



ENVIRONMENT AND SUSTAINABILITY SCRUTINY COMMITTEE – FOR INFORMATION

**SUBJECT: ECONOMY AND ENVIRONMENT 2022/2023 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 2022/2023 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 2022/2023 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 that fall within the remit of this Scrutiny.

3. RECOMMENDATIONS

- 3.1 Environment & Sustainability Scrutiny Committee Members are requested to note the contents of this report and the detailed budget monitoring pages that follow in respect of the Infrastructure Services Division, Public Protection Division and Community & Leisure Services 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. 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 1C.

- 5.1.2 The table 1 below summarises the present budget monitoring position, with an overall Directorate underspend of £491k, but exclusive of ring-fenced budgets is projecting an underspend of £369k. Appendices 1A to 1C provide more detail on the budget variation projections for each Service Division, that falls within 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	2,860	303
Infrastructure Division	22,059	22,231	21,807	423
Public Protection Division	8,631	8,631	8,438	193
Community & Leisure Services Division	23,496	23,496	23,923	(428)
Directorate General	259	259	259	0
NET DIRECTORATE	57,608	57,780	57,287	491
Home to School Transport - ring fenced under spend				(28)
Social Services Transport – ring fenced under spend				252
Cemeteries Task & Finish – ring fenced under spend				(102)
NET DIRECTORATE over spend (excluding ring fenced budgets)				369

5.2 INFRASTRUCTURE DIVISION

- 5.2.1 Infrastructure is overall reporting a net underspend of £199k, after excluding budget variations in relation to Home to School Transport (£28k overspend) and Social Services Transport (£252k under spend) which will be ring fenced and appropriated back to the Service Directorates, this also accounts for the agreed use of the Covid reserve to fund Car Park income loss to September 2022.
- 5.2.2 Highway Services is reporting an underspend of £135k. The main variances are:
- Due to delays in filling vacant posts.
 - At present winter maintenance costs are difficult to predict but it is assumed the full budget of £1.16 million) will be spent.
- 5.2.3 EPG (Engineering Projects Group) is reporting underspend of £1k.
- 5.2.4 Transportation Engineering overall is projecting a small net overspend of £48k after adjusting for the agreed use of the Covid 19 reserve to fund the Car Park income to September. Included, subject to cabinets agreement, £171k as loss of income of implementing the proposals of the Task and Finish Group, supported by the Joint Scrutiny from October to March 2023. The main reason for variances is reduced income levels.
- 5.2.5 Passenger Transport is reporting an underspend of £102k, this is due in the main to reduced salary costs.
- 5.2.6 At this stage Network Contracting Services (NCS) is anticipating an underspend of £2k due in the main to additional income, this will be monitored closely during the year.
- 5.2.7 Home to School Transport is presently projecting net overspend of £28k on a £8.5M budget, after the in year virement of £172k, in the main due to additional contractor costs.

5.2.8 Social Services Transport is projecting under spend of £252k including £103k on salaries, £149k for service operators. There is risk of operator failure leading to increased cost in future although this is partly an in-house operator function rather than private contractor.

5.3 PUBLIC PROTECTION

5.3.1 Public Protection is presently projecting underspend of £193k on their overall revenue budget details below.

5.3.2 Environmental Health is currently projecting a net underspend of £271k. The main variances are: -

- Community Safety Wardens is forecasting an underspend of £123k due in the main to delays in filling vacant posts.
- Health Division is predicting an underspend of £34k due in the main to reduced staff cost.
- Community Safety Partnership is predicting a small underspend of £10k due to delays in filling a vacant post.
- Enforcement is forecasting an underspend of £33k mainly due to reduced travel, vehicle and external agency costs, partially offset by reduced income/fees.
- Pollution Control are predicting a net underspend of £57k partly due to vacant posts, but primarily due to grant received from WG to fund staffing costs linked to Hafodyrynys. At this stage it is unlikely this will be required to fund any shortfall in the purchase/compensation Capital grant received from WG to fund the acquisition and payment of compensation for the houses at Hafodyrynys, as this was practically completed in 2020/21. Hafodyrynys Compensation/Acquisition has been funded by a ring-fenced reserve of £268k (from prior to 2020/21 grant) and an RCCO in 2020/21 of £34k (from 2020/21 grant). There are also a number of other ongoing issues in respect of air quality, pollution, and contaminated land and these are being closely monitored as any increases in this area would impact on the overall financial position.
- Food Team is predicting a small net overspend of £15k after taking into account the use of reserves.
- Emergency Planning is predicting a £25k underspend due in the main to a delay in filling a vacant post.

5.3.3 Trading Standards (including Corporate and Democratic Services costs) are projecting a net £13k (Trading Standards & Corporate and Democratic Services costs) underspend due in the main to delays in filling vacant posts and staff not at the top of the incremental scale.

5.3.4 Licensing are projecting a breakeven position. The income levels are volatile and will be monitored during the course of the year.

5.3.5 Registrars are projecting a £29k underspend mainly due to an upturn in income more than offsetting increased costs.

