

Meeting of:	<b>Environment and Regeneration Scrutiny Committee</b>
Date of Meeting:	<b>Tuesday, 13 July 2021</b>
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	<b>Revenue and Capital Monitoring for the Period 1st April to 31st May 2021</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 2021
Report Owner:	<b>Report of the Director of Environment and Housing</b>
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
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The revenue position for 2021/22 will be challenging with the continuing pressure for the service both operationally and financially as a result of the COVID 19 pandemic. This will impact both as a result of incurring additional expenditure but also from a loss of income. Funding has been provided by Welsh Government to cover some of the issues.</li> <li>• An efficiency target for the year has been set at £162k.</li> <li>• The capital budget has been set at £23.439m this financial year.</li> </ul>	

## Recommendation

1. That Scrutiny Committee consider the position with regard to the 2021/22 revenue and capital budgets.

## Reason for Recommendation

1. That Members are aware of the projected revenue and capital outturn for 2021/22.

## 1. Background

- 1.1 Council on 10th March 2021 approved the revenue budget for 2021/22 (minute no c472).

## 2. Key Issues for Consideration

### Revenue.

- 2.1 It is early in the financial year however it is anticipated that the Neighbourhood Services budget could require a potential unplanned transfer from reserves at year end of £1.25m.

	2021/22	2021/22	Variance
Directorate/Service	Original Budget	Projected	(+)Favourable (-) Adverse
	£000	£000	£000
Neighbourhood & Transport Services	24,113	25,363	-1,250
Unplanned use of reserves to fund overspend	0	-1,250	+1,250
Building/Cleaning Services	0	0	0
Regeneration	1,869	1,905	-36
Development Management	1,209	1,110	+99
<b>Total</b>	<b>27,191</b>	<b>27,128</b>	<b>+63</b>

- 2.2 Neighbourhood Services & Transport is currently projected to have an adverse variance of £1.25m against the 2021/22 budget. Funding for budget pressures of £642k was provided as part of the 2021/22 budget setting process, however, there remains considerable pressure on the budget. Efficiency savings of £202k were also set as part of the 2021/22 budget which the service is currently working towards however due to the current budget position the savings are proving difficult to identify.

- 2.3** Waste Management – As reported last financial year, the budgets within Waste Management are under severe pressure and is the main contributing factor for the large projected overspend within Neighbourhood Services. Over the last couple of years, the service has changed dramatically with the rollout of the new source separated method of collection. This collection method is considerably more labour intensive than the previous co-mingled collection however it has helped the Council to reduce the amount being paid for treatment of co-mingled recycling as most source separated materials can be sold to the market. There also remains pressure on employee and transport budgets due to downtime involved in travelling to Cardiff to dispose of waste and travelling to Cowbridge to offload recycling. Overall vehicle costs should reduce once the waste transfer station is operational which is currently due to take place during 2021/22. Staffing numbers have been increased to enable the maintenance of the service through the COVID 19 pandemic and to be able to observe social distancing. This increased cost is, however, being claimed against the WG Hardship grant. It is proposed that the projected overspend of £1.25m is funded from the Neighbourhood Service reserve.
- 2.4** Building Services - This service is currently projected to breakeven, however, as experienced last financial year the service will be affected by any further lockdown arrangements if introduced during the course of the financial year. The account will therefore be monitored closely to ensure any adverse variance is highlighted as soon as possible.
- 2.5** Regeneration - Receipts within this division have again been affected by the COVID-19 pandemic. School trips and other larger gathering events have not occurred to date however these losses can once again be recovered from WG for the first 6 months of the year. Due to the on-going need to avoid mass gatherings the events programme is once again being reviewed in line with the latest WG advice. At this stage of the year it is anticipated that the division will outturn within target.
- 2.6** Development Management - The Development Control team are extremely busy working through a high number of planning applications. As it is very early in the financial year there is currently no variance to budget to report.
- 2.7** Due to technical accounting adjustments it has been requested that a budget virement is approved which will increase the Regeneration budget by £36k and reduce the Development Management budget accordingly. The revised budget for the year will then be £1,905k and £1,110k respectively. There has also been another virement between Private Housing and Development Management requested of £63k. These adjustments have not been reflected in the earlier table included in this report, however, if approved by Cabinet, the budget change will be reflected in the next monitoring report.

## 2021/22 Efficiency Targets

- 2.8** As part of the Final Revenue Budget Proposals for 2021/22, an efficiency target of £162k was set for the Committee. Attached at Appendix 1 is a statement detailing all efficiency targets for 2021/22 and it is anticipated that the Neighbourhood Services targets will be difficult to achieve this year.

