

<b>Committee(s):</b> Planning & Transportation Committee	<b>Date(s):</b> 8 September 2020
<b>Subject:</b> 2020/21 Business Plan Update Q1	<b>Public</b>
<b>Report of:</b> Director of the Built Environment	<b>For Information</b>
<b>Report author:</b> Elisabeth Hannah	

### Summary

This report sets out the progress made during Q1 of the 2020/21 Departmental Business Plan. This report continues to build on our new approach to share high level data, awards and results as infographics (Appendix 1), you will find further details and additional information at Appendix 2.

Overall, the financial figures in this report are correct at the end of June (Appendix 3). However, significant improvements have happened across the department and reduced the Department of the Built Environment Planning & Transportation Committee position to a projected year end overspend, principally due to savings on highways repair and maintenance, improved off-street car parking income, contract savings for on-street enforcement and allocating staff vacancies against the contingency vacancy factor.

Additional savings within the DBE Port Health Committee Cleansing Services are also making large contract savings from revised contract operations to help balance the departmental budget at year end.

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. City Plan 2036 approved, for consultation, by Court of Common Council May 2020 with another round of public consultation to take place in Autumn 2020.
3. Our Climate Resilience team have been continuing work with Buro Happold to look at scientific data and climate projections as part of establishing information on climate resilience measures required for the City as part of the Corporation's Climate Action Strategy preparation. They have also been promoting climate resilience agenda internally through apprentice workshops and discussions with other departments.
4. Greening Cheapside (Phase 1B) has been delivered, which includes 3 new trees, 18 new accessible seats, 10 square metres of sustainable planting and improved pedestrian routes through the space.

### **COVID-19**

5. The Department are represented on the City's Public Services Silver Group, with a remit including Planning and Construction, Highways and Transportation and Cleansing. The Director of the Department of the Built Environment also sits on Gold group. Regular meetings were held through the quarter and continue with a focus on recovery.
6. Officers, agents and applicants quickly adapted to MS Teams meetings and officers are now keen to explore the facilities that MS Teams offers to enable improved working practices in the 'new normal'. Officers have put measures in place to ensure existing service standards are maintained, including new systems and procedures including Press, Site Notices and neighbours consultation.
7. There has been a significant decline in new planning applications being received and this decline mirrors the decline in London and the UK. However, the number of pre-application negotiations on major schemes currently underway are at an almost unprecedented high level. These schemes collectively have the potential to transform areas such as Fleet Street as well as transforming the City's skyline in the City Cluster. Officers are working in project teams to progress these negotiations with pace through the Planning Performance Agreement process. This intense activity at pre application stage is a clear sign of confidence in the City's future amongst developers and investors. These major schemes will appear on Committee agendas from the Autumn onwards.

8. The Transportation team has begun to deliver its transport recovery plan, as agreed at this Committee, designed to ensure the safety of workers, residents and visitors as people return to the City.
9. Cultural activities have been severely limited due to COVID-19. Sculpture in the City (10th edition) has been delayed from June 2020 to May 2021; social media content has been increased to maintain presence of the project.
10. A drone survey to be completed by the Climate Resilience team has been delayed until July due to COVID-19, windy weather and tides.

### **Current Position**

11. 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.
12. 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.
13. Members feedback continues to shape these reports to provide valuable key strategic updates to Members.

### **Equalities**

14. Following the events surrounding the death of George Floyd and the Black Lives Matter movement, staff have been active in supporting the BAME network, discussing and sharing their experiences in department and Corporation wide meetings. Transportation & Public Realm Director, Zahur Khan sits on the City's Tackling Racism Taskforce.

