

Meeting of:	Environment and Regeneration Scrutiny Committee
Date of Meeting:	Thursday, 07 March 2019
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Revenue and Capital Monitoring for the Period 1st April 2018 to 31st January 2019
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April 2018 to 31st January 2019
Report Owner:	Report of the Director of Environment and Housing
Responsible Officer:	Operational Manager Accountancy
Elected Member and Officer Consultation:	Each Scrutiny Committee will receive a monitoring report on their respective areas
Policy Framework:	This is a matter for Executive decision.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The forecast for the 2018/19 revenue budget is currently projected to be an outturn on target, however, there are some areas of concern to highlight and there will be a drawdown from reserves. • It is anticipated that there will be a shortfall of £315k against this year's savings target of £1,029k. • There have been a small number of changes to the Capital Programme 	

Recommendations

1. That Scrutiny Committee consider the position with regard to the 2018/19 revenue and capital budgets

Reason for Recommendation

1. That Members are aware of the projected revenue and capital outturn for 2018/19

1. Background

- 1.1 On 28th February 2018, Council approved the Revenue and Capital budgets for 2018/19 (minute no 746 and 745 respectively). Reports monitoring expenditure are brought to this committee on a regular basis. Cabinet on 19th November 2018 approved the revised 2018/19 Revenue and Capital budgets (Minute Nos C480 and C482 respectively).

2. Key Issues for Consideration

Revenue

- 2.1 The forecast for the services within this Committee's remit is shown in the following table.

Directorate/Service	2018/19 Original Budget £000	2018/19 Amended Budget £000	2018/19 Projected £000	Variance (+)Favourable (-) Adverse £000
Neighbourhood & Transport Services	25,518	25,194	25,509	-315
Unplanned use of reserves to fund overspend	0	0	(315)	+315
Regeneration	2,075	2,065	2,065	0
Development Management	1,060	1,058	1,058	0
Total	28,653	28,317	28,317	0

- 2.2 Neighbourhood Services & Transport** - The service is currently projected to out-turn on budget, however, there are some areas of concern to highlight and there will be a drawdown from reserves.
- 2.3** Within the Waste Collection Service there is still pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste. Additional resource has also been required during the recent service change which introduced the 2 black bag limit for residual waste. There has recently been an operational change to use a site within Cowbridge as a transfer station for some elements of recycling. It is anticipated that this will decrease the level of downtime currently experienced. £200k had been set aside for 2018/19 within the Neighbourhood Services Reserve with an aim to offset this budget pressure. Due to an increase in treatment charges within the recycling market, primarily as a result of China's decision to reject elements of mixed recycling, there is also a pressure within the recycling treatment budget. Again funding of £430k had been set aside in reserves to cover this pressure in 2018/19 however this is only a one-off funding stream and a cost pressure has been submitted for the 2019/20 budget. Preparations are ongoing to enable the rollout of a kerbside sort method of recycling. It is anticipated that this will reduce the costs currently being incurred on treating recycling.
- 2.4** The Reshaping Services savings target for Neighbourhood and Transport Services for 2018/19 is £951k. £375k of this saving relates to the remaining balance to be found from the recent restructure within Neighbourhood Services. The restructure has been effective from 1st April 2018 however due to the timescales and notice periods required, some staff have remained in post longer than anticipated. This may have some effect on the level of savings achievable. It is envisaged that the full £951k saving will not be made in this financial year and a shortfall of £315k is being reported. Plans for the remainder of the savings are currently being developed alongside additional savings for 2019/20 and will be reported to Cabinet in due course however the Neighbourhood Services Reserve will be required to meet any remaining shortfall in savings at year end.
- 2.5 Regeneration** - This budget covers the Countryside, Economic Development and Tourism & Events functions. Although the forecast is again shown as a balanced budget at year-end, there remains concern over the income targets for car parking charges and commercial opportunities within the Countryside Division, where historic savings targets are unlikely to be achieved this year. Efforts are being made to maintain a balanced budget by year-end, but the situation will need to be closely monitored.
- 2.6 Development Management** - Planning application fee income remains behind target. Application fee income is difficult to forecast as there is no regular trend to track, but in the absence of any major applications being received this year it is unlikely that the current target can now be achieved. However, as there are

underspends in staff costs and Building Control income remains buoyant, it is still anticipated that the overall position for this Division at year-end will be a breakeven position. The Section is also continuing to pursue the use of Planning Performance Agreements and other income generation initiatives such as pre-planning application advice to help support the regulatory process.

