

Name of Committee:	Environment and Regeneration Scrutiny Committee
Date of Meeting:	<b>23/07/2019</b>
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	<b>Revenue and Capital Monitoring for the Period 1st April to 31st May 2019</b>
Purpose of Report:	To advise Scrutiny Committee of the Progress relating to revenue and capital expenditure for the period 1st April to 31st May 2019
Report Owner:	Report of the Director of Environment and Housing
Responsible Officer:	Carys Lord Head of Finance/ Section 151 officer
Elected Member and Officer Consultation:	Each Scrutiny Committee will receive a monitoring report on their respective areas. This report does not require Ward Member consultation
Policy Framework:	This report is for executive decision by the Cabinet
Executive Summary:	<ul style="list-style-type: none"> <li>The revenue position for 2019/20 is challenging with a savings target for the year being set at £1.076m. It is anticipated that savings will not be fully achieved in year.</li> <li>The capital budget has been set at £23.293m this financial year.</li> </ul>

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## Recommendation

1. That Scrutiny Committee consider the position with regard to the 2019/20 revenue and capital budgets.

## Reasons for Recommendations

1. That Members are aware of the projected revenue outturn for 2019/20.

### 1. Background

- 1.1 On 8th March 2019, Council approved the Revenue Budget for 2019/20, minute no 835 and Council on 27th February 2019 approved the Capital Programme for 2019/20 onwards, minute number 780.

### 2. Key Issues for Consideration

#### Revenue

- 2.1 Eventhough it is early in the financial year, the service is anticipating an adverse variance by year end and will not achieve its savings target in full this year.

	2019/20	2019/20	Variance
Directorate/Service	Original Budget	Projected	(+)Favourable (-) Adverse
	£000	£000	£000
Neighbourhood & Transport Services	25,443	26,443	(1,000)
Unplanned use of reserves to fund overspend	0	(1,000)	+1,000
Building Services	0	0	0
Regeneration	2,057	2,057	0
Development Management	967	967	0
<b>Total</b>	<b>28,467</b>	<b>28,467</b>	<b>0</b>

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- 2.2** Neighbourhood Services & Transport is currently projected to have an adverse variance of £1m against the 2019/20 budget. The savings target for 2019/20 is £932k. Plans for saving this amount are underway and being continually monitored however several of the proposed savings have a long lead in time therefore it is currently projected that only around half of the savings will be found in 2019/20.
- 2.3** Within the Waste Collection Service it is anticipated that there will be an adverse variance of around £450k. There is still pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste. Cowbridge is currently being used as a temporary transfer station for elements of recycling material with the aim of reducing this downtime however additional resource is still being utilised. The planned future service changes to the waste collection service are likely to require further resource in the initial period of service change. There is also pressure on the budget due to the high price currently being paid to treat co-mingled recycling. The price has increased steadily over the last couple of years since China banned elements of recycling such as plastic into the country. 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 spent on treating recycling however the rollout will be phased from around Autumn 2019 therefore the full benefit will not be achieved in 2019/20.
- 2.4** There is also currently a pressure of around £100k on the staffing budget at Barry Island. Due to the popularity of the resort additional resources have been utilised to maintain the expected cleanliness standards of the beach and promenade.
- 2.5** The Directorate is being requested to look at ways of mitigating a projected overspend however, it is anticipated that reserves will have to be utilised to balance this budget in the current financial year.
- 2.6** Regeneration - This budget covers the Countryside, Economic Development and Tourism & Events functions. Although the forecast is 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 there are historic savings targets that may not be able to be achieved this year. Efforts will again be made to achieve a balanced budget at year-end, but the situation will be closely monitored.
- 2.7** Development Management - Fee income is currently slightly ahead of target as a number of major applications have recently been received. In addition, staff movement has meant a slight underspend on staff costs. The Division is also continuing to pursue the use of Planning Performance Agreements and other income generation such as pre-planning application advice to help support the

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regulatory process. At this early stage of the year it is anticipated that the budget will outturn on target.

### **2019/20 Savings Targets**

- 2.8** As part of the Final Revenue Budget Proposals for 2019/20, a savings target of £1.076m was set for this Committee. Attached at Appendix 1 is a statement detailing all savings targets for 2019/20. Neighbourhood Services and Transport are projecting that they will achieve around half of their saving target. Updates on progress will be provided to members during the year.

