

## **The Vale of Glamorgan Council**

### **Shared Regulatory Services Joint Committee: 26th September 2017**

#### **Report of the Director of Environment and Housing Services**

#### **Revenue Monitoring for the Period 1st April to 30th June 2017 for the Shared Regulatory Services**

##### **Purpose of the Report**

1. To provide a report on the quarter one position of the Shared Regulatory Service of 2017/18.

##### **Recommendations**

It is recommended that: -

1. The position with regard to the 2017/18 revenue budget is noted.

##### **Reasons for the Recommendations**

1. That the members are aware of the position with regard to the 2017/18 monitoring relevant to the Board and relevant scrutiny committee.

##### **Background**

2. On the 20th December 2016, the Shared Regulatory Service (SRS) Committee approved the SRS Gross Revenue Budget for 2017/18.

##### **Relevant Issues and Options**

3. The Gross Revenue Budget and projected outturn for 2017/18 are shown in the tables below for each of the elements within the budget. The service is currently anticipating an underspend of £17k against the gross revenue budget of £8,830m. However, information provided by the legacy authorities advocates that this position can be mitigated by the level of income received directly by the authorities.
- Implementation
4. 2016-17 was the final year budget had been allocated to fund the Implementation costs. The 2016-17 closing report which was presented to the June 2017 Committee, detailed a number of items with a combined value of £102k where

provision was being made within the 2016/17 accounts to carry forward the funding to allow the items to be undertaken in 2017/18. These include

- £46k to cover the anticipated cost of setting up the SRS as a separate employer within the Cardiff & Vale Pension Fund as agreed by the Joint Committee on 20th December 2016.
  - £24k to fund a part year contract extension in respect of the IT project manager to enable completion of the final implementation stage of the new system, as agreed by the partner Authorities.
  - £17k in respect of the cost of setting up an SRS Hub at the Civic Offices as agreed by the partner Authorities.
  - £15k in respect of partially completed additional IT consultancy work.
5. It continues to be anticipated that provision made within the accounts will be fully utilised in year.
- Core Services
6. The approved gross Core Services budget for 2017/18 is £6.252m, and is projected to achieve an overall underspend of £245k. The Core Services budget is allocated in line with the population split across the participating authorities.

<b>Authority</b>	<b>%</b>	<b>Gross Budget £000's</b>	<b>Projected Outturn £000's</b>	<b>Outturn Variance £000's</b>
Bridgend	22.46%	1,404	1,347	57
Cardiff	57.34%	3,585	3,448	137
Vale of Glamorgan	20.20%	1,263	1,212	51
		<b>6,252</b>	<b>6,007</b>	<b>245</b>

7. Employee costs are anticipated to achieve a £90k underspend which is the result of a number of part year vacancies and maternity leave, where there have been issues in attracting suitable cover. The £6k overspend on Premises is due to unbudgeted Works in Default expenditure within Cardiff which will be 100% recharged back to the Authority. The £8k overspend on Transport is predominantly the result of two replacement vehicles being purchased in Trading Standards. Supplies and Services are predicting a £147k underspend, which is the result a £40k underspend on equipment purchases plus multiple smaller variances across the headings. A £22k over recovery of income is anticipated in respect of the sale of Primary Authority services.
8. The 2017-18 Welsh Government Rentsmart Grant of £66k has been built into the SRS budget. The Service will recoup 100% of the costs incurred from the grant payable from the participating Authorities.
- Authority Specific Services
9. The approved gross budget of £2.578m in respect of Authority Specific Services is projecting an overspend of £228k as detailed in the table below.