2018/19 Savings Targets

- 2.7** As part of the Final Revenue Budget Proposals for 2018/19, a savings target of £6.298m was set for the Authority. Attached at Appendix 1 is a statement detailing all savings targets relating to this Committee.
- 2.8** Neighbourhood Services and Transport - There is a savings target this year of £951k however it is currently anticipated that £636k will be achieved leaving a shortfall of £315k to be identified. Work is continuing to identify schemes to close this gap however any shortfall at year end will need to be funded from the Neighbourhood Services reserve.

Capital

- 2.9** Appendix 2 details financial progress on the Capital Programme as at 31st January 2019.
- 2.10** Local Transport Fund M4 J34- Emergency powers have been used to increase the 2018/19 Capital Programme by £118k to undertake further studies on the possibility of a new road that would link Junction 34 of the M4 with the A48 (Sycamore Cross) funded by WG grant.
- 2.11** Asset Renewal Highway Structures -To enable suitable works to be planned and programmed following the completion of Principle Inspections to Structures in March 2019, it has been requested that £40k is carried forward into the 2019/20 Capital Programme.
- 2.12** Dimming of Street Lighting/Fitting of LED lights - The conversion of standard lantern units is almost complete. Installation of new LED lanterns for ornamental and bespoke street lighting units in residential areas is programmed to commence in early 2019/20. It has therefore been requested that £365k is carried forward into the 2019/20 Capital Programme.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The revenue and capital budgets have been set in order to support services in the delivery of the Council's Well-being objectives. It is therefore important for expenditure to be monitored to ensure that these objectives are being delivered.
- 3.2** The revenue and capital budgets have been set and are monitored to reflect the 5 ways of working.
- 3.3** **Looking to the long term** - The setting of the revenue and capital budgets require planning for the future and takes a strategic approach to ensure services are sustainable and that future need and demand for services is understood.
- 3.4** **Taking an integrated approach** - The revenue and capital budgets include services which work with partners to deliver services.
- 3.5** **Involving the population in decisions** – As part of the revenue and capital budget setting processes there has been engagement with residents, customers and partners.
- 3.6** **Working in a collaborative way** – The revenue budgets include services which operate on a collaborative basis e.g. Prosiect Gwyrdd.
- 3.7** **Understanding the root cause of issues and preventing them** – Monitoring the revenue and capital budget is a proactive way of understanding the financial position of services in order to tackle issue at the source as soon as they arise.

4. Resources and Legal Considerations

Financial

- 4.1** As detailed in the body of the report.

Legal (Including Equalities)

- 4.2** There are no legal implications.

5. Background Papers

None

Title of Saving	Description of Saving	Target Saving £000	Projected Saving	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
<u>Neighbourhood and Transport</u>							
Reshaping Services	Completion of the implementation of the new target operating model for service delivery for Visible Services and other service initiatives	775	522	Red	£375k of this saving is the balance of the recent restructure. There is a £147k saving from Regulatory Services. Further savings are in progress however it is unlikely that they will be achieved in 2018/19.	Environment & Regeneration	Emma Reed
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	52	52	Green	Saving pro-rated across all areas	Environment & Regeneration	Emma Reed
Reshaping Tranche 3 - Establishment Review	Review of various payments to staff and efficient utilisation of staff	124	62	Red	Recent restructure within Neighbourhood & Transportation has limited the potential to make additional staff savings.	Environment & Regeneration	Emma Reed
Total Neighbourhood and Transport		951	636	Red	67%		
<u>Regeneration</u>							
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	44	44	Green	Savings allocated and will be achieved in-year	Environment & Regeneration	Marcus Goldsworthy
Reshaping Tranche 3 - Establishment Review	Review of various payments to staff and efficient utilisation of staff	8	8	Green	Savings allocated and will be achieved in-year	Environment & Regeneration	Marcus Goldsworthy
Total Regeneration		52	52	Green	100%		
<u>Development Management</u>							
Reshaping Tranche 3 - Procurement	More efficient and effective procurement of goods and services	10	10	Green	Savings allocated and will be achieved in-year	Environment & Regeneration	Marcus Goldsworthy
Reshaping Tranche 3 - Establishment Review	Review of various payments to staff and efficient utilisation of staff	16	16	Green	Savings allocated and will be achieved in-year	Environment & Regeneration	Marcus Goldsworthy
Total Development Management		26	26	Green	100%		
COMMITTEE TOTAL		1,029	714	Red	69%		

