

Committee:	Date:
Port Health and Environmental Services	14 01 2020
Subject: Revenue and Capital Budgets and High-Level Summary Business Plans 2020/21	Public
Report of: The Chamberlain Director of the Built Environment Director of Markets and Consumer Protection Director of Open Spaces	For Approval
Report author: Jenny Pitcairn, Chamberlain's Department	

Summary

This report presents for approval the revenue and capital budgets for the Port Health and Environmental Services Committee and final high-level summary Business Plans for the Departments of the Built Environment, Markets and Consumer Protection and Open Spaces for 2020/21.

Overall the proposed revenue budget for 2020/21 totals (£17.252M), an increase in net expenditure of (£2.881M) compared to the 2019/20 Original Budget.

Recommendation

Members are asked to:

- i) review and approve the proposed revenue budget for 2020/21 for submission to Finance Committee;
- ii) review and approve the proposed capital budgets for 2020/21 for submission to Finance Committee;
- iii) authorise the Chamberlain, in consultation with the Directors of the Built Environment, Markets and Consumer Protection, and Open Spaces, to revise these budgets to allow for any further implications arising from Corporate Projects, other reviews and changes to the Cyclical Works Programme;
- iv) agree that minor amendments for 2019/20 and 2020/21 budgets arising during budget setting be delegated to the Chamberlain;
- v) note the factors taken into consideration in compiling the Business Plans of the Departments of the Built Environment, Markets and Consumer Protection, and Open Spaces, including efficiency measures; and
- vi) approve, subject to the incorporation of any changes sought by this Committee, the final high-level summary Business Plans for 2020/21.

Main Report

Background

1. As part of the new framework for corporate and business planning, departments were asked to produce standardised high-level, 2-side Business Plans for the first time in 2017 for the 2018/19 year. Members generally welcomed these high-level plans for being brief, concise, focused and consistent statements of the key ambitions and objectives for every department.
2. For 2020/21, the high-level summary Business Plan has been further evolved to make use of the information now available and give a better overview of how the department's work contributes to the Corporate Plan. It provides an overview of departmental activity and resources, mainly but not limited to the forthcoming 12 months, including capital and revenue projects. As a high-level summary, this document does not capture the granularity of departmental work but gives the overall picture of departmental activity, customer feedback, trends where applicable and direction of travel.
3. For the first time in 2020/21, high-level summary Business Plans are being brought forward alongside budget estimates, pending full integration of the processes for 2021/22, to inform medium-term financial planning and the development of spending priorities. This report therefore presents the budget and draft final high-level summary Business Plans together as appendices.

Proposed Revenue Budget for 2020/21

4. This report presents, at Appendix 1, the provisional 2020/21 budget for your Committee and under the control of the Departments of the Built Environment, Markets and Consumer Protection, and Open Spaces, analysed between:
 - **Local Risk Budgets** – these are budgets deemed to be largely within the Chief Officer's control.
 - **Central Risk Budgets** – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside his/her control or are budgets of a corporate nature.
 - **Support Services and Capital Charges** – these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
5. The budget has been prepared within the resources allocated to each Director.
6. Income, increases in income, and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or reductions in income. Only significant variances (generally those greater than £50,000) have been commented on.

7. Overall, the 2019/20 latest budget is net expenditure of (£18.379M), an increase in net expenditure of (£4.008M) compared to the 2019/20 original budget. The proposed 2020/21 budget is net expenditure of (£17.252M), a decrease of £1.127M in net expenditure compared to the 2019/20 latest budget.

Table 1 Summary Revenue Budgets 2019/20 and 2020/21	Original Budget 2019/20 £'000	Latest Budget 2019/20 £'000	Original Budget 2020/21 £'000
Expenditure	(22,597)	(26,294)	(25,442)
Income	14,398	14,696	14,930
Support Services and Capital Charges	(6,172)	(6,781)	(6,740)
Total Net Expenditure	(14,371)	(18,379)	(17,252)

