



HOUSING AND ENVIRONMENT SCRUTINY COMMITTEE - 17TH SEPTEMBER 2024

**SUBJECT: HOUSING AND ENVIRONMENT 2024/2025 BUDGET MONITORING
REPORT (PERIOD 3)**

REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND ENVIRONMENT

1. PURPOSE OF REPORT

- 1.1 To inform members of the projected revenue expenditure for the Economy and Environment Directorate for the 2024/2025 financial year as at the 30th of June 2024. Service Divisions include Infrastructure services division, Land and Property services division, Public Protection, Community and Leisure services division.

2. SUMMARY

- 2.1 This report summarises the most recent budget monitoring projections for 2024/2025 based on the financial information available as at the 30th of June 2024.
- 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 Committee and provide commentary on the more significant variations against budget.
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3. RECOMMENDATIONS

- 3.1 Housing and Environment 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, Land and Property services division, Public Protection, Community and Leisure services division which all fall within the remit of this Scrutiny Committee.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure Members are apprised of the latest financial position for 2024/25 financial year for the Economy and Environment directorate.

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 and Environment Directorate based on the financial information available as at the 30th of June 2024. Projected outturn figures for the financial year are compared with the budget to show the anticipated under or overspend.

5.1.2 The table below summarises the present budget monitoring position, which is reporting an overall overspend of £1.558m. Home to School Transport and Social Services Transport are ringfenced and any variance against budget are shown against Education and Lifelong Learning and Social Services respectively. Appendices 1 and 2 provide more detail on the budget variation projections for each service division, that falls within the remit of this Scrutiny Committee.

Table 1 – 2024/25 Projected Net Year-End Revenue Position by Service

Service Division	Revised Estimate 2024/25 £m	Anticipated Outturn 2024/25 £m	Variance 2024/25 £m
Infrastructure	13.282	13.083	0.199
Home to School Transport	9.668	11.064	(1.396)
Social Services Transport	1.165	1.165	0.000
Building Cleaning	1.830	1.818	0.013
Waste Management	17.244	17.140	0.104
Total Infrastructure Division	43.189	44.270	(1.080)
Total Land and Property Services	5.763	5.700	0.063
Community and Leisure Services	10.285	10.856	(0.572)
Public Protection	5.199	5.168	0.031
Total Public Protection, Community and Leisure Services	15.484	16.025	(0.540)
Total	64.437	65.994	(1.558)

5.2 Infrastructure Division

5.2.1 Infrastructure division overall is reporting a net overspend of £1.080m. When adjusting for the budget variations in relation to Home to School Transport (£1.396m overspend) and Social Services Transport (online), which will be ring fenced and appropriated back to the service directorates, the net position is an underspend of £0.316m.

5.2.2 Highway Services is reporting a break-even position. At present winter maintenance costs are difficult to predict but it is assumed the full budget will be spent.

