



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: REVENUE BUDGET 2016/ 2017 ENVIRONMENT DIRECTORATE

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the revenue budget for 2016/2017 for Environment Directorate, including Regeneration, Planning & Economic Development Division, Engineering Division, Public Protection Division and Community & Leisure Services Division.

2. SUMMARY

- 2.1 The report summarises the budget for the above services for the financial year 2016/2017.
- 2.2 It attaches, as appendices 1a to 1d, the summary budget for the services outlined in paragraph 1.1 above.

3. LINKS TO STRATEGY

- 3.1 The content of the report is in accordance with the budget strategy considered and approved by Council at its meeting of 24th February 2016.
- 3.2 The budget figures outlined in this report assist in meeting the ambition of the Authority to build better communities by building better public services, building better lifestyles, building a vibrant economy and building Futures Changing Lives.
- 3.3 Budget management itself is in accordance with the corporate theme of Delivering the Strategies.

4. THE REPORT

4.1 INTRODUCTION

- 4.1.1 At the meeting of the Council on the 24th February 2016, the budget for 2016/2017 was considered and approved. The report outlined the Welsh Government (WG) revenue support grant (RSG) settlement, the general economic climate, Authority wide inflationary and general cost pressures, identified corporate growth and growth to individual service Directorates and also the required need to apply budget savings in 2016/2017 as part of the 2016/2021 Medium Term Financial Plan (MTFP).
- 4.1.2 The budget strategy of the Environment Directorate includes a number of budgetary changes agreed by Council, which are summarised in the table below and incorporated in the budget pages attached in appendix 1a to 1d.

4.1.3 As outlined in table 1 below and in line with the MTFP, the Environment Directorate identified MTFP savings of £2,850k allocated across the four Service Divisions. These savings represented 5.6% of the 2015/2016 net controllable revenue budgets of Environment Services. All proposed savings were subject to an assessment to determine whether there would be an impact on service users and/or the public. The majority of the savings were considered to have NIL impact and the total value is shown in table 1 below. Some savings were considered to have some impact on users and/or the public and these are listed separately in table 1 below. In addition Corporate MTFP savings in relation to casual mileage of £6k, insurance risk management £264k and employers superannuation £176k have been applied to Service Divisions.

4.1.4 The Directorate did not receive any direct budget growth for 2016/2017, although one off funding of £1,600k has been held corporately as a dry recycling waste management contingency to be released in year if required. Also additional budget of £245k has been allocated to the Directorate revenue budgets in relation to increases in the living wage, primarily in relation to Catering services and Building Cleaning services. The table also summarises the general budget adjustments for inflation, centralised budgets and transfers in relation to service realignment, including budget transferred to Catering from Social Services in relation to Meals Direct and service budgets transferred to the Corporate Policy Unit.

Overall, the Environment Directorate net controllable budget for 2016/2017 has reduced by £1.869million compared to 2015/2016.

Table 1	ENGINEERING	REGENERATION & PLANNING	COMMUNITY & LEISURE	PUBLIC PROTECTION	DIRECTOR
	£000	£000	£000	£000	£000
Estimate 2015/2016	20,435	4,338	18,779	7,233	0
Pay Inflation	162	167	487	230	
Living Wage	0	2	159	84	
Budget Growth	0	0	0	0	
MTFP Budget Savings					
Street Light energy from 15/16	(350)				
Public Transport from 15/16	(126)				
NIL impact Service Savings	(418)	(280)	(1,208)	(291)	
Pre- Planning Advice		(5)			
Charging for Sandwich places				(102)	
Breakfast Clubs reduce staff hrs				(70)	
Casual mileage	(1)	(2)	(3)	(0)	
Insurance	(160)	(18)	(68)	(18)	
Superannuation	(28)	(27)	(82)	(39)	
Other Adjustments:					
Community Asset Transfer	100	70	68	10	
Transfer to Corporate Policy Unit		(388)		(219)	
Other Budget Transfers	4	0	4	325	
Budget Transfer					162
Budget Reduction	(817)	(481)	(643)	(90)	162
Estimate 2016/2017	19,618	3,857	18,136	7,143	162

