



ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE – FOR INFORMATION

**SUBJECT: REVENUE BUDGET 2021/ 2022 - ECONOMY AND ENVIRONMENT
DIRECTORATE**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the revenue budget for 2021/2022 for the Economy and Environment Directorate, including Regeneration & Planning Division, Infrastructure Division, Public Protection Division and Community & Leisure Services Division.

2. SUMMARY

- 2.1 The report summarises the revenue budget for the above services for the financial year 2021/2022.
- 2.2 It attaches, as appendices 1a to 1d, the summary budget for the services outlined in paragraph 1.1 above.
- 2.3 Budget monitoring reports will be prepared throughout the financial year to ensure that Members are updated on projected spend against budgets.

3. RECOMMENDATIONS

- 3.1 Environment and Sustainability Scrutiny Committee Members are requested to note the contents of this report and the budget summary pages that follow in respect of the Infrastructure Services Division, Public Protection Division and the Community & Leisure Services Division, which all fall within the remit of the Committee.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Scrutiny Committee is provided with full details of the 2021/2022 revenue budgets for the Economy and Environment Directorate, including Regeneration & Planning Division, which falls outside the remit of this Scrutiny.

5. THE REPORT

5.1 INTRODUCTION

- 5.1.1 The Welsh Government's Revenue Support Grant (RSG) for Caerphilly CBC for the 2021/2022 financial year is a net cash increase of £9 m (3.1%) after adjusting for changes in the Council Tax base.
- 5.1.2 Specific grants transferred into the Settlement for Caerphilly CBC were £247k, which related to the 2020-2021 teachers pay award.
- 5.1.3 Members will recall that due to the increase in the Financial Settlement and the approved uplift in Council Tax of 3.9%, there were no additional savings required for the 2021/2022 financial year to deliver a balanced budget. The centrally held savings in advance from 2020/21 have also now been utilised as part of the approved budget for 2021/22.
- 5.1.4 The approved 2021/2022 budgets for the Economy and Environment Directorate include a number of budgetary changes agreed by Council, which are summarised in the table in paragraph 5.1.8 below and incorporated into the budget pages attached as appendices 1a to 1d.
- 5.1.5 Additional budget of £163k has been allocated to the Directorate revenue budgets for inescapable cost pressures in relation to non- pay inflation (0.75%), Fees and Charges (0.75%) and the Living Wage.
- 5.1.6 Budget growth of £1.672m has been provided to the Economy and Environment Directorate. The Regeneration & Planning Division has received £628k for additional staff and income budget realignment. The Infrastructure Division has received £627k in respect of a review of parking charges and additional costs in Home to School Transport Services. The Community & Leisure Services Division has received £417k in relation to the review of parking charges and income budget realignments..
- 5.1.7 There were no savings applied to the budget to support the Council's financial position in 2021/2022.
- 5.1.8 Table 1 also summarises other general budget adjustments including transfers in relation to service realignment. Overall, the Economy and Environment Directorate net controllable budget for 2021/2022 has increased by £1.835 million compared to 2020/2021, increasing from £51.728million to £53.563million.

TABLE 1	INFRASTRUCTURE	REGENERATION & PLANNING	COMMUNITY & LEISURE	PUBLIC PROTECTION	DIRECTOR	Total
	£	£	£		£	£
Revised Budget 2020-21	19,969.00	2,246.00	21,823.00	7,513.00	177.00	51,728.00
						0.00
Living Wage	0.00	0.00	21.00	11.00	0.00	32.00
Non - Pay Inflation (0.75%)	112.00	24.00	73.00	23.00	1.00	233.00
Fees & Charges (0.75%)	(15.00)	(32.00)	(50.00)	(4.00)	0.00	(101.00)
Inescapable Service Pressures						
Planning Staffing/Income Budget Realignment	0.00	428.00	0.00	0.00	0.00	428.00
Income Budget Realignment - Llancaiach Fawr	0.00	83.00	0.00	0.00	0.00	83.00
Income Budget Realignment - Industrial Property	0.00	117.00	0.00	0.00	0.00	117.00
Parking Charge Review	40.00	0.00	50.00	0.00	0.00	90.00
Home To School Transport	587.00	0.00	0.00	0.00	0.00	587.00
Income Budget Realignment -Leisure Centres	0.00	0.00	273.00	0.00	0.00	273.00
Income Budget Realignment - Caerphilly Adventures	0.00	0.00	94.00	0.00	0.00	94.00
						0.00
Budget 2021-22	20,693.00	2,866.00	22,284.00	7,543.00	178.00	53,564.00

5.2 INFRASTRUCTURE SERVICES

- 5.2.1 The Infrastructure Service Division received additional 2021/22 budget of £97k for inescapable cost pressures along with budget growth for Home to School Transport (£587k) and £40k arising from a review of car parking charges.
- 5.2.2 The Infrastructure Division budget for 2021/2022 includes ring-fenced budgets in relation to Home to School transport (£7.923million) and Social Services transport (£1.564million), which represent circa 46% of the overall Infrastructure budget. Any year-end budget over or under spends in relation to these specific services will be identified separately and transferred back to the Education Directorate and Social Services Directorate respectively.