5.2.3 EPG (Engineering Projects Group) is reporting an underspend of £0.032m. This is largely due to staff savings.

5.2.4 Transportation Engineering overall is projecting a break-even position.

- 5.2.5 Passenger Transport is reporting a break-even position with additional grant income for the Ticketer costs.
- 5.2.6 Home to School Transport is projecting an overspend of £1.396m, this assumes that spend level remains in-line with 2023/24. The pressure is due to increased demand, particularly in relation to special education transport, and price increases. This service has been prioritised for review under the Mobilising Team Caerphilly programme. Officers continue to work hard to ensure the most appropriate and most cost-effective provision is provided for pupils. Over the summer many contracts are being reviewed and pupil requirements will be confirmed in September, a clearer financial picture will therefore be available post September.
- 5.2.7 Social Services Transport is showing online; however, this is after capturing a saving of £0.626m against the £5m Mobilising Team Caerphilly target. Following work to produce a new model for day services undertaken in 2022/23, the shape of the service has continued to evolve, leading to a shift from traditional fixed based service provision to more community-based support. This, in turn has resulted in a reduction in the numbers of service users requiring transport to fixed bases and has contributed to a saving of £0.626m in respect of Social Services transport costs. This saving has now been crystallised and is being captured and reported as a permanent budget saving against Mobilising Team Caerphilly £5m saving target.
- 5.2.8 At this stage Network Contracting Services (NCS) is anticipating an underspend of £0.150m, this is largely due to staff and agency savings along with increased income, this position will be monitored closely during the year.
- 5.2.9 Engineering General are projecting a small underspend of £0.017m with various small underspends on various areas.
- 5.2.10 Waste Management overall is reporting an underspend of £0.104m this is due to several under and over variations as detailed below: -
- Residual Waste is projecting an overspend of £0.247m due in the main to additional salary costs with staff covering absence of £0.029m, vehicle costs with additional vehicles having to be hired and high repair costs for the aging fleet at £0.308m. Income budgets are projected to underachieve by £0.04m. Contractor costs have increased due to higher tonnages, but this overspend has been offset by the receipt of a £0.244m from the Project Gwyrdd gain share resulting in an underspend on contractor costs of £0.095m.
 - Organic recycling is projecting a £0.163m overspend due in the main to contractor payments for treatment costs with higher tonnages of £0.014m, vehicle maintenance costs of £0.088m and additional salary costs of £0.058m. The salary costs are due to additional overtime being required to complete all the rounds.
 - Civic Amenity sites are projecting a £0.020m overspend due in the main to additional site running costs.
 - Waste Transfer Station is projecting a £0.071m overspend due to additional costs for the maintenance of the site with additional works required.
 - Dry Recycling is forecasting a £0.302m underspend due to reduced contractor, vehicle and salary costs.
 - Bulky Waste is projecting to break even.

- Commercial Waste is projecting a £0.042m underspend, the service has recently undergone changes due to the new Welsh Government legislation so this will be monitored closely through the year.
- Other Waste is projecting a £0.023m underspend due to supplies and services costs being lower than expected.
- Tre-hir is projecting a £0.049m underspend due to reduced maintenance costs and a reduction in sewage charges.
- Sustainable Waste Management Grant (SWMG) from WG is expected to breakeven.
- HQ staff is forecasting an underspend of £0.075m the main variances are staff underspend from holding vacant posts of £0.131m, reduced vehicle costs of £0.014m. These are partially offset by overspends on training of £0.040m, printing £0.020m and other administrative functions supplier and services of £0.047m.
- Public Conveniences is projecting an overspend of £0.002m, there are standing costs for these buildings even though they are no longer open, this will continue until they are completely decommissioned.

5.2.11 Cleansing Services is reporting a net underspend of £0.116m. This is largely due to an underspend on staffing of £0.204m from vacancies that will be filled from September and staff covering frontline services, this is being partially offset by additional transport and contractor costs of £0.088m.

5.2.12 Building Cleaning is reporting a small underspend of £0.012m.

5.3 Land and Property Services

5.3.1 The Corporate Property division is projecting an underspend of £0.063m. The underspend is primarily due to staff underspends from holding vacant posts and additional income totalling £0.320m. These underspends are being offset by increased costs on transport, supplies and services and consultants totalling £0.257m.

5.4 Public Protection, Community and Leisure Services

5.4.1 Public Protection, Community and Leisure Services is projecting a net overspend of £0.540m.

5.4.2 Trading Standards overall is forecasting a £0.015m overspend to allow for the cost of a new car port. Registrars are projecting an overspend of £0.018m, this is largely due to staffing costs for relief and casual staff. The service is reviewing income achievement and are optimistic these costs could be offset by increased income, this will be closely monitored.

5.4.3 Environmental Health overall is forecasting a £0.085m underspend from staff savings due to delays in recruitment and staff turnover. These costs are offset by increased contractor costs in the pollution team for specialist contaminated land charges and increased impounding fees.

5.4.4 Parks Operations is currently under review as part of the Mobilising Team Caerphilly transformation programme. There are some staff savings due to vacant posts, but

these are being offset by agency staff and increased building cleaning charges as the building cleaning service are currently covering pavilion attendant's post who open, close and clean the facilities for planned fixtures, this is a forecast overspend of £0.125m.