Green = on target to achieve in full

Amber = forecast within 20% of target

Red = forecast less than 80% of target

315

SHORTFALL

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		Neighbourhood and Transport Services					
127	127	Asset Renewal	185	145	40	E Reed	St Athan crossing works now complete. Requested to carry forward £40k into 2019/20 Capital Programme
885	1,847	Visible Services Highway Improvements	1,406	1,406	0	E Reed	The 3 year plan for resurfacing has been approved by Cabinet and works are commencing. Budget used in conjunction with below
1,100	0	WG Highway Refurbishment Fund	1,136	1,136	0	E Reed	Capital grant funding for Local Authority roads refurbishment. Grant received in 2017/18 however funding displaced to spend in 2018/19.
90	0	Highways Infrastructure Improvements	97	97	0	E Reed	To implement traffic signals at Stanwell Rd/Windsor Rd. Procurement in progress.
140	1	Street Lighting Replacement	172	172	0	E Reed	This budget is to undertake critical street lighting asset repairs and improvements to maintain the integrity and safety of the street light infrastructure. Majority complete, now looking at a programme to replace concrete columns
98	124	Flood Risk Management	183	183	0	M Clogg	Programme being developed. Windsor Road works completed May 2018. Relining works to be undertaken
238	238	Coldbrook Flood Risk Management	271	271	0	E Reed	Scheme complete. Account being finalised
85	0	Street Lighting Energy Reduction Strategy	100	100	0	E Reed	Scheme in design stage. Scheme is over 2 years.
450	166	Dimming of Street Lighting/Fitting of LED lanterns	681	316	365	M Clogg	The conversion of standard LED lantern units has almost been completed and the conversion of ornamental units will commence later in 2019/20. Request to carry forward £365k into 2019/20
110	5	Coast Protection and Land Drainage General	111	111	0	E Reed	Programme being developed. Some works complete
631	9	Boverton Flooding	818	818	0	E Reed	Scheme complete and at final account stage
650	1	Llanmaes Flood Management Scheme	537	537	0	E Reed	NRW have reviewed the modelling. The works are on-going on the main storage area below the village in conjunction with the Northern Access Road scheme.
15	15	Cardiff/Vale of Glamorgan Coastal Sustainable Transport Corridors	170	170	0	E Reed	WelTag Stage 1 and 2 has been tendered and bids returned. Consultants to be appointed.
26	26	WelTag Stage Two Transport Network Appraisal for Dinas Powys	107	107	0	E Reed	Review Groups complete, further work required
0	0	Bigliss Roundabout to Dinas Powys Active Travel Route	100	100	0	E Reed	WelTag Stage 3 Report to be commissioned following on from WelTag Stage 1 and 2 being completed in 17/18. Currently reviewing scheme. Review of previous reports in order to progress with scheme design.
13	13	A48 Strategic Corridor and Other Primary Bus Stops	175	175	0	E Reed	Bus Stops identified and plan has been put in action for a programme of upgrades along the A48, Penarth, Llantwit Major and Barry. Highway Design and Construction Team to begin this work early July 2018. Bus shelters ready to be installed
0	0	LTF M4 to Cardiff Airport Transport Network Scheme	118	118	0	E Reed	Further Weltag Studies
64	64	South Road Sully	100	100	0	E Reed	£60k transferred from Asset Renewal budget.
		Slippage					
0	0	Cross Common Bridge	101	101	0	M Clogg	Dealing with ecological issues prior to finalising detailed design and procurement for demolition. Due to procure works shortly.
0	0	Barry Island Shelters	32	32	0	E Reed	
94	94	Safe Routes in Communities: Dinas Powys to Penarth via Cosmeston	106	106	0	E Reed	Works complete.
100	0	Dinas Powys Library Bridge	170	170	0	E Reed	Procurement options are being investigated.
20	0	Murchfield Access Bridge	44	44	0	E Reed	Procurement options are being investigated.
63	0	Ashpath Footpath Improvements	72	72	0	E Reed	The feasibility / design to progress the upgrade of the existing footpath between Dinas Powys and Sully Road (referred to as the Ashpath) to a footway / cycleway is being programmed to be undertaken during the summer / autumn period. Once the feasibility / design is carried out, the relevant details of the proposed new route including width can be used to progress creation of a Legal Order to turn the footpath into a bridleway before scheme can be constructed. It is envisaged that subject to Legal Order the construction works could commence in the last quarter of the financial year.
0	0	Court Road Car Park	20	20	0	E Reed	Design to be agreed with ICT prior to procurement.
4,998	2,730		7,012	6,607	405		

