

Item

Environment & Community Scrutiny Committee

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Environmental Services & City Centre Portfolio

To:

Councillor Moore, Executive Councillor for Climate Change, Environment & City Centre

Report by:

Chief Executive, Strategic Directors, Head of Finance

Date:

27 June 2019

Wards affected:

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

Key Decision

1. Executive Summary

1.1 This report presents, for the Environmental Services & City Centre Portfolio:

- a) A summary of actual income and expenditure compared to the final budget for 2018/19 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2019/20.

1.2 This year will be the last year that individual reports are produced for each portfolio for presentation to the relevant scrutiny committee. In line with the revised budget scrutiny process followed for the 2019/20 budget, one combined 2019/20 General Fund outturn report covering all portfolios will be produced for scrutiny at Strategy and Resources Scrutiny Committee.

- 1.3 As this report is for the 2018/19 outturn the services that were included in the Environmental Services & City Centre Portfolio prior to the current year committee restructure are detailed.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 1 July 2019:

- a) Carry forward requests totalling £79,530 revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**.
- b) Carry forward requests of £960k capital resources from 2018/19 to 2019/20 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 & City Centre Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2017/18 £'000	Environmental Services & City Centre Portfolio Revenue Summary	2018/19 £'000	% Final Budget
4,287	Original Budget	4,454	100.9
-	Adjustment – Prior Year Carry Forwards	33	0.7
-	Adjustment – Service Restructure Costs	-	-
-	Adjustment – Earmarked Reserves	(140)	(3.2)
(212)	Adjustment – Capital Charges	122	2.9
-	Adjustment – Central & Support	-	-

	reallocations		
113	Other Adjustments	(56)	(1.3)
4,188	Final Budget	4,413	100.0
4,462	Outturn	4,458	101.0
274	(Under) / Overspend for the year	45	1.0
33	Carry Forward Requests	80	1.8
307	Resulting Variance	125	2.8

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 2018/19. The original revenue budget for 2018/19 was approved by the Council on 22 February 2018.

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 & City Centre Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2017/18 £'000	Environmental Services & City Centre Portfolio Capital Summary	2018/19 £'000	% Final Budget
3,025	Final Budget	3,042	100.0
1,941	Outturn	1,865	61.3
(1,084)	Variation - (Under)/Overspend for the year	(1,177)	(38.7)
1065	Rephasing Requests	960	31.6
(19)	Variance	(217)	(7.1)

- 3.6 The majority of the rephasing relates to underspends in the waste facilities for new developments, the vehicle replacement programme, the redevelopment of the Silver Street toilets and the shared waste ICT software projects.

4. Implications

- 4.1 The net revenue variance from the final budget (see above), would result in an increased use of General Fund reserves of £125k 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.

(a) Financial Implications

Any financial implications are included in the Appendices.

(b) Staffing Implications

Any staffing implications are included in the Appendices.

(c) Equality and Poverty Implications

Any equality and 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 2018/19
- Directors' Variance Explanations – March 2019
- Budgetary Control Reports to 31 March 2019
- Capital Monitoring Reports – March 2019

