

Item

Environment and Community Scrutiny Committee

2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Environmental Services and City Centre Portfolio

To:

Councillor Moore, Executive Councillor for Environmental Services and City Centre

Report by:

Chief Executive, Strategic Directors, Head of Finance

Date:

28 June 2018

Wards affected:

(All) Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

1. Executive Summary

- 1.1 This report presents, for the Environmental Services and City Centre Portfolio :
- a) A summary of actual income and expenditure compared to the final budget for 2017/18 (outturn position)
 - b) Revenue and capital budget variances with explanations
 - c) Specific requests to carry forward funding available from budget underspends into 2018/19.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 2 July 2018:

- a) Carry forward requests totalling £33,330 revenue funding from 2017/18 to 2018/19, as detailed in **Appendix C**.
- b) Carry forward requests of £1,065k capital resources from 2017/18 to 2018/19 to fund rephased net capital spending, as detailed in **Appendix D**.

3. Background

Revenue Outturn

- 3.1 The overall revenue budget outturn position for the Environmental Services and City Centre Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2016/17 £'000	Environmental Services and City Centre Portfolio - Revenue Summary	2017/18 £'000	% Final Budget
4,249	Original Budget	4,287	102.4
0	Adjustment – Prior Year Carry Forwards	-	-
(20)	Adjustment – Service Restructure Costs	-	-
0	Adjustment – Earmarked Reserves	-	-
110	Adjustment – Capital Charges	(212)	(5.1)
0	Adjustment – Central & Support reallocations	-	-
0	Other Adjustments	113	2.7
4,339	Final Budget	4,188	100.0
4,511	Outturn	4,462	106.6
172	(Under) / Overspend for the year	274	6.6
0	Carry Forward Requests	33	0.8
172	Resulting Variance	307	7.4

3.2 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for this Portfolio for 2017/18. The original revenue budget for 2017/18 was approved by the Executive Councillor for Environmental Services and City Centre on 17 January 2017.

3.3 **Appendix B** provides explanations of the main variances.

3.4 **Appendix C** lists revenue carry forward requests.

Capital Outturn

- 3.5 The overall capital budget outturn position for the Environmental Services and City Centre Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2016/17 £'000	Environmental Services and City Centre Portfolio Capital Summary	2017/18 £'000	% Final Budget
1,140	Final Budget	3,025	100.0
739	Outturn	1,941	64.2
(401)	Variation - (Under)/Overspend for the year	(1,084)	(35.8)
394	Rephasing Requests	1,065	35.2
(7)	Variance	(19)	(0.6)

- 3.6 The majority of the rephasing relates to £690k for the vehicle replacement programme where there have been delays in deliveries, £165k for the vehicle for the waste compound project which has been delayed and £184k for bins for new developments where the new build actual phasing has not matched the budgeted phasing.

4. Implications

(a) Financial Implications

- 4.1 The net variance from the final budget (see above), would result in an increased use of General Fund reserves of £307k after carry forwards.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have financial, staffing, equality and poverty, environmental, procurement or community safety implications.

(b) Staffing Implications

Any staffing implications are included in the Appendices.

(c) Equality and Poverty Implications

Any equality or poverty implications are included in the Appendices.

(d) Environmental Implications

Any environmental implications are included in the Appendices.

(e) Procurement Implications

Any procurement implications are included in the Appendices.

(f) Community Safety Implications

Any community safety implications are included in the Appendices.

5. Consultation and communication considerations

Public consultations are undertaken throughout the year and can be seen at:

cambridge.gov.uk/current-consultations

6. Background papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2017/18
- Directors' Variance Explanations – March 2018
- Budgetary Control Reports to 31 March 2018
- Capital Monitoring Reports – March 2018

7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Revenue Summary for this portfolio	✓
B	Revenue Major Variances for this portfolio	✓
C	Carry Forward Requests for this portfolio	✓
D	Capital Summary for this portfolio	✓

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Environmental Services & City Centre Portfolio / Environment and Community Scrutiny Committee

Revenue Budget 2017/18 - Outturn

Service Grouping	Original Budget	Final Budget	Outturn	Variation Increase / (Decrease)	Carry Forward Requests - see Appendix C	Net Variance
	£	£	£	£	£	£
Environment - Environmental Health						
Control of Disease	119,420	124,730	104,414	(20,316)	0	(20,316)
Out of Hours	155,830	145,830	135,408	(10,422)	0	(10,422)
Scientific Team	442,380	442,380	448,915	6,535	0	6,535
Food and Occupational Safety	473,010	483,010	486,702	3,692	0	3,692
Enforcement	203,000	203,000	195,415	(7,585)	0	(7,585)
Residential Statutory Notice	76,280	58,280	52,157	(6,123)	0	(6,123)
Cambridge University Funded EHO post	0	0	88,529	88,529	0	88,529
	1,469,920	1,457,230	1,511,540	54,310	0	54,310
Environment - Licensing						
Liquor Licensing	(990)	(10,990)	(44,317)	(33,327)	33,327	0
Gambling Act	0	0	0	0	0	0
Miscellaneous Licensing	0	0	0	0	0	0
Private Hire Vehicles	0	0	0	0	0	0
Taxis	0	0	0	0	0	0
	(990)	(10,990)	(44,317)	(33,327)	33,327	0
Environment - Streets and Open Spaces						
Control of Dogs	83,600	83,600	66,429	(17,171)	0	(17,171)
	83,600	83,600	66,429	(17,171)	0	(17,171)
Environment - Waste & Recycling						
Waste Collection	2,648,350	2,672,720	2,810,891	138,171	0	138,171
Commercial Waste	(514,020)	(555,350)	(570,643)	(15,293)	0	(15,293)
Waste Policy	246,480	182,200	170,803	(11,397)	0	(11,397)
	2,380,810	2,299,570	2,411,051	111,481	0	111,481
Environment - Garage and Fleet Services						
Fleet Direct	0	0	0	0	0	0
Garage External Work	(28,000)	(18,570)	200,961	219,531	0	219,531
	(28,000)	(18,570)	200,961	219,531	0	219,531
Environment - Service & Dept Management						
Environmental Health Operational Support	411,720	406,430	395,745	(10,685)	0	(10,685)
	411,720	406,430	395,745	(10,685)	0	(10,685)
Environment - Tourism and City Centre Management						
Tourism	237,750	237,750	219,588	(18,162)	0	(18,162)
Package Tour Scheme	72,560	72,560	71,134	(1,426)	0	(1,426)
City Centre Management	0	0	625	625	0	625
Mill Road Partnership	27,420	27,420	26,291	(1,129)	0	(1,129)
Chesterton Coordinator	48,090	48,090	24,166	(23,924)	0	(23,924)
Markets	(415,390)	(415,380)	(420,857)	(5,477)	0	(5,477)
Control of Street Trading	0	0	0	0	0	0
	(29,570)	(29,560)	(79,053)	(49,493)	0	(49,493)
Total Net Budget	4,287,490	4,187,710	4,462,356	274,646	33,327	307,973

