

Meeting of:	Environment and Regeneration Scrutiny Committee
Date of Meeting:	Tuesday, 19 November 2019
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Revenue and Capital Monitoring for the Period 1st April to 31st August 2019
Purpose of Report:	To advise Scrutiny Committee of the progress relating to revenue and capital expenditure for the period 1st April to 31st August 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
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The revenue position for 2019/20 is challenging with a savings target for the year being set at £1.044m. It is anticipated that savings will not be fully achieved in year. • The capital budget has been set at £29.13m this financial year. 	

Recommendations

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

Reasons for Recommendations

2. 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 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	26,963	(1,520)
Unplanned use of reserves to fund overspend	0	(1,520)	+1,520
Building Services	0	0	0
Regeneration	2,057	2,057	0
Development Management	967	967	0
Total	28,467	28,467	0

- 2.2** Neighbourhood Services & Transport - This service is currently projecting to have an adverse variance of £1.520m 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. The anticipated shortfall of £470k will be funded via the Neighbourhood Services Reserve.
- 2.3** Within the Waste Collection Service it is anticipated that there will be an adverse variance of around £650k. 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 our 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. This has been compounded by a high % of dry recycling collected since May 2019 being rejected by the new contractor. The rejected material has had to be sent for more expensive treatment or landfill which has cost an additional £150k from May to August 2019. Changes have been made to the collection process with the aim of ensuring the correct containers are placed on the kerbside for dry recycling therefore it is anticipated that considerably less recycling will be rejected going forward. 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** In addition there is a projected adverse variance against the street lighting energy budget. Although efforts have been made over previous years to turn a high % of street lighting to LED there have been significant increases to the cost of energy. The cost has increased by 13% in 2018/19 and now a further 9.5% in 2019/20. There is therefore a projected adverse variance of £150k against this budget.
- 2.6** 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.

- 2.7** 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 long-established income targets for car parking charges and commercial opportunities within the Countryside Division, as these historic savings targets will be difficult to achieve this year if charges are not implemented. Efforts will once again be made to achieve a balanced budget at year-end, but the situation will be closely monitored.
- 2.8** Development Management - Fee income remains on track to achieve its target as a number of major applications have been received to date. Staff movement and short term vacancies whilst the recruitment process takes place has resulted in an under spend on staff costs. In addition, the Division is also continuing to pursue the use of Planning Performance Agreements and other streams of income generation such as pre-planning application advice to help support the regulatory process, in line with 2019/20 savings targets.

2019/20 Savings Targets

- 2.9** As part of the Final Revenue Budget Proposals for 2019/20, a savings target of £1.076m was set for this Committee. The £600k Reshaping Services savings target, set for Neighbourhood Services, has now been allocated into specific projects. A target of £32k has been set for Single Use Sports Facilities and this project is being reported via the Healthy Living and Social Care Scrutiny Committee. This therefore now brings the total savings target for this Committee to £1.044m. 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

- 2.10** Appendix 2 details financial progress on the Capital Programme as at 31st August 2019. The following changes have been made to the Capital Programme since the last report to Committee.
- 2.11** Ogmores by Sea/St Brides Major Sustainable Transport Improvements - Delegated authority has been used to increase this capital scheme by £50k using sustainable transport S106 contributions received from the developers at Ogmores Residential Centre and Ogmores by Sea Caravan Park. This scheme comprises numerous sustainable transport schemes throughout Ogmores by Sea and St Brides Major to improve infrastructure for pedestrians.
- 2.12** Local Transport Fund - The Council has been awarded a £85k Welsh Government grant via Merthyr Tydfil Council for 2019/20. The grant has been awarded in relation to the Barry Docks Interchange and must be fully spent by 31st March

