

Committee(s): Planning & Transportation Committee	Date(s): 15 December 2020
Subject: 2020/21 Business Plan Update Q2	Public
Report of: Director of the Built Environment	For Information
Report author: Elisabeth Hannah	

Summary

This report sets out the progress made during Q2 of the 2020/21 Departmental Business Plan. This report continues to build on our approach to share high level data, awards and results as infographics (Appendix 1), you will find further details and additional information at Appendix 2.

At the end of September 2020, the Director of Built Environment is currently forecasting a year end overspend of £876k (7.6%) for her City Fund and Bridge House Estate services, although this will be reduced to an overspend of £566k subject to Court of Common Council approval of the 2020/21 re-budgeting adjustment. Appendix 3 sets out the detailed position for the individual services covered by this Committee.

It is predicted that the budget position will significantly worsen by year end due to the ongoing impact of COVID-19 on income streams across the department and projected under-recovery of staff costs recharged to capital projects. In addition, additional overspends are expected due to the costs of the Tulip Inquiry, a contribution to the costs of the Climate Action Strategy, increased advertising costs, and the carry-forward of the department's 2019/20 overspend. The Director is continuing to review all opportunities to further reduce the projected overspend for your Committee. Appendix 3 sets out the detailed financial position for the department.

Recommendation

Members are asked to:

- Note the report and appendices.

Main Report

Background

1. The 2019/20 Business Plan of the Department of the Built Environment was approved by this committee on 28 January 2020.

Key Updates

2. The maintenance and waterproofing programme for London Bridge was completed almost four weeks ahead of schedule. Starting in mid-March, the scheduled work was to replace 24 original bearings and the original protective waterproofing layer under the road surfacing. The maintenance was able to continue throughout the national COVID-19 lockdown.
3. City Plan 2036 consultation delayed due to COVID-19 and changes to Use Classes Order. Revised Plan to be considered by Committees in November & December 2020 and The Court of Common Council in January 2021. Consultation now planned for February/March 2021.
4. Our Climate Resilience team have drafted the Local Flood Risk Management Strategy 2021-27 (with Strategic Environmental Assessment and Equalities appraisal) for public consultation. They have also developed and published the Flood Emergency Plan guidance, available on the City of London Flooding internet page.
5. The Bank on Safety project is now complete following the installation of new traffic signals.

COVID-19

6. The Department continues to support the City's Public Services Silver Group, with a remit including Planning and Construction, Highways and Transportation and Cleansing. With a focus on recovery, the group work closely with the Gold group and are contributing key data to the weekly dashboards.
7. Measures to enable the safe return of the City's workforce and support COVID-19 recovery are being delivered in phases, with the roll out of "Temporary plus" measures expected to be completed by the end of November 2020. These measures replace the initial barriers and cones with more robust materials that are easier for street users to understand.
8. Planning application numbers have increased in Q2 and whilst there are monthly fluctuations the total submissions are still below levels for previous years which would appear to continue to mirror other London Authorities. As with Q1 the number of major schemes at the pre-application stage remains high and are now beginning to translate into the submission of planning applications. Following extensive pre-application discussions, major planning applications have been submitted at 55 Gracechurch Street for an office and retail redevelopment

scheme, Custom House for alterations and extensions to provide a new hotel and associated public realm and an application for a new office tower development at 2-3 Finsbury Avenue has also just been received.

9. Following a delay due to COVID-19, the City of London Street Accessibility Standard revised methodology has been agreed and is expected to be finalised by March 2020.
10. Despite the initial setbacks of COVID-19, the LED replacement scheme is near completion.
11. Cultural activities have been severely limited due to COVID-19. The Sculpture in The City education programme has been converted to provide full digital learning experience this in quarter 2 for remote schools and families learning

