

Committee(s): Port Health and Environmental Services Committee	Dated: 9 th July 2024
Subject: Revenue Outturn 2023/24	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: Chamberlain Interim Executive Director Environment	For Information
Report author: Jenny Pitcairn, Chamberlain's Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2023/24 with the final budget for the year. Overall total net expenditure for the year was £18.470m, whereas the total agreed budget was £15.660m, representing an overspend of £2.810m as set out below:

Summary Comparison of 2022/23 Revenue Outturn with Final Budget				
	Original Budget £000	Final Budget £000	Revenue Outturn £000	Variation Better/ (Worse) £000
Direct Net Expenditure				
Environment	(7,764)	(8,209)	(10,385)	(2,176)
City Surveyor (including Cyclical Works Programme)	(367)	(432)	(829)	(397)
Total Direct Net Expenditure	(8,131)	(8,641)	(11,214)	(2,573)
Capital and Support Services	(7,170)	(7,019)	(7,256)	(237)
Overall Total	(15,301)	(15,660)	(18,470)	(2,810)

The Interim Executive Director Environment has submitted a request to carry forward local risk underspendings within the Department, none of which relates to your Committee, and this will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee.

Recommendation

Members are asked to:

- Note the report.

Main Report

Revenue Outturn for 2023/24

1. Actual net expenditure for your Committee's services during 2023/24 totalled £18.470m, an overspend of £2.810m compared to the final budget of £15.660m. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicated expenditure, increases in expenditure or decreases in income.

Summary Comparison of 2022/23 Revenue Outturn with Final Budget				
	Original Budget £000	Final Budget £000	Revenue Outturn £000	Variation Better/ (Worse) £000
Local Risk				
Environment	(7,756)	(8,200)	(10,383)	(2,183)
City Surveyor	(353)	(418)	(362)	56
Total Local Risk	(8,109)	(8,618)	(10,745)	(2,127)
Central Risk				
Environment	(8)	(9)	(2)	7
Total Central Risk	(8)	(9)	(2)	7
Cyclical Works Programme	(14)	(14)	(467)	(453)
Capital and Support Services	(7,170)	(7,019)	(7,256)	(237)
Overall Total	(15,301)	(15,660)	(18,470)	(2,810)

2. The most significant local risk variations comprise:
 - **Environment, (£2.183m) overspend:**
 - reductions in income from:
 - Animal Health Services, (£1.938m) (see also paragraph 3 below);
 - Port Health, due to reduction in required level of enhanced checks on Brazilian meat products, (£0.788m)
 - a reduction in transfers from reserves for Street Cleansing (£0.810m), and Cleansing Management (£0.300m), together with an increase in transfers to reserves for Port Health (£0.330m)
 - an increase in bad debt provision, (£0.118m)
 - a net reduction in employee costs, £0.178m
 - an increase in grant funding and other contributions, (City Environmental Health, £ 0.164m, Port Health £0.403m)

- increases in income from:
 - o Construction / Deconstruction Levy, £0.568m;
 - o Cemetery & Crematorium, £0.330m
 - o Commercial waste, £0.157m
 - o Street cleansing, £0.125m
 - o Public conveniences, £0.093m
 - o Waste Disposal, £0.071m

- **City Surveyor, £56,000 underspend:**

- decreases in reactive repair works mainly at Heathrow Animal Reception Centre.

3. Whilst the income shortfall at HARC was (£1.938m), the overall net local risk position for the service was an overspend of (£1.67m) due to an underspend of £268k across expenditure budgets, which is in line with previous projections. This overall overspend for HARC was absorbed by offsetting against underspends across the wider Environment Department budget as previously advised to this Committee. The projected local risk position for 2024/25 is an overspend of (£730k) before the impact of new business or savings from vacancies are taken into account.
4. The (£453,00) overspend on the Cyclical Works Programme (CWP) is primarily in relation to:
 - Cemetery & Crematorium, (£289,000) overspend, range of works including road resurfacing, fire alarm system upgrade, ducting renewals, staff changing facilities improvements, and drainage remediation.
 - Heathrow Animal Reception Centre, (£107,000) overspend, mainly scissor lift installation plus other works including roof and shutter repairs, and installation of commercial heaters.
 - Port & Launches, (£51,000) overspend, Denton CCTV upgrade, clearance of ditches and drainage, and replacement window.
5. The (£237,000) overspend on capital and support services is due primarily to a review of central support services recharges carried out during 2023/24. This involved updating the basis of apportionment for all recharges following the TOM and Governance Review along with trying to make them more transparent and fairer across all services. The updated basis has led to several variations against budget across committees, but overall total recharges have remained within the total original envelope corporately (City Fund Original Budget £29.9m vs Outturn £27.9m, and City's Estate Original Budget £24.2m vs Outturn £22.9m.) Consultation has been held with areas where recharges are funded from local reserves, i.e. HRA and Police, any variation/increase in costs across other services are met from the deficit funding and have no effect on front-line services.
6. The full recharge review has not yet been formally approved by Members as work is ongoing as to how the new basis will affect 2024/25 budgets. Once the review is fully adopted the 2024/25 budget will be reviewed and updated where necessary and the paper on the review made available.

7. Appendix 1 provides a more detailed comparison of the local risk outturn against the final budget, including explanation of significant variations.
8. Appendix 2 shows the movement from the 2023/24 original budget to the final budget.

Local Risk Carry Forward to 2024/25

9. The Interim Executive Director Environment has a local risk overspending of (£2.183m) on the activities overseen by your Committee. Across the wider Environment Department the Interim Executive Director Environment had net local risk underspendings totalling £2.220m on activities overseen by other Committees, after adjusting for unspent carry-forwards from 2022/23. The Interim Executive Director Environment requested that his maximum eligible underspend of £37,000 be carried forward, none of which relates to activities overseen by your Committee.
10. Carry-forward requests will be considered by the Chamberlain in consultation with the Chairman and Deputy Chairman of Resource Allocation Sub Committee.

Corporate & Strategic Implications

Strategic implications – none.

Financial implications – none.

Resource implications – none.

Legal implications – none.

Risk implications – none.

Equalities implications – none.

Climate implications – none.

Security implications – none.

Appendices

- Appendix 1 – Port Health and Environmental Services Committee Comparison of 2023/24 Local Risk Revenue Outturn with Final Budget
- Appendix 2 – Port Health and Environmental Services Committee Analysis of Movements 2023/24 Original Budget to Final Budget

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