



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: REVENUE BUDGET 2018 / 2019 ENVIRONMENT DIRECTORATE

REPORT BY: INTERIM CORPORATE DIRECTOR OF COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the revenue budget for 2018/2019 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 2018/2019.
- 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 2018.
- 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 2018, the budget for 2018/2019 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 2018/2019 as part of the 2018/2023 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. A number of the proposed MTFP savings originally considered by Council on 22nd February were subsequently revised, including the deletion of a £81k saving identified in relation to the closure of Pontllanfraith Leisure Centre which will now be considered as part of a wider review of Leisure centre provision. MTFP savings in relation to the highway maintenance budget were increased by £70k from £309k to £379k to partly offset the saving not applied in relation to Pontllanfraith Leisure Centre.
- 4.1.3 As outlined in table 1 below and in line with the MTFP, the Environment Directorate has identified MTFP savings of £2.219million allocated across the four Service Divisions. These savings represent 4.45% of the 2017/2018 net controllable revenue budgets of Environment Services. The majority of the savings were considered to have NIL impact with a total value of £1.294million 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 with a total value of £925k.
- 4.1.4 Additional budget of £1.718million has been allocated to the Directorate revenue budgets for inescapable cost pressures in relation to pay inflation (2%), non- pay inflation (2%) and employer's superannuation (0.28%) and also living wage, primarily in relation to Catering services and Building Cleaning services.
- 4.1.5 Table 1 also summarises other general budget adjustments including funding transferred to the Council from Welsh Government of £1.819million in relation to waste management recycling, transfers in relation to service realignment, including £104k transferred to Engineering for Home to School Transport and budget transferred from Regeneration & Planning Division to Community & Leisure Services Division of £1.092million in relation to Countryside services as a result of the merger of Parks & Countryside. Also budget of £42.7k transferred from Community & Leisure to Corporate Property after the re-designation of Ty-Dyffryn as a corporate building and budget of £29k to Community & Leisure as a result of amendments to the rateable value of Pontllanfraith Leisure centre and the requirement for additional security linked to the school site.
- 4.1.6 Overall, the Environment Directorate net controllable budget for 2018/2019 has increased by £1.394million compared to 2017/2018 increasing from £49.880million to £51.274million.

Table 1	ENGINEERING	REGENERATION & PLANNING	COMMUNITY & LEISURE	PUBLIC PROTECTION	DIRECTOR
	£000	£000	£000	£000	£000
Estimate 2017/2018	19,984	4,018	18,490	7,224	164
Pay Inflation & Non Pay Inflation	467	212	635	241	4
Living Wage	3	4	87	65	0
MTFP Budget Savings					
Reduction in winter maintenance	(35.5)				
School Crossing patrol staffing	(38)				
Transport Road safety restructure	(25)				
Highways Structures SLA	(20)				
Other Engineering	(60)				
Highway Maintenance	(379)				
Community Regeneration Fund		(137)			
Business Grants		(12)			
Events at Llancaiach Fawr		(10)			
Publicity & Promotion		(7)			
Caerphilly Adventures Income			(20)		
Admin Fee Commercial Waste			(20)		
Meals Direct van helper				(7.5)	
Meals Direct meal charges				(11)	
School Meals 10p Secondary				(50)	
Schools Meals 10p Primary				(54)	
Registrars Income Ceremony fees				(10)	
Pest Control/Animal Trespass				(29)	
NIL impact service savings	(174.5)	(409)	(577)	(133.5)	
Other Budget Transfers:					
Home to school Transport	104				
Countryside Services		(1,092)	1,092		
Ty Dyffryn Depot Centralised			(43)		
Other Transfers	(7.5)	(7.5)			
Additional Funding Pont LC			29		
Transfers From WG:					
Waste Recycling Funding			1,819		
Budget Increase (Reduction)	(165)	(1,458)	3,002	11	4
Estimate 2018/2019	19,819	2,560	21,492	7,235	168

4.2 ENGINEERING SERVICES

4.2.1 Engineering Service Division estimates for 2018/2019 include additional budget of £470k for inescapable cost pressures and also £104k 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 £732k which represent 3.7% of the 2017/2018 base budget.

4.2.2 The Engineering budget includes £7.26million to fund highway network maintenance, street lighting, winter maintenance and canal maintenance.

4.2.3 The Engineering Division estimates for 2018/2019 also include budgets in relation to home to school transport (£6,831k) and social services transport (£1,465k) which represent 41.8% 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 £216k for inescapable cost pressures. Budget of £1,092k has been transferred from Regeneration & Planning to Community & Leisure as a result of the merger of Parks and Countryside services.

4.3.2 The estimate for 2018/2019 includes budget reductions for service related MTFP savings of £575k as noted in table 1 above and these savings represent 14.3% of the 2017/2018 revenue base budget.

4.3.3 The planning application fee income budget for 2018/2019 is £568k and the building control fee income budget is £295k these budgets have remained at the same level as 2017/2018. 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 The service division also has a large income budget for Industrial and Commercial property rentals of £2.2million which can also be susceptible to variation due to general economic conditions and the level of occupancy of the units rented by the Council.

