

## 2020/21 Latest Budget to Proposed 2021/22 Original Budget

| Provisional Revenue Budgets<br>2021/22            | Original<br>Budget<br>(OR)<br>2020/21<br>£'000 | Original<br>Budget<br>(OR)<br>2021/22<br>£'000 | Movement<br>OR to OR<br>Better /<br>(Worse)<br>£'000 | Para<br>Ref<br>(Table 5) |
|---|--|--|--|--------------------------|
| <b>LOCAL RISK</b>                                 |  |  |  |                          |
| <b>Expenditure</b>                                |  |  |  |                          |
| Employees   | (12,255)                                       | (14,262)                                       | (2,007)  | 5,7-8                    |
| Premises Related Expenses                         | (1,046)  | (1,057)  | (11)   | 8                        |
| Premises Related Expenses: City<br>Surveyor       | (1,211)  | (840)  | 371  | 12                       |
| Transport Related Expenses                        | (601)  | (519)  | 82   | 5,11                     |
| Supplies and Services                             | (1,918)  | (2,239)  | (321)  | 3-5,8-9                  |
| Third Party Payments                              | (8,343)  | (8,414)  | (71)   | 8,10                     |
| Savings to be Applied                             | 0  | 1,351  | 1,351  | 13                       |
| Efficiency Savings                                | 0  | 1,124  | 1,124  | 14                       |
| <b>TOTAL Expenditure</b>                          | <b>(25,374)</b>                                | <b>(24,856)</b>                                | <b>518</b>   |                          |
| <b>Income</b>                                     |  |  |  |                          |
| Government Grants                                 | 0  | 1,434  | 1,434  | 5                        |
| Other Grants, Reimbursements and<br>Contributions | 192  | 402  | 210  | 3-4                      |
| Customer, Client Receipts                         | 14,438   | 14,373   | (65)   | 8,15-16                  |
| Transfer from Reserves                            | 300  | 418  | 118  | 2,6                      |
| <b>TOTAL Income</b>                               | <b>14,960</b>                                  | <b>16,594</b>                                  | <b>1,664</b>   |                          |
| <b>TOTAL LOCAL RISK</b>                           | <b>(10,444)</b>                                | <b>(8,262)</b>                                 | <b>2,182</b>   |                          |
| <b>CENTRAL RISK</b>                               |  |  |  |                          |
| <b>Expenditure</b>                                |  |  |  |                          |
| Employees   | (8)  | (8)  | 0  |                          |
| Supplies and Services                             | (60)   | 0  | 60   | 1                        |
| <b>TOTAL Expenditure</b>                          | <b>(68)</b>                                    | <b>(8)</b>                                     | <b>60</b>  |                          |
| <b>TOTAL CENTRAL RISK</b>                         | <b>(68)</b>                                    | <b>(8)</b>                                     | <b>60</b>  |                          |
| <b>TOTAL LOCAL &amp; CENTRAL RISK</b>             | <b>(10,512)</b>                                | <b>(8,270)</b>                                 | <b>2,242</b>   |                          |
| <b>RECHARGES</b>                                  |  |  |  |                          |
| Central Recharges                                 | (4,389)  | (4,290)  | 99   |                          |
| Recharges within Fund                             | (1,841)  | (1,715)  | 126  |                          |
| Recharges across Funds                            | (449)  | (349)  | 100  |                          |
| <b>TOTAL RECHARGES</b>                            | <b>(6,679)</b>                                 | <b>(6,354)</b>                                 | <b>325</b>   |                          |
| <b>TOTAL NET EXPENDITURE</b>                      | <b>(17,191)</b>                                | <b>(14,624)</b>                                | <b>2,567</b>   |                          |

The significant movements in the local and central risk budgets are explained in Table 5 below.

