

The Vale of Glamorgan Council

Report of the Director of Environment and Housing Services

Revenue Monitoring for the Period 1st April 2018 to 30th June 2018 for the Shared Regulatory Services

Purpose of the Report

1. To provide a report as at 30th June 2018 on the Shared Regulatory Service.

Recommendation

It is recommended that: -

2. The position with regard to the 2018/19 revenue budget is noted.

Reason for the Recommendation

3. That the members are aware of the position with regard to the 2018/19 monitoring relevant to the Board and relevant scrutiny committee.

Background

4. On the 19th December 2017, the Shared Regulatory Service (SRS) Committee approved the SRS Gross Revenue Budget for 2018/19.

Relevant Issues and Options

1. The Gross Revenue Budget and projected outturn for 2018/19 are shown in the tables below for each of the elements within the budget. The service is currently anticipating an overspend of £22k against the gross revenue budget of £8.504m, as shown in the table below.

	Gross Budget £'000's	Projected Outturn £'000's	Outturn Variance £'000's
Authority			
Bridgend	1,774	1,729	45
Cardiff	4,978	5,070	(92)
Vale	1,752	1,727	25
Total Gross Expenditure	8,504	8,526	(22)

However, the Service will be re-positioning itself within the next 6 months, in readiness to meet the agreed savings target of future years. As a result, it is anticipated that the quarter 1 projected £22k deficit position will be fully negated in year.

Implementation

- Provision was made in the 2016/17 for items that were yet to be realised within the accounts. Funding for the remaining two items has been carried forward to accommodate the items within 2018/19. 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.

- £10k in respect of partially completed additional IT consultancy work.

- It is anticipated that the provision made within the accounts will be fully utilised in year.

Core Services

- The approved gross Core Services budget for 2018/19 is £6.261m, and is projected to achieve an overall underspend of £82k. The Core Services budget is allocated in line with the population split across the participating authorities.

Authority	%	Gross Budget £'000's	Projected Outturn £'000's	Outturn Variance £'000's
Bridgend	22.39%	1,401	1,382	19
Cardiff	57.51%	3,601	3,556	45
Vale	20.10%	1,259	1,241	18
Total Core		6,261	6,179	82

- Employee costs are anticipated to achieve a £34k overspend which is the result of two unbudgeted posts in respect of the Public Space Protection Order posts. The costs of which will be recharged directly back to the two instructing Authorities. Agency cover is anticipated to be accessed where issues arise within the Service. These costs are anticipated to be partially offset by maternity leave due within the year, plus part year vacancies where there have been issues in attracting suitable cover within certain disciplines.

6. Transport Costs are expected to achieve a £26k overspend as a result of an anticipated spend in excess of budget on vehicle repairs and fuel. Some of these costs will be met by grant funding.
7. Supplies and Services are predicting a £39k overspend, which includes an overspend of £15k on printing costs, an overspend of £15k on the delivery of services which relates directly to Works in Default and will be recharged back to Cardiff, an unbudgeted spend of £6k on analysis cost but it is anticipated that they will be recovered through grants. There is an anticipated £3k overspend on IT.
8. £181k over recovery of income is anticipated, which is made up of £100k recharged staff costs from the Public Open Space projects to Cardiff and the Vale of Glamorgan Councils, plus recovery of costs from Welsh Government in respect of the Special Procedures Project which is to be incorporated into the Public Health (Wales) 2017 Act. Also expected to be received are £20k Primary Authority sales, plus £61k of income from charges of services.
9. The 2018/19 Welsh Government Rentsmart Grants 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

10. The approved gross budget of £2.243m in respect of Authority Specific Services is projecting an overspend of £104k as detailed in the table below.

Authority	Gross Budget £'000's	Projected Outturn £'000's	Outturn Variance £'000's
Bridgend	373	347	26
Cardiff	1,377	1,514	(137)
Vale	493	486	7
Total Authority Specific Services	2,243	2,347	(104)

11. The £26k underspend in Bridgend is the result of an £2k underspend within the Licensing section which is made up of smaller variances across the headings. There is an anticipated £24k underspend within the Kenneling and Vets section where activity is below budget, and is consistent with previous years and the national trend of the reduction of dogs being presented as homeless.
12. The £137k anticipated overspend within Cardiff predominantly relates to an anticipated £141k overspend in the Licensing section. There are £67k of unbudgeted Employee costs which will be offset through License Fee income received by Cardiff.