4.3.5 Communities First grant funded initiatives of £2.7million were phased out by Welsh Government during 2017/2018 and ceased in 2018/2019 but have now been replaced by new grant funded initiatives of £2million in relation to Legacy (building resilient communities via a 3E's approach of employability, empowerment and early years) and "C4W Plus" which is in addition to the existing C4W (Communities for Work scheme funded via the European Social Fund).

4.4 COMMUNITY & LEISURE SERVICES

4.4.1 The Division has received additional budget of £722k for inescapable cost pressures including a further £87k to fund ongoing to living wage initiatives which impact on employee costs especially in relation to Building Cleaning services.

4.4.2 Budget of £1,092k has transferred into the service in relation to Countryside services which has now merged with Parks services as part of service restructuring initiatives approved.

4.4.3 The estimate for 2018/2019 includes budget reductions for service related MTFP savings of £617k as noted in table 1 above, which represents 3.3% of the 2017/2018 revenue budget. As noted in paragraph 4.1.2 above, MTFP savings of £81k initially considered in relation to the closure of Pontllanfraith Leisure Centre were deleted from the final list of savings.

4.4.4 An element (£1,819k) of the Environment and Sustainable Development Grant (ESD) from WG in relation to waste management recycling initiatives has for 2018/2019 been transferred to CCBC as part of the RSG (revenue support grant) and this has been passed through to the Community & Leisure waste management service as additional budget provision. Further WG grant funding of £943k will also be received as SWMG (Sustainable Waste Management Grant) giving combined funding of £2,762k for waste recycling initiatives. However, overall this combined funding is £272k less than the £3,034k grant funding received in 2017/2018 as part of the old ESD grant. Funding from WG for Council waste recycling initiatives has been reducing steadily over recent years, reducing by £1,018k 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 and the reduction in Welsh Government funding is accentuating this problem.

There is £800k of additional funding held corporately, 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 £306k for inescapable cost pressures including funding of £65k to Catering in relation to living wage.
- 4.5.2 The estimate for 2018/2019 includes budget reductions for service related MTFP savings of £295k as detailed in table 1 above, which represents 4.1% of the 2017/2018 revenue budget.
- 4.5.3 The Licensing fee income budget remains at £320k in 2018/2019 and this will be monitored closely as levels of licensing income is influenced by the general economic climate and the number of businesses trading. The Deregulation Act 2015 also 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 increased by £10k to £235k as part of the MTFP savings approved for the service area.
- 4.5.4 As noted in table 1 there are a number of MTFP savings in relation to Catering services linked to meal prices in schools and for Meals Direct, the income budgets in these areas will be monitored closely as they can be influenced by factors such as school closures for adverse weather, trends in school meal take up and demand for meals on wheels.

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 2018/2019.

12. STATUTORY POWER

- 12.1 Local Government Acts 1998 and 2003.

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Rose Shears, Finance Officer
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Dave Roberts, Group Accountant
Paul Adams, Senior Assistant Accountant
Mike Jones, Interim Financial Services Manager Social Services

Background Papers:
Divisional budget papers 2018/2019.

Appendices:
Appendix 1A Budget Monitoring Report - Regeneration and Planning
Appendix 1B Budget Monitoring Report - Engineering Services Division
Appendix 1C Budget Monitoring Report - Community and Leisure Services
Appendix 1D Budget Monitoring Report - Public Protection Division

Links to other Documents:

Minutes Council Meeting 22/2/2018: Budget Proposals 2018/19 and Medium-Term Financial Strategy 2018/2023
Agenda Item No. 4

DIRECTORATE OF THE ENVIRONMENT	Page No	Estimate 2017/2018	Revised Estimate 2017/2018	Estimate 2018/19
<u>REGENERATION & PLANNING</u>				
REGENERATION				
Senior Management Support		132,544	132,544	77,982
Business Support -				
Business Support & Funding		623,644	597,521	433,213
Commercial Properties		(1,063,988)	(1,045,365)	(1,063,437)
		(440,344)	(447,844)	(630,224)
Business Urban Renewal		310,177	310,177	297,045
Destination & Events				
Management, Marketing & Events		390,921	402,921	372,691
Tourism Venues		960,773	960,773	894,754
Blackwood Miners Institute		313,415	313,415	324,362
Arts Development		149,752	149,752	152,997
		1,814,861	1,826,861	1,744,804
Community Regeneration		214,889	214,889	168,576
Legacy/C4W Grant Programmes				
Expenditure				2,001,161
Grant Funding				(2,001,161)
		0	0	0
Communities First				
Expenditure		2,772,917	2,772,917	
Grant Funding		(2,772,917)	(2,772,917)	
		0	0	0
		2,032,127	2,036,627	1,658,183
PLANNING				
Countryside and Landscape		1,144,010	1,144,010	0
Strategic Planning		411,284	411,284	404,256
Development		333,183	333,183	332,384
Building Control		(32,227)	(32,227)	(30,845)
Land Charges		(12,211)	(12,211)	(9,849)
Senior Management and Corporate & Democratic Core		142,356	142,356	205,385
		1,986,395	1,986,395	901,331
TOTAL NET BUDGET		4,018,522	4,023,022	2,559,514

