



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: REVENUE BUDGET 2017/ 2018 ENVIRONMENT DIRECTORATE

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the revenue budget for 2017/2018 for the Environment Directorate, including Regeneration & Planning 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 2017/2018.
- 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 22nd February 2017.
- 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.
- 3.4 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations (Wales) Act 2015:-
- A prosperous Wales
 - A resilient Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and thriving Welsh Language
 - A globally responsible Wales

4. THE REPORT

4.1 INTRODUCTION

- 4.1.1 At the meeting of the Council on the 22nd February 2017, the budget for 2017/2018 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 2017/2018 as part of the 2017/2022 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 £904k allocated across the four Service Divisions. These savings represented 1.8% of the 2016/2017 net controllable revenue budgets of Environment Services. The majority of the savings were considered to have NIL impact with a total value of £668k as 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 including savings originally approved in 2016/2017 where part of the saving was generated in 2017/2018, including Catering charging schools for sandwich placements and a reduction in breakfast clubs staff supervision hours. There was also a new saving for 2017/2018 in relation to the rationalisation of bowling green provision and handing over some operations to bowling clubs.
- 4.1.4 Additional budget of £1,353k has been allocated to the Directorate revenue budgets for inescapable cost pressures in relation to pay inflation (1.2%), non pay inflation (1.6%), living wage, primarily in relation to Catering services and Building Cleaning services, new apprenticeship levy and also holiday pay entitlement for staff receiving pay in addition to their basic salary. Table 1 also summarises the general budget adjustments for transfers in relation to service realignment, including budget of £146k transferred to Engineering for Home to School Transport in relation to the new Islwyn High School, budget transferred to Community & Leisure Services Division in relation to Community Centres of £377k and budget of £229k in relation to Community Regeneration Fund transferred to Regeneration & Planning. Also budget of £122k transferred from Service Divisions to Corporate Property after the re-designation of Tiryberth depot as a corporate building.

Overall, the Environment Directorate net controllable budget for 2017/2018 has increased by £964k compared to 2016/2017.

| Table 1 | ENGINEERING | REGENERATION & PLANNING | COMMUNITY & LEISURE | PUBLIC PROTECTION | DIRECTOR |
|------------------------------------|---------------|----------------------------|------------------------|----------------------|------------|
| | £000 | £000 | £000 | £000 | £000 |
| Estimate 2016/2017 | 19,618 | 3,857 | 18,136 | 7,143 | 162 |
| Pay Inflation & Non Pay Inflation | 311 | 130 | 369 | 134 | 1 |
| Living Wage | 0 | 1 | 78 | 40 | 0 |
| Apprenticeship Levy | 24 | 23 | 75 | 32 | 1 |
| Holiday Pay | 30 | 7 | 49 | 48 | |
| MTFP Budget Savings | | | | | |
| Bowling Green rationalisation | | | (113) | | |
| Charging for sandwich places | | | | (73) | |
| Breakfast Clubs reduced staff hrs | | | | (50) | |
| NIL impact service Savings | (153) | (274) | (196) | (45) | |
| Other Budget Transfers: | | | | | |
| Home to school Transport | 146 | | | | |
| Community Centres | | | 377 | | |
| Tiryberth Depot Centralised | (3) | 0 | (107) | (12) | |
| Community Regeneration Fund | | 229 | | | |
| Food Hygiene Rating Scheme | | | | 4 | |
| Other Transfers | 11 | 45 | (178) | 3 | |
| Budget Increase (Reduction) | 366 | 161 | 354 | 81 | 2 |
| Estimate 2017/2018 | 19,984 | 4,018 | 18,490 | 7,224 | 164 |

4.2 ENGINEERING SERVICES

- 4.2.1 Engineering Service Division estimates for 2017/2018 include additional budget of £365k for inescapable cost pressures and also £146k transferred to Engineering for Home to School Transport in relation to the new Islwyn High School. As noted in table 1 paragraph 4.1.3 above, the estimate also includes budget reductions for service related MTFP savings of £153k.
- 4.2.2 The Engineering budget includes £8million to fund highway network maintenance, street lighting, winter maintenance and canal maintenance.
- 4.2.3 The Engineering Division estimates for 2017/2018 also include budgets in relation to home to school transport (£6,595k) and social services transport (£1,436k) 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 AND PLANNING

- 4.3.1 The Division has received additional budget of £161k for inescapable cost pressures and £229k in relation to Community Regeneration Fund transferred to Regeneration & Planning.
- 4.3.2 The estimate for 2017/2018 includes budget reductions for service related MTFP savings of £274k, which is a range of nil impact savings in relation to staff vacant posts (£173k) and reductions in some service operational budgets (£101k).
- 4.3.3 The planning application fee income budget for 2017/2018 is £564k and the building control fee income budget is £295k. 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 Communities First delivery grant funding of £2.7million is included in the budget for 2017/2018 but the Welsh Government have announced that the programme will be phased out by March 2018 and replaced by a more focused programme of delivery the level of funding from 2018/2019 onwards is still to be determined.