13. There is an estimated overspend of £74k within Supplies and Services which includes unbudgeted Printing, 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.
14. HMO Plasnewydd and Cathays continues to project a combined underspend of £8k, which is the result of smaller variances across the headings.
15. The £7k anticipated overspend within Night Time Noise relates directly to activity levels in excess of budget.
16. The £3k underspend in Cardiff Port Health Authority is the result of small underspends across the headings.
17. Student Liaison is anticipated to achieve a balanced position at year end.
18. The projected underspend of £7k in the Vale of Glamorgan is the result of an anticipated £10k underspend within Kenneling and Vets, which is due to a lower than budgeted uptake in the service, and is consistent with the reducing pressures felt in Bridgend. There is an anticipated £4k underspend within Pest Control which is made up of smaller variances across the headings. The Additional Licensing Scheme which is located within the Castleland Ward in Barry will end late Summer 2018 and will not be renewed thus resulting in a £3k underspend.
19. The cost of the Public Health Funerals is anticipated to exceed budget by £5k, however this may at least in part be met by income recovered from the estate of the deceased. The £5k anticipated overspend within Licensing is the result of smaller variances across the headings.

Net Position

20. 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.
21. The table below illustrates an anticipated overspend of £142k at year end against a net budget of £6.146m, having taken into consideration the projected income received by the Participant Authorities. It has been prepared using income figures provided by the Authorities.

Net Expenditure Authority	Gross Budget £'000's	Projected Outturn £'000's	Outturn Variance £'000's
Bridgend	1,328	1,313	15
Cardiff	3,410	3,592	(182)
Vale	1,408	1,383	25
Total Net Expenditure	6,146	6,288	(142)

22. A full summary of the projected net outturn position is illustrated in Appendix 1.
23. 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 Authorities at both 2016/17 and 2017/18 year ends, with income in respect of both Taxi and HMO received in year but relating to future periods being transferred to an earmarked reserve.
24. The net position for Bridgend is an overall underspend of £15k against a net budget of £1.328m, which is the result of anticipated income recovery being £30k below target overall. Licensing income is anticipated to achieve a shortfall against target of £52k, this may be due to an in year £48k increase to the associated income budget. This is then offset by Core income which is anticipated to over recover by £22k.
25. The net position for Cardiff is an anticipated overspend of £182k, against a net budget of £3.410m. Income projections overall are projected to achieve an £90k shortfall. This may in part be due to the historic pattern of income receipts falling off from year 2 onwards of the 5 year HMO License cycle. HMO Plasnewydd will finish its current cycle in Oct 2019, with HMO Cathays finishing in Dec 2021. 2016-17 was the first year that adjustment for income in advance had been administered to the account, with no consideration within the accounts made for periods prior to 2016-17. It is anticipated that there will be a combined £55k under recovery of income on this element of the budget.
26. The Licensing section is anticipated to achieve a shortfall in income of £34k against budget of £959k, which agrees with the performance achieved in 2017-18.
27. It is also anticipated that Core will be £46k below the annual target of £251k.
28. These under recovery of budgeted income streams will then be partially offset by £45k of unbudgeted income from the Student Liaison Support Service which will be recharged out to the Universities within the City.
29. The Vale of Glamorgan is reporting an underspend of £25k against a net budget of £1.408m. Income is anticipated to meet target, with no variances projected at this time.

Resource Implications (Financial and Employment)

30. As detailed in the body of this report.

Sustainability and Climate Change Implications

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

Legal Implications (to Include Human Rights Implications)

32. There are no legal implications.

Crime and Disorder Implications

33. There are no crime and disorder implications.

Equal Opportunities Implications (to Include Welsh Language Issues)

34. There are no equal opportunities implications.

Corporate/Service Objectives

35. 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

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

Consultation (Including Ward Member Consultation)

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

Background Papers

None

Contact Officer

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Officers Consulted

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

Responsible Officer

Miles Punter