
**PLANNING, TRANSPORT & ENVIRONMENT DIRECTORATE – BUDGET
BRIEFING**

Reason for the Report

1. To provide Members with a budget briefing for the Planning, Transport & Environment Directorate, to include:
 - A progress update on how the Directorate is performing against its allocated budget for 2018/19;
 - A progress update on how the Directorate is performing against the savings agreed during the 2018/19 budget setting process;
 - To consider any in year financial pressures currently facing the Directorate;
 - To consider the scale of the proposed budget savings facing the Directorate in 2019/20 and beyond;
 - To consider the approach being taken to identify budget savings for 2019/20 and beyond.

Background

2. The Planning Transport & Environment Directorate has a major role in bringing together Cardiff's place based services. In doing this it is responsible for managing 1,116 FTE staff who deliver a broad range of services that are set out below.
3. **Planning (56 staff)** - Operating from County Hall they are responsible for delivering:
 - Implementing and Monitoring the Local Development Plan (LDP) for Cardiff;
 - Delivering the masterplanning and infrastructure planning approach to secure high quality new developments;

- Contributing to regional planning collaborative working through the South East Wales Strategic Planning Group and other initiatives;
- Contributing to emerging National Development Framework and the Strategic Development Plan for Cardiff Capital Region;
- Preparation of Planning Policy Guidance to support the LDP;
- Minerals planning;
- Delivering the Council's Development Management function;
- Investigating alleged breaches of planning through the enforcement functions;
- Undertaking the Housing Land Availability Study.

4. **Transport Policy, Strategy & Delivery (88 staff)** - Operating from County Hall they are responsible for delivering:

- Regional and City Transport Planning;
- Statutory functions for transport planning process;
- Provision of Building Control Services / Building Regulation Enforcement / Dangerous Structures / Demolitions / Statutory safety at Sports grounds enforcement and event inspections / Fire risk assessments;
- Detailed Design / Project management and contract management / Contract Management Landscape Design;
- Instigating delivery of S278 / S38 agreements / highway works;
- Street Referencing;
- Transport investigation & Assessments;
- Concept Development, Feasibility and Consultation;
- Traffic Regulation Orders;
- Network Management / control room (UTC);
- Road Safety & technical standards;
- Street Works;
- Penalty charge notice processing appeals and blue badges.

5. **Street Scene - Neighbourhood Services and Waste Services (868 staff)** - Operating from City Hall, County Hall, Bessemer Close, Brindley, Lamby Way, Wedal Road and Millicent Street they are responsible for delivering:

- Leading on the delivery of the Clean air Strategy;
- Strategic Delivery and Improvement of Neighbourhood Services including contract & procurement management of service provision and digitalisation of services;
- Maintenance Operations / Winter Maintenance / Emergency Service provision;
- Asset Management / Public Rights of Way (PROW) & Highway Assessments / Highway Safety Inspection / Highway Licensing / Claims;
- Water & Flood Risk Management;
- Bridges, Structures & Tunnel;

- Telematics, Traffic Signals, CCTV & Street Lighting excluding the control room;
- Delivery of S278 / S38 agreements / highway works for highway infrastructure associated with new developments;
- Street Referencing;
- Street Cleansing (Events Cleansing, Fly-Tipping Clearance, High Speed Route Cleansing, Campaigns, City Centre Cleansing, Provision of Commercial Services and SLA's);
- Neighbourhood Services Education and Enforcement (Waste and Recycling Education, Highways and Waste FPN's and Prosecutions, Provision of Commercial Services);
- Civil Parking Enforcement including management of on street pay and display parking and car parks;
- Passenger and Public Transport;
- Road Safety Education & Training including School Crossing Patrols;
- Community Engagement through the 'Love Where You Live Campaign';
- Shared Regulatory Services – Client function for decision-making and managing performance;
- Recycling and Waste Management Strategy and Policy;
- Statutory performance and recycling data;
- Recycling Waste Management Services including collections of recycling, food waste, garden waste, hygiene general waste;
- Waste transfer and bulking operations;
- Education and Awareness;
- Recycling Materials Facilities, materials brokerage and income;
- Bulky items and reuse services;
- Commercial waste services, including skip and multi-service contracts;
- Household waste recycling centres;
- Commercial recycling centres;
- Partnership contract management for Project Gwyrdd and Organics;
- Landfill and aftercare management;
- Stores, deliveries and bin repairs.