4.4 COMMUNITY & LEISURE SERVICES

- 4.4.1 The Division has received additional budget of £571k for inescapable cost pressures and £377k budget transferred to the Division in relation to Community Centres.
- 4.4.2 The estimate for 2017/2018 includes budget reductions for service related MTFP savings of £309k including £113k from the rationalisation of bowling green provision and handing over some operations to bowling clubs and £196k of nil impact savings relating to staff vacant posts.
- 4.4.3 Environment and Sustainable Development Grant (ESD) allocation from WG in relation to waste management recycling initiatives has been reduced by £100k to £3,034k million. This grant has been reducing steadily over recent years, reducing by £746k since 2010/2011. There are significant ongoing budget pressures in relation to waste collection and recycling services which are subject to review via the Council's business improvement programme. There is £800k of additional funding held corporately, only available in 2017/2018 to support ongoing budget pressures in relation to dry recycling services, but there will be a need to consider options for producing a balanced budget in future years.

4.5 PUBLIC PROTECTION

- 4.5.1 The Division has received additional budget of £254k for inescapable cost pressures including funding of £40k to Catering in relation to living wage.
- 4.5.2 The estimate for 2017/2018 includes budget reductions for service related MTFP savings of £168k, including further savings in relation to Catering charging schools for sandwich placements (£73k) and a reduction in breakfast clubs staff supervision hours (£50k), both of these savings initiatives were introduced in 2016/2017, the 2017/2018 saving being the second element of the saving, which was originally applied from the start of the September 2016 school term. There has also been £45k of nil impact savings in relation to Catering Service operational costs.
- 4.5.3 The Licensing fee income budget has been set at £320k and this will be monitored closely as the Deregulation Act 2015 now allows for some licences such as Hackney Carriage and Private Hire Drivers and Private Hire Operators Licences 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 £226k. Income generation in these services can be subject to variation and any potential shortfall will be monitored closely.

- 4.5.4 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. Financial information in relation to the Public Protection Division will for 2017/2018 also be reported to the Health Social Care & Wellbeing Scrutiny Committee, in line with realignment of senior officer reporting arrangements.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-Being and Future Generations (Wales) Act 2015 are met.

6. EQUALITIES IMPLICATIONS

- 6.1 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.

7. FINANCIAL IMPLICATIONS

- 7.1 This report deals with the financial issues.

8. PERSONNEL IMPLICATIONS

- 8.1 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.

9. CONSULTATIONS

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

10. RECOMMENDATIONS

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

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To enable the achievement of the Service Divisions' objectives for 2017/2018.

12. STATUTORY POWER

- 12.1 Local Government Acts 1998 and 2003.

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Consultees

Councillor D.T Davies Chair Regeneration & Environment Scrutiny Committee
Councillor C Forehead Vice Chair Regeneration & Environment Scrutiny Committee
Christina Harray Corporate Director, Communities
Dave Street Corporate Director, Social Services
Terry Shaw, Head of Engineering Services
Mark S Williams Head of Community & Leisure Services
Robert Hartshorn, Head of Public Protection
Steve Harris, Interim Head of Corporate Finance
Marcus Lloyd, WHQS and Infrastructure Strategy Manager
Tim Stephens, Interim Chief Planning Officer
Dave Whetter, Interim Head of Regeneration
Cheryl Jeremic, Acting Group Accountant
Rose Shears, Finance Officer
Jane Southcombe, Education Financial Services Manager
Dave Roberts, Group Accountant
Paul Adams, Senior Assistant Accountant
Mike Jones, Interim Financial Services Manager Social Services

Background Papers:

Divisional budget papers 2017/2018

Appendices:

| | |
|-------------|---|
| Appendix 1A | Budget Monitoring Report – Regeneration and Planning |
| Appendix 1B | Engineering Services |
| Appendix 1C | Budget Monitoring Report – Public Protection |
| Appendix 1D | Budget Monitoring Report – Community and Leisure Services |