8. Appendix 2 provides details on budget movements between the 2019/20 original budget and 2019/20 latest budget. Overall, there is an increase in net expenditure of (£4.008M). Main reasons for this net increase are:
- Growth bids of (£3.533M) approved after the original budgets were set, in relation to:
 - Waste Collection, Street Cleansing and Ancillary Services contract price increase, (£3.218M)
 - Coroner employee and running costs, (£150,000)
 - Air Quality employee and running costs, (£99,000)
 - Energy inflation, (£66,000)
 - Approved projects funded from the Priorities Investment Pot, (£98,000) for the Plastic Free City Project (DBE), delivery of Air Quality workstreams in the Responsible Business Strategy (M&CP) and Brexit Preparation (M&CP).
 - An increase in pay costs due to contribution pay, recruitment of apprentices, and transfer of a post from the City Police, (£351,000)
 - An increase in the cost of the Corporate Works Programme managed by the City Surveyor during the year due to changes in phasing, (£394,000)
 - A reduction in central support recharges, £296,000
9. Appendix 3 provides details on budget movements between the 2019/20 latest budget and the 2020/21 proposed budget. Overall, there is a decrease in net expenditure of £1.127M. Main reasons for this net decrease are:
- Increase in fees and charges income of £876,000 from Heathrow Animal Reception Centre,
 - A reduction in the cost of the Corporate Works Programme managed by the City Surveyor due to changes in planned works, £138,000,
 - Removal of one-off items, £149,000, including contribution pay and Priority Investment Pot funding.

Staffing Statement

10. Table 2 below shows the movement in manpower and related staff costs.

Table 2 Staffing Summary	Original Budget 2019/20		Original Budget 2020/21	
	Manpower Full-time Equivalent	Estimated Cost £'000	Manpower Full-time Equivalent	Estimated Cost £'000
Service				
Public Conveniences	3.3	(145)	1.8	(139)
Public Conveniences - agency staff	-	(383)	-	(112)
Waste Collection	9.2	(609)	9.3	(580)
Street Cleansing	6.5	(421)	6.6	(434)
Waste Disposal	5.1	(311)	4.9	(319)
Transport Organisation	2.0	(90)	2.0	(79)
Cleansing Services Management	4.4	(372)	5.4	(388)
Built Environment Directorate *	7.9	(813)	0.0	0
Coroner	2.0	(29)	3.0	(212)
City Environmental Health	30.8	(1,950)	31.8	(2,122)
Animal Health Services	41.8	(1,758)	49.9	(2,411)
Trading Standards	5.0	(359)	5.0	(343)
Port and Launches	49.8	(2,805)	47.8	(2,615)
Cemetery and Crematorium	67.3	(2,477)	68.0	(2,509)
Total Port Health and Environmental Services	235.1	(12,522)	235.5	(12,263)

* Transferred to Planning & Transportation Committee

Draft Capital Project budgets for 2020/21

11. The latest estimated costs for the Committee's current capital projects are summarised in Table 3 below.

Table 3					
Service Managed	Project	Exp Pre 01/04/19 £'000	2019/20 £'000	Later Years £'000	Total £'000
<u>Pre-implementation</u>					
Cemetery & Crematorium	Cremator replacement and mercury abatement	10	15		25
Cemetery & Crematorium	Mechanised digger replacement		53		53
City Environmental Health	Planning & regulatory services casework management system		4		4
Total Port Health & Environmental Services		10	72	0	91

12. Pre-implementation costs comprise feasibility and options appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work. It should be noted that the above figures exclude implementation costs, which are subject to further approvals.
13. The latest Capital Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2020.

Draft final high-level summary Business Plan for 2020/21 – Department of the Built Environment

14. This report presents, at Appendix 4, the draft final high-level summary Business Plan for 2020/21 for the Department of the Built Environment.
15. This section outlines the following:
- the factors taken into consideration in compiling the Business Plan,
 - how the 2020/21 efficiency target will be delivered,
 - which activities will be reduced or stopped, and
 - initiatives, programmes and projects identified through the Fundamental Review to be developed and delivered along with the expected timescales for doing so.
16. The Business Plan continues to be based on delivering the department’s vision of *Creating and facilitating the leading future world class city*. The DBE Business Plan contains eight aims and objectives which support the City’s Corporate Plan and contribute to the success of corporate aims and outcomes.
17. The Department has compared its activities against the Corporate Plan’s twelve corporate outcomes. The table below shows that over half of DBE activities contribute to corporate outcomes 10, 11 and 12. More details can be found in the high-level Business Plan.

Corporate Outcomes	
11. We have clean air, land and water and a thriving and sustainable natural environment	20%
10. We inspired enterprise, excellence, creativity and collaboration	17%
12. Our spaces are secure, resilient and well-maintained	17%

18. Significant work is being carried out across the Department to improve our performance and outcome monitoring and databases. This will enable better monitoring of the Department’s impact on business plan and corporate outcomes and improved reporting to Members.
19. As part of the Fundamental Review, a benchmarking exercise in collaboration with other local authorities will review the Parking Ticket Office to ensure we are providing an efficient and effective service and that our systems are fit for purpose.

