

<b>Committee</b>	<b>Dated:</b>
Port Health and Environmental Services	21 May 2019
<b>Subject:</b> Revenue Outturn 2018/19	<b>Public</b>
<b>Report of:</b> Chamberlain Director of the Built Environment Interim Director of Consumer Protection & Market Operations Director of Open Spaces	<b>For Information</b>
<b>Report author:</b> Jenny Pitcairn, Chamberlain's Department	

### Summary

This report compares the revenue outturn for the services overseen by your Committee in 2018/19 with the final budget for the year. Overall total net expenditure for the year was £14.148m, whereas the total agreed budget was £14.732m net expenditure, representing an underspend of £584k as set out below:

<b>Summary Comparison of 2018/19 Revenue Outturn with Final Budget</b>			
	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variation Increase/ (Reduction)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Direct Net Expenditure</b>			
Built Environment	(7,320)	(7,233)	87
Markets & Consumer Protection	(2,612)	(2,617)	(5)
Open Spaces	1,727	1,915	188
City Surveyor	(895)	(654)	241
<b>Total Direct Net Expenditure</b>	<b>(9,100)</b>	<b>(8,589)</b>	<b>511</b>
<b>Capital and Support Services</b>	<b>(5,632)</b>	<b>(5,559)</b>	<b>73</b>
<b>Overall Total</b>	<b>(14,732)</b>	<b>(14,148)</b>	<b>584</b>

Chief Officers have submitted requests to carry forward underspendings, and these will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub Committee.

### Recommendation(s)

Members are asked to:

- Note the report and the proposed carry forward of local risk underspendings to 2019/20.

## Main Report

### Revenue Outturn for 2018/19

1. Actual net expenditure for your Committee's services during 2018/19 totalled £14.148m, an underspend of £584k compared to the final budget of £14.732m net expenditure. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicate expenditure, increases in expenditure or decreases in income.

<b>Summary Comparison of 2018/19 Revenue Outturn with Final Budget</b>				
	<b>Final Budget</b>	<b>Revenue Outturn</b>	<b>Variation Increase/ (Reduction)</b>	<b>Variation Increase/ (Reduction)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
<b>Local Risk</b>				
Built Environment	(7,223)	(7,184)	39	1
Markets & Consumer Protection	(2,589)	(2,607)	(18)	(1)
Open Spaces	1,732	1,919	187	11
City Surveyor	(895)	(654)	241	27
<b>Total Local Risk</b>	<b>(8,975)</b>	<b>(8,526)</b>	<b>449</b>	<b>5</b>
<b>Central Risk</b>				
Built Environment	(97)	(49)	48	49
Markets & Consumer Protection	(23)	(10)	13	57
Open Spaces	(5)	(4)	1	20
<b>Total Central Risk</b>	<b>(125)</b>	<b>(63)</b>	<b>62</b>	<b>50</b>
<b>Capital and Support Services</b>	<b>(5,632)</b>	<b>(5,559)</b>	<b>73</b>	<b>1</b>
<b>Overall Total</b>	<b>(14,732)</b>	<b>(14,148)</b>	<b>584</b>	<b>4</b>

2. The main local risk variations comprise:

- **Built Environment £39,000 underspend**
  - a reduction in employee costs mainly for agency staff, £56,000;
  - a reduction in vehicle maintenance costs, £25,000;
  - additional income from public conveniences, £23,000;
  - an increase in third party payments mainly due to early termination costs of vehicle leases on the outgoing waste contract, £111,000;
- **Markets and Consumer Protection (£18,000) overspend**

- a reduction in Ports income of £245,000 due to a drop in volume of chargeable checks on imported food and feed;
  - a transfer to the Products of Animal Origin Reserve of £328,000
  - additional employee costs for the Senior Coroner and Coroner's Officers, £130,000;
  - additional income due to increased throughput at the Heathrow Animal Reception Centre, £199,000, and on a range of Environmental Health services, £45,000;
  - additional grants income of £215,000 from the Food Standards Agency for Brexit preparations and food and feed sampling;
  - a reduction in employee costs on other services due to vacancies, reduced use of casual workers and reduced training costs, £145,000;
  - a reduction in premises costs due to provision for increased rent that was not required, £51,000.
- **Open Spaces £187,000 underspend**
    - an increase in income from cremations, burials, sales of graves, and memorial dedications, £178,000;
  - **City Surveyor £241,000 underspend**
    - this underspend is mainly due to changes in phasing and planned expenditure in the Cyclical Works Programme of premises repairs and maintenance, in particular a reduction of £194,000 in relation to the Heathrow Animal Reception Centre. Due to the potential move from the HARC within the next few years a review has been undertaken of all cyclical works scheduled for the building. Part of the review has identified works that would not need to be undertaken if the move goes ahead, and therefore will not proceed whilst the future of the HARC is resolved.
3. The £62,000 underspend on central risk is primarily due to changes in phasing of Priority Investment Pot funded project spend. The underspend of £53,000 on these projects (Plastic Free City – underspend of £48,000; Brexit Preparations – underspend of £5,000) will be automatically carried forward to 2019/20.
  4. The £73,000 underspend on capital and support services is due mainly to a reduction in the cost of Walbrook Wharf depot, recharged from Finance Committee.
  5. Appendix 1 provides a more detailed comparison of the local risk outturn against the final budget, including explanation of significant variations. Appendix 2 shows the gross local risk expenditure and income against budget for each Division of Service.

6. Appendix 3 shows the movement from the 2018/19 original budget and the latest approved budget (as reported to your Committee in January 2019) to the final budget.

### **Local Risk Carry Forward to 2019/20**

7. The Director of the Built Environment has a local risk underspending of £39,000 on the activities overseen by your Committee. The Director had net local risk overspendings totalling £153,000 on activities overseen by other Committees. The Director is proposing that a total of £188,000 be carried forward, of which £95,000 relates to activities overseen by your Committee for the following purposes:
  - To replace a pool fleet vehicle with a hybrid vehicle to comply with the requirements of the Ultra Low Emission Zone, £25,000.
  - To meet a number of one-off costs that have arisen during the process of mobilising the new Waste Collection, Street Cleansing and Ancillary Services contract, £70,000.
8. The Interim Director of Consumer Protection & Market Operations has a local risk overspending of £18,000 on the activities overseen by your Committee. The Director had local risk underspending totalling £286,000 on activities overseen by other Committees. The Director is proposing that a total of £127,000 of his maximum eligible underspend of £174,000 be carried forward, none of which relates to activities overseen by your Committee.
9. The Director of Open Spaces has a local risk underspending of £187,000 on the activities overseen by your Committee. The Director also had net local risk underspending totalling £117,000 on activities overseen by other Committees. The Director is proposing that £19,000 of his eligible underspend of £304,000 be carried forward, none of which relates to activities overseen by your Committee.

### **Appendices**

- Appendix 1 – Port Health and Environmental Services Committee Comparison of 2018/19 Revenue Outturn with Final Budget
- Appendix 2 – Port Health and Environmental Services Committee Analysis of Local Risk Revenue Outturn 2018/19 by Service
- Appendix 3 – Port Health and Environmental Services Committee Analysis of Movements 2018/19 Latest Approved Budget to Final Budget.

**Jenny Pitcairn**

Chamberlain's Department

T: 020 7332 1389

E: [jenny.pitcairn@cityoflondon.gov.uk](mailto:jenny.pitcairn@cityoflondon.gov.uk)