## Capital

- 2.9** Appendix 2 details financial progress on the Capital Programme as at 31st May 2021. Members should be aware that Appendix 2 includes requests for unspent committed expenditure to be slipped from the 2020/21 Capital Programme into 2021/22 as approved by emergency powers. The following changes have been made to the Capital Programme since the last report to Committee.
- 2.10** Highway Works at Weycock Cross - Delegated authority has been used to increase the Capital Programme by £147k using a S106 contribution received to accommodate the highway works at Weycock Cross with £74k in 2020/21 and the balance in 2021/22. Scheme includes resurfacing and provide a white lining traffic management scheme at Weycock Cross, using a S106 contribution received from Land to the North of the Railway Line, Rhoose. This contribution is legally bound to contributing to the feasibility design and construction costs for works to be carried out to Weycock Cross Roundabout, following the Transport Assessment which considered that the development would add pressure to these junctions and additional works would be required to mitigate.
- 2.11** Resource Recovery Facility (Waste Transfer Station) - The Council has received an award of funding of £178k as a contribution to the remaining recycling changes and an award of £679k in relation to the construction of the Resource Recovery Facility at Atlantic Trading Estate in Barry. Emergency powers has been used to increase the capital scheme for the construction of the proposed Resource Recovery Facility in the 2021/22 Capital Programme by £857k funded from a Welsh Government Grant.
- 2.12** Circular Economy - Reuse Shop - Emergency powers have been used to increase this scheme by £30k in the 2021/22 Capital Programme for the construction of the Reuse shop, to be funded from the Neighbourhood Services & Transport reserve.
- 2.13** Transport Grants - The Council has been awarded the following transport grants from Welsh Government relating to financial year 2021/22. The Funding relates to the period 1st April 2021 to 31st March 2022: -
- Road Safety Capital Grant – A grant of £179,002 has been awarded for B4265 East Aberthaw to Gileston (£85,617) and B4265 Fonmon (£93,385).

- Safe Routes in Communities – A grant of £611,400 has been awarded for Fairfield Primary School Community Street Design Project.
- Core Active Travel Fund – A grant of £635,000 has been awarded for various active travel schemes (breakdown provided in funding letter).
- St Athan Active Travel Route - A grant of £1,061,600 has been awarded for St Athan Active Travel Route.
- Local Transport Fund - A grant of £369,635 has been awarded for bus stop improvements. The funding can only be claimed when the WelTAG information has been completed.
- Ultra Low Emissions Vehicle Transformation Fund – A grant of £50,000 has been awarded for electric vehicle charging for residential properties with no off street parking. Funding can only be claimed when the WelTAG information has been completed.

Emergency powers have been used to include the grants listed above in the 2021/22 Capital Programme to be funded by a grant from Welsh Government.

- 2.14** Highway Refurbishment - The Council has been awarded funding of £755k in relation to capital funding for Local Government Public Highways Refurbishment Grant 2021/22. The funding related to the period 1st April 2021 to 31st March 2022. The purpose of the capital funding is to support local authorities to finance public highways refurbishment within their authority limits. Emergency powers have been used to include this grant in the 2021/22 Capital Programme.
- 2.15** Small Scale Work Grant - The Council has been awarded funding of £237,379.50 in relation the Small Scale Works Grant 2021/22. The Funding relates to the period 1st April 2021 to 15th March 2022. The grant is for Claude Road Culvert Stabilisation scheme works and Sully Property Flood Resilience scheme. The total cost of the works is anticipated to be £279,270, the grant is for 85% of this and therefore £41,890.50 match funding is required. This will be funded from a virement from the Flood Risk Management budget. Emergency powers have been used to include £237,379.50 grant for the above scheme into the 2021/22 Capital Programme. It was also requested to vire £41,890.50 from the Flood Risk Management budget to the Small Scale Work Grant scheme in the 2021/22 Capital Programme.
- 2.16** Cross Common Road Bridge - Further spend of £10k is estimated against this scheme to fully complete the works required, this includes making good works. The Highway Structures budget is currently unallocated, and it has therefore been requested to vire £10k from the Highway Structures scheme to this scheme in the 2021/22 Capital Programme.
- 2.17** Llanmaes Flood Management - Variation orders are being prepared for submission to Welsh Government shortly to increase the grant award for the design and development phase of this project. It has therefore been requested to increase this scheme budget by £66k for the match funding element which will be required and will be funded from the Neighbourhood Services and Transport

reserve. A capital bid is anticipated to be submitted to Welsh Government in the Autumn for the construction phase.

- 2.18** Neighbourhood Services Asset Renewal including toilets, signage and benches - This budget of £7k is unallocated, it has therefore been requested to vire £7k to the Coastal Infrastructure budget which will be used towards Penarth Pier boardwalk.
- 2.19** Improvement works to the footpath infrastructure on Old Port Road, Wenvoe - This scheme cost has increased as further footpath works have been completed in the park. It has been requested to increase this budget to £13.5k in the 2021/22 Capital Programme to be funded from s106 monies.
- 2.20** Local Nature Partnership Cymru Grant - The Council has received an increase in award of funding for this scheme, emergency powers have been used to increase this budget by £50k to be funded by a grant. The total scheme budget is £151k split £74k for the nature on your doorstep activities, £27k for greening the public estate activities, £25k for the meadow makers projects and £25k for the growing project.
- 2.21** Access Improvement Grant - The Council has been awarded £62,098 for countryside access improvements through the Welsh Government Access Improvement Grant scheme and emergency powers have been used to increase the 2021/22 Capital Programme accordingly. The award relates to the period 1 April 2021 to 31 March 2022 and has been made to the Council to carry out works specified in the below: -

