£0.131m), Rights of Way (£0.039m), Purchase of Materials (£0.047m) and Plant and Equipment (£0.033m).
 - Playgrounds are reporting a slight overspend of £0.011m.
 - Outdoor facilities are reporting £0.048m overspend in the main due to utility costs (£0.046m) additional cleaning costs (£0.024m) along with reduced income levels (£0.021m) partly offset by savings on salaries (£0.042m).
 - Countryside is reporting an overspend of £0.006m.
 - HQ is projecting an underspend of £0.013m primarily due to reduced property costs including energy (£0.005m), supplies and services (£0.003m), transport costs (£0.006m), administrative costs (£0.009m) and contractor costs (£0.005m) partly offset by increased salary costs (£0.012m)
- 5.4.5 Leisure Centres and HQ are reporting overspend of £0.573m. The main reasons for this are the increased utility costs (£0.255m) in running the centres, increased staffing costs in the centres (£0.090m), increased Supplies and Services (£0.055m) along with reduced income levels on the Leisure Centres (£0.090m) and the new Athletics Hub (£0.042m)
- 5.4.6 Community Centres are at present projecting a breakeven position with any reductions in operating costs they hope to utilise to bring forward maintenance on these buildings.
- 5.4.7 Caerphilly Adventures is reporting an overspend of £0.011m. This is due in the main to income levels not being achieved (£0.090m) partially offset by savings in salaries (£0.072m) and reduced transport costs (£0.008m).
- 5.4.8 Sports and Health Development is projecting a small overspend of £0.024m due in the main to a reduced fees due to staffing issues. This is after the agreed use of reserves for a Rugby Officer in Trinity Fields to be part funded by reserves.
- 5.4.9 Vehicle Maintenance and Fleet Management is currently projecting overspend of £0.500m. The Fleet Management and Vehicle Maintenance service has experienced difficulties over the last few years successfully recruiting and retaining qualified and experienced Vehicle Technicians. To ensure vehicles are repaired and maintained in accordance with the Councils Operator's Licence, the service has had no alternative but to engage the services of third parties to assist in this regard. The hourly labour rate charges by these external providers are significantly more than that the council charges its managed service provider for this facility, consequently this has affected our levels of income and resulted in a significant projected overspend. The service is working through a number of potential solutions to reduce this predicted overspend by the end of this financial year.
- 5.4.10 Building Cleaning (Managed by Head of Infrastructure) is at present reporting an overspend of £0.043m.

5.5 Medium Term Financial Plan Savings

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

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

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

5.5.3 The variance of £0.043m in Infrastructure is due to: -

- £0.040m for the Rail Bus link not achieving a full year's worth of savings due to implementation delays.
- £0.003m from various sections mileage reductions not being achieved.

5.5.4 The variance of £0.009m in Public Protection is due to: -

- £0.004m for the CCTV Camera, due to delays in the roll out.
- £0.005m from various sections mileage reductions not being achieved.

5.5.5 The variance of £0.106m in Community and Leisure is due to: -

- £0.005m for the closure of Ty Fry Farm.
- £0.004m from various sections mileage reductions not being achieved.
- £0.005m from increased income from MOT fees.
- £0.075m from increased fee income in Leisure Centres.
- £0.017m from the tapered withdrawal of Caretaker subsidy in Community Centres.

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

5.6 Conclusion

5.6.1 Members are advised that Economy and Environment Directorate provides a very diverse range of front-line services to residents and businesses. The overall Directorate has a budget totalling £68.749m, with a projected net overspend of £2.164m (3.16% of total budget). The operational managers will endeavour to ensure that service net expenditure does not exceed the budget available.

6. ASSUMPTIONS

6.1 Assumptions linked to this report were detailed in the budget report to Council on 23rd February

2023.

6.2 The projected outturn position is based on actual income and expenditure details to the end of December 2023.

6.3 Forecasts have been made following discussions with Managers based on current information available.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

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

8. FINANCIAL IMPLICATIONS

8.1 As detailed throughout the report.

9. PERSONNEL IMPLICATIONS

9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

10.1 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER.