2020. It has been requested that the 2019/20 Capital Programme be increased by £85k.

- 2.13** Improve Pedestrian Movement along Treharne Road - As part of this budget, £20k had been allocated to provide the Vale Adaptive Cycling Club with 3 specialist adaptive cycles: Electric Duet Wheelchair Tandem Cycle, Electric Side X Side Tandem Cycle and Tomcat Special Needs Bullet Trike, to meet the needs of their beneficiaries. However, the club have now been awarded a Strong Communities grant to fund this equipment. It has therefore been requested that the 2019/20 budget is reduced by £20k. The remaining £120k of this budget will be spent on footway and public transport infrastructure improvements in the area around the former Maes Dyfan School.
- 2.14** Maendy Pedestrian Sustainable Transport Improvements - It has been requested that this scheme is renamed 'Ystradowen Sustainable Transport Improvements' as a result of land ownership issues.
- 2.15** Welsh Water Bonvilston Improvements - Delegated authority has been used to increase the 2019/20 Capital Programme by £1.049m to pay Welsh Water Dwr Cymru to undertake reinforcement works in Bonvilston. These works are to be funded from s106 monies.
- 2.16** Economic Stimulus within Local Authorities - The Council has been awarded a £769K grant from Welsh Government to invest in capital schemes to drive important changes in communities. The schemes must provide economic benefits which are aligned with the Welsh Government's priorities. Meetings are being arranged to discuss the allocation of this funding. It has been requested that the 2019/20 Capital Programme is increased by £769k.
- 2.17** Hood Road Goods Shed Land Payment - The Council is in a legal joint venture (JV) with the Welsh Government relating to land at the Innovation Quarter. In accordance with the JV any income generated from the sale of land is split between the two parties based on a percentage ratio, which is determined by the level of development expenditure both parties have invested to date into the Innovation Quarter. It has therefore been requested that the 2019/20 capital programme is increased by £62.37k to allow a payment to be made to Welsh Government for their part of a capital receipt received by the Council.
- 2.18** High Street/Broad Street Traffic Management - This scheme is complete, and it has therefore been requested that the remaining £13k budget is removed from the capital programme.

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

Title of Saving	Description of Saving	Total Saving £000	Projected Saving £000	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
Neighbourhood Services and Transport							
Internal Waste	Review of arrangements for the internal disposal of residual waste	50	50	Green	Saving to be split across all directorates within the Council	Environment & Regeneration	Emma Reed
Passenger Transport	Review of service provision	36	36	Green	The £36k is anticipated to be met from underspend on public transport due to better links with commercial services and operators. Dynamic purchasing has been recently implemented and it is unsure whether this will result in any savings because the demand for school transport services is increasing.	Environment & Regeneration	Emma Reed
Reshaping Services	Grass Cutting contract	120	120	Green	Service outsourced		
Reshaping Services	Concession income	50	5	Red	Delayed due to need for permissions for Romilly Park, Barry Island, South Lodge	Environment & Regeneration	Emma Reed
Reshaping Services	Bus Shelter Sponsorship	25	10	Red	Agreement advanced with Clear Channel for this income although implementation delayed until Autumn 2019.	Environment & Regeneration	Emma Reed
Reshaping Services	NS Management review	70	70	Green	Staff savings of £60k. Further 10k required to involve further review of Neighbourhood Services Management	Environment & Regeneration	Emma Reed
Reshaping Services	Toilet strategy	45	5	Red	Cabinet approved on 29/7/19. Toilets at Thompson Street and Court Road closed due to repairs needed and inappropriate use	Environment & Regeneration	Emma Reed
Reshaping Services	School Crossing Patrol	40	40	Green	Budget reduced to match current workforce	Environment & Regeneration	Emma Reed
Reshaping Services	Traffic Management Standards	40	0	Red	Traffic Management Standards to be reviewed	Environment & Regeneration	Emma Reed
Reshaping Services	Post 16 transport	150	0	Red	Cabinet report due October 2019. Anticipated implementation in 2021/22.	Environment & Regeneration	Emma Reed
Reshaping Services	Review Drainage Service	28	0	Red	Reduction in staffing budget delayed until 20/21.	Environment & Regeneration	Emma Reed
Business Support	Review of service provision	50	50	Green	Staff reorganisation and reception area being closed at Court Road.	Environment & Regeneration	Emma Reed
Community Buildings	Review of service provision	19	19	Green	This has been met by the reduction of hours of posts within the Healthy Living area.	Environment & Regeneration	Emma Reed
Digital Employee - Hybrid Mail	Savings from reduced postage due to hybrid mail	1	1	Green	Achieved	Environment & Regeneration	Emma Reed
Third Party Spend	Savings from external procurement	176	40	Red	Reduction of agency and vehicle within Highways however increase in other costs e.g. recycling treatment and street lighting energy	Environment & Regeneration	Emma Reed
Total Neighbourhood Services and Transport		900	446	Red	50%		

