

Committee	Dated:
Port Health and Environmental Services	21 July 2020
Subject: Revenue Outturn 2019/20	Public
Report of: Chamberlain Director of the Built Environment Director of Markets & Consumer Protection Director of Open Spaces	For Information
Report author: Jenny Pitcairn, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2019/20 with the final budget for the year. Overall total net expenditure for the year was £17.396m, whereas the total agreed budget was £18.606m net expenditure, representing an underspend of £1.210m as set out below:

Summary Comparison of 2019/20 Revenue Outturn with Final Budget			
	Final Budget	Revenue Outturn	Variation Better/ (Worse)
	£000	£000	£000
Direct Net Expenditure			
Built Environment	(9,033)	(9,045)	(12)
Markets & Consumer Protection	(2,913)	(2,601)	312
Open Spaces	1,590	1,748	158
City Surveyor (including Cyclical Works Programme)	(1,401)	(949)	452
Total Direct Net Expenditure	(11,757)	(10,847)	910
Capital and Support Services	(6,849)	(6,549)	300
Overall Total	(18,606)	(17,396)	1,210

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. Overspendings will be carried forward to be repaid in 2020/21.

Recommendation(s)

Members are asked to:

- Note the report, the proposed carry forward of local risk underspendings, and the carry forward of local risk overspendings to 2020/21.

Main Report

Revenue Outturn for 2019/20

1. Actual net expenditure for your Committee's services during 2019/20 totalled £17.396m, an underspend of £1.210m compared to the final budget of £18.606m 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.

Summary Comparison of 2019/20 Revenue Outturn with Final Budget				
	Final Budget	Revenue Outturn	Variation Better/ (Worse)	Variation Better/ (Worse)
	£000	£000	£000	%
Local Risk				
Built Environment	(8,917)	(8,959)	(42)	0
Markets & Consumer Protection	(2,840)	(2,414)	426	15
Open Spaces	1,599	1,757	158	10
City Surveyor	(419)	(491)	(72)	(17)
Total Local Risk	(10,577)	(10,107)	470	4
Central Risk				
Built Environment	(116)	(86)	30	26
Markets & Consumer Protection	(73)	(187)	(114)	(156)
Open Spaces	(9)	(9)	0	0
Total Central Risk	(198)	(282)	(84)	(42)
Cyclical Works Programme	(982)	(458)	524	53
Capital and Support Services	(6,849)	(6,549)	300	4
Overall Total	(18,606)	(17,396)	1,210	7

2. The most significant local risk variations comprise:

- **Built Environment (£42,000) overspend**
 - a reduction in income from transfers from reserves, £290,000
 - an increase in waste disposal costs, £142,000
 - a reduction in income from public conveniences, £107,000
 - a reduction in income from vehicle maintenance charges, £58,000
 - a reduction in vehicle maintenance costs, £189,000
 - an increase in income from street cleansing, £80,000
 - reductions in equipment costs, £68,000
 - increases in income from waste collection, £66,000
 - an increase in income from waste disposal, £61,000
 - a reduction in Community Toilet Scheme payment costs, £58,000

- **Markets and Consumer Protection £426,000 underspend**
 - additional income due to increased throughput at the Heathrow Animal Reception Centre, £582,000, and on a range of Environmental Health services, £90,000
 - an increase in employee costs due to increased use of casual workers and overtime, partly offset by vacancies and reduced training costs, £105,000
 - an increase in bad debt provision, £114,000
- **Open Spaces £158,000 underspend**
 - an increase in income from cremations, burials, sales of graves, and memorial dedications, £61,000;
- **City Surveyor £72,000 overspend**
 - an increase in routine repairs and maintenance costs as a result of essential and compliance requirements at the HARC, such as ceiling repairs and completion of DEFRA recommendations. The CSD are now realigning the forward maintenance plan following the recent decision to defer relocation and asset disposal.

3. The £84,000 overspend on central risk comprises:
 - an overspend of £142,000 in relation to the costs of the inquests for the Fishmonger's Hall incident.
 - changes in phasing of Priority Investment Pot funded project spend. The underspend of £58,000 on these projects (Plastic Free City – underspend of £30,000; Air Quality Responsible Business Strategy – underspend of £18,000; Brexit Preparations – underspend of £10,000) will be automatically carried forward to 2020/21.
4. The underspend of £524,000 in the Cyclical Works Programme is due mainly to changes in phasing and planned expenditure of premises repairs and maintenance, in particular a reduction of £500,000 in relation to the Cemetery & Crematorium due to projects on hold or deferred until the completion of the Capital works Cremator project.
5. The £300,000 underspend on capital and support services is due mainly to a reduction in the cost of Walbrook Wharf depot, recharged from Finance Committee (£127,000 underspend), and changes in the cost and allocation of central support services (£158,000 underspend).
6. 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.
7. Appendix 3 shows the movement from the 2019/20 original budget and the latest approved budget (as reported to your Committee in January 2020) to the final budget.

Local Risk Carry Forward to 2020/21

8. The Director of the Built Environment has a local risk overspending of £42,000 on the activities overseen by your Committee. The Director had net local risk overspendings totalling £279,000 on activities overseen by other Committees, and after adjusting for the unspent portion of carry forwards from 2018/19, has a total overspend of £336,000. Any overspend on a Chief Officer's local risk budget is required to be carried forward and recovered from within the department's budget allocation for the following year unless specifically waived by Finance Committee. Subject to agreement by the Chamberlain in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee, it is proposed to reduce the carry forward overspend by £100,000 to take into account the DBE contribution to the Climate Action Strategy. An overspend of £236,000 will therefore be carried forward to be repaid in 2020/21, and the Director is working to identify savings to offset this additional budget pressure.
9. The Director of Markets and Consumer Protection has a local risk underspending of £426,000 on the activities overseen by your Committee. The Director had local risk underspendings totalling £217,000 on activities overseen by other Committees. The Director is proposing that a total of £317,000 of his maximum eligible underspend of £444,000 be carried forward, of which £81,000 relates to activities overseen by your Committee for the following purposes:
 - To purchase and install two new air quality analysers, delayed from 2019/20 due to COVID-19, £41,000.
 - To meet one-off pay settlement costs delayed from 2019/20 due to COVID-19, £40,000.
10. The Director of Open Spaces has a local risk underspending of £158,000 on the activities overseen by your Committee. The Director also had net local risk underspending totalling £309,000 on activities overseen by other Committees. The Director is proposing that a total of £358,000 be carried forward, of which £20,000 relates to activities overseen by your Committee for the following purposes:
 - To purchase a replacement site dumper vehicle, £20,000

Appendices

- Appendix 1 – Port Health and Environmental Services Committee Comparison of 2019/20 Revenue Outturn with Final Budget
- Appendix 2 – Port Health and Environmental Services Committee Analysis of Local Risk Revenue Outturn 2019/20 by Service
- Appendix 3 – Port Health and Environmental Services Committee Analysis of Movements 2019/20 Latest Approved Budget to Final Budget.

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