### **Staff Development**

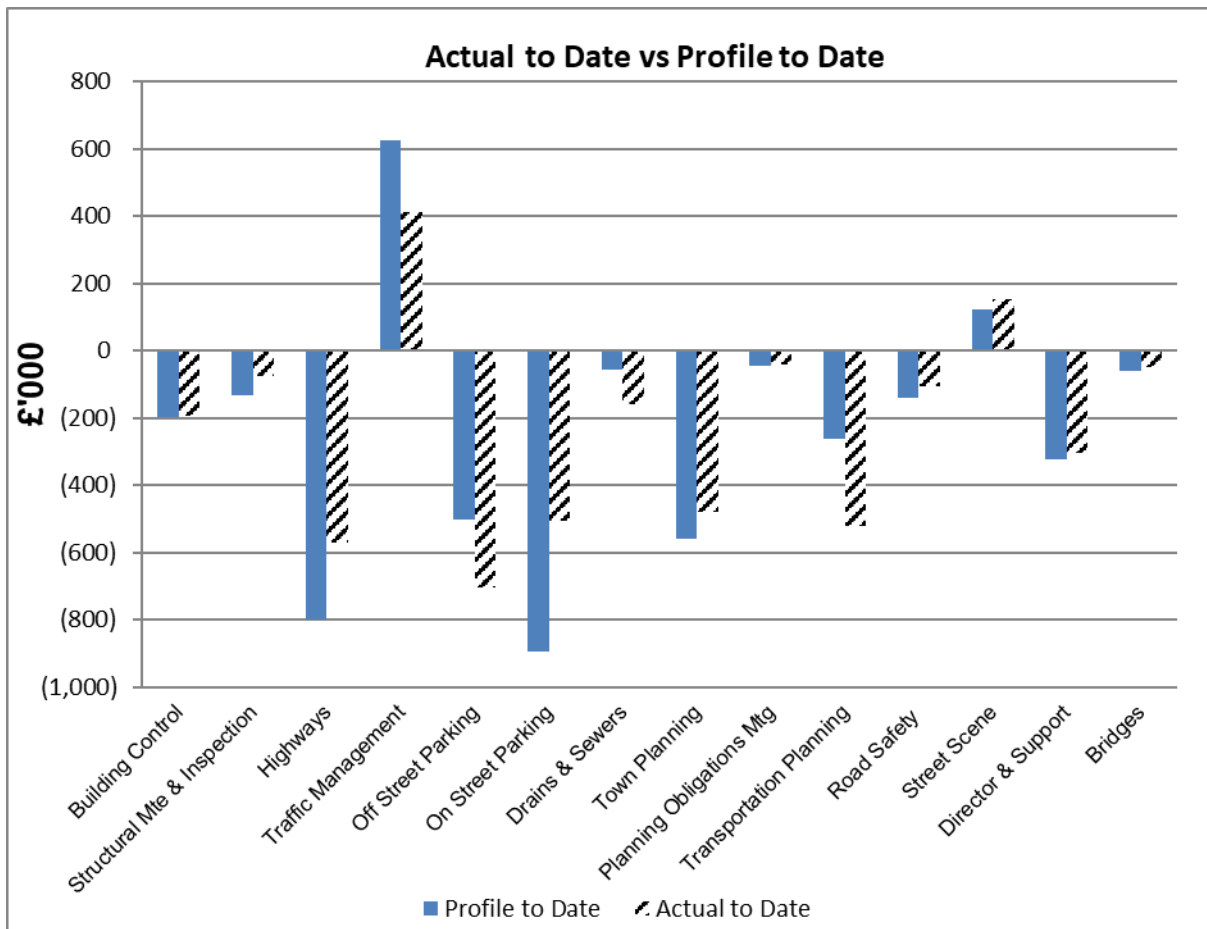
15. Our apprentices continue build social responsibility skills and work collaboratively with a recent fundraising raffle raising over £500 for St Joseph's Hospice in Hackney.
16. Zia Islam, a Mechanical and Electrical apprentice in DBE has been chosen to represent the City at the London Councils Apprenticeship Awards *for best contribution by a new apprentice*. He project-managed a scheme to relight High Timber Street which will realise substantial maintenance and energy savings. Elisabeth Hannah, DBE Business Manager was also nominated in the *best manager/mentor* category recognising her work with the apprentices in the department.
17. Amrith Sehmi, following a City funded degree programme, graduated with a 2:1 in Town Planning from London Southbank University.

### **Detailed Finance Information**

18. DBE are looking at a worse than predicted end of year outturn due to a number of key budget issues, which have been further adversely affected by COVID-19.

The previous significant income levels generated through parking and traffic costs are now projected to be reduced permanently going forward, not only due to the effects of COVID-19, but also through the changes to the use of the City's street from reduced traffic flow. This will be kept under scrutiny to fine tune our future budget projections.