6. **Bereavement, Registration Services and Dogs Home (70 staff)** - Operating from Thornhill Crematorium, City Hall, various Cemeteries and Westpoint Industrial Estate they are responsible for delivering:

- Provision of Burial, Cremation and Memorialisation Services to address the loss of human life;
- Provision of Exhumation services;
- Partnership working with other authorities to provide burial services;
- The registration of births, deaths, marriages, civil partnerships and still births that occur in the Cardiff Registration District;

- Taking notices of marriage and civil partnership for Cardiff residents and also for those requiring a “Designated Office” and conducting marriage and civil partnership ceremonies in Cardiff;
- Issuing certificates of birth, death, marriage and civil partnership from archived records in the custody of the Superintendent Registrar;
- Undertaking Nationality Checking Service and conducting Citizenship ceremonies;
- Provision of Cardiff Dogs Home & the rehoming of dogs;
- Provision of outreach and volunteer programmes and training placements at Cardiff Dogs Home;
- Promotion of Animal Welfare in line with nationally recognised standards.

7. **Energy & Sustainability (10 staff)** - Operating from County Hall they are responsible for delivering:

- Manage, monitor and administer energy consumption and carbon emissions across the Council’s estate;
- Develop and deliver the Council’s programme of renewable energy, and energy innovation projects;
- Develop and deliver the Council’s programme of energy efficiency and energy retrofit activity across the Council’s operational and residential estate;
- Develop and Deliver the Council’s statutory and local responsibilities, policies and actions for Sustainable Development.

8. **Business Support (24 staff including Director & Secretary)** – Operating from County Hall they are responsible for delivering:

- Delivery programming for finance / budget Strategic capital / revenue;
- Supporting directorate governance & control;
- Commercial & business improvement;
- Equality development, implementation & monitoring;
- Health & Safety co-ordination;
- Performance management & measurement;
- Business delivery planning;
- Risk management;
- Correspondence support.

Current Budget

9. The **Table 1** below sets out the gross and net expenditure for the Planning, Transport & Environment Directorate for 2017/18 and provides a summary of expenditure and income for the services provided by the Directorate in 2017/18.

Table 1 – Planning, Transport & Environment Directorate – Gross & Net Expenditure 2017/18.

Planning, Transport & Environment Directorate Expenditure 2017/18	£
Employees	£36,681,190
External Spend	£38,257,666
Other Expenditure	£23,671,530
Internal Income	-£9,811,160
Gross Expenditure 2017/18	£88,799,226
Planning, Transport & Environment Directorate Income 2017/18	£
Grant Income	-£22,165,736
Other Income	-£33,348,490
Total Income	-£55,514,226
Net Expenditure 2017/18	£33,285,000

10. The net expenditure value of £33,285,000 is the amount of money that the Council needed to provide in 2017/18 independently of any income generated (grant or other) by the services that are now provided by the Planning, Transport & Environment Directorate.

Budget Savings – 2018/19

11. The Environmental Scrutiny Committee considered the budget proposals for 2018/19 at their meeting on the 14th February 2018. At the meeting proposed savings of £1,838,000 were put forward for the Planning, Transport & Environment Directorate for 2018/19; a breakdown of the proposed savings areas is set out in the **Table 2**.

Table 2 - Proposed Planning, Transport & Environment Directorate Savings 2018/19

Proposed Planning, Transport & Environment Directorate Savings 2018/19	£
Energy & Sustainability	£230,000
Shared Regulatory Service	£93,000
Bereavement & Registration	£50,000
Animal Services	£15,000
Transport, Planning, Policy & Strategy	£30,000
Infrastructure, Operations, Assets & Engineering	£237,000
Schools Transport	£157,000
Planning & Building Control	£55,000
Recycling & Waste Collection	£531,000
Recycling Waste Treatment	£58,000
Cross Waste Services	£50,000
Total Fleet Services	£120,000
Cross Directorate Savings	£212,000
Total Proposed Savings 2018/19	£1,838,000

Financial Pressures & Financial Resilience Mechanism

12. In addition to the proposed savings the budget setting process for 2018/19 included provision for the following Financial Pressures and Financial Resilience Mechanism funding for the 2018/19 financial year:

- **Financial Pressures**
Recycling - To support the growth of dry recycling processing and compensate for the reduction on income received due to global market decline in prices - £523,000 with a residual risk of achieving this as red.
- **Financial Resilience Mechanism Funding - 2018/19**
Visible Street Scene
 - *Localised Highway Asset Improvement Works – £720,000*

- *Essential Road Marking, Signs & Street Furniture Refurbishment Programme - £250,000*
- *City Centre Public Realm Improvements - £150,000*
- *Additional Deep Clean - £277,000*
- *Neighbourhood Services - Continued funding of City Centre Afternoon Waste Enforcement Team - £150,000*
- *Recycling - £200,000*
- *Asset Review & Renewal Programme for Bins - £150,000*

Visible Street Scene Total - £1,897,000

City Centre Enforcement

- *Taxi Enforcement - £40,000*

Other

- *Kerbside Recycling - One Off - £165,000*

Overall Financial Resilience Mechanism Total - £2,102,000

13. When financial pressures funding is granted it is permanently added into the Planning, Transport & Environment Directorate Budget. When financial resilience mechanism funding is granted it is only included in the Planning, Transport & Environment Directorate budget for one year.
14. The proposed savings of £1,838,000, financial pressures bid of £523,000 and financial resilience mechanism bid of £2,102,000 were accepted at Full Council on the 22nd February. This left the Planning, Transport & Environment Directorate with a net expenditure budget of approximately £34,072,000 for 2018/19.