Links to other Documents:

| | |
|---------|--|
| Minutes | Council Meeting 22/2/2017: Budget Proposals 2017/18 and Medium-Term Financial Strategy 2017/2022 |
| Agenda | Item No. 4 |

| DIRECTORATE OF THE ENVIRONMENT | Page No | Estimate 2016/2017 | Revised Estimate 2016/2017 | Estimate 2017/18 |
|--|----------------|--|--|--|
| <u>REGENERATION & PLANNING</u> | | | | |
| REGENERATION | | | | |
| Senior Management Support | | 74,644 | 74,644 | 132,544 |
| Business Support - Business Support & Funding Commercial Properties | | 830,244 (1,023,524) | 650,402 (1,023,524) | 623,644 (1,063,988) |
| | | (193,280) | (373,122) | (440,344) |
| Business Urban Renewal | | 270,111 | 403,593 | 310,177 |
| Destination & Events Management, Marketing & Events Tourism Venues Blackwood Miners Institute Arts Development | | 120,215 952,424 302,768 147,431 | 407,324 952,424 302,768 147,431 | 390,921 960,773 313,415 149,752 |
| | | 1,522,838 | 1,809,947 | 1,814,861 |
| Community Regeneration | | 210,596 | 210,596 | 214,889 |
| Communities First Expenditure Grant Funding | | 2,902,453 (2,902,453) | 3,644,012 (3,644,012) | 2,772,917 (2,772,917) |
| | | 0 | 0 | 0 |
| | | 1,884,909 | 2,125,658 | 2,032,127 |
| PLANNING Countryside and Landscape Strategic Planning Development Building Control Land Charges Corporate and Democratic Core | | 1,134,430 402,726 346,516 (39,805) (13,700) 141,706 | 1,134,430 402,726 346,516 (39,805) (13,700) 141,706 | 1,144,010 411,284 333,183 (32,227) (12,211) 142,356 |
| | | 1,971,873 | 1,971,873 | 1,986,395 |
| TOTAL NET BUDGET | | 3,856,782 | 4,097,531 | 4,018,522 |
| CENTRAL SUPPORT SERVICE APPORTIONMENTS | | 1,014,922 | 1,014,922 | 1,031,161 |
| CORPORATE BUILDINGS APPORTIONMENTS | | 134,956 | 130,317 | 118,211 |
| | | 5,006,660 | 5,242,770 | 5,167,894 |

Appendix 1B

| <i>ENVIRONMENT DIRECTORATE</i> | Page No | Estimate 2016/17 | Revised Estimate 2016/17 | Budget 2017/18 |
|---|--------------------|-----------------------------|---|---------------------------|
| <i>ENGINEERING SERVICES DIVISION</i> | | | | |
| <i>HIGHWAY OPERATIONS</i> | | 9,681,534 | 9,681,534 | 9,768,672 |
| ENGINEERING PROJECTS GROUP | | (108,732) | (108,732) | (107,486) |
| <i>TRANSPORTATION ENGINEERING</i> | | 675,508 | 675,508 | 627,941 |
| PASSENGER TRANSPORT | | 1,687,821 | 1,684,821 | 1,720,933 |
| HOME TO SCHOOL TRANSPORT | | 6,347,419 | 6,400,597 | 6,594,788 |
| <i>SOCIAL SERVICES TRANSPORT</i> | | 1,409,273 | 1,409,273 | 1,435,771 |
| NETWORK CONTRACTING SERVICES | | (174,544) | (174,544) | (154,305) |
| <i>ENGINEERING - GENERAL</i> | | 99,708 | 99,708 | 97,777 |
| TOTAL NET EXPENDITURE | | 19,617,987 | 19,668,165 | 19,984,091 |
| <i>CENTRAL SUPPORT SERVICE APPORTIONMENT</i> | | 512,783 | 512,783 | 520,988 |
| <i>CORPORATE BUILDING APPORTIONMENT</i> | | 186,973 | 188,644 | 290,460 |
| NET EXPENDITURE : ENGINEERING SERVICES | | 20,317,743 | 20,369,592 | 20,795,539 |

| <i>DIRECTORATE OF THE ENVIRONMENT</i> | Page No | Estimate 2016/2017 | Revised Estimate 2016/2017 | Estimate 2017/2018 |
|---|--------------------|-------------------------------|---|-------------------------------|
| <u>PUBLIC PROTECTION DIVISION</u> | | | | |
| <i>TRADING STANDARDS</i> | | 791,705 | 791,705 | 813,354 |
| <i>LICENSING</i> | | 34,729 | 34,729 | 41,554 |
| <i>REGISTRARS</i> | | 72,809 | 72,809 | 71,057 |
| <i>CCTV</i> | | 467,643 | 460,323 | 465,694 |
| <i>COMMUNITY WARDENS</i> | | 349,314 | 344,163 | 357,683 |
| <i>COMMUNITY SAFETY</i> | | 18,304 | 18,304 | 0 |
| <i>CORPORATE AND DEMOCRATIC COSTS (CDC)</i> | | 35,806 | 35,806 | 62,182 |
| <i>HEALTH DIVISIONAL BUDGET</i> | | 253,423 | 253,423 | 252,174 |
| <i>ENFORCEMENT</i> | | 630,218 | 630,218 | 631,251 |
| <i>POLLUTION</i> | | 388,778 | 388,778 | 421,221 |
| <i>FOOD TEAM</i> | | 566,494 | 566,494 | 565,730 |
| <i>EMERGENCY PLANNING</i> | | 95,025 | 95,025 | 97,454 |
| <i>CATERING</i> | | 3,438,458 | 3,438,458 | 3,444,337 |
| <i>TOTAL NET EXPENDITURE</i> | | 7,142,706 | 7,130,235 | 7,223,691 |
| <i>CENTRAL SUPPORT SERVICE APPORTIONMENTS</i> | | 914,586 | 914,586 | 929,220 |
| <i>CORPORATE BUILDINGS APPORTIONMENTS</i> | | 157,851 | 162,650 | 162,915 |
| | | 8,215,143 | 8,207,471 | 8,315,826 |

