



HOUSING AND REGENERATION SCRUTINY COMMITTEE – INFORMATION ITEM

**SUBJECT: ECONOMY AND ENVIRONMENT 2021/22 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 2021/22 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 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 £377k, but exclusive of ring-fenced budgets is projecting an overspend of £8k. 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 | 2,821 | 45 |
| Infrastructure Division | 20,694 | 20,694 | 20,286 | 408 |
| Public Protection Division | 7,543 | 7,543 | 7,449 | 95 |
| Community & Leisure Services Division | 22,284 | 22,284 | 22,456 | (172) |
| Directorate General | 178 | 178 | 177 | 1 |
| NET DIRECTORATE | 53,565 | 53,565 | 53,189 | 377 |
| Home to School Transport - ring fenced under spend | | | | 113 |
| Social Services Transport – ring fenced under spend | | | | 187 |
| Cemeteries Task & Finish – ring fenced under spend | | | | 85 |
| NET DIRECTORATE over spend (excluding ring fenced budgets) | | | | (8) |

5.2 REGENERATION & PLANNING DIVISION

- 5.2.1 Overall, the service division presently has a projected underspend of £45k for the 2021-22 financial year, full details are provided in Appendix 1
- 5.2.2 Development Control is reporting overspend of £35k primarily due to a projected shortfall in planning application fees of £112k, pre-application advice fee income is also projected at £19k below budget. Underachievement in income is partly offset by salary savings of £95k due to delays in filling vacant posts.
- 5.2.3 Building Control is reporting underspend of £34k due in the main to delays in filling vacant posts.
- 5.2.4 Strategic Planning is presently projected to be £17k underspent due in the main to a delayed filling of a vacant post and staff on reduced working hours.
- 5.2.5 Regeneration & Planning Administrative Support are projecting a £30k 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 underspent of £11k due to delays in filling of vacant posts.
- 5.2.7 Land charge services are projecting a £19k overspend due to a shortfall in search fee income. This income will be monitored during the year.
- 5.2.8 Business Support and Urban Renewal are projecting a £10k overspend, primarily due to income levels not being achieved in Bargoed Unit shops along with additional NNDR for an acquired property in Caerphilly pending demolition off set by salary savings due to delays in filling vacant posts.

- 5.2.9 Town Centre Management is projecting an underspend of £14k, due in the main to a delay in filling a vacant post along with reduced postage costs and other small savings offset by reduced income.
- 5.2.10 There is a projected £80k overspend in relation to industrial properties primarily due to shortfall in property rents of £120k linked to units being unoccupied including Cherry Trees offset in the main to reductions in maintenance 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 £47k. 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 a small overspend of £4k at present although lifting of further restrictions from WG could aid this position.
 - Cwmcarn VC is projecting a £61k overspend due to reduced income levels for the camp site which is due to targets not being met. Additional income is being received now the scenic drive is open.
 - Winding House is predicting an underspend of £21k due in the main to delays in filling a vacant post and potential one off savings on NNDR from a revaluation.
 - Caerphilly visitor Centre is predicting a £36k 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 and the centre is not allowed any loss of income claims from WG.
 - Blackwood Miners Institute is projecting a small underspend of £18k 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 £14k due to reduced artistes' fees and associated costs.
- 5.2.12 Tourism Events are projecting a net underspend of £11k. 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 £117k 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 £2k 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 June 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
Mark S Williams, Corporate Director for Economy & Environment
Rhian Kyte, Head of Regeneration and Planning
Steve Harris, Head of Financial Services & S151 Officer
Cllr E. Stenner, Cabinet Member for Performance, Economy & Enterprise

Cllr A. Whitcombe, Cabinet Member for Sustainability, Planning & 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