### **Capital**

- 2.9** Appendix 2 details financial progress on the Capital Programme as at 31st May 2019.
- 2.10** Members should be aware that Appendix 2 includes requests for unspent committed expenditure to be slipped from the 2018/19 Capital Programme into 2019/20 as approved by emergency powers on 20th June 2019.
- 2.11** Waste Collection Blueprint - The Welsh Government have provided the Council with a £2.8m grant to introduce the collections blue print service throughout the Vale of Glamorgan. This grant has been included in the 2019/20 capital programme and a further report will be brought to Cabinet in September outlining details of this scheme.
- 2.12** Local Transport Fund - The Vale of Glamorgan Council has been awarded a £1.150m Welsh Government grant for 2019/20. The purpose of the grant is to enable on-going studies into the development proposals for a new road linking the M4 and A48 and a new park and ride at Junction 34 and the Cardiff-Vale Coastal Transport Network scheme. It has been requested that the 2019/20 Capital Programme be increased by £1.150m.
- 2.13** Local Transport Network Fund - The Vale of Glamorgan Council has been awarded a £105k Welsh Government grant for 2019/20. The purpose of the grant is for the improvement and upgrading works at bus stops along the A48 Strategic Corridor. It has been requested that the 2019/20 Capital Programme be increased by £105k.
- 2.14** Safe Routes in Communities - The Vale of Glamorgan Council has been awarded a £114k Welsh Government grant for 2019/20. The purpose of the grant is to support capital schemes that contribute to the Welsh Government's objectives to improve accessibility and safety and encourage walking and cycling in

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communities. It has been requested that the 2019/20 Capital Programme be increased by £114k.

- 2.15** Road Safety Capital - The Vale of Glamorgan Council has been awarded a £125k Welsh Government grant for 2019/20. The purpose of the grant is to support schemes and projects that contribute to the Welsh Government objective to reduce casualties on Welsh roads. It has been requested that the 2019/20 Capital Programme be increased by £125k.
- 2.16** Active Travel Fund - The Vale of Glamorgan Council has been awarded a £282k Welsh Government grant for 2019/20. The purpose of the grant is to increase levels of active travel, improve health & wellbeing, improve air quality, reduce carbon emissions, connect communities and improve active travel access to employment, education and key services, destinations and public transport. It has been requested that the 2019/20 Capital Programme be increased by £282k.
- 2.17** S106 Old Penarthians RFC Changing Rooms - A £15k allocation of community facilities S106 funding has been approved, under delegated authority, to assist the Old Penarthians RFC to refurbish their changing rooms and shower area in their clubhouse.
- 2.18** Penarth Heights Sustainable Transport - To progress with the implementation of a new gateway into Penarth, with improvements for walking, cycling and public transport, a delegated authority has been approved with a value of £1.1m of s106 funding.

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

- 3.1** The revenue budget has 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 budget has been set and is monitored to reflect the 5 ways of working.
- 3.3** **Looking to the long term** - The setting of the revenue budget requires 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 budgets include services which work with partners to deliver services e.g. Health via ICF.
- 3.5** **Involving the population in decisions** – As part of the revenue budget setting process there has been engagement with residents, customers and partners.

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- 3.6 Working in a collaborative way** – The revenue budgets include services which operate on a collaborative basis e.g. Shared Regulatory Service, Vale Valleys and Cardiff Adoption Service.
- 3.7 Understanding the root cause of issues and preventing them** – Monitoring the revenue 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**

OTNone

Service	Title & Description	2019/20
<b>Neighbourhood Services and Transport</b>		
Internal Waste	Review of arrangements for the internal disposal of residual waste	50
Passenger Transport	Review of service provision	36
Reshaping Services	Existing savings target	600
Business Support	Review of service provision	50
Community Buildings	Review of service provision	19
Digital Employee - Hybrid Mail	Savings from reduced postage due to hybrid mail	1
Third Party Spend	Savings from external procurement	176
<b>Total Neighbourhood Services and Transport</b>		<b>932</b>
<b>Regeneration</b>		
Third Party Spend	Savings from external procurement	25
Digital Employee - Hybrid Mail	Savings from reduced postage due to hybrid mail	1
Fees and Charges	Inflationary uplift across appropriate fees and charges	3
<b>Total Regeneration</b>		<b>29</b>
<b>Development Management</b>		
Planning Income	Income from various initiatives in Planning department	44
General Efficiencies	General budget review	60
Third Party Spend	Savings from external procurement	11
<b>Total Development Management</b>		<b>115</b>
<b>TOTAL</b>		<b>1,076</b>