4.2 ENGINEERING SERVICES

- 4.2.1 Engineering Service Division estimates for 2016/2017 do not include any budget growth. As noted in table 1 paragraph 4.1.3 above, the estimate does include budget reductions for service related MTFP savings of £894k including £350k in relation to street lighting energy (£190k) and maintenance (£160k) resulting from ongoing investment in energy efficient lighting, £126k in relation to public transport and £250k in relation to Home to School Transport contract efficiency. There are also corporate savings in relation to mileage, insurance and superannuation of £189k.
- 4.2.2 The Engineering Division estimates for 2016/2017 includes ring fenced budgets in relation to home to school transport (£6,347k) and social services transport (£1,409k) which represent 40% of the overall Engineering budget. Any year end budget over or under spends in relation to these specific services will be identified separately and transferred back to Education Directorate and Social Services Directorate.

4.3 REGENERATION PLANNING and ECONOMIC DEVELOPMENT

- 4.3.1 The Division has not received any specific service budget growth in 2016/2017.
- 4.3.2 The estimate for 2016/2017 includes budget reductions for service related MTFP savings of £285k, including £60k increased income targets for tourism venues and £100k increased income target for Industrial Properties. There are also corporate savings in relation to mileage, insurance and superannuation of £47k.
- 4.3.3 The planning application fee income budget for 2016/2017 is £541k and the building control fee income budget is £301k. It should be noted that the amount income generated from planning applications and building control fees is susceptible to changes in the general economic climate and the building industry in particular and actual income generated will be monitored closely against the budget targets set.
- 4.3.4 Rural Development Plan schemes will continue during 2016/17 financial year, as new European grant funding of £2.643million has been secured for the period up to 2020.
- 4.3.5 Communities First delivery grant funding of £2.9million has been secured for 2016/2017.

4.4 COMMUNITY & LEISURE SERVICES

- 4.4.1 One off funding of £1,600k has been provided in 2016/2017 as a dry recycling waste management contingency for service related budget pressures, but this budget is held corporately and will only be allocated to the Division once there is a clear indication of the financial budget shortfall associated with dry recycling treatment services.
- 4.4.2 The estimate for 2016/2017 includes budget reductions for service related MTFP savings of £1,208k including anticipated further savings in residual waste of £319k from the Viridor EfW facility, £200k in relation to street cleaning and £300k in relation to increased income generation in cemetery services. There are also corporate savings in relation to mileage, insurance and superannuation of £153k.
- 4.4.3 Environment and Sustainable Development Grant (ESD) allocation from WG in relation to waste management recycling initiatives has been reduced by £206k to £3,134k million. This grant has been reducing steadily over recent years, reducing by £646k since 2010/2011.

4.4.4 Building Cleaning services has received additional funding of £159k for increases in the living wage.

4.5 **PUBLIC PROTECTION**

4.5.1 The Division has not received any specific service budget growth in 2016/2017. Catering services has however received additional £84k budget to fund increases in the living wage.

4.5.2 The estimate for 2016/2017 includes budget reductions for service related MTFP savings of £463k, including £108k associated with the move of the Meals Direct service from Tiryberth to Ty Penallta, £102k in relation to the introduction of a charge to schools for provision of sandwich setting support and £70k from a reduction in staffing hours in relation to school breakfast clubs. There are also corporate savings in relation to mileage, insurance and superannuation of £57k.

4.5.3 The Licensing fee income budget has been reduced by £20k to £317k due to The Deregulation Act 2015 which increased the timescales for Hackney Carriage and Private Hire Drivers and Private Hire Operators Licences. This means that these Licenses now only have to be renewed every 3 and 5yrs respectively instead of annually and 2 yearly as in previous years. The Registration services fees & charges budget has been set at £208k, Income generation in these services can be subject to variation and any potential shortfall will be monitored closely.

4.5.4 Safer Caerphilly – Community Safety Partnership initiatives and grant funding and health improvement service initiatives have for 2016/2017 transferred to the Corporate Policy Unit.