20. The DBE budget has been reduced to include a 2% efficiency saving which will be achieved by increased income targets, efficiencies and avoided costs:
 - a. Increased income, reviewing fees in line with Financial Regulations;
 - b. Increased staff vacancy factor, review on all vacancies; and
 - c. Recommissioning and realigning of divisional work programmes to focus on the Corporate Plan aims and outcomes.
21. DBE will achieve its savings commitments. Savings, budgeting and reviews remain on all management agendas and continue to be a priority for the Senior Leadership Team (SLT). By working closely with colleagues in the Chamberlain's team, SLT will continue to adjust budgets as needed to address changing business constraints and opportunities.
22. Fees and charges are reviewed biennially to ensure they remain competitive (benchmarked) and cover the costs of delivery. Such reviews, in line with the Fundamental Review and Financial Regulations, are included in our budget forecasting for 2020/21 and will be brought to Committee for decision. The Department is also reviewing its approach to traffic enforcement and toilet provision as part of the Fundamental Review process.
23. The Department's major activities in 2020/21 will include preparing and delivering on our key strategies, providing an excellent service to our customers and the public, strengthening our resilience to risks from natural and man-made threats, supporting the major projects and the agreed capital programme, and ensuring that our staff and departmental structures are fit for the future.
24. The Department will be bringing to committee several key strategies during 2020 and 2021 to help deliver its corporate and business priorities including the Climate Action Strategy, Local Plan, Riverside Strategy and Waste Strategy.
25. Implementation of the Transport Strategy will be a key focus bringing about change in the public realm, and work is being done by officers to ensure our portfolio of projects is aligned to the Transport Strategy and our corporate and departmental priorities.

Draft final high-level summary Business Plan for 2020/21 – Department of Markets and Consumer Protection

26. This report presents, at Appendix 5, the draft final high-level summary Business Plan for 2020/21 for the Department of Markets and Consumer Protection.
27. This section outlines the following:
 - the factors taken into consideration in compiling the Business Plan, and
 - initiatives, programmes and projects identified through the Fundamental Review to be developed and delivered along with the expected timescales for doing so.
28. The Department of Markets and Consumer Protection (M&CP) provides a comprehensive and effective environmental health and trading standards service

for the City of London, ensuring that, through monitoring, regulation and enforcement, City residents and businesses can enjoy an environment and services which are, so far as possible, safe and without risks to their health or welfare. As London Port Health Authority, the Port Health Service provides imported food control and the Animal Health & Welfare Service provides the animal health service for London, including the Animal Reception Centre at Heathrow, and undertakes animal health work for local authorities in London and Berkshire.

29. The Priorities in the high-level Plan are focused on the need to continue to deliver these statutory regulatory services in an efficient and compliant manner, while looking to maximise opportunities to generate income.
30. As part of our Plan we will undertake a review of professional boundaries for specialist officers and the feasibility of introducing a Variable Grade Scheme to ensure that duties are undertaken by an appropriate officer at the right level. This would also enable officers to work across different teams and require a competency framework across the Department/City where skills can be brought together for specific tasks or projects.
31. Proposals identified under the Fundamental Review that will be implemented in 2020/21 include:
 - a. Increased income generation at Heathrow Animal Reception Centre; arrangements for this are already in place.
 - b. Review of professional boundaries and Flexible Grade Scheme, referred to in paragraph 30, to be carried out during 2020/21 with a view to implementation in 2021/22.
 - c. To develop, and pilot for 12 months, a “Primary Authority Hub” for Port Health, Public Protection (Environmental Health and Trading Standards) and Animal Health utilising existing administrative support resources.

Draft final high-level summary Business Plan for 2020/21 – Open Spaces Department

32. This report presents, at Appendix 6, the draft final high-level summary Business Plan for 2020/21 for the Open Spaces Department. Appendix 7 shows the detail behind the activity statements contained within the high-level plan.
33. This year’s Business Plan continues to be based on delivering the vision for the Department: *We enrich people’s lives by enhancing and providing access to ecologically diverse open spaces and outstanding heritage assets across London and beyond.* The Department’s activities will deliver the three Departmental objectives and twelve outcomes.
34. The vision, objectives and outcomes were agreed by the Open Spaces and City Gardens Committee on 16 April 2019. They were developed during 2017 and 2018 by a cross-divisional board of officers who consulted widely with colleagues across all divisions. The activities that will achieve these outcomes (shown in Appendix 6 and in detail in Appendix 7) were developed in consultation with the

Department's Senior Leadership Team, business managers and divisional management teams, and collates information outlined in divisional annual work programmes and management plans.