CAPITAL MONITORING FOR THE PERIOD ENDED 31st MAY 2019							
PROFILE TO DATE	ACTUAL SPEND 2019/20		APPROVED PROGRAMME 2019/20	PROJECTED OUTTURN 2019/20	VARIANCE AT OUTTURN 2019/20	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		<b>Neighbourhood and Transport Services</b>					
		<b>Asset Renewal</b>					
0	0	Parks and Sport Facility upgrades	75	75	0	E Reed	Asset renewal
0	0	Traffic Signal Upgrades	75	75	0	E Reed	Asset renewal
4	0	Highways Structures	80	80	0	E Reed	Asset renewal
0	0	Community Centres	40	40	0	E Reed	Asset renewal
0	0	Coastal assets	50	50	0	E Reed	Asset renewal
0	0	Public Convenience	30	30	0	E Reed	Asset renewal
0	0	Provision of dropped Kerbs	25	25	0	E Reed	Asset renewal
0	0	Bus stop Upgrades	10	10	0	E Reed	Asset renewal
0	0	Provision of Disabled parking Bays	10	10	0	E Reed	Asset renewal
0	0	Visible Services Highway Improvements	1,000	1,000	0	E Reed	This is part of a 3 year plan for resurfacing
0	0	WG Highway Refurbishment Fund	1,507	1,507	0	E Reed	Capital grant funding for Local Authority roads refurbishment.
3	3	Street Lighting Replacement	111	111	0	E Reed	£111k slippage approved via emergency powers for a programme to replace concrete columns
50	50	Flood Risk Management	129	129	0	M Clogg	£29k slippage approved via emergency powers to complete essential culvert relining works in Penarth which was contractually committed
4	4	Coldbrook Flood Risk Management	22	22	0	E Reed	£22k slippage approved via emergency powers for finalisation of account.
0	0	Street Lighting Energy Reduction Strategy	387	387	0	E Reed	£100k slippage approved via emergency powers for works to be carried out in 1920
0	0	Dimming of Street Lighting/Fitting of LED lanterns	515	515	0	M Clogg	£150k slippage approved via emergency powers for phase 2 of street lighting energy reduction strategy and the conversion of ornamental units.
14	14	Coast Protection and Land Drainage General	142	142	0	E Reed	£32k slippage approved via emergency powers to complete Penarth esplanade north relining works which were contractually committed during 2018/19
0	0	Boverton Flooding	791	791	0	E Reed	£791k slippage approved via emergency powers for finalisation of account
0	0	Llanmaes Flood Management Scheme	796	796	0	E Reed	£446k slippage approved via emergency powers to continue essential phase 2 works for design, procurement and construction of flood alleviation
0	0	A48 Strategic Corridor and Other Primary Bus Stops	30	30	0	E Reed	£30k slippage approved via emergency powers for continuation of works funded by S106
11	11	LTF- Cardiff/Vale of Glamorgan Coastal sustainable transport corridor	0	0	0	E Reed	1920 Grant
		<b>Additional In Year Capital Funding</b>					
0	0	Street Lighting - Column replacement	250	250	0	E Reed	As per Cabinet report 17th June 2019
0	0	Mobile Enforcement Vehicle	70	70	0	E Reed	As per Cabinet report 17th June 2019
		<b>Slippage</b>					
0	0	Cross Common Bridge	99	99	0	M Clogg	£99k slippage approved via emergency powers to continue design and procurement to implement structural improvement
0	0	Barry Island Shelters	32	32	0	E Reed	£32k slippage approved via emergency powers to enable the completion of essential engineering remedial and maintenance works
0	0	Dinas Powys Library Bridge	166	166	0	E Reed	£166k slippage approved via emergency powers to continue design and procurement to implement structural improvement
0	0	Murchfield Access Bridge	39	39	0	E Reed	£39k slippage approved via emergency powers to continue design and procurement to implement structural improvement
0	0	Ashpath Footpath Improvements	72	72	0	E Reed	£72k slippage approved via emergency powers for works to be carried out in 1920
0	0	Court Road Car Park	20	20	0	E Reed	£20k slippage approved via emergency powers to contribute towards necessary security and infrastructure improvements
<b>86</b>	<b>86</b>		<b>6,573</b>	<b>6,573</b>	<b>0</b>		