4.5.5 At present, financial information in relation to the Public Protection Division continues to be reported to Regeneration & Environment Scrutiny Committee as part of the Environment Directorate, although operational service specific reports are now submitted to Health Social Care & Wellbeing Scrutiny Committee due to a realignment of senior officer reporting arrangements.

5 **EQUALITIES IMPLICATIONS**

5.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

6. **FINANCIAL IMPLICATIONS**

6.1 This report deals with the financial issues.

7. **PERSONNEL IMPLICATIONS**

7.1 Included in the Service Division budget savings summarised in the report are savings in relation to staff restructures and vacancy management, these will be managed in accordance with HR policies.

8. **CONSULTATIONS**

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

9. RECOMMENDATIONS

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

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To enable the achievement of the Service Divisions' objectives for 2016/2017.

11 STATUTORY POWER

- 11.1 Local Government Acts 1998 and 2003.

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Consultees

Councillor D.T Davies Chair Regeneration & Environment Scrutiny Committee
Councillor Mrs E.M Aldworth Vice Chair Regeneration & Environment Scrutiny Committee
Councillor, K. James, Cabinet Member Regeneration, Planning & Sustainable Development
Councillor, N George Cabinet Member Community & Leisure Services
Councillor T. Williams Cabinet Member Highways, Transportation & Engineering
Chris Burns, Interim Chief Executive
Dave Street Corporate Director, Social Services
Christina Harry Corporate Director, Communities
Robert Hartshorn, Head of Public Protection
Terry Shaw, Head of Engineering Services
Mark S Williams Head of Community & Leisure Services
Nicole Scammell, Acting Director of Corporate Services and Section 151 Officer
Steve Harris, Interim Head of Corporate Finance
Tim Stephens, Development Control Manager
Dave Whetter, Principal Engineer
Cheryl Jeremic, Acting Group Accountant
Rose Shears, Finance Officer
Jane Southcombe, Financial Services Manager
Dave Roberts, Group Accountant
Paul Adams, Senior Assistant Accountant

Background Papers:

Divisional budget papers 2016/2017.

Appendices:

Appendix 1A Budget Monitoring Report – Engineering Services
Appendix 1B Budget Monitoring Report – Regeneration, Planning and Economic Development
Appendix 1C Budget Monitoring Report – Public Protection
Appendix 1D Budget Monitoring Report – Community and Leisure Services

Links to other Documents:

Minutes Council Meeting 24/2/2016: Budget Proposals 2016/17 and Medium- Term Financial Strategy 2016/2021
Agenda Item No. 4

DIRECTORATE OF THE ENVIRONMENT	Page No	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
<u>ENGINEERING DIVISION</u>				
HIGHWAY OPERATIONS				
Gross Expenditure		10,492,586	10,592,586	10,057,416
Grants, Fees & Charges and Other Income		(377,300)	(377,300)	(375,882)
Net Expenditure		10,115,286	10,215,286	9,681,534
ENGINEERING PROJECTS GROUP				
Gross Expenditure		1,088,126	1,088,126	1,108,368
Fees & Charges and Other Income		(1,217,101)	(1,217,101)	(1,217,100)
Net Expenditure		(128,975)	(128,975)	(108,732)
TRANSPORT ENGINEERING				
Gross Expenditure		1,725,711	1,725,711	1,692,293
Grants, Fees & Charges and Other Income		(1,018,785)	(1,018,785)	(1,016,785)
Net Expenditure		706,926	706,926	675,508
PASSENGER TRANSPORT				
Gross Expenditure		5,409,343	5,432,508	5,312,774
Grants, Fees & Charges and Other Income		(3,601,788)	(3,624,953)	(3,624,953)
Net Expenditure		1,807,555	1,807,555	1,687,821
HOME TO SCHOOL TRANSPORT				
Gross Expenditure		6,592,696	6,610,035	6,347,419
Grants, Fees & Charges and Other Income		0	0	0
Net Expenditure		6,592,696	6,610,035	6,347,419
SOCIAL SERVICES TRANSPORT				
Gross Expenditure		1,410,318	1,410,318	1,423,483
Grants, Fees & Charges and Other Income		(14,210)	(14,210)	(14,210)
Net Expenditure		1,396,108	1,396,108	1,409,273
ENGINEERING - GENERAL (Expenditure & vacancy management)		121,081	121,081	99,708
Engineering Division		20,610,677	20,728,016	19,792,531
Network Contracting Services (NCS)		(175,992)	(175,992)	(174,544)
TOTAL EXPENDITURE ENGINEERING SERVICES		20,434,685	20,552,024	19,617,987
CENTRAL SUPPORT SERVICE APPORTIONMENT		512,783	512,783	512,783
PONTLLANFRAITH CORPORATE BUILDING APPORTIONMENT		103,931	102,076	186,973
NET EXPENDITURE ENGINEERING SERVICES		21,051,399	21,166,883	20,317,743