11.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

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Consultees Cllr A. Whitcombe, Chair Housing and Environment Scrutiny Committee
Cllr S Williams Vice Chair Housing and Environment Scrutiny Committee
Christina HARRY, Chief Executive
Richard Edmunds, Corporate Director for Corporate Services and Education
Mark S Williams, Corporate Director for Economy, and Environment
Robert Hartshorn, Head of Public Protection, Community and Leisure Services
Marcus Lloyd, Head of Infrastructure
Steve Harris, Head of Financial Services and S151 Officer
Leanne Sykes, Deputy Head of Financial Services and S151 Officer
Jane Southcombe, Education Financial Services Manager
Sue Richards, Head of Education Planning and Strategy
Paul Adams, Senior Assistant Accountant
Mike Jones, Financial Services Manager Social Services
Cllr N. George, Cabinet Member for Corporate Services, Property and Highways
Cllr C. Morgan, Cabinet Member for Waste, Leisure, and Green Spaces
Cllr P Leonard, Cabinet Member for Planning and Public Protection
Cllr C Andrews, Cabinet Member for Education and Communities

Appendices:

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

<i>Economy and Environment Directorate</i>	Page No	Estimate 2023/24	Revised Estimate 2023/24	Anticipated Outturn 2023/24	Variance 2023-24
<u>INFRASTRUCTURE SERVICES DIVISION</u>					
HIGHWAY SERVICES		11,053,569	11,037,368	11,386,611	(349,243)
ENGINEERING PROJECTS GROUP		18,168	37,401	(66,446)	103,847
TRANSPORTATION ENGINEERING		819,024	874,528	994,957	(120,429)
Agree use of Reserves - Car Park Repairs (Inc review Emporium Car Park)				(98,852)	98,852
Agree use of Reserves - Signal Maintenance				(40,000)	40,000
PASSENGER TRANSPORT		1,730,783	1,735,253	1,576,497	158,756
Agree use of Reserves - Blackwood Bus Station Maintenance & Repairs				(40,607)	40,607
HOME TO SCHOOL TRANSPORT		9,639,854	9,643,252	10,593,329	(950,077)
SOCIAL SERVICES TRANSPORT		1,753,733	1,764,725	1,155,790	608,935
Agreed RCCO - Vehicle		44,756	44,756	44,756	0
NETWORK CONTRACTING SERVICES		119,325	158,096	226,903	(68,807)
INFRASTRUCTURE - GENERAL		21,276	21,276	4,056	17,220
TOTAL NET EXPENDITURE		25,200,488	25,316,655	25,736,996	(420,341)

Appendix 1B

<i>Economy and Environment Directorate</i>	Page No	Estimate 2023/24	Revised Estimate 2023/24	Anticipated Outturn 2023/24	Variance 2023-24
<u>PUBLIC PROTECTION DIVISION</u>					
TRADING STANDARDS		951,650	962,992	1,040,742	(77,750)
CORPORATE AND DEMOCRATIC COSTS (CDC)		78,673	78,405	80,069	(1,664)
LICENSING		208,160	214,263	174,262	40,001
REGISTRARS		91,306	95,630	116,210	(20,580)
<i>Agreed Use of Reserves - Wedding Ceremony Software</i>		0	0	(12,000)	12,000
CCTV		505,269	512,152	512,152	0
COMMUNITY WARDENS		411,093	416,529	344,713	71,816
HEALTH DIVISIONAL BUDGET		358,437	359,424	460,092	(100,668)
<i>Agreed Use of Reserves - Software Upgrade</i>		0	0	(115,000)	115,000
COMMUNITY SAFETY PARTNERSHIP		117,480	118,686	105,862	12,824
ENFORCEMENT		869,398	880,928	845,560	35,368
POLLUTION		538,045	542,685	616,455	(73,770)
FOOD TEAM		808,779	820,796	739,398	81,398
EMERGENCY PLANNING		120,552	122,779	121,816	963
Track & Trace					
Expenditure		902,300	1,024,600	1,024,600	0
Grant Income		(902,300)	(1,024,600)	(1,024,600)	0
CATERING		5,350,126	5,428,896	6,181,204	(752,308)
<i>Agreed Use of Reserves - FSM Summer Holiday Voucher scheme</i>		0	0	(825,344)	825,344
<i>Agreed Use of Education Reserves - Schools Essential Grant</i>		0	0	(16,659)	16,659
TOTAL NET EXPENDITURE		10,408,968	10,554,165	10,369,533	184,632