Budget Monitoring – Month 4 Report

15. A report titled Budget Monitoring – Month 4 Report was presented at the Cabinet meeting on the 20th September 2018. The report included a section on the Planning, Transport & Environment Directorate and highlighted that they were forecasting a budget overspend of £1,424,000 for the year 2018/19. The text from

the section of the report relating to the Planning, Transport & Environment Directorate has been included below:

- *The Directorate is currently projecting an overspend totalling £1.424 million, predominantly due to a significant overspend with Recycling & Waste Management Services. In addition, overspends are projected against Fleet Services and Planning, Building Control & Energy, whilst underspends are anticipated within Highways and Schools Transport. Cross directorate budgets are also projecting a significant overspend, whilst minor variances are reflected in a number of divisions. Savings shortfalls totalling £1.042 million are included within the overall position, £821,000 of which are against the £1.838 million target for 2018/19 and £221,000 against the unachieved savings carried forward from 2017/18. A large proportion of the anticipated shortfalls are connected to the Recycling & Waste Management Service and relate to staff attendance, round performance, commercial income and digitalisation initiatives. Other shortfalls relate to energy savings, school transport initiatives and vehicle utilisation within Fleet Services.*
- *The overspend within the Recycling & Waste Management Service totals £1.064 million and reflects a number of significant overspends and the aforementioned savings shortfalls, which total £406,000, partly offset by lower costs for secondary and organic processing and various other in-year mitigations. The main overspends include costs associated with the ongoing HWRC and Waste Transfer Station investigations, additional agency expenditure and income shortfalls at the Materials Recycling Facility (MRF), caused by the global market impact on recyclable commodity prices, and additional costs relating to the skip scheme and technology initiatives. In addition, overspends are anticipated on vehicle fuel and a shortfall in landfill gas income is also expected.*
- *The Council's 2018/19 budget included a specific contingency totalling £350,000 to offset potential income shortfalls in relation to the MRF, reflecting the volatility in the market for recycle materials. Having reviewed this area, as part of the monitoring process, this reports recommends that the full contingency budget is allocated. This allocation has been incorporated within the Directorate position,*

but is subject to Cabinet approval, as set out in the recommendations to this report.

- *Other overspends across the Directorate include unachieved cross directorate savings shortfalls, which total £222,000. In addition, Fleet Services is projected to overspend by £322,000, largely reflecting unachieved vehicle utilisation savings. A level of uncertainty remains within this position and there is the potential that this could change later in the financial year. A further significant overspend, which totals £354,000, is anticipated within the Planning, Building Control & Energy Management Division, where savings shortfalls, as well as a shortfall in planning fee income, are partly offset by a reduced carbon reduction payment. Other, smaller, overspends are projected within Management & Support and Neighbourhood Services. These total £27,000 and £21,000 respectively, with the latter due to compensation payments, partly offset by staffing savings.*
- *The most significant underspend within the Directorate relates to Highways and totals £489,000. This underspend is mainly due to an increased, drawdown from the Civil Parking Enforcement Reserve to fund a range of eligible maintenance and improvement services, as well as an anticipated saving on street lighting energy costs, staff savings and a reduction in the planned level of maintenance expenditure. The other underspend, which totals £100,000 relates to School Transport and is despite savings shortfalls totalling £165,000. These shortfalls are planned to be more than offset by future savings following a retendering exercise for the provision of transport for children with additional learning needs. All other divisions are reporting balanced positions or very minor variances, including Bereavement, Registration Services & Dogs Home and the Shared Regulatory Service, on the basis that income targets will be achieved.*

Savings Progress & Future Budget Planning

16. At the meeting the relevant Cabinet Members and officers from the Planning, Transport & Environment Directorate will be asked to provide an update on:

- The current budget outturn forecast for 2018/19 for the Planning, Transport & Environment Directorate;
- Progress made in achieving the savings agreed during the 2018/19 budget setting process;
- The projected savings targets for 2019/20 and other future years;
- The process being followed to identify how the savings for 2019/20 and other future years will be achieved.

Way Forward

17. Councillor Caro Wild, Cabinet Member for Strategic Planning & Transport and Councillor Michael Michael, Cabinet Member for Clean Streets, Recycling & Environment have been invited to attend for this item. They will be supported by officers from the Planning, Transport & Environment Directorate.

Legal Implications

18. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

19. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to

consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- i. Note the contents of the report; and,
- ii. To consider future actions in relation to future scrutiny of this item.

DAVINA FIORE

Director of Governance & Legal Services

26 September 2018