Appendix 1B

<i>DIRECTORATE OF THE ENVIRONMENT</i>	Page No	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
<u>REGENERATION, PLANNING & ECONOMIC DEVELOPMENT</u>				
<i>ECONOMIC DEVELOPMENT AND TOURISM</i>				
Business Development		1,127,241	1,149,244	904,888
Business Urban Renewal		266,211	266,211	270,111
Tourism Events		119,730	131,196	120,215
European Affairs		77,485	77,485	0
Commercial Properties		(929,479)	(929,479)	(1,023,524)
Tourism Venues		987,967	990,432	952,424
Community Regeneration		172,223	207,223	210,596
Community First Expenditure		3,360,924	3,360,924	2,902,453
Community First Grant Funding		(3,360,924)	(3,360,924)	(2,902,453)
Blackwood Miners Institute		296,448	296,448	302,768
Arts Development		144,994	144,994	147,431
		2,262,820	2,333,754	1,884,909
<i>PLANNING</i>				
Countryside and Landscape		1,264,322	1,289,322	1,134,430
Strategic Planning		381,296	381,296	402,726
Development Control		348,073	348,073	346,516
Building Control		(44,257)	(44,257)	(39,805)
Land Charges		(15,338)	(15,338)	(13,700)
Corporate and Democratic Core		141,045	141,045	141,706
		2,075,141	2,100,141	1,971,873
<i>TOTAL NET BUDGET</i>				
		4,337,961	4,433,895	3,856,782
CENTRAL SUPPORT SERVICE APPORTIONMENTS				
		1,014,922	1,014,922	1,014,922
CORPORATE BUILDINGS APPORTIONMENTS				
		134,956	132,505	130,316
		5,487,839	5,581,322	5,002,020

<i>DIRECTORATE OF THE ENVIRONMENT</i>	Page No	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
<u>PUBLIC PROTECTION DIVISION</u>				
TRADING STANDARDS				
Expenditure		792,186	792,186	808,705
Income		(21,311)	(21,311)	(17,000)
Net Expenditure		770,875	770,875	791,705
LICENSING				
Expenditure		368,276	368,276	355,712
Income		(341,201)	(341,201)	(320,983)
Net Expenditure		27,075	27,075	34,729
REGISTRARS				
Expenditure		281,991	281,991	282,009
Income		(209,200)	(209,200)	(209,200)
Net Expenditure		72,791	72,791	72,809
CCTV				
Expenditure		635,086	635,086	618,895
Income		(135,091)	(135,091)	(151,252)
Net Expenditure		499,995	499,995	467,643
COMMUNITY WARDENS				
		363,821	363,821	349,314
COMMUNITY SAFETY				
		143,015	153,015	18,304
SAFER CAERPHILLY - COMMUNITY SAFETY PARTNERSHIP				
Expenditure		371,634	371,634	0
Income		(371,634)	(371,634)	0
Net Expenditure		0	0	0
CORPORATE AND DEMOCRATIC COSTS (CDC)				
		34,680	34,680	35,806
HEALTH DIVISIONAL BUDGET				
Expenditure		314,687	314,687	261,423
Income		(8,000)	(8,000)	(8,000)
Net Expenditure		306,687	306,687	253,423
HEALTH IMPROVEMENT				
Expenditure		218,445	218,445	0
Income		(141,355)	(141,355)	0
Net Expenditure		77,090	77,090	0
ENFORCEMENT				
Expenditure		671,557	671,557	680,886
Income		(53,178)	(53,178)	(50,668)
Net Expenditure		618,379	618,379	630,218
POLLUTION				
Expenditure		368,265	368,265	413,128
Income		(25,565)	(25,565)	(24,350)
Net Expenditure		342,700	342,700	388,778
FOOD TEAM				
Expenditure		567,916	567,916	581,494
Income		(13,000)	(13,000)	(15,000)
Net Expenditure		554,916	554,916	566,494
EMERGENCY PLANNING				
Net Expenditure		139,735	139,735	95,025
CATERING				
Expenditure		7,402,273	7,416,955	7,215,772
Income		(4,120,690)	(4,120,690)	(3,777,314)
Net Expenditure		3,281,583	3,296,265	3,438,458
TOTAL NET EXPENDITURE		7,233,342	7,258,024	7,142,706
CENTRAL SUPPORT SERVICE APPORTIONMENTS		914,586	914,586	914,586