5.3 REGENERATION AND PLANNING

- 5.3.1 The Regeneration & Planning Service Division budget for 2021/2022 includes £620k for inescapable cost pressures and budget growth. The growth items relate to: -
- £428k in Planning for additional staff and the realignment of fee income targets.
 - Income budget realignment of £117k for Industrial Property rentals.
 - Income budget realignment of £83k for Llancaiach Fawr.
- 5.3.2 The Welsh Government “Children & Communities Grant” is partially run by Regeneration officers, with the funding supporting vulnerable people and communities. The level of funding allocated to Regeneration for 2021/2022 is £819k. In future years allocations of funding may well change. WG provided an additional amount of £412k to support people and communities. Additionally, there is an allocation via the European Social Fund for “Communities for Work” of £603k.

5.4 COMMUNITY & LEISURE SERVICES

- 5.4.1 The Division has received additional budget to fund inescapable cost pressures of £44k and budget growth of £417k to support budget realignments as shown below: -
- Countryside has been allocated £50k income budget realignment as part of the car parking charge review agreed by cabinet on 13th January 2021, which included the removal of parking charges in Country Parks.
 - Leisure Services has been allocated £367k to support income budget realignment. This relates to £273k for Leisure Centres and £94k for Caerphilly Adventures.

5.5 PUBLIC PROTECTION

- 5.5.1 The Division has received additional budget of £29k for inescapable cost pressures including an additional £11k towards Living Wage increases in Catering.

5.6 CONCLUSION

- 5.6.1 The Economy and Environment Directorate provides a diverse range of services as outlined in the report and appendices. The report notes that the services face significant ongoing financial pressures and budgetary growth has been allocated in a number of areas.
- 5.6.2 For the 2021/2022 financial year, the Covid-19 crisis will continue to have a significant impact on the financial position of many services in the Economy and Environment Directorate. The Welsh Government will continue to provide financial support to Local

Authorities during the 2021/22 financial year through the Covid-19 Hardship Fund but the position in the medium to longer term is likely to be challenging.

6. ASSUMPTIONS

- 6.1 All assumptions linked to the Authority's budget strategy for financial year 2021/22 are detailed in the Report agreed by Council on 24th February 2021.
- 6.2 The 2021/22 Budget does not include additional costs or income losses associated with Covid-19, this is on the assumption that these costs will continue to be funded through the Welsh Government Covid-19 Hardship Fund.
- 6.3 A range of other assumptions have been made in setting the Authority's budget, this is in respect of pay and non-pay inflationary increases and inescapable service pressures.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

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

8 FINANCIAL IMPLICATIONS

- 8.1 As identified throughout the report.

9 PERSONNEL IMPLICATIONS

- 9.1 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.

10 CONSULTATIONS

- 10.1 There are no consultation responses, which have not been included 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 D.T Davies Chair Environment & Sustainability Scrutiny Committee
 Councillor A Hussey Vice Chair Environment & Sustainability Scrutiny Committee
 Christina Harrhy, Chief Executive
 Mark S Williams, Corporate Director for Economy & Environment
 Robert Hartshorn, Head of Community & Leisure, Policy and Public Protection
 Rhian Kyte, Head of Regeneration and Planning
 Marcus Lloyd, Head of Infrastructure
 Steve Harris, Head of Financial Services & S151 Officer
 Jane Southcombe, Education Financial Services Manager
 Sue Richards, Head of Education Planning & Strategy

Paul Adams, Senior Assistant Accountant
Mike Jones, Interim Financial Services Manager Social Services
Cllr J. Pritchard, Deputy Leader & Cabinet Member for Infrastructure & Property
Cllr N. George, Cabinet Member for Waste, Public Protection & Street Scene
Cllr R. Whiting, Cabinet Member for Learning & Leisure
Cllr A. Whitcombe, Cabinet Member for Sustainability, Planning & Fleet

Background Papers:

Divisional budget papers 2021/2022.

Appendices:

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

Links to other Documents:

[Minutes Council Meeting 24/02/2021: Budget Proposals 2021/2022 and Medium- Term Financial Outlook](#)