Note : £32k saving for Single Use Sports Facilities is being reported via the Healthy Living and Social Care Scrutiny Committee

Title of Saving	Description of Saving	Total Saving	Projected Saving	RAG Status	Update Comments, Issues & Actions	Relevant Scrutiny Committee	Project Manager
Regeneration							
Third Party Spend	Savings from external procurement	25	25	Green	Saving will be achieved but through a general budget review	Environment & Regeneration	Marcus Goldsworthy
Digital Employee - Hybrid Mail	Savings from reduced postage due to hybrid mail	1	1	Green	Savings allocated and budgets reduced accordingly	Environment & Regeneration	Marcus Goldsworthy
Fees and Charges	Inflationary uplift across appropriate fees and charges	3	3	Green	Anticipating full achievement	Environment & Regeneration	Marcus Goldsworthy
Total Regeneration		29	29	Green	100%		
Development Management							
Planning Income	Income from various initiatives in Planning department	44	44	Green	Anticipating full achievement	Environment & Regeneration	Marcus Goldsworthy
General Efficiencies	General budget review	60	60	Green	Savings allocated and budgets reduced accordingly	Environment & Regeneration	Marcus Goldsworthy
Third Party Spend	Savings from external procurement	11	11	Green	Savings allocated and budgets reduced accordingly	Environment & Regeneration	Marcus Goldsworthy
Total Development Management		115	115	Green	100%		
TOTAL		1,044	590	Red	57%		

Shortfall	454
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Green = on target to achieve in full