CORPORATE BUILDINGS APPORTIONMENTS	175,873	162,261	157,851
	8,323,801	8,334,871	8,215,143

DIRECTORATE OF THE ENVIRONMENT	Page No	Estimate 2015/2016	Revised Estimate 2015/2016	Estimate 2016/2017
<u>COMMUNITY & LEISURE SERVICES</u>				
WASTE MANAGEMENT				
<i>Residual Waste</i>		2,948,019	2,948,019	2,567,728
<i>Organics recycling</i>		1,621,620	1,621,620	1,516,001
<i>Civic Amenity Sites</i>		2,676,490	2,676,490	2,562,903
<i>Waste Transfer Station</i>		152,550	152,550	137,602
<i>Dry Recycling</i>		2,701,763	2,701,763	2,499,873
<i>Bulky Waste</i>		130,993	130,993	134,626
<i>Commercial Waste</i>		(482,744)	(482,744)	(537,827)
<i>Other Waste</i>		70,054	70,054	68,567
<i>Treher</i>		178,246	178,246	121,800
<i>Sustainable Waste Management Grant</i>		(3,339,603)	(3,339,603)	(3,134,136)
<i>HQ Staff</i>		1,423,408	1,423,408	1,386,328
CLEANSING				
<i>Public Conveniences</i>		89,615	89,615	91,944
<i>Street Cleansing</i>		4,126,042	4,180,457	4,424,596
GROUND MAINTENANCE AND PARKS				
<i>Cemeteries</i>		215,978	215,978	(118,132)
<i>Allotments</i>		37,856	45,856	37,856
<i>Parks and Playing Fields</i>		1,492,238	1,545,411	1,532,410
<i>Playgrounds</i>		272,270	272,270	274,027
<i>Outdoor facilities</i>		292,877	292,877	291,198
<i>Housing Ground Maintenance</i>		249,278	249,278	239,277
<i>Community Assets Funding</i>				58,000
<i>HQ Staffing</i>		1,060,205	1,060,205	956,369
LEISURE SERVICES				
<i>Leisure Centres</i>		2,344,883	2,344,883	2,429,389
<i>Sports & Health Development</i>		92,437	92,437	54,059
<i>Outdoor Education</i>		148,584	148,584	153,070
Community & Leisure Services Divisions		18,503,059	18,618,647	17,747,528
<i>Building Cleaning</i>		326,077	326,077	477,620
<i>Vehicle Maintenance & Fleet Management</i>		(50,421)	(50,421)	(89,177)
Total net expenditure Community & Leisure Services		18,778,715	18,894,303	18,135,971
CENTRAL SUPPORT SERVICE APPORTIONMENTS		1,068,370	1,068,370	1,068,370
CORPORATE BUILDINGS APPORTIONMENTS		54,544	47,988	2,762
		19,901,629	20,010,661	19,207,103