



HOUSING AND REGENERATION SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: ECONOMY AND ENVIRONMENT 2022-2023 BUDGET MONITORING
REPORT (PERIOD 7)**

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 2022-2023 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 2022-2023 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.

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 and 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. To ensure 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 appendix 1A.

5.1.2 The table 1 below summarises the present budget monitoring position, with an overall Directorate overspend of £573k, but exclusive of ring-fenced budgets is projecting an overspend of £808k. Appendix 1A provides more detail on the budget variation projection for Regeneration & Planning Division, which fall under the remit of this Scrutiny.

TABLE 1	Estimate 2022/23	Revised Estimate 2022/2023	Outturn 2022/2023	Variance 2022/2023
Regeneration & Planning Division	3,163	3,163	3,079	84
Infrastructure Division	22,059	22,231	21,849	382
Public Protection Division	8,631	8,631	8,511	120
Community & Leisure Services Division	23,496	23,496	24,655	(1,159)
Directorate General	259	259	259	0
NET DIRECTORATE	57,608	57,780	58,353	(573)
Home to School Transport - ring fenced over spend				0
Social Services Transport – ring fenced under spend				221
Cemeteries Task & Finish – ring fenced under spend				14
NET DIRECTORATE over spend (excluding ring fenced budgets)				(808)

5.2 REGENERATION & PLANNING DIVISION

5.2.1 Overall, the service division presently has a projected underspend of £84k for the 2022-2023 financial year, full details are provided in Appendix 1

5.2.2 There is a small underspend in senior management support of £5k due to staff not being paid at the top of the incremental scale. This is after the agreed use of reserves for the Caerphilly Town Placemaking Programme Manager.

5.2.3 Business Support and Urban Renewal are projecting a net £298k overspend, in the main due to salary savings due to delays in filling vacant posts and a projected underspend on the Community Enterprise Fund which is more than offset by additional costs for the “Multi-Disciplinary Projects (MDP)” and the Levelling-up fund consultancy costs. This is after the agreed use of reserves for the International Trade Support Officer, Levelling Up Fund reserve and a contribution to the MDP project.

5.2.4 Tourism Events are projecting a net overspend of £10k. This is primarily due to overspend on most of the events throughout the year after adjusting for the agreed use of reserves for the “Little Cheese”.

5.2.5 There is a projected £125k overspend in relation to industrial properties primarily due to shortfall in property rents of £174k linked to units being unoccupied, offset in the main to reductions in NNDR costs, grounds maintenance and postage. The industrial and office property portfolio should generate income of £2.36million 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.

5.2.6 Town Centre Management is projecting an underspend of £44k, due in the main to a delay in filling a vacant post offset by projected overspend on other costs at the Town Centres of £10k

5.2.7 Overall Tourism Venues are reporting combined underspend of £240k. Further details are below: -

- Tourism Venue Management support is projecting a £4k underspend.
- Llancaiach Fawr is projecting an underspend of £89k at present mainly due to reduced income levels offset by salary savings. Income levels will be closely monitored in year.
- Cwmcarn VC is projecting an underspend of £66k due in the main to better-than-expected income levels due to the scenic drive opening and salary savings due to vacant posts. At present CCBC and NRW have an agreement to split any profits 50/50, this has been factored into the projections. This is after taking into account the use of the reserve.
- Winding House is predicting an underspend of £8k due in the main to reduction in income offset by a one-off savings on NNDR due to a revaluation.
- Caerphilly Visitor Centre is predicting a £10k underspend due to additional staffing and commodity costs being fully offset by increased income levels.
- Blackwood Miners Institute is projecting a small underspend of £44k due in the main to salary savings due to delays in appointing staff.
- Arts Development is projecting a small underspend of £18k due to reduced artistes' fees and associated costs.

5.2.8 Community Regeneration is projecting a net £115k 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, to support the "Kick-start" project.

5.2.9 Children and Communities Grant (CCG), C4W and C4WPlus Additional Funding initiatives are all fully funded from grant, currently there is a projected underspend which total £402k. This has no effect on the outturns as the grant only funds the actual spend on the projects. There has been some spend, as agreed by cabinet on the awaited approval of the UK Shared Prosperity Fund grant.

5.2.10 Planning Services Management are projecting a small overspend of £2k underspend.

5.2.11 Regeneration & Planning Administrative Support are projecting a £44k underspend this is due in the main to salary savings due to delays in filling vacant posts, reduced office running costs, such as photocopying, stationary, postage and Training, together with one off income. These are partially offset by additional costs on Computer equipment and associated software.

5.2.12 Strategic Planning is presently projecting a small net underspend of £2k. This is due in the main to staff not being at the top of scale. This is after the agreed ringfencing of the Community Infrastructure Levy (CIL) and the agreed transfer from the LDP reserve.

5.2.13 Development Management is reporting overspend of £46k primarily due to reduced income levels not being offset by salary savings due to delays in filling vacant posts. Income is projected to be below budget but is very volatile and will be monitored during the year.

5.2.14 Building Control is reporting underspend of £114k due in the main to a small saving because of a delay in filling vacant post and income levels being better than anticipated. The income level is volatile and will be monitored during the year.

5.2.15 Land charge services are projecting an overspend of £1k due in the main to reduced income levels. The income level is volatile and will be monitored during the year. This takes into account the HMRC funding for the "Land Registry Automation."

5.2.16 GIS/Land Gazetteer support services is projecting an underspend of £2k.

5.3 Conclusion

5.3.1 Members are advised Regeneration & Planning is the only division within the Economy and

Environment Directorate which is in the remit of this scrutiny committee. Overall, the Directorate provides a diverse range of front-line services to residents and businesses. The overall Directorate has a budget totalling £57.78m. with a projected net overspend of £808k (1.4% 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 24th February 2022.
- 6.2 The projected outturn position is based on actual income and expenditure details to the end of October 2022.
- 6.3 Forecasts have been made following discussions with Service 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:

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Cllr P. Cook, Vice Chair Housing and Regeneration Scrutiny Committee
Christina Harry, Chief Executive
Mark S Williams, Corporate Director for Economy and Environment
Rhian Kyte, Head of Regeneration and Planning
Steve Harris, Head of Financial Services and S151 Officer
Rachel Smith, Assistant Accountant
Cllr J. Pritchard, Cabinet Member for Prosperity, Regeneration and Climate Change
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 - Regeneration and Planning

Background Papers:

Council Meeting 24/02/2022: Budget Proposals 2022/2023 and Medium- Term Financial Outlook