| <b>Table 5<br/>Movements between 2020/21 Original Budget and 2021/22 Original Budget</b>                                       |  |                         |                                   |
|--|--|-------------------------|-----------------------------------|
| <b>Reason for Variance</b>   | <b>Movement<br/>Original Budget 2020/21 to<br/>Original Budget 2021/22</b> |                         |                                   |
|  | <b>Expenditure<br/>£'000</b>   | <b>Income<br/>£'000</b> | <b>Net<br/>Movement<br/>£'000</b> |
| Removal of one-off items from 2020/21:   |  |                         |                                   |
| 1) Approved projects funded from the Priorities Investment Pot   | 60   |                         | 60                                |
| 2) Transfer from Landfill Allowance Trading Scheme (LATS) Reserve <sup>i)</sup>  |  | (300)                   | (300)                             |
| One-off items:   |  |                         |                                   |
| 3) Increase in approved grant funding from the Mayor's Air Quality Fund, offset fully by increased supplies and services costs | (130)  | 130                     | 0                                 |
| 4) Grant funding from the Food Standards Agency for feed monitoring, fully offset by additional sampling costs                 | (80)   | 80                      | 0                                 |
| 5) Grant funding from DEFRA for Brexit-related costs <sup>ii)</sup> , offset fully by:   |  | 1,401                   | 1,401                             |
| a. Employee Costs  | (1,345)  |                         | (1,345)                           |
| b. Transport Related Expenses  | (50)   |                         | (50)                              |
| c. Supplies and Services   | (6)  |                         | (6)                               |
| 6) A transfer from the POAO reserve to meet Brexit-related costs not covered by the DEFRA funding in 5) above <sup>ii)</sup>   |  | 418                     | 418                               |
| 7) An increase in employee costs due to:   |  |                         |                                   |
| a. provision for pay increases due to pay award, incremental and career grade progression                                      | (359)  |                         | (359)                             |
| b. adjustment for latest apprentice posts towards the corporate target, funded from the central pot                            | (102)  |                         | (102)                             |
| c. Fundamental Review savings  | 74   |                         | 74                                |
| 8) Removal of rejected public convenience savings proposals included in the original budget:                                   |  |                         |                                   |
| a. Employee Costs  | (270)  |                         | (270)                             |
| b. Premises Related Costs  | (33)   |                         | (33)                              |
| c. Supplies and Services   | (51)   |                         | (51)                              |
| d. Third Party Payments  | 109  |                         | 109                               |
| e. Customer, Client Receipts   |  | 245                     | 245                               |
| 9) Increased costs for personal protective equipment and cleansing materials as a result of COVID-19                           | (50)   |                         | (50)                              |
| 10) Increased cost of waste disposal for:  |  |                         |                                   |
| a. residual waste  | (95)   |                         | (95)                              |
| b. recycling   | (75)   |                         | (75)                              |

### Appendix 3

|   |     |  |     |
|---|-----|--|-----|
| 11) A reduction in vehicle repairs and maintenance costs largely due to a smaller and newer fleet across the organisation | 100 |  | 100 |
| 12) Changes to phasing of the City Surveyor's Corporate Works Programme   | 376 |  | 376 |

## Appendix 3

|  |              |                         |                         |
|--|--------------|-------------------------|-------------------------|
| 13) Identified savings required to remain within Departments' resource envelopes but subject to Member approval and/or staff consultation:<br>a. Built Environment<br>b. Markets and Consumer Protection | 1,074<br>277 |                         | 1,074<br>277            |
| 14) Additional savings, required to remain within Departments' resource envelopes as a result of the 12% savings target, which have not yet been identified:<br>a. Built Environment<br>b. Open Spaces   | 1,055<br>69  |                         | 1,055<br>69             |
| 15) Increases in income from:<br>a. Heathrow Animal Reception Centre<br>b. Cemetery and Crematorium  |              | 170<br>120              | 170<br>120              |
| 16) Reductions in income, mainly as a result of ongoing impact of COVID-19:<br>a. Public Conveniences<br>b. Waste Collection<br>c. Port and Launches <sup>ii)</sup>                                      |              | (150)<br>(297)<br>(183) | (150)<br>(297)<br>(183) |
| Minor variations   | 30           | 30                      | 60                      |
| <b>Total Movement Local and Central Risk</b>   | <b>578</b>   | <b>1,664</b>            | <b>2,242</b>            |

### Notes:

*i) The LATS Reserve holds the income from the sale of allowances under the former Landfill Allowance Trading Scheme, which has been set aside to meet increases in the costs of waste management. The full balance on the Reserve is budgeted to be used in 2020/21.*

*ii) DEFRA have committed to underwrite the financial risk of additional staff currently being recruited in preparation for Brexit for the 2021/22 financial year in the event that throughput does not increase sufficiently that our income will fully cover the associated costs. This underwriting will not cover the costs of existing additional staff already in post in preparation for Brexit, so the costs will instead be met by a transfer from the Products of Animal Origin (POAO) reserve if required. Trade income budgets have been set at a realistic pre-Brexit level so that increases to offset the requirement for use of reserves and funding from DEFRA can be tracked throughout the year.*

The decrease of £325,000 in support services and capital charge expenditure reflects changes in the budgets of central departments and their apportionment between committees, particularly as a result of the Target Operating Model.