Amber = forecast within 20% of target

Red = forecast less than 80% of target

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		
		Neighbourhood and Transport Services					
		Asset Renewal					
35	35	Parks and Sport Facility upgrades	75	75	0	E Reed	Works to Pencoedre Splash Pad are complete. Programme being drawn up for remaining budget.
0	0	Traffic Signal Upgrades	75	75	0	E Reed	Works to be programmed.
3	3	Highways Structures	80	80	0	E Reed	Works to be programmed.
0	0	Community Centres	40	40	0	E Reed	Upgrades to Community Centres.
3	3	Coastal Assets	50	50	0	E Reed	Improvements to coastal assets including lighting at Penarth front.
0	0	Public Convenience	30	30	0	E Reed	Public convenience improvements.
0	0	Provision of dropped Kerbs	25	25	0	E Reed	Works to be programmed.
0	0	Bus stop Upgrades	10	10	0	E Reed	Works to be programmed.
0	0	Provision of Disabled Parking Bays	10	10	0	E Reed	Works to be programmed.
678	678	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.
75	75	Street Lighting Replacement	111	111	0	E Reed	Programme to replace concrete columns.
77	77	Flood Risk Management	129	129	0	M Clogg	Essential culvert relining works in Penarth.
22	78	Coldbrook Flood Risk Management	22	78	(56)	E Reed	Account to be finalised. Overspend to be funded from revenue.
0	0	Street Lighting Energy Reduction Strategy	387	387	0	E Reed	Consultant appointed, will be considering procurement options shortly.
0	0	Dimming of Street Lighting/Fitting of LED lanterns	515	515	0	M Clogg	Phase 2 of street lighting energy reduction strategy and the conversion of ornamental units.
31	31	Coast Protection and Land Drainage General	142	142	0	E Reed	To complete Penarth esplanade north relining works.
0	0	Boverton Flooding	791	791	0	E Reed	Works complete, account to be finalised.
0	0	Llanmaes Flood Management Scheme	796	796	0	E Reed	Scheme modelling has been carried out. An optimised scheme has been identified by the consultant involving attenuation on land to the west of the village. Cabinet approval 9th September obtained to progress land negotiations.
0	0	A48 Strategic Corridor and Other Primary Bus Stops	135	135	0	E Reed	In planning stage. Works to start after Christmas.
65	65	LTF- Cardiff/Vale of Glamorgan Coastal sustainable transport corridor	400	400	0	E Reed	Completed Weltag stage 2 which will be reported to Cabinet in October/November time.
1	1	LTF M4 to Cardiff Airport Transport Network Scheme	750	750	0	E Reed	The Weltag stage 2 plus study is underway which involves on line improvements. Further update to follow once this has been completed.
1	1	Safe Routes in Communities - Porthkerry rd/Romilly road/Windsor Rd	114	114	0	E Reed	Working with design and construction team to programme works this year.
0	0	Road Safety capital -A4055 Cardiff Road	79	79	0	E Reed	Working with design and construction team to programme works this year.
0	0	Road Safety capital -B4270 Floodgate Roundabout to Nash Corner	46	46	0	E Reed	Working with design and construction team to programme works this year.
0	0	Core Active Travel Fund allocation	282	282	0	E Reed	Scheme on-going. Work consists of integrated network map improvements, purchase and installation of cycle shelters within schools, production of active travel maps for local areas and a continuing study looking at active travel route between Barry and Dinas Powys.
		Additional In Year Capital Funding					
0	0	Street Lighting - Column replacement	250	250	0	E Reed	Scheme is being designed, procurement imminent.
0	0	Mobile Enforcement Vehicle	70	70	0	E Reed	Camera car to undertake parking enforcement. Looking at equipment and procurement options.
		Slippage					
3	3	Cross Common Bridge	99	99	0	M Clogg	Meeting being held to progress scheme. Aiming to be tendered during the Autumn.
0	0	Barry Island Shelters	32	32	0	E Reed	To enable the completion of essential engineering remedial and maintenance works
6	6	Dinas Powys Library Bridge	166	166	0	E Reed	Scheme in design stage.
6	6	Murchfield Access Bridge	39	39	0	E Reed	Scheme in design stage.
0	0	Ashpath Footpath Improvements	72	72	0	E Reed	Land issues preventing progress.
0	0	Court Road Car Park	20	20	0	E Reed	To contribute towards necessary security and infrastructure improvements.
1,006	1,062		8,349	8,405	-56		