35. In 2018 the Department reviewed its activity against the Corporate Plan's twelve outcomes. It identified that the Department was delivering against ten of the twelve Corporate Plan outcomes. The largest area of delivery was within the Corporate Plan Aim '*Shape outstanding environments*'. A pie chart showing our activity against the twelve outcomes is shown in the high-level Business Plan.
36. Our green flag and green heritage performance measures benchmark the Department against other parks and open spaces across the country.
37. Some of the main activities for the Cemetery and Crematorium over 2020/21 include:
 - To redesign and re-landscape the plantings of the sunken garden adjacent to the Traditional Crematorium in keeping with its original 'Arts and Crafts' design.
 - Continue to work in partnership with our established consultative groups and offer training to funeral directors to raise awareness and understanding regarding the Children's Funeral Fund introduced by government in 2019.
 - Improve pathways to and the general condition of the paths at the Classic Ash Grave area.
38. The Cemetery and Crematorium 2020/21 Business Plan is attached at Appendix 8.
39. The Department's Business Plan key activities are those which will have the greatest impact on residents, workers and visitors within the Square Mile e.g. progressing Finsbury Circus reinstatement and providing a Visitor Centre at The Monument (both subject to RASC capital funding approval). They will also benefit the local communities around our outer London sites e.g. West Ham Part playground replacement (subject to RASC capital funding approval), progressing West Ham Park nursery site and biodiversity improvements around Burnham Beeches.
40. Across the Department we have identified 2% ongoing efficiency savings. For example, City Gardens will review the impact of the use of technology to improve efficiency and provide intelligent management information and share their learning. We will introduce more on-line forms and on-line payment methods, continue to tender contracts and leases. At Hampstead Heath we will be implementing a new waste strategy which will encourage recycling and reduce waste disposal costs.
41. The Department is a committed partner in the Climate Action Technical Group, in conjunction with the Department of the Built Environment and the Town Clerk's Innovation and Growth division. We will be working to evaluate the current level of carbon sequestration in our Open Spaces. We will also look to identify new

land management opportunities which could increase future carbon sequestration potential.

Corporate & Strategic Implications

Department of the Built Environment

42. Collaboration with other departments continue to offer efficiency benefits. DBE is reaching the end of the recent collaboration with the Markets and Consumer Protection Department concerning procurement of replacement software to support both planning and environmental health services delivery including enhanced mobile working by officers off-site. Such innovation accords with Corporate Plan action 9b.

Department of Markets and Consumer Protection

43. M&CP has reviewed the alignment of its activities with the outcomes in the Corporate Plan. The Department's activities contribute to nine of the twelve corporate outcomes with the majority supporting:

- 1. People are safe and feel safe.
- 6. We have the world's best legal and regulatory framework and access to global markets.
- 9. We are digitally and physically well-connected and responsive.

Public sector equality duty

Department of the Built Environment

44. DBE continues to factor equalities responsibilities in all its Business Plan proposals. We are conducting Equality, Diversity and Inclusion self-assessments which will enable a local action plan which is better aligned to the Corporate Equality and Inclusion Plan.

45. Together with colleagues in HR we will be looking at recruitment to ensure all our recruitment adverts are free of gendered language as well as increasing the number of female-identifying staff in the department and BAME staff at higher grades.

Department of Markets and Consumer Protection

46. M&CP is committed to complying with the Equality Duty and considers all individuals when carrying out their day-to-day work in shaping policy, in delivering services and in relation to their own employees. We are carrying out the Equality, Diversity and Inclusion self-assessment that will identify gaps in our monitoring and an improvement plan to address those gaps will be developed which will be aligned to the Corporate Equality and Inclusion Plan.

47. M&CP managers will work with our HR Business Partner to look at increasing the diversity of our staff in higher grades, particularly focusing on women, race and disability that are significantly under-represented in Grade G and above posts within the department.

Resourcing implications

Department of the Built Environment

48. The Departmental Workforce Plan has been updated to capture current and foreseeable workforce issues, as well as to ensure the department, and staff, are 'fit for the future'.

Conclusion

49. This report presents the proposed budgets and final high-level summary Business Plans for 2020/21 for the Departments of the Built Environment, Markets and Consumer Protection, and Open Spaces for Members to consider and approve.

Appendices

Appendix 1 – Committee Summary Budget – by Risk, Fund and Chief Officer

Appendix 2 – 2019/20 Original Budget to 2019/20 Latest Budget

Appendix 3 – 2019/20 Latest Budget to 2020/21 Original Budget

Appendix 4 – Final high-level summary Business Plan 2020/21 – Department of the Built Environment

Appendix 5 – Final high-level summary Business Plan 2020/21 – Department of Markets and Consumer Protection

Appendix 6 – Final high-level summary Business Plan 2020/21 – Open Spaces Department

Appendix 7 – Detail behind the high-level Business Plan – Open Spaces Department

Appendix 8 – Cemetery and Crematorium Business Plan 2020/21

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