

Committee	Dated:
Port Health and Environmental Services	4 July 2017
Subject: Revenue Outturn 2016/17	Public
Report of: Chamberlain Director of the Built Environment Director of Markets and 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 2016/17 with the final budget for the year. Overall total net expenditure for the year was £12.507m, whereas the total agreed budget was £13.537m, representing an underspend of (£1.03m) as set out below:

Summary Comparison of 2016/17 Revenue Outturn with Final Budget			
	Final Budget	Revenue Outturn	Variation Increase/ (Reduction)
	£000	£000	£000
Direct Net Expenditure			
Director of the Built Environment	6,389	6,284	(105)
Director of Markets and Consumer Protection	2,284	1,742	(542)
Director of Open Spaces	(1,661)	(2,114)	(453)
City Surveyor	882	956	74
Total Direct Net Expenditure	7,894	6,868	(1,026)
Capital and Support Services	5,643	5,639	(4)
Overall Total	13,537	12,507	(1,030)

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.

Recommendation(s)

Members are asked to:

- Note the report and the proposed carry forward of underspendings to 2017/18.

Main Report

Revenue Outturn for 2016/17

1. Actual net expenditure for your Committee's services during 2016/17 totalled £12.507m, an underspend of (£1.03m) compared to the final budget of £13.537m. A summary comparison with the final budget for the year is tabulated below. In this and subsequent tables, figures in brackets indicate income or in-hand balances, increases in income or decreases in expenditure.

Summary Comparison of 2016/17 Revenue Outturn with Final Budget				
	Final Budget	Revenue Outturn	Variation Increase/ (Reduction)	Variation Increase/ (Reduction)
	£000	£000	£000	%
Local Risk				
Director of the Built Environment	6,389	6,316	(73)	(1)
Director of Markets and Consumer Protection	2,236	1,742	(494)	(22)
Director of Open Spaces	(1,661)	(2,114)	(453)	(27)
City Surveyor	882	956	74	8
Total Local Risk	7,846	6,900	(946)	(12)
Central Risk				
Director of the Built Environment	0	(32)	(32)	(100)
Director of Markets and Consumer Protection	48	0	(48)	(100)
Total Central Risk	48	(32)	(80)	(167)
Capital and Support Services	5,643	5,639	(4)	(0)
Overall Total	13,537	12,507	(1,030)	(8)

2. The main local risk variations comprise:

- **Director of the Built Environment (£73,000 underspend)**
 - a reduction in employee costs due to staff vacancies and reduced use of overtime (£103,000);
- **Director of Markets and Consumer Protection (£494,000 underspend)**
 - additional income at the Heathrow Animal Reception Centre (HARC) from fish imports and the Passports for Pets Scheme (£323,000);

- a reduction in employee costs at the HARC and Ports as a result of vacancies, employees not in the pension scheme, and reduced use of overtime and casual workers (£132,000);
 - a shortfall in income of £166,000 due to a delay in an anticipated trade increase at London Gateway port, partly offset by:
 - an underspend on equipment and IT costs due to slippage in the start of the lease for new office space at Manorway House (London Gateway) (£55,000);
 - additional grants income of (£52,000) from the Food Standards Agency for animal feed sampling;
 - reductions in transport and sampling costs of (£78,000);
 - **Director of Open Spaces (£453,000 underspend)**
 - an increase in income from cremations, burials, sales of graves, and memorial dedications (£625,000);
 - a transfer to reserves of £173,000;
 - **City Surveyor (£74,000 overspend)**
 - overspend due to slippage from previous years in the Additional Works Programme of premises repairs and maintenance, £45,000.
3. The (£80,000) underspend on central risk is primarily due to:
 - a rates refund following changes to the rating valuation of public conveniences (£32,000);
 - slippage in work to assess increasing commercial opportunities at the Heathrow Animal Reception Centre (£40,000).
 4. 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.
 5. Appendix 3 shows the movement from the 2016/17 original budget and the latest approved budget (as reported to your Committee in November 2016) to the final budget.