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- via technical adjustments/virements throughout the year

Environmental Services & City Centre Portfolio / Environment and Community Scrutiny Committee

Revenue Budget 2017/18 - Major Variances from Final Revenue Budgets

Cost Centre	Reason for Variance	Amount £	Contact
Environment - Environmental Health	Control of Disease - The most recent recruitment into Pest Control was a Pest Control Officer who replaced a Senior Pest Control Officer at a lower cost to the Service. Commercialisation of the Pest Control Service is under consideration for which underspend can be utilised in terms of recruitment in order to meet future service needs.	(20,316)	Karen O'Connor
	Cambridge University Contract: £62,257 of the variance is funded from monies paid by the University and held by Planning (see S&OS Portfolio) Since the contract terminated in Sep 2017 spend was incurred on an EHO which so was not met from the University and this remaining balance of £26,272 is the net actual overspend. The EHO post was secured as permanent base funding from 2018/19 onwards and will be paid from the Scientific Team cost centre. This cost centre is no longer required as there is no longer a funding arrangement in place with the University.	88,529	Jo Dicks
Environment - Licencing	Liquor Licensing - Due to maternity vacancy some staffing costs have not been spent. Due to self funding cost centre any deficit or credit needs to be carried forward to the 2018/19 budget	(33,327)	Karen O'Connor
Environment - Waste and Recycling	Waste Collection - On a net operational budget of £1258k there has been an overspend of £125k for the City's part of the shared waste service. A creditor raised in 16/17 was £14k more than the actual payment resulting in the net balance on operational spend for the waste service as a whole totalling £111k. The main reasons for the overspend on the waste collection budget was due to RECAP Recycling Contract and Market changes plus the hire of additional crews to support service changes. There has also been underspends on fuel.	138,171	Suzanne Hemingway
Environment - Garage and Fleet Services	Garage External Work - The negative budgetary pressure is primarily driven by key contracts not realising forecast budgets	219,531	David Cox
Environment - Tourism and City Centre Management	Chesterton Coordinator - This post was initially a 2 year contract. In December 2016 it was decided not to renew the contract and the contract ended in January 2017. Redundancy was paid to the employee from the 17-18 budget.	(23,924)	Daniel Ritchie
Other	Miscellaneous - Other cost centres where the variance is less than £20,000 each.	(94,018)	-
Total		274,646	

**Environmental Services & City Centre Portfolio / Environment and
Community Scrutiny Committee****Revenue Budget 2017/18 - Carry Forward Requests**

Request to Carry Forward Budgets from 2017/18 into 2018/19

Item	Reason for Carry Forward Request	Amount £	Contact
1	Liquor Licensing - This cost centre is self financing and the balance should be carried forward each year	33,330	Y O'Donnell
	Total Carry Forward Requests for Environmental Services & City Centre Portfolio	33,330	

Environmental Services & City Centre Portfolio / Environment and Community Scrutiny Committee

Capital Budget 2017/18 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2017/18 £000	Final Budget 2017/18 £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Rephase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC636 - 100152 (38398)	Management of waste compound - vehicle	D Blair	165	165	0	(165)	165	0	Project delayed due to H&S and re-location.
SC652 - 100198 (38433)	Modification to in-ground lift in Waterbeach	D Cox	18	18	18	0	0	0	Project completed.
SC653 - 100221 (38434)	Replacement heating system at the Waterbeach garage	D Cox	39	39	20	(19)	0	(19)	Project completed. Contribution from landlord 50% of project cost.
SC673 - 100207 (38449)	Roller Brake Tester for Waterbeach garage	D Cox	26	26	0	(26)	26	0	Project delayed due to supplier being unable to deliver in timescale. New supplier found but unit cost increased to £28,300
Total Projects			248	248	38	(210)	191	(19)	
PR017 - 100171 (43008)	Vehicle Replacement Programme	D Cox	2,546	2,546	1,856	(690)	690	0	8 vehicles for S&OS ordered and waiting delivery. One vehicle for Shared Waste still to order. This is a special build and delays have been encountered.
PR035 - 100023 (38203)	Waste & Recycling Bins - New Developments (S106)	T Nicholl	231	231	47	(184)	184	0	The provision of bins is at a lower level than that which was previously predicted based on the phasing of the new developments of housing.
Total Programmes			2,777	2,777	1,903	(874)	874	0	
								0	
Total for Environmental and Waste Services Portfolio			3,025	3,025	1,941	(1,084)	1,065	(19)	

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)