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		S106 Schemes					
111	87	Pedestrian and Cycling Facilities between St Josephs School and Ash Path	111	111	0	E Reed	Works completed in Aug18
0	0	Maendy Pedestrian Sustainable Transport Improvement	80	80	0	E Reed	On-going discussions taking place.
0	0	St Athan Sustainable Transport Improvements	12	12	0	E Reed	Design to be undertaken this year from WG grant. Works to be carried out in 2019/20
53	53	Improve Pedestrian/ Public Transport/ Cycle/ Vehicular movements to Barry Island	78	78	0	E Reed	Phase 1 and 2 are complete. Delivery on phase 3a and Phase 3b is progressing
40	24	Sustainable Transport Improvements Penarth Heights	57	57	0	E Reed	Results of consultation being collated. Trial to begin Early 2019
0	0	Improve Pedestrian movements along Treharne Road	0	0	0	E Reed	Scheme has been designed and currently scheduling works. Phase 1 complete in 1718, Phase 3 has not yet been determined.
27	27	Improve access into Cogan Primary School	30	30	0	E Reed	Works complete
52	52	Ogmore by Sea/St Brides Major Sustainable Transport Improvements	100	100	0	E Reed	Design to be completed this year
10	10	Fferm Goch Sustainable Transport Improvements	70	70	0	E Reed	Work to commence October 2018
1	1	Dinas Powys Sustainable Transport-Footpath	32	32	0	E Reed	To improve pedestrian movements to the village funded by S106
9	0	Community POD Penarth	15	15	0	E Reed	For a Community POD which can be used for training courses and other community activities funded by S106
53	53	Rhoose Sustainable Transport	100	100	0	E Reed	Walking, cycling and public transport improvements funded by S106
2	2	Wick Sustainable Transport	12	12	0	E Reed	To fund preparatory work
358	309		697	697	0		
		Waste Recycling and Coastal Management					
23	0	Penarth Pier	23	23	0	E Reed	Works to Penarth pier on going
0	0	Waste Grant	3,500	3,500	0	E Reed	WG grant
23	0		3,523	3,523	0		
		Fleet Management					
306	253	Vehicles Renewal Fund	590	590	0	E Reed	In process of procuring vehicles
306	253		590	590	0		

**CAPITAL MONITORING
FOR THE PERIOD ENDED 31st JANUARY 2019**

APPENDIX 2

PROFILE TO DATE	ACTUAL SPEND 2018/19		APPROVED PROGRAMME 2018/19	PROJECTED OUTTURN 2018/19	VARIANCE AT OUTTURN 2018/19	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
66	66	Regeneration & Planning Barry Regeneration Partnership	454	454	0	M Goldsworthy	Undertaking various initiatives including Main Street Area improvements, demolition former office block Broad Street, Barry Town Centre Gateway Regeneration.
45	26	Tackling Poverty	175	175	0	M Goldsworthy	New grant programme will be undertaken in Holton Road this year
37	37	Coastal Access Improvements	37	37	0	M Goldsworthy	Schemes will be funded by £30,050 grant from Natural Resources Wales and £6,516 from the Countryside revenue budget.
8,490	8,490	Five Mile Lane	9,300	9,300	0	M Punter	Contractor on site, works are progressing.
		Slippage					
8	8	Skills Centre - Property Conversion and Car Park	165	165	0	M Goldsworthy	In order to get the first floor of the building operational and to get the building control sign off the Council need to install additional fire protection. Work is also been undertaken to the heating system on first floor.
93	93	RCDF Go Wild	101	101	0	B Guy	Scheme complete
21	21	Cosmeston Medieval Village	21	21	0	B Guy	Scheme complete
38	38	Refurbishment of Car Park and Toilets at Dunraven Bay	44	44	0	B Guy	Scheme complete
6	6	High Street/Broad Street Traffic Management	19	19	0	B Guy	Scheme complete
3	3	Marketing and Disposal of the Innovation Quarter	31	31	0	M Goldsworthy	Discussions continuing
		S106 Funding					
1	1	Maes Dyfan Open Space Improvements	40	40	0	M Goldsworthy	Community consultation continuing prior to commencement of works. Tender for railings and planting
1	1	Penarth Heights Public Art	323	323	0	M Goldsworthy	Scheme to support Public Art Strategy funded by S106
		S106 Slippage					
0	44	Fferm Goch Public Open Space	44	44	0	M Goldsworthy	Scheme complete
37	37	Dochdwy Road Public Open Space	37	37	0	M Goldsworthy	Scheme is complete
0	0	Badgers Brook Public Open Space Enhancement	3	3	0	M Goldsworthy	Budget to cover fees and to settle final account some small items
320	272	North Penarth Open Space Improvements	483	483	0	M Goldsworthy	Paget Road scheme complete. The Skate park is currently being tendered. Plassey Square and Paget Road are complete. Fence to be refurbished at Dingle
9,207	9,141		11,277	11,277	0		
14,892	12,434	COMMITTEE TOTAL	23,099	22,694	405		