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 & Community Committee

Revenue Budget 2018/19 - Outturn

Service Grouping / Cost Centre	Original Budget 18/19 £	Final Budget 18/19 £	Outturn 18/19 £	Variation - Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Environmental Health						
Control of Disease	125,930	119,200	112,951	(6,249)	0	(6,249)
Out of Hours	158,410	137,050	114,616	(22,434)	0	(22,434)
Scientific Team	498,250	523,460	508,343	(15,117)	0	(15,117)
Food and Occupational Safety	450,220	436,640	438,947	2,307	0	2,307
Enforcement	177,300	154,620	151,376	(3,245)	0	(3,245)
Residential Statutory Nuisance	76,300	101,950	101,162	(788)	0	(788)
Cambridge University Funded EHO post	(1,030)	0	0	0	0	0
Environmental Health Operational Support	421,840	352,580	343,425	(9,155)	0	(9,155)
Environmental Health Salaries	0	0	0	0	0	0
	1,907,220	1,825,500	1,770,819	(54,681)	0	(54,681)
Garage Services						
Fleet Management - Operational	0	0	106,500	106,500	0	106,500
Garage- External Work	(3,770)	1,020	167,689	166,669	0	166,669
	(3,770)	1,020	274,190	273,170	0	273,170
Licensing						
Licensing Act 2003	1,410	0	0	0	0	0
Gambling Act	0	0	0	0	0	0
Miscellaneous Licensing - E & W Portfolio	0	0	0	0	0	0
Public Control - Private Hire Vehicles	0	0	0	0	0	0
Public Control - Taxis	(4,000)	0	0	0	0	0
	(2,590)	0	0	0	0	0
Streets and Open Spaces						
Control of Dogs	86,130	0	0	0	0	0
	86,130	0	0	0	0	0
Tourism & City Centre Management						
Market Square Project	100,000	100,000	20,466	(79,534)	79,530	(4)
Tourism	261,960	261,960	352,265	90,305	0	90,305
Head of Tourism & City Centre Management	0	0	0	0	0	0
Mill Road Partnership	28,310	0	0	0	0	0
Chesterton Coordinator	49,490	0	0	0	0	0
Markets	(421,640)	(343,850)	(398,461)	(54,611)	0	(54,611)
Control of Street Trading	0	0	0	0	0	0
Package Tour Scheme	74,820	74,820	74,820	0	0	0
	92,940	92,930	49,090	(43,840)	79,530	35,690
Waste & Recycling						
Waste Collection	2,782,890	2,926,890	2,872,657	(54,233)	0	(54,233)
Waste Policy	186,870	191,610	126,896	(64,714)	0	(64,714)
Commercial Waste	(595,950)	(625,200)	(635,952)	(10,752)	0	(10,752)
	2,373,810	2,493,300	2,363,601	(129,699)	0	(129,699)
Total Net Budget	4,453,740	4,412,750	4,457,700	44,950	79,530	124,480

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 & Community Committee

Revenue Budget 2018/19 – Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount	£	Contact
Garage Services	Fleet Management - Operational - Variance of £106K largely attributed to an increase in employee costs. There have been ongoing long-term health issues with two members of the team resulting in the use of agency staff accounting for approx. £60K of this variance plus there has been an increase in overtime work. Purchase of parts more than forecast but this is offset by increases in internal income.	106,500		David Cox
Garage Services	Garage- External Work – The variance is largely due to the income received from the other local authorities being lower than expected by £158k. All other contracts finished on or very near target forecast. Forecast income target for this cost centre for 2019/20 has been reduced by £110K in 19-20 as a result of reviewing the income forecast model for 18-19.	166,669		David Cox
Environmental Health	Out of Hours - There remains a vacant part time Out of Hours Noise Officer post. This has been the case since July 2018 and is pending until the completion of the CCC Out of Hours Review.	(22,434)		Clare Adelizzi
Tourism & City Centre Management	Market Square Project - This project is to be delivered by consultants in two stages: 1 (Feasibility Study) and 2 (Concept Design). Work on Stage 1 commenced November, 2018 and is scheduled to be completed May, 2019. Work on Stage 2 will then commence and be completed by January, 2020. As a result of these scheduled completion dates, a carry forward request into 2019/20 has been made for the budget balance of £79,530.	(79,534)		Joel Carre
Tourism & City Centre Management	Markets - Team has adopted a more pro-active, commercially approach to managing stall applications/ vacancies, which has resulted in the £10k over-achievement of income. The £30k underspend on salaries relates to a vacant Market Officer (1 FTE) post, following the promotion of the post-holder to the new Market and Street Trading Manager post in October 2018	(54,611)		Tim Jones
Waste & Recycling	Waste Collection – The overall waste underspend totals £129,700 which equates to 5.2% of the total waste net budget.	(54,233)		Suzanne Hemingway
Waste & Recycling	Waste Policy – see waste collection above	(64,714)		Suzanne Hemingway
Tourism	This relates to the Visit Cambridge and Beyond set up loan for which payment is no longer required. The charge has been removed from the balance sheet and charged back to the department	90,305		Caroline Ryba
Other	Miscellaneous	(42,998)		
		(44,950)		