CAPITAL MONITORING FOR THE PERIOD ENDED 31st MAY 2019							
PROFILE TO DATE	ACTUAL SPEND 2019/20		APPROVED PROGRAMME 2019/20	PROJECTED OUTTURN 2019/20	VARIANCE AT OUTTURN 2019/20	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
							<b>S106 Schemes</b>
2	2		80	80	0	E Reed	£80k slippage approved via emergency powers for the investigation of alternative projects within Ystradowen.
0	0		143	143	0	E Reed	Works to be carried out in 2019/20
0	0		140	140	0	E Reed	Works to be carried out in 2019/20
27	27		46	46	0	E Reed	£46k slippage approved via emergency powers, works completed Easter 2019
1	1		57	57	0	E Reed	£57k slippage approved via emergency powers for continuation of works
0	0		30	30	0	E Reed	£30k Slippage approved via emergency powers to improve pedestrian movements to the village funded by S106
0	0		15	15	0	E Reed	£15k slippage approved via emergency powers for a Community POD which can be used for training courses and other community activities funded by S106
0	9		1,100	1,100	0	E Reed	Increased scheme By £1.1m for continuation of works
0	0		493	493	0	E Reed	£10k Slippage approved via emergency powers for phase 2 - Walking, cycling and public transport improvements funded by S106
3	3		188	188	0	E Reed	Works to be carried out 1920
<b>33</b>	<b>43</b>		<b>2,292</b>	<b>2,292</b>	<b>0</b>		
							<b>Waste Recycling and Coastal Management</b>
0	0		23	23	0	E Reed	£23k slippage approved via emergency powers for on going works to Penarth pier
0	0		90	90	0	E Reed	New scheme for 1920
1,886	1,886		3,075	3,075	0	E Reed	£3.075m slippage approved via emergency powers for committed expenditure in 1920
							<b>Additional In Year Capital Funding</b>
0	0		555	555	0	E Reed	As per cabinet report 17th June 2019
<b>1,886</b>	<b>1,886</b>		<b>3,743</b>	<b>3,743</b>	<b>0</b>		
							<b>Fleet Management</b>
0	11		3,454	3,454	0	E Reed	£296k slippage approved via emergency powers for the procurement of vehicles after the review of user department
<b>0</b>	<b>11</b>		<b>3,454</b>	<b>3,454</b>	<b>0</b>		
							<b>Regeneration &amp; Planning</b>
0	0		633	633	0	M Goldsworthy	Undertaking various initiatives including Main Street Area improvements, demolition former office block Broad Street, Barry Town Centre Gateway Regeneration.
0	0		152	152	0	M Goldsworthy	New grant programme will be undertaken in Holton Road this year
1,043	1,043		5,284	5,284	0	M Punter	£2.701m slipped back to 1819 approved by emergency powers due to a change in the grant draw down
0	0		25	25	0	M Goldsworthy	New scheme
0	0		100	100	0	M Goldsworthy	New scheme
							<b>Additional In Year Capital Funding</b>
0	0		49	49	0	M Goldsworthy	As per cabinet report 17th June 2019
							<b>Slippage</b>
0	0		155	155	0	M Goldsworthy	£155k slippage approved via emergency powers for the continuation of works
0	0		13	13	0	P Chappell	£13k slippage approved via emergency powers for finalisation of account
0	0		31	31	0	M Goldsworthy	£31k slippage approved via emergency powers for the finalisation of sale
							<b>S106 Funding</b>
0	0		36	36	0	M Goldsworthy	£36k slippage approved via emergency powers. Contractor on site end of May 2019
0	0		47	47	0	M Goldsworthy	£47k slippage approved via emergency powers. Awaiting final cost report from Housing Association
0	1		502	502	0	M Goldsworthy	£314k slippage approved via emergency powers, Scheme to support Public Art Strategy funded by S106
							<b>S106 Slippage</b>
2	2		3	3	0	M Goldsworthy	£3k Slippage approved via emergency powers to settle final account
0	0		201	201	0	M Goldsworthy	£201k slippage approved via emergency powers for the implementation of Cogan skate park and the completion of paget rd
<b>1,045</b>	<b>1,046</b>		<b>7,231</b>	<b>7,231</b>	<b>0</b>		
<b>3,049</b>	<b>3,071</b>	<b>COMMITTEE TOTAL</b>	<b>23,293</b>	<b>23,293</b>	<b>0</b>		