- 5.4.5 Another area in the Parks Service which is under pressure is the arboricultural service. 50% of the tree management budget has already been spent as at the 30th of June 2024 due to increased demand and prices, an overspend of £0.130m has been forecast on top of contract payment to cover the additional work.
- 5.4.6 Outdoor facilities will be under pressure as in previous years and is forecasting an overspend on maintenance budgets of £0.043m, the service is unable to recover full costs based on the current set level of fees and charges.
- 5.4.7 Cemeteries are predicting a £0.013m overspend due to not hitting the staffing vacancy savings target as the team have not had staff turnover.
- 5.4.8 Countryside and allotments are expecting to deliver their service within their current budget allocation.
- 5.4.9 Leisure Services is also under review as part of the Mobilising Team Caerphilly transformation programme. The Leisure Centres overspend projection is due to increased staff costs, property running and cleaning costs totalling £0.138m and a forecast underachievement of income of £0.104m.
- 5.4.10 Vehicle Maintenance and Fleet Management is working through several service changes as part of the Mobilising Team Caerphilly programme and are forecasting that these changes will deliver the service within budget for 2024/25.

5.5 **Savings RAG**

- 5.5.1 As approved by Council on the 27th of February 2024, the 2024/25 budget includes savings totalling £2.875m for the services covered in this report. The savings are reflected in the budgets and monitoring positions detailed above. These savings need to be delivered in full or they will result in an overspend at year end. Robust monitoring of saving delivery is therefore critical to managing the risk, to report on what savings have been achieved and progress made throughout the year and to inform financial planning to ensure budgets remain deliverable.
- 5.5.2 The table below summarises the assessment of savings delivery for 2024/25 as at the 30th of June 2024, full details at saving level can be found in Appendix 3.

Savings have been assessed based on the following:

Blue – The element of saving fully achieved already at this point in the year.

Red – The element of saving containing significant deliverability risk and therefore forecast to not be achieved this financial year and reported as an overspend.

Amber - The element of saving considered to have some deliverability risk but is still forecast to be achieved this financial year.

Green – The element of saving that is forecast to be achieved by year end but has not been achieved yet.

Table 2 – Savings delivery BRAG assessment 2024/25 as at 30th June 2024

Service	Total £m	Blue £m	Green £m	Amber £m	Red £m
Economy and Environment Directorate	0.866	0.000	0.860	0.000	0.006
Infrastructure Division	0.922	0.000	0.922	0.000	0.000
Land and Property Services	0.775	0.000	0.000	0.775	0.000
Public Protection	0.080	0.080	0.000	0.000	0.000
Community and Leisure Services	0.231	0.174	0.025	0.032	0.000
Total	2.875	0.254	1.807	0.807	0.006

5.5.3 Only one savings is currently being forecast not to be achieved by the end of the financial year for £0.006m. This relates to training budget reductions for Waste, Property and Building cleaning. This saving cannot be achieved in full as these areas have mandatory training requirements.

5.5.4 Managers are currently forecasting that all other savings targets will be achieved by year end. £0.807m savings have been assessed as having some deliverability risk, these savings will be closely monitored over the coming months and any changes reflected and reported in future monitoring reports.

5.6 Conclusion

5.6.1 Members are advised that The Environment Directorate provides a very diverse range of front-line services to residents and businesses. The services included within this Scrutiny Committee report have a total Net budget of £64.437m and are forecasting an overspend of £1.558m based on information as at the 30th of June 2024.

5.6.2 As detailed above the majority of overspending areas have been prioritised under Mobilising Team Caerphilly transformation programme for review and all endeavours will be made to bring these services online for 2024/25 whilst also identifying future efficiency and savings to support future budgets.

5.6.3 This is the first quarter of revenue budget monitoring, so forecasts contain a high level of uncertainty and assumptions. Budgets and savings delivery will continue to be closely monitored between reporting cycles to ensure management action is taken on areas forecasting to overspend.

6. ASSUMPTIONS

6.1 Assumptions linked to this report were detailed in the budget report to Council on 27th February 2024.

6.2 The projected outturn position is based on actual income and expenditure details to the end of June 2024 and forecast projections to end of the financial year.

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 1 2024/25 Period 3 Budget Monitoring Report - Infrastructure and Land and Property Services Divisions

Appendix 2 2024/25 Period 3 Budget Monitoring Report – Public Protection, Community and Leisure Services Division

Appendix 3 2024/25 Period 3 BRAG Report