Current Position

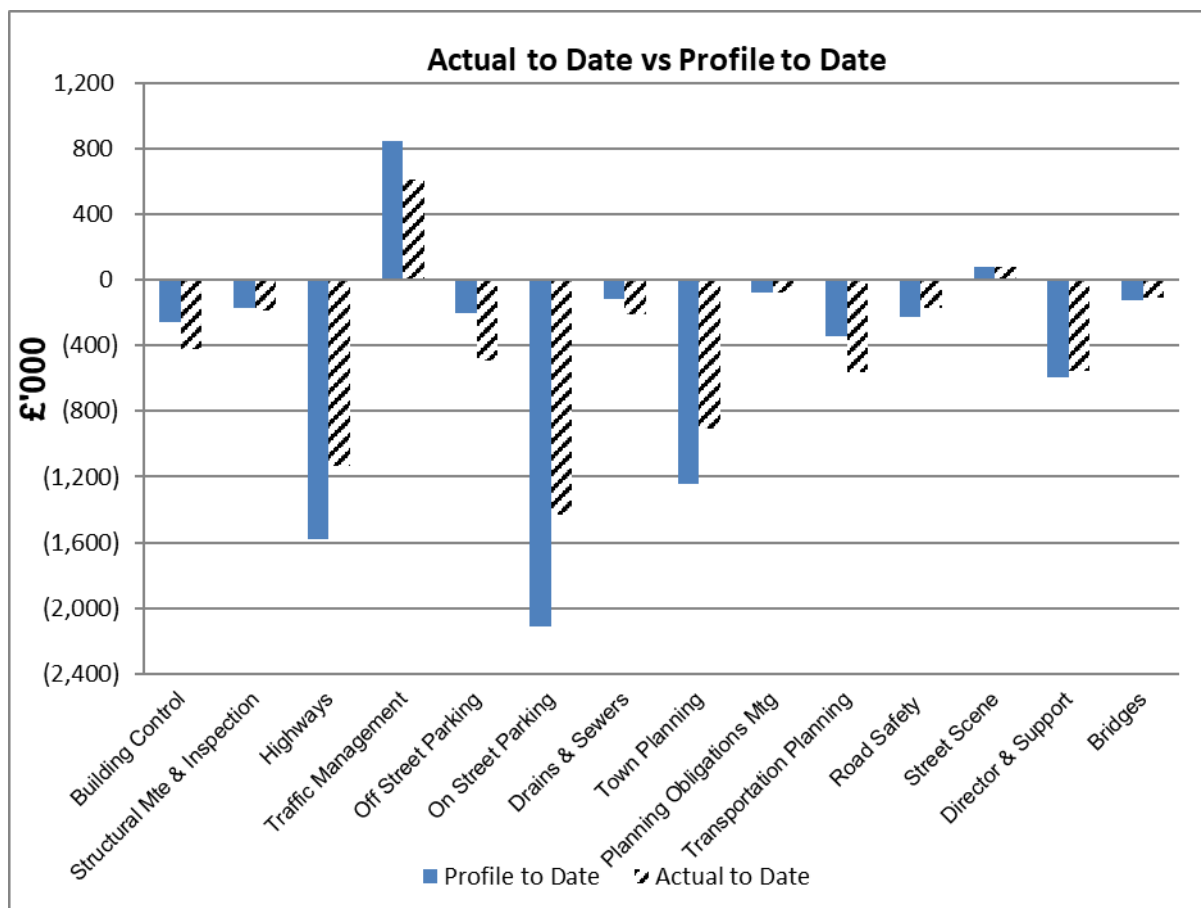
12. Appendix 1 shows our infographic approach to presenting departmental high-level data, awards and results. The work of the department continues to support City of London's Corporate Plan.
13. Appendix 2 gives more details on the infographic, as well as measuring outputs alongside our 20/21 high level objectives as outlined in the Departmental 20/21 Business Plan.
14. Members feedback continues to shape these reports to provide valuable key strategic updates to Members. Further work is being done with the support of the Town Clerk's team to better align with the Corporate Performance Framework (CPF).

Staff Development

15. Two of our apprentices have completed their qualifications, with both achieving distinctions in their level 3 Business Administration courses.
16. The department hired four new apprentices in quarter 2, including technical apprentices in Building Control and Transport Planning.
17. The DBE apprentices have launched a reverse mentoring scheme. The aim of this is to promote and use their strengths within the organisation and to aid the development of their professional skills, networking and communications skills. The scheme has been presented to colleagues in HR and further sharing is expecting with other City departments. If Members would like to speak with one of the DBE apprentices please contact me.
18. The department launched the latest course supporting our talent management strategy this quarter. The ILM5 (Institute of Leadership and Management) qualification will equip delegates with the skills required to launch the next stage of their careers. This recognised qualification will take 18 months to complete, and during this time delegates will work with a coach and personal mentor to establish their own management style.