<b>Authority</b>	<b>Gross Budget £000's</b>	<b>Projected Outturn £000's</b>	<b>Outturn Variance £000's</b>
Bridgend	365	338	27
Cardiff	1,730	2,009	(279)
Vale of Glamorgan	483	459	24
	<b>2,578</b>	<b>2,806</b>	<b>(228)</b>

10. The £27k underspend in Bridgend is the result of an underspend within the Transport section of the Licensing section, plus an anticipated underspend within the Kenneling and Vets section where activity is below budget, and is consistent with previous years.
  11. The £279k anticipated overspend within Cardiff predominantly relates to an anticipated £168k overspend in the Licensing section. The £90k unbudgeted Employee costs will be recovered through License Fee income received by Cardiff. There is an estimated overspend of £78k within Supplies and Services which includes unbudgeted Disclosure & Barring Service costs plus unbudgeted Taxi Plate Costs. It is understood that this position will be fully met by Licensing income in excess of budget, and is in line with income levels achieved in previous years.
  12. HMO Plasnewydd and Cathays are projecting a combined underspend of £7k, which is the result of smaller variances across the headings.
  13. Income receipts of £6k from the sale of two redundant vehicles that were replaced last financial year are included in the anticipated overspend of £126k. The budget is insufficient to meet the staffing costs, and is anticipated to be re-dressed in future years. It is assumed that the overspend in the Illegal Money Lending Unit will be fully recovered by grant.
  14. The £13k underspend in Cardiff Port Health Authority is the result of part year staffing vacancies. The residual £5k overspend relates to activity in excess of budget within the Night Time Noise Service.
  15. The projected underspend of £24k in the Vale of Glamorgan is due to a spend below budget within both Employee's and also Supplies and Services in Licensing which has resulted in an underspend of £20k. A reduced uptake on the Vale's Kenneling and Vets Service has resulted in an anticipated underspend of £4k.
- Net Position
16. In accordance with the Joint Working Agreement (JWA), income budgets remain the responsibility of each Participant Authority and are shown in this report for completeness.
  17. The table below illustrates an anticipated underspend of £12k at year end against a net budget of £6.132m, having taken into consideration the projected income received by the Participant Authorities. It has been prepared using income figures provided by the Authorities.

	<b>Net Budget £000's</b>	<b>Projected Outturn £000's</b>	<b>Outturn Variance £000's</b>
Bridgend	1,374	1,292	82
Cardiff	3,365	3,522	(157)
Vale of Glamorgan	1,393	1,306	87
	<b>6,132</b>	<b>6,120</b>	<b>12</b>

18. A full summary of the projected net outturn position is illustrated in Appendix 1.
19. Income received by the date of the report may include income relating to annual fees and charges, or where multiple year licenses have been purchased by the date of the report. Adjustments were administered by the legacy Authority at year end, with income in excess of expenditure within Licensing plus income relating to future periods transferred to an earmarked reserve.
20. The net position for Bridgend is an overall underspend of £82k against a net budget of £1.374m. Anticipated income recovery is on target overall. However, Licensing income is anticipated to exceed budget by £33k, this is then offset by Core income which is anticipated to under recover by £35k.
21. The net position for Cardiff is an overspend of £157k, against a net budget of £3.365m. Income projections overall are projected to achieve a £15k shortfall. This may be due to the historic pattern of income receipts falling off from year 2 of the 5 year HMO License cycle, together with income budgets being under recovered on this element. Only sufficient IMLU grant income to offset the expenditure incurred is shown in this report. The full value of the grant is £635k. It is anticipated that any variance on the Cardiff Port Health account will be transferred to its ring fenced funds at year end.
22. The Vale of Glamorgan is reporting an underspend of £87k against a net budget of £1.393m. This is made up of income in excess of target, where income is expected to exceed target by £12k, plus expenditure being below target within both Authority Specific and Core Services.

### **Resource Implications (Financial and Employment)**

23. As detailed in the body of this report.

### **Sustainability and Climate Change Implications**

24. There are no direct implications arising from this report.

### **Legal Implications (to Include Human Rights Implications)**

25. There are no legal implications.

### **Crime and Disorder Implications**

26. There are no crime and disorder implications.

## **Equal Opportunities Implications (to include Welsh Language issues)**

27. There are no equal opportunities implications.

## **Corporate/Service Objectives**

28. Effective monitoring assists in the provision of accurate and timely information to officers and members, and in particular allows services to better manage their resources.