5.3.6 CCTV services are projecting a slight overspend of £2k with salary and line rental underspends offsetting additional infrastructure cost.

5.3.7 Catering Services are projecting a net overspend of £118k. The underspend is due in the main to reduced income levels offset by salary underspends due to delays in filling vacant posts and reduced supplies and services. This is after adjusting for the agreed use of reserves for the Cashless Catering Invoicing post. The income will be monitored during the year especially as WG committed to a phased role out of FSM for all Primary pupils.

5.4 COMMUNITY & LEISURE SERVICES

- 5.4.1 The Community & Leisure Division is presently projecting overall a net overspend of £428k, this overspend is noted below.
- 5.4.2 Waste Management is overall presently reporting an overspend of £546k on a £10m budget due in the main to:-
- Residual Waste is projecting an overspend of £242k due in the main to additional vehicles costs, increased costs of waste treatments (£126K) and savings on staff costs.
 - Organic recycling is projecting a £77k underspend due to salary savings on vacant posts, reduced vehicle costs together with savings on contractor payments for treatment costs.
 - CA sites are projecting a £367k overspend due in the main to the additional wood treatment costs.
 - Waste Transfer Station is projecting a £26k overspend due in the main to increased transport costs.
 - Dry Recycling is forecasting a £453k overspend due in the main to increased tonnage costs (£333k) along with vehicle costs (£187k) due to additional hire costs, vehicle repairs and fuel costs. These have been partially offset with some savings on staffing and non-salary related costs.
 - RCCO (revenue contribution to capital outlay) is forecast to be £81k underspend due to no anticipated expenditure on vehicle acquisitions.
 - Bulky Waste is projecting a £18k underspend due to lower tonnages being sent to the contractor.
 - Commercial Waste is projecting a £99k underspend due in the main to overachievement of income.
 - Other Waste is projecting a £23k underspend due a costs being lower than earlier predictions.
 - Trehir is projecting a £77k underspend due to reduced maintenance costs and a reduction in sewage charges.
 - Sustainable Waste Management Grant (SWMG) from WG is showing a breakeven position at present.
 - HQ staff predicted an underspend of £166k which is due in the main to a vacant posts.
- 5.4.3 Cleansing Services is overall presently reporting an underspend of £19k. This is due in the main to a combination of staff vacant posts offset by additional agency costs and disposal costs.
- 5.4.4 An overspend of £45k is projected for Parks & Countryside, Outdoor Facilities and Cemeteries.
- Cemeteries is reporting a £102k overspend, this overspend in the main is due to increased contractor and agency costs and reduced income levels offset by some salary savings and non salary related costs. Any overspend in relation to cemeteries is ring fenced and will be funded by the ringfenced reserve.
 - Parks, are projecting a net £175k overspend after taking into account the use of agreed reserves to fund "Ash-Die Back" and Cleaner Greener Schemes. This overspend in due in the main to reduced income levels offset by salary savings and some non-salary related savings.
 - Allotments are projecting a small underspend of £19k, due in the main to small savings on salaries and contractor payments.
 - Playgrounds are reporting a £28k underspend due in the main to salary savings.
 - Outdoor facilities are reporting £55K overspend in the main due to increased utility costs, reduced income levels partially offset by savings on salaries.
 - Countryside is reporting an underspend of £67k in the main due to staff vacancies and private contractor costs offset by reduced income levels.
 - HQ is projecting an underspend of £72k primarily due to savings on salary costs and non-salary related expenditure, mainly transport costs.

- 5.4.5 Leisure Centres are reporting overspend of £157k. The main reasons for this are the increased utility costs in running the centres and the loss of income from the use of Pontllanfraith LC as a mass vaccination centre, there are ongoing discussions as to the funding of income. This is after taking into account of the agreed use of the ringfenced reserve for the replacement seats in the Centre of Sporting Excellence.
- 5.4.6 Community Centres are at present projecting a breakeven position with any reductions in operating costs they hope to utilise to bring forward maintenance on these buildings.
- 5.4.7 Caerphilly Adventures is reporting an underspend of £1k.
- 5.4.8 Sports Development is projecting a breakeven position.
- 5.4.9 Vehicle Maintenance & Fleet Management is currently projecting underspend of £271k, primarily due to a staff vacancies within the workshop. The outturn position will be dependent on the value of work through the workshop over the next few months and the ability to finance fixed overheads.
- 5.4.10 Building Cleaning is at present reporting underspend of £29k. The underspend in the main is due to increased income levels.

5.5 Conclusion

- 5.5.1 Members are advised that Economy & Environment Directorate provides a very diverse range of front-line services to residents and businesses. The overall Directorate has a budget totalling £57.780m after the in-year virement, with a projected net underspend of £369k. 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 June 2022.
- 6.3 Forecasts have been made following discussions with 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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Appendices:

Appendix 1A Budget Monitoring Report - Infrastructure Services Division
 Appendix 1B Budget Monitoring Report - Public Protection Division
 Appendix 1C Budget Monitoring Report - Community and Leisure Services

Background Papers:

[Council \(24/02/22\) – Budget Proposals for 2022/2023 and Medium-Term Financial Outlook](#)