19. The end of June 2020 monitoring position for the Department of Built Environment services within Planning & Transportation Committee is provided at Appendix 3. This shows a net underspend to date for the Department of £82k (2.5%) against the overall local risk budget to date of £3.227m for 2020/21.

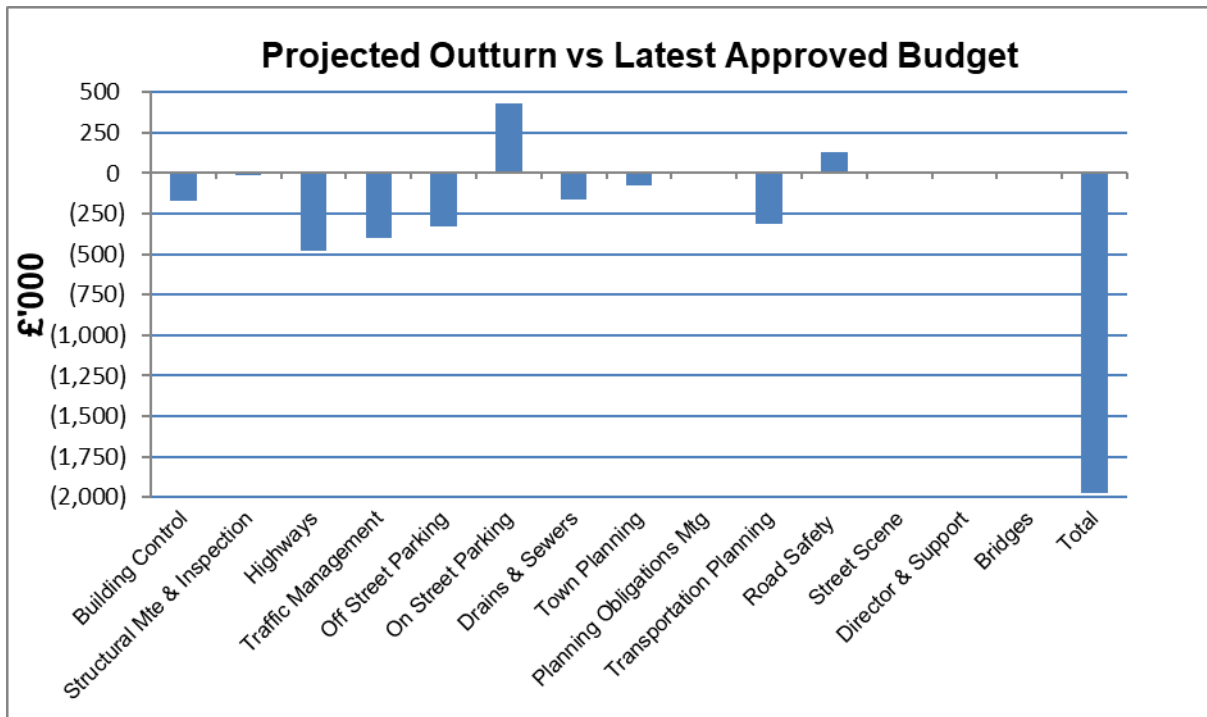


**Notes:**

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 £3,145k is £82k under the profiled budget to date of £3,393k.

20. Overall, the financial figures in this report are correct at the end of June (Appendix 3). However, significant improvements have happened across the department and reduced DBE Planning & Transportation Committee position to a projected year end overspend of £565K, principally due to savings on highways repair and maintenance, improved off-street car parking income, contract savings for on-street enforcement and allocating staff vacancies against the contingency vacancy factor.

21. Additional savings within the DBE Port Health Committee Cleansing Services are also making large contract savings from revised contract operations to help balance the Departmental budget at year end.



**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 £1.974m at year end.

22. The reasons for the significant budget variations are detailed in Appendix 3, 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.

23. The better than budget position at the end of June 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.

24. 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 current staff vacancies within the Department.

25. 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, 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.

26. The Director is continuing to review all opportunities to further reduce the projected overspend, and working closely with Chamberlains and Service Directors to identify saving opportunities.

## **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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