Appendix 1C

<i>Economy and Environment Directorate</i>	Page No	Estimate 2023/24	Revised Estimate 2023/24	Anticipated Outturn 2023/24	Variance 2023-24
<u>COMMUNITY & LEISURE SERVICES</u>					
WASTE MANAGEMENT					
<i>Residual Waste</i>		3,687,296	3,695,098	3,705,441	(10,343)
<i>Organics recycling</i>		1,310,317	1,315,150	1,521,129	(205,979)
<i>Agreed Use of Reserves for Waste Project</i>		0	0	(33,298)	33,298
<i>Civic Amenity Sites</i>		3,361,468	3,373,488	3,524,090	(150,602)
<i>Agreed Use of Reserves for Waste Project</i>		0	0	(125,745)	125,745
<i>Waste Transfer Station</i>		173,779	174,284	153,066	21,218
<i>Dry Recycling</i>		3,971,030	3,984,245	3,989,619	(5,374)
<i>Bulky Waste</i>		89,794	90,628	98,565	(7,937)
<i>Commercial Waste</i>		(320,384)	(318,048)	(294,900)	(23,148)
<i>Other Waste</i>		24,306	24,306	8,740	15,566
<i>Treher</i>		135,000	135,000	97,892	37,108
<i>Sustainable Waste Management Grant</i>		(824,804)	(824,804)	(826,924)	2,120
<i>HQ Staff</i>		1,627,323	1,642,665	1,471,121	171,544
<i>Agreed Use of Reserves for Waste Project</i>		0	0	(71,028)	71,028
<i>Public Conveniences</i>		0	0	1,387	(1,387)
CLEANSING					
<i>Street Cleansing</i>		3,601,314	3,658,539	3,485,225	173,315
GROUND MAINTENANCE AND PARKS					
<i>Cemeteries</i>		(162,625)	(155,456)	(162,927)	7,471
<i>Cemeteries Earmark reserves</i>		0	0	7,471	(7,471)
<i>Allotments</i>		41,592	41,592	25,132	16,460
<i>Parks and Playing Fields</i>		2,177,746	2,213,899	3,221,726	(1,007,827)
<i>Agreed use of reserves for Ash Dieback</i>		0	0	(137,210)	137,210
<i>Agreed use of reserves for Cleaner Greener</i>		0	0	(111,258)	111,258
<i>Playgrounds</i>		316,978	318,415	329,440	(11,025)
<i>Outdoor facilities</i>		448,442	450,460	497,967	(47,507)
<i>Countryside</i>		1,130,065	1,150,787	1,156,555	(5,768)
<i>HQ Staffing</i>		1,143,650	1,155,410	1,141,878	13,532
LEISURE SERVICES					
<i>Leisure Centres</i>		4,283,458	4,353,300	4,926,447	(573,147)
<i>Sports & Health Development</i>		106,194	108,337	131,938	(23,601)
<i>Agreed funding from reserves - Rugby Officer Trinity Fields</i>		(27,489)	(27,489)	(27,489)	0
<i>Outdoor Education</i>		307,627	316,269	327,456	(11,187)
<i>Community Centres</i>		410,305	415,582	415,582	0
		27,012,382	27,291,657	28,447,088	(1,155,431)
<i>Building Cleaning</i>		1,388,939	1,457,178	1,500,133	(42,955)
<i>Vehicle Maintenance & Fleet Management</i>		(141,921)	(128,854)	370,517	(499,371)
Total net expenditure Community & Leisure Services		28,259,400	28,619,981	30,317,738	(1,697,757)