**Environmental Services & City Centre Portfolio / Environment & Community
Scrutiny Committee****Revenue Budget 2018/19 - Carry Forward Requests**

Request to Carry Forward Budgets from 2018/19 into 2019/20

Item	Reason for Carry Forward Request	Amount £	Contact
1	Market Square Project - Feasibility study to be completed in 2019/20 with will inform a business case for concept and developed design.	79,530	Sarah French
	Total Carry Forward Requests for Environmental Services & City Centre Portfolio	79,530	

Capital Budget 2018/19 - Outturn

Capital Ref	Description	Lead Officer	Original Budget 2018/19 £'000's	Final Budget 2018/19 £'000's	Outturn 2018/19 £'000's	Variance - Outturn compared to Final Budget £'000's	Rephase Spend 2019/20 £'000's	Over / (Under) Spend £'000's	Variance Explanation
100023 - PR035	Waste & Recycling Bins - New Developments (S106)	Trevor Nicoll	100	284	119	(165)	165	0	The actual purchase of bins for new developments have not matched the original expected phasing. A review of the remaining S106 funds and when they are likely to be spent will be done in 19/20 and any budget implications will be included in the 20/21 budget papers
100171 - PR017	Vehicle Replacement Programme	David Cox	1,091	1,781	1,421	(360)	168	(192)	The underspend is due to the reduced cost of vehicles purchased plus the decision not to replace some vehicles. Rephase of the budget of £168k is requested for vehicles for which the purchase has been delayed.
Total Programmes			1,191	2,065	1,540	(525)	333	(192)	
100152 - SC636	Management of waste compound - vehicle	Don Blair	0	165	138	(27)	0	(27)	Project complete
100200 - SC654	Redevelopment of Silver Street Toilets	John Richards	283	315	39	(276)	276	0	Detailed design of replacement/ refurbished public toilets completed with planning application is imminent. Target build Q4 2019/20. Re-phasing of un-spent sums requested.
100207 - SC673	Roller brake tester for Waterbeach garage	David Cox	0	26	28	2	0	2	Project closed
100220 - SC651	Shared ICT waste management software	Joel Carre	453	453	102	(351)	351	0	Stage 2 (street cleansing) scheduled to 'go live' July, 2019, but only for 'back end' function, i.e.. S&OS, CSC and other service teams able to input service requests/ issues reports direct to frontline staff, but without public self-serve element. Not able to 'go live' with 'end to end' functionality (i.e.. public self-serve), until tested by 3C ICT Digital team, who are currently under-resourced. Currently working with 3C ICT to agree front end testing sprints timetable with Digital team and have offered some Yotta capital project budget enable them to recruit to provide additional capacity. Based on above, anticipate 'go live' for end to end digital service for the selected street cleansing core services by Sept, 2019, latest. Remaining street cleansing services will then be added by City (using staff trained by Yotta as part of contract) in accordance with phased programme (to be defined), as capacity allows. Phase 3 (Grounds Maintenance) will commence in September and is likely to 'go live' on same basis (i.e.. a targeted selection of core services) by March, 2020, at the latest – sooner, if 3C ICT can invest in necessary Digital Team capacity.
100263 - SC695	Waterbeach solar panels	Suzanne Hemingway	0	18	18	(0)	0	(0)	Project complete
Total Projects			736	977	325	(652)	627	(25)	
Total			1,927	3,042	1,865	(1,177)	960	(217)	

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)