Appendix 1D

| <i>DIRECTORATE OF THE ENVIRONMENT</i> | Page No | Estimate 2016/2017 | Revised Estimate 2016/2017 | Estimate 2017/2018 |
|---|---------|--------------------|----------------------------|--------------------|
| <u>COMMUNITY & LEISURE SERVICES</u> | | | | |
| WASTE MANAGEMENT | | | | |
| <i>Residual Waste</i> | | 2,417,728 | 2,417,728 | 2,318,325 |
| <i>Organics recycling</i> | | 1,516,001 | 1,516,001 | 1,186,173 |
| <i>Civic Amenity Sites</i> | | 2,522,903 | 2,522,903 | 2,787,576 |
| <i>Waste Transfer Station</i> | | 137,602 | 137,602 | 127,872 |
| <i>Dry Recycling</i> | | 2,109,873 | 2,909,873 | 2,544,615 |
| <i>RCCO</i> | | 580,000 | 580,000 | 391,000 |
| <i>Bulky Waste</i> | | 134,626 | 134,626 | 136,559 |
| <i>Commercial Waste</i> | | (537,827) | (537,827) | (551,439) |
| <i>Other Waste</i> | | 68,567 | 68,567 | 69,663 |
| <i>Treher</i> | | 121,800 | 121,800 | 123,749 |
| <i>Sustainable Waste Management Grant</i> | | (3,134,136) | (3,134,136) | (3,034,136) |
| <i>HQ Staff</i> | | 1,386,328 | 1,328,473 | 1,362,230 |
| CLEANSING | | | | |
| <i>Public Conveniences</i> | | 91,944 | 91,944 | 91,280 |
| <i>Street Cleansing</i> | | 4,349,596 | 4,349,596 | 4,379,929 |
| <i>RCCO</i> | | 75,000 | 75,000 | 0 |
| GROUND MAINTENANCE AND PARKS | | | | |
| <i>Cemeteries</i> | | (118,132) | (118,132) | (94,162) |
| <i>Allotments</i> | | 37,856 | 37,856 | 38,462 |
| <i>Parks and Playing Fields</i> | | 1,532,410 | 1,532,410 | 1,719,070 |
| <i>Playgrounds</i> | | 274,027 | 274,027 | 278,478 |
| <i>Outdoor facilities</i> | | 291,198 | 291,198 | 286,018 |
| <i>Housing Ground Maintenance</i> | | 239,277 | 239,277 | 0 |
| <i>Community Assets Funding</i> | | 58,000 | 58,000 | 58,000 |
| <i>HQ Staffing</i> | | 956,369 | 956,369 | 966,881 |
| LEISURE SERVICES | | | | |
| <i>Leisure Centres</i> | | 2,429,389 | 2,429,389 | 2,488,810 |
| <i>Sports & Health Development</i> | | 54,059 | 54,059 | 19,123 |
| <i>Outdoor Education</i> | | 153,070 | 153,070 | 157,997 |
| <i>Community Centres</i> | | 0 | 0 | 386,602 |
| | | 17,747,528 | 18,489,673 | 18,238,675 |
| <i>Building Cleaning</i> | | 477,620 | 471,634 | 495,925 |
| <i>Vehicle Maintenance & Fleet Management</i> | | (89,177) | (132,150) | (244,964) |
| Total net expenditure Community & Leisure Services | | 18,135,971 | 18,829,157 | 18,489,636 |
| CENTRAL SUPPORT SERVICE APPORTIONMENTS | | 1,068,370 | 1,068,370 | 1,266,145 |
| CORPORATE BUILDINGS APPORTIONMENTS | | 2,762 | 131,234 | 266,469 |
| | | 19,207,103 | 20,028,761 | 20,022,250 |
| | | | | |