

APPENDIX D

**SUBJECT: PLACE AND INFRASTRUCTURE DEPARTMENT REVENUE
OUTTURN 2019-20**

**Report of: Director of Place & Infrastructure
Report Author: Darren Lambert, Finance Business Partner**

**LEAD EXECUTIVE MEMBERS: COUNCILLORS BURNETT, CASTLEMAN, KHAN,
SHAW, TIMONEY**

REPORT

Revenue Budget Overview for the Year

1. Net expenditure on the Place & Infrastructure Department for 2019/20 is £37.874 million, an over-spend of £2.040 million for the year, a variation of 3.2% from the operating budget before recharging internal support.

Forecast Movements Reported in the 2019/20 Monitoring

2. The cumulative position forecast for the department in this year's monitoring was a net overspend of around £2.999 million for the year. The main variations reported in the monitoring include:

Overspends & Income pressures

- Public Realm
 - Cleansing – food waste collection trial costs £143,000. Following a 12 month trial this service has now ceased
 - Cleansing – trade waste non achievement of additional £75,000 income tracker saving. The service instigated a full audit review and following the recommendation, significant changes have been made through developing a business plan to generate additional income. However, due to Covid-19 and the lockdown of businesses this has had an impact on the changes and is now further delaying the achievement of the tracker saving.
 - Fleet External Customers - £179,000 shortfall in trading income due to loss of contracts, plus an associated £53,000 under recovery in salary recharges to trading accounts
 - Parks, cems and Crem - £280,000 shortfall in income partly due to new crematoria opening in Hitchin and Aylesbury
- Inclusive Growth
 - Adult Learning £214,000 increase in accommodation costs following relocation to Arndale House
- Property & Construction Services
 - Commercial Investment & Development Strategy - £113,000 bad debt provision relating to a tenant of an investment property that went into administration
 - Corporate Landlord & FM Services - £1.625m ongoing maintenance pressures on town centre and operational sites combined with a general increase in repair costs
 - Design & Maintenance - £455,000 adjustment for design fees incorrectly charged to schools in 2018/19

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- Corporate Health & Safety - £108,000, due mainly to a reduction in trading with schools of £64,000
- Public Protection
 - Coroners Service increased costs £202,000
 - Car parking Service £189,000 loss of income due to the disposal of Bute Street Shoppers Car Park to Barnfield College in 2017/18
 - Licensing £98,000 shortfall in income
 - Environmental Health – £50,000 shortfall in income due to Public Health ceasing to support investigative work on food and tobacco sales
 - Private Sector Housing £109,000 due to the