Local Risk Carry Forward to 2017/18

6. The Director of the Built Environment has a local risk underspending of (£73,000) on the activities overseen by your Committee. The Director also had local risk underspending totalling (£565,000) on activities overseen by other Committees. The Director is proposing that her maximum eligible underspend of £500,000 be carried forward, none of which relates to activities overseen by your Committee.
7. The Director of Markets and Consumer Protection has a local risk underspending of (£494,000) on the activities overseen by your Committee. The Director also had local risk underspending totalling (£374,000) on activities overseen by other

Committees. The Director is proposing that his maximum eligible underspend of £338,000 be carried forward, of which £201,000 relates to activities overseen by your Committee for the following purposes:

- To develop a number of Air Quality initiatives - £45,000:
 - An Air Quality Kite Mark scheme for new developments in the City;
 - Expand the CityAir app functionality to the cityairapp.com website;
 - To employ a fixed term contract officer to support air quality communications and project management.
- To purchase and configure software as the next phase of the Port Health and Public Protection Mobile Working project to provide officers with 'real time' access to our back office systems whilst out in the field – £25,000
- To support the Thames Estuary Partnership (TEP) as part of joint working initiatives on the tidal Thames – £10,000
- To employ a fixed term contract Trading Standards Officer for 2017/2018 to continue to develop the Operation Broadway model across Greater London. Operation Broadway is a joint Trading Standards and City Police 'scam busting' (anti-fraud) operation that has expanded into Operation Offspring to encompass a wider area of London under City leadership – £34,000
- To employ a fixed term contract Port Health Assistant to meet additional demand as the result of increased trade routes to London Gateway port – £17,000
- To research and set up a new Primary Authority Unit to increase revenue by developing new Primary Authority Partnerships with City businesses – £35,000
- To design and deliver the City of London Noise Attitude Survey 2017 as part of the Noise Strategy 2016-2026 – £20,000
- To employ a City Business Trainee to carry out administration and project work for the Environmental Health and HM Coroner functions – £5,000
- To employ a temporary Food Safety Environmental Health Officer for 13 weeks to undertake Food Hygiene and Food Standards Inspections across the City - £10,000.

8. The Director of Open Spaces has a local risk underspending of (£453,000) on the activities overseen by your Committee. The Director also had local risk underspending totalling (£863,000) on activities overseen by other Committees. The Director is proposing that £487,000 of his eligible underspend of £500,000 be carried forward, of which £30,000 relates to activities overseen by your Committee for the following purposes:

- Review of Cemetery and Crematorium Conservation Management Plan – £30,000.

Efficiency and Sustainability Plan

9. The Court of Common Council approved the published Efficiency and Sustainability Plan on the 13th October 2016. This plan focuses on the existing Service Based Review programme which is now nearing completion, other agreed transformation initiatives and developing a framework for continuous efficiency improvement for 2017/18 and later years. This plan needs to be viewed

in the context of the overall Medium Term Financial Strategy to have a five year plan with sufficient cashable savings to present a balanced budget for all four funds and adopting an investment approach utilising the headroom to invest in one-off projects such as the Museum of London relocation project and 'bow wave' list of outstanding repairs. To assist with this context and messaging, a set of core messages on the City of London Corporation's Finances have been developed and are set out in Appendix 4 for Members' information.

Appendices

- Appendix 1 – Port Health and Environmental Services Committee Comparison of 2016/17 Revenue Outturn with Final Budget
- Appendix 2 – Port Health and Environmental Services Committee Analysis of Local Risk Revenue Outturn 2016/17 by Service
- Appendix 3 – Port Health and Environmental Services Committee Analysis of Movements 2016/17 Latest Approved Budget to Final Budget.
- Appendix 4 – Efficiency and Sustainability Plan

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