Project title	Description of project	Location	Grant amount
Newton House Farm	Improvement of surface to remedy poor drainage and mud	Cowbridge	7000
Small Scale Infrastructure	Procurement and installation of furniture kits	County wide	10098
Porthkerry FP31	Completion of surfacing on FP31 at Cwm Barri	Porthkerry Park	3000
Streetview routes	Capture, edit and upload promoted routes to streetview	Vale Trails promoted routes	7500
Porthkerry Boardwalk	Installation of boardwalk materials purchased 20-21	Porthkerry Park	2000

Ardwyn	Provision of semi-bound surface and hand rail	Dinas Powys	6000
Llantwit Cemetery Path	Extension of ultitrek surface along FP42 (outside perimeter of cemetery)	Llantwit Major	10500
Llantwit School Path	Provision of surfacing on link to school alongside brook	Llantwit Major	12000
Anomalies	Resolve alignment issues where map and ground differ	County wide	4000

### 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.
- 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**

None



**APPROVED EFFICIENCY TARGETS - 2021/22****APPENDIX 1**

<b>Service</b>	<b>2021/22</b>
<b>Neighbourhood Services and Transport</b>	
Corporate Recovery and Efficiency Savings 21/22	133
Pensions Adjustment	3
Traffic Surveys	10
<b>Total Neighbourhood Services and Transport</b>	<b>146</b>
<b>Regeneration and Development Management</b>	
Corporate Recovery and Efficiency Savings 21/22	16
<b>Total Regeneration and Development Management</b>	<b>16</b>
<b>COMMITTEE TOTAL</b>	<b>162</b>





PROFILE TO DATE	ACTUAL SPEND 2021/22		APPROVED PROGRAMME 2021/22	PROJECTED OUTTURN 2021/22	VARIANCE AT OUTTURN 2021/22	PROJECT SPONSOR	COMMENTS
£000	£000		£000	£000	£000		
		<b>Slippage</b>					
0	0	Penarth Heights Public Art	483	483	0	M Goldworthy	Arcot Street works are progressing, the consultation is underway for Dingle Park and the design is being finalised for the Paget Road scheme. Welsh Government grant. Completion of culvert as per agreement to be carried out this financial year, it is anticipated this will be carried out in July.
3	3	Five Mile Lane	1,500	1,500	0	M Punter	Outstanding defects works also to be carried out this financial year.
0	0	Barry Making Waves Grant	21	21	0	P Chappell	Continuation of previous years scheme.
0	0	Cowbridge Livestock Market Regeneration Budget	26	26	0	M Goldsworthy	Scheme nearing completion, signage and yellow lines outstanding.
5	5	Green Infrastructure Grant	61	61	0	M Goldsworthy	Continuation of previous years scheme.
0	0	Jsub Repairs	24	24	0	P Chappell	Works to be programmed for later in the year.
0	0	Tackling Poverty - Holton Road Grant Programme	133	133	0	P Chappell	A delegated authority request is being drawn up regarding this scheme.
0	0	Economic Stimulus within Local Authorities Grant	83	83	0	M Goldsworthy	Continuation of previous years scheme.
0	0	Vale Enterprise Centre New Windows	69	69	0	P Chappell	Windows are on hold while options are being considered regarding the roof leaks.
0	0	Cosmeston Play Area	18	18	0	M Goldworthy	Park is open. Slippage is to cover the remainder of final outstanding items.
0	0	All-weather parking spaces at Porthkerry Country Park	4	4	0	M Goldworthy	Scheme complete.
0	0	All-weather parking spaces at Cosmeston Lakes Country Park	1	1	0	M Goldworthy	Scheme complete.
18	18	TRI Surveys, Feasibility and Design	21	21	0	M Goldsworthy	Scheme Progressing
4	4	TRI Penarth Town Centre	36	36	0	M Goldsworthy	Scheme Progressing
11	11	TRI Barry Town Centre (Holton Road)	38	38	0	M Goldsworthy	Scheme Progressing
3	3	TRI Barry Town Centre (High Street/Broad Street)	4	4	0	M Goldsworthy	Scheme Progressing
0	0	TRI Cowbridge Town Centre	94	94	0	M Goldsworthy	Scheme Progressing
18	18	TRI Llantwit Major Town Centre	72	72	0	M Goldsworthy	Scheme Progressing
<b>83</b>	<b>83</b>		<b>4,632</b>	<b>4,632</b>	<b>0</b>		
<b>836</b>	<b>836</b>	<b>COMMITTEE TOTAL</b>	<b>23,439</b>	<b>23,525</b>	<b>-86</b>		