



INFORMATION REPORT - CORPORATE AND REGENERATION SCRUTINY COMMITTEE - 26TH SEPTEMBER 2023.

**SUBJECT: ECONOMY AND ENVIRONMENT 2023-24 BUDGET MONITORING
REPORT (PERIOD 3)**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To inform members of projected revenue expenditure for the Economy & Environment Directorate for the 2023-24 financial year. Service Divisions include Regeneration & Planning Division, Infrastructure Services Division, Public Protection Division and Community & Leisure Services Division.

2. SUMMARY

- 2.1 The report summarises the most recent budget monitoring projections for 2023-24 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 Housing and Environment Scrutiny Committee.

3. RECOMMENDATIONS

- 3.1 Corporate Services 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 underspend of £188k, but exclusive of ring-fenced budgets is projecting an overspend of £151k. 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 2023/24	Revised Estimate 2023/24	Anticipated Outturn 2023/24	Variance 2023-24
Regeneration & Planning Division	3,713	3,713	3,685	28
Infrastructure Division	25,200	25,200	24,702	499
Public Protection Division	10,409	10,409	10,320	89
Community & Leisure Services Division	28,287	28,287	28,718	(431)
Directorate General	195	195	191	3
NET DIRECTORATE	67,804	67,804	67,616	188
Home to School Transport - ring fenced over spend				12
Social Services Transport – ring fenced under spend				(351)
Cemeteries Task & Finish – ring fenced under spend				
NET DIRECTORATE under spend (excluding ring fenced budgets)				(151)

5.2 REGENERATION AND PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a projected underspend of £28k for the 2023-24 financial year, full details are provided in Appendix 1
- 5.2.2 There is a small underspend in senior management support of £7k 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 £42k underspend, in the main due to salary savings a projected underspend on the Community Enterprise Fund partially offset by a predicted overspend on Bargoed Unit Shops. This is after the agreed use of reserves for the International Trade Support Officer and a contribution to the MDP project.
- 5.2.4 Events are projecting a net breakeven position.
- 5.2.5 There is a projected £83k overspend in relation to industrial properties due to shortfall in property rents of £33k linked to units being unoccupied, overspend on “property” related costs such as Cleaning (£13K) & Security (£21K) together with additional costs for Equipment (£60k) offset with some savings on maintenance (£30K) and postage (£15k). The industrial and office property portfolio should generate income of £2.49million 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 £5k, due in the main to a delay staff not being top of scale offset by reduced income levels.
- 5.2.7 Overall Tourism Venues are reporting combined underspend of £72k. Further details are below: -
- Tourism Venue Management support is projecting a £1k underspend.

- Llancaiach Fawr is projecting an underspend of £31k at present mainly due to salary savings offset by reduced income levels. Income levels will be closely monitored in year.
- Cwmcarn VC is projecting an underspend of £23k due in the main to salary savings due to delays in filling vacant posts partially offset by reduced income levels.
- Winding House is predicting an overspend of £27k due in the main to reduction in income additional maintenance costs and salary costs to cover maternity offset by savings on utilities.
- Caerphilly Visitor Centre is predicting a £12k underspend due to additional staffing and commodity costs being fully offset by increased income levels.
- Blackwood Miners' Institute is projecting an underspend of £11k due in the main to salary savings due to staff not reaching top of the scale offset by income projections being lower than anticipated.
- Arts Development is projecting an underspend of £21k due to increased fee income.

5.2.8 Community Regeneration is projecting a net £8k underspend after the agreed use of reserves for the Apprentice Officer, to support the "Kick-start" project.

5.2.9 Uk Shared Prosperity Fund and C4WPlus Additional Funding initiatives are all fully funded from grant, currently there is a projected underspend which total £5k. This has no effect on the outturns as the grant only funds the actual spend on the projects.

5.2.10 Planning Services Management are projecting a small overspend.

5.2.11 Regeneration & Planning Administrative Support are projecting a £26k underspend this is due in the main to reduced office running costs, such as photocopying, stationary, and postage, together with one off income.

5.2.12 Strategic Planning is presently projecting a small net underspend of £22k. This is due in the main to delays in recruiting to a vacant post. This is after the agreed ringfencing of the Community Infrastructure Levy (CIL) (£12K) and the agreed transfer to the LDP reserve (£19K).

5.2.13 Development Management is reporting overspend of £73k primarily due to reduced income levels not being offset by salary savings due to delays in filling vacant posts. Income is projected to be circa 25% below budget but is very volatile and will be monitored during the year.

5.2.14 Building Control is reporting overspend of £6k due in the main to reduced income levels being offset by salary savings. The income level is volatile and will be monitored during the year.

5.2.15 Land Charge Services along with Land Registry Automation are projecting a net underspend of £5k 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 **Medium Term Financial Plan Savings**

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

Section	Agreed MTFP Savings £'000	Progress against Savings £'000	Variance £'000
<u>Economy & Environment</u>			
Infrastructure	1,160,663.00	1,115,190.00	45,473.00
Public Protection	59,827.00	44,193.02	15,633.98
Community & Leisure	253,577.00	245,212.00	8,365.00
Regeneration & Planning	363,713.00	353,320.00	10,393.00
Director	242.00	242.00	0.00
Grand Total	1,838,022.00	1,758,157.02	79,864.98

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

5.3.3 The variance of £10k in Regeneration & Planning is due to: -

- £4k subsidy in Winding House.
- £4k subsidy in Cwmcarn Visitor Centre
- £2k subsidy from BML.

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

5.4 Conclusion

5.4.1 Members are advised Regeneration & Planning is the only division within the Economy & 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 revised overall Directorate has a budget totalling £67.804m, with a projected net overspend of £151k (0.22% 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 June 2023.

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

Cllr G Johnston, Chair Corporate Services and Regeneration Scrutiny Committee
Cllr A, McConnell, Vice Chair Corporate Services and Regeneration Scrutiny Committee
Christina Harray, 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](#)