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		
		S106 Schemes					
8	8	Maendy Pedestrian Sustainable Transport Improvement	80	80	0	E Reed	Scheme is in design stage.
0	0	St Athan Sustainable Transport Improvements	143	143	0	E Reed	Under consideration following unsuccessful Welsh Government bid.
0	0	Improve Pedestrian movements along Treharne Road	140	120	20	E Reed	Request to decrease this budget by £20k as part of this report. Works will include footway and public transport infrastructure improvements in the area around the former Maes Dyfan School. Scheme in design stage.
59	59	Ogmore by Sea/St Brides Major Sustainable Transport Improvements	96	96	0	E Reed	Budget increased via Delegated Authority detailed within this report. Scheme complete.
57	57	Fferm Goch Sustainable Transport Improvements	57	57	0	E Reed	Scheme complete.
0	0	Dinas Powys Sustainable Transport- Footpath	30	30	0	E Reed	To improve pedestrian movements to the village funded by S106. Scheme on-going.
13	13	Community POD Penarth	15	15	0	E Reed	Community POD which can be used for training courses and other community activities funded by S106.
52	52	Penarth Heights Sustainable Transport	1,100	1,100	0	E Reed	Scheme has been designed and tendered.
0	0	Rhoose Sustainable Transport	493	493	0	E Reed	Walking, cycling and public transport improvements funded by S106. Scheme in detailed design stage.
4	4	Wick Sustainable Transport	188	188	0	E Reed	Detailed design has been undertaken. Conversations with Community Council have taken place.
193	193		2,342	2,322	20		
		Waste Recycling and Coastal Management					
0	0	Penarth Pier	23	23	0	E Reed	Works to Penarth pier
0	0	Eastern Selter Resurface Roof	90	90	0	E Reed	Works to be undertaken after summer season
2,435	2,435	Waste Grant WG 1819	3,075	3,075	0	E Reed	Spend committed to the recycling service changes
17	17	Waste Grant WG 1920	2,800	2,800	0	E Reed	Grant committed to the remaining service roll out and towards the construction of a permanent Waste Transfer Station site.
		Additional In Year Capital Funding					
0	0	New Household Waste Recycling Western Vale	555	555	0	E Reed	Currently in the process of determining location of site.
2,452	2,452		6,543	6,543	0		
		Fleet Management					
116	116	Vehicles Renewal Fund	3,454	3,454	0	E Reed	Vehicle replacement programme.
116	116		3,454	3,454	0		
		Regeneration & Planning					
1	1	Barry Regeneration Partnership	633	633	0	M Goldsworthy	Undertaking various initiatives including demolition former office block Broad Street, Barry Town Centre Gateway Regeneration.
19	19	Tackling Poverty	152	152	0	M Goldsworthy	Use towards regeneration of Holton Road.
0	0	TRI Thematic Grants Programme	162	162	0	M Goldsworthy	See Cabinet Report 29th July 2019.
2,422	2,422	Five Mile Lane	5,284	5,284	0	M Punter	Scheme progressing well. Current programme states completion in December.
0	0	J Sub Repairs	25	25	0	M Goldsworthy	Work due to start in quarter 4 subject to the agreement to 3rd parties.
12	12	Vale Enterprise Centre New Windows	100	100	0	M Goldsworthy	First phase is complete, second phase are in the process of being fitted, third phase are being procured.
		Additional In Year Capital Funding					
0	0	Porthceri Boardwalk	35	35	0	S Pickering	Awaiting quotes.
0	0	Porthceri Rangers Office Refurbishment	14	14	0	S Pickering	Will be requesting quotes by the end of the month.
		Slippage					
1	1	Skills Centre - Property Conversion and Car Park	155	155	0	M Goldsworthy	Meetings to discuss car park are taking place with Highways.
0	0	High Street/Broad Street Traffic Management	13	0	13	P Chappell	Scheme Complete. Request to remove scheme from Capital Programme.
4	4	Marketing and Disposal of the Innovation Quarter	31	31	0	M Goldsworthy	Goodshed disposal has been facilitated. Negotiations on-going for the disposal of the Southern Development Site.
		S106 Funding					
15	15	Maes Dyfan Open Space Improvements	36	36	0	M Goldsworthy	Railing project is complete, tree planting contract to start in the autumn.
4	4	Sully Affordable Housing	47	47	0	M Goldsworthy	Scheme complete.
10	10	Penarth Heights Public Art	502	502	0	M Goldsworthy	Scheme to support Public Art Strategy funded by S106. Numerous schemes to be implemented.
0	0	Welsh Water Bonvilston Improvements	1,049	1,049	0	M Goldsworthy	Approved via delegated authority detailed within this report.
		S106 Slippage					
2	2	Badgers Brook Public Open Space Enhancement	3	3	0	M Goldsworthy	Scheme complete.
1	1	Dochdwy Road public Open Space	0	1	(1)	M Goldsworthy	Request to increase budget by £1k as part of this report.
5	5	North Penarth Open Space Improvements	201	201	0	M Goldsworthy	Scheme on-going. Skate park works will be on site mid September.
2,496	2,496		8,442	8,430	12		
6,263	6,319	COMMITTEE TOTAL	29,130	29,154	-24		