



HOUSING AND REGENERATION SCRUTINY COMMITTEE 30TH NOVEMBER 2021

**SUBJECT: ECONOMY AND ENVIRONMENT 2021/22 BUDGET MONITORING
REPORT (PERIOD 5)**

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 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 2021/2022 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 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 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 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 £1,149k, but exclusive of ring-fenced budgets is projecting an underspend of £430k. 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	2,609	258
Infrastructure Division	20,694	20,694	20,169	525
Public Protection Division	7,543	7,543	7,180	363
Community & Leisure Services Division	22,284	22,284	22,230	54
Directorate General	178	178	229	(51)
NET DIRECTORATE	53,565	53,565	52,417	1,149
Home to School Transport - ring fenced under spend				351
Social Services Transport – ring fenced under spend				166
Cemeteries Task & Finish – ring fenced under spend				202
NET DIRECTORATE under spend (excluding ring fenced budgets)				430

5.2 REGENERATION & PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a projected underspend of £258k for the 2021-22 financial year, full details are provided in Appendix 1
- 5.2.2 Development Control is reporting underspend of £15k primarily due to salary savings due to delays in filling vacant posts. The small projected shortfall in income is offset by non-salary related savings.
- 5.2.3 Building Control is reporting underspend of £82k 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 net £31k underspend 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).
- 5.2.5 Regeneration & Planning Administrative Support are projecting a £33k 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 £14k due to delays in filling of vacant posts.
- 5.2.7 Land charge services are projecting a £16k underspend due to an overachievement of search fee income. The income level is volatile and will be monitored during the year.
- 5.2.8 Business Support and Urban Renewal are projecting a £57k underspend, primarily due to an 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.
- 5.2.9 Town Centre Management is projecting an overspend of £12k, due in the main to additional costs relating to the ongoing costs of Wi-Fi in the town centres and reduced income offset by savings relating to a delay in filling a vacant post along with reduced postage costs.

- 5.2.10 There is a projected £69k overspend in relation to industrial properties primarily due to shortfall in property rents of £115k 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 overspend of £54k. 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: -
- Llancaich Fawr is projecting an overspend of £38k 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 a £35k overspend due in the main to reduced income levels. Additional income is being received now the scenic drive is open.
 - Winding House is predicting an underspend of £17k due in the main to a one-off savings on NNDR due to a revaluation.
 - Caerphilly Visitor Centre is predicting a £56k 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 £32k 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 £25k due to reduced artistes' fees and associated costs.
- 5.2.12 Tourism Events are projecting a net underspend of £24k. There have been no events taking place this year, but plans are in place subject to agreement for revised "Christmas Market events" to take place along with a virtual snoopy trail.
- 5.2.13 Community Regeneration is projecting a £118k underspend due to staff vacancies and associated costs after the transfer of staff to Caerphilly Cares.
- 5.2.14 There is a very small underspend in senior management support of £5k due to staff not being paid at the top of the incremental scale.
- 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 forms part of the Economy & Environment Directorate which 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 overspend of £8k 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 August 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 June 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, Interim Chief Executive.
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 and Enterprise
Cllr A. Whitcombe, Cabinet Member for Sustainability, Planning and 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