Appendix 1b

<i>ENVIRONMENT DIRECTORATE</i>	Page No	Estimate 2017/18	Revised Estimate 2017/18	Budget 2018/19
<u>ENGINEERING SERVICES DIVISION</u>				
<i>HIGHWAY OPERATIONS</i>		9,768,672	9,768,672	9,394,216
ENGINEERING PROJECTS GROUP		(107,486)	(107,486)	(99,873)
<i>TRANSPORTATION ENGINEERING</i>		627,941	627,941	567,051
PASSENGER TRANSPORT		1,720,933	1,720,933	1,751,908
HOME TO SCHOOL TRANSPORT		6,594,788	6,594,788	6,831,258
<i>SOCIAL SERVICES TRANSPORT</i>		1,435,771	1,435,771	1,465,319
NETWORK CONTRACTING SERVICES		(154,305)	(154,305)	(146,017)
<i>ENGINEERING - GENERAL</i>		97,777	90,277	55,403
TOTAL NET EXPENDITURE		19,984,091	19,976,591	19,819,265

DIRECTORATE OF THE ENVIRONMENT	Page No	Estimate 2017/2018	Revised Estimate 2017/2018	Estimate 2018/2019
<u>COMMUNITY & LEISURE SERVICES</u>				
WASTE MANAGEMENT				
<i>Residual Waste</i>		2,318,325	2,318,325	2,331,900
<i>Organics recycling</i>		1,186,173	1,186,173	1,330,439
<i>Civic Amenity Sites</i>		2,787,576	2,787,576	2,989,173
<i>Waste Transfer Station</i>		127,872	127,872	108,839
<i>Dry Recycling</i>		2,544,615	2,544,615	2,175,012
<i>RCCO</i>		391,000	391,000	391,000
<i>Bulky Waste</i>		136,559	136,559	149,892
<i>Commercial Waste</i>		(551,439)	(551,439)	(538,660)
<i>Other Waste</i>		69,663	69,663	71,055
<i>Treher</i>		123,749	123,749	126,224
<i>Sustainable Waste Management Grant</i>		(3,034,136)	(3,034,136)	(942,804)
<i>HQ Staff</i>		1,362,230	1,362,230	1,280,201
CLEANSING				
<i>Public Conveniences</i>		91,280	91,280	93,146
<i>Street Cleansing</i>		4,379,929	4,379,929	4,235,188
<i>RCCO</i>		0	0	
GROUND MAINTENANCE AND PARKS				
<i>Cemeteries</i>		(94,162)	(94,162)	(140,856)
<i>Allotments</i>		38,462	38,462	39,231
<i>Parks and Playing Fields</i>		1,719,070	1,719,070	1,705,503
<i>Playgrounds</i>		278,478	278,478	284,223
<i>Outdoor facilities</i>		286,018	286,018	274,003
<i>Housing Ground Maintenance</i>		0	0	
<i>Community Assets Funding</i>		58,000	58,000	54,160
<i>Countryside</i>		0	0	1,092,071
<i>HQ Staffing</i>		966,881	966,881	1,009,471
LEISURE SERVICES				
<i>Leisure Centres</i>		2,488,810	2,488,810	2,594,077
<i>Sports & Health Development</i>		19,123	33,123	20,024
<i>Outdoor Education</i>		157,997	157,997	143,091
<i>Community Centres</i>		386,602	386,602	359,855
		18,238,675	18,252,675	21,235,458
<i>Building Cleaning</i>		495,925	495,925	517,207
<i>Vehicle Maintenance & Fleet Management</i>		(244,964)	(244,964)	(260,883)
Total net expenditure Community & Leisure Services		18,489,636	18,503,636	21,491,782

Appendix 1D

<i>DIRECTORATE OF THE ENVIRONMENT</i>	Page No	Estimate 2017/2018	Revised Estimate 2017/2018	Estimate 2018/2019
<u>PUBLIC PROTECTION DIVISION</u>				
<i>TRADING STANDARDS</i>		813,354	813,354	794,619
<i>LICENSING</i>		41,554	41,554	51,183
<i>REGISTRARS</i>		71,057	71,057	67,848
<i>CCTV</i>		465,694	465,694	466,777
<i>COMMUNITY WARDENS</i>		357,683	357,683	355,019
<i>CORPORATE AND DEMOCRATIC COSTS (CDC)</i>		62,182	62,182	54,643
<i>HEALTH DIVISIONAL BUDGET</i>		252,174	252,174	244,869
<i>ENFORCEMENT</i>		631,251	631,251	641,124
<i>POLLUTION</i>		421,221	421,221	410,366
<i>FOOD TEAM</i>		565,730	565,730	571,716
<i>EMERGENCY PLANNING</i>		97,454	97,454	93,185
<i>CATERING</i>		3,444,337	3,444,337	3,483,837
<i>TOTAL NET EXPENDITURE</i>		7,223,691	7,223,691	7,235,186