## **Policy Framework and Budget**

29. The report is in accordance with the Policy Framework and Budget.

## **Consultation (including Ward Member Consultation)**

30. The appropriate Chief Officer has been consulted. This report does not require Ward Member consultation.

## **Background Papers**

None.

## **Contact Officer**

Carolyn Michael (Operational Manager – Accountancy) (01446 709778)

## **Officers Consulted**

Director of Environment and Housing Services  
Head of Service for Shared Regulatory Service

## **Responsible Officer:**

Miles Punter - Director of Environment and Housing Services



Q1 2017-18 Shared Regulatory Service Net Position

Appendix 1

	2017-18 Expenditure Budget £000's A	2017-18 Income Budget £000's B	2017-18 Net Budget £000's C = A - B	2017-18 Profilled Net Budget £000's D	Q1 Actual Expenditure £000's E	Q1 Actual Income £000's F	Q1 Net Position £000's G = E - F	Net Variance To Date £000's H = D - G	Net Projected Outturn £000's I	Projected YE Variance Fav/(Adv) £000's J = C - I
<b>Bridgend</b>										
Core	1,404	(94)	1,310	328	279	(18)	261	67	1,288	22
Authority Specific										
Licensing	318	(301)	17	4	70	(64)	6	(2)	(23)	40
Kenneling & Vets	47	0	47	12	3	0	3	9	27	20
	<b>1,769</b>	<b>(395)</b>	<b>1,374</b>	<b>344</b>	<b>352</b>	<b>(82)</b>	<b>270</b>	<b>74</b>	<b>1,292</b>	<b>82</b>
<b>Cardiff</b>										
Core	3,585	(251)	3,334	834	716	(32)	684	150	3,205	129
Authority Specific										
Cardiff Licensing	651	(959)	(308)	(77)	186	(260)	(74)	(3)	(117)	(191)
HMO Cathays	188	(55)	133	33	45	(32)	13	20	135	(2)
HMO Plasnewydd	252	(177)	75	19	58	(29)	29	(10)	208	(133)
Student Liason	61	0	61	15	14	0	14	1	29	32
Night Time Noise	58	0	58	15	15	0	15	0	63	(5)
Cardiff Port Health	138	(126)	12	3	28	(28)	0	3	(1)	13
IMLU - Cardiff	382	(382)	0	0	130	(130)	0	0	0	0
	<b>5,315</b>	<b>(1,950)</b>	<b>3,365</b>	<b>842</b>	<b>1,192</b>	<b>(511)</b>	<b>681</b>	<b>161</b>	<b>3,522</b>	<b>(157)</b>
<b>Vale of Glamorgan</b>										
Core	1,263	(14)	1,249	312	251	(3)	248	64	1,164	85
Authority Specific										
Vale Licensing	355	(289)	66	16	79	(59)	20	(4)	64	2
Burials	1	0	1	0	2	0	2	(2)	2	(1)
Additional Licensing	8	0	8	2	2	0	2	0	8	0
Pest Control Service	98	(50)	48	12	20	(5)	15	(3)	51	(3)
Vets & Kennelling Fees	21	0	21	5	2	0	2	3	17	4
	<b>1,746</b>	<b>(353)</b>	<b>1,393</b>	<b>347</b>	<b>356</b>	<b>(67)</b>	<b>289</b>	<b>58</b>	<b>1,306</b>	<b>87</b>
<b>Grand Total</b>	<b>8,830</b>	<b>(2,698)</b>	<b>6,132</b>	<b>1,533</b>	<b>1,900</b>	<b>(660)</b>	<b>1,240</b>	<b>293</b>	<b>6,120</b>	<b>12</b>