Detailed Finance Information

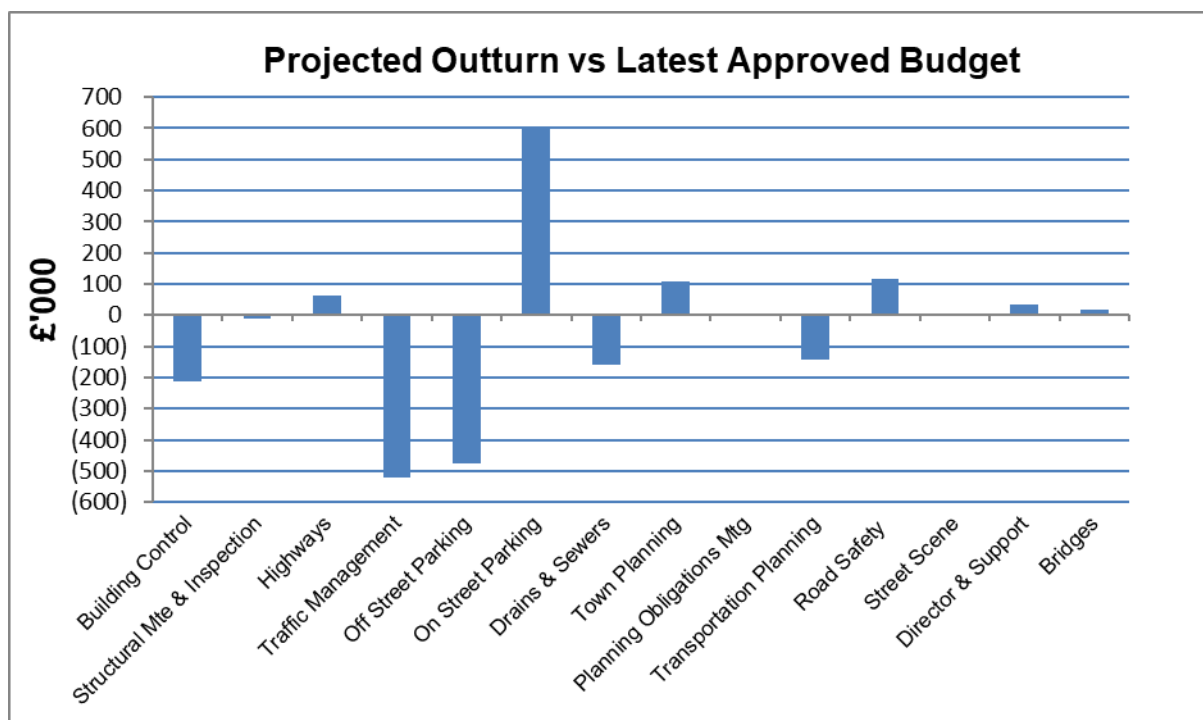
19. The end of September 2020 monitoring position for the Department of Built Environment services within Planning & Transportation Committee is provided at Appendix B. This shows a net underspend to date for the Department of £570k (9.3%) against the overall local risk budget to date of £6.137m for 2020/21.



Notes:

1. Graph shows the actual local risk net position against the profiled budget to date for each Division.
2. A position above the baseline shows overall net income.
3. A position below the baseline shows overall net expenditure.
4. DBE total actual to date net exp of £5,567k is £570k under the profiled budget to date of £6,137k.

20. Overall, the Director of Built Environment is currently forecasting a year end overspend position of £876k (7.6%) for her City Fund and Bridge House Estate services. However, a 2020/21 re-budgeting adjustment of £310k for DBE was recently agreed by Resource Allocation Sub-Committee in response to the effects of COVID-19 on the City's finances which, if approved by Court of Common Council, will reduce the forecast overspend position to £566k.



Notes:

1. Zero is the baseline latest approved budget for each Division of Service.
 2. Graph shows projected outturn position against the latest approved budget.
 3. A variance above the baseline is favourable ie either additional income or reduced expenditure.
 4. A variance below the baseline is unfavourable is additional expenditure or reduced income.
 5. Overall the Department is forecasting an overspend of £876k at year end.
21. The reasons for the significant budget variations are detailed in Appendix B, which sets out a detailed financial analysis of each individual Division of Service reporting to this Committee, for the services the Director of Built Environment manages.
22. The better than budget position at the end of September 2019 is mainly due to reduced variable On-Street Parking enforcement costs and reduced Highways maintenance costs due to reduced and deferred activity as a result of COVID-19, and staffing savings due to vacancies held throughout the Department.
23. These underspends to date are partly offset by reductions in income streams across the department due to the impact of COVID-19; and under recovery of staff costs recharged to capital projects due to reduced activity as a result of COVID-19 together with current staff vacancies within the Department.
24. The Director of Built Environment anticipates that the budget position will significantly worsen by year end due to the ongoing impact of COVID-19 on income streams across the department and projected under-recovery of staff costs recharged to capital projects. In addition, additional overspends are expected due to the costs of the Tulip Inquiry, a contribution to the costs of the Climate Action Strategy, increased advertising costs, and the carry-forward of the department's 2019/20 overspend. These overspends are anticipated to be partly offset by staffing savings due to vacancies, and reduced contractor costs particularly for On-Street Parking enforcement. The re-budgeting adjustment

described above will also partly offset the overspends if approved, but an overall overspend is nevertheless still projected.

25. The Director is continuing to review all opportunities to further reduce the projected overspend for your Committee. She is also currently projecting an underspend on her services within Port Health and Environmental Services Committee which will reduce the overspend for the Department as a whole, after the re-budgeting adjustment, to £221k.

Appendices

- Appendix 1 – Infographic
- Appendix 2 – Supporting Data
- Appendix 3 – Finance Report

Background Papers

DBE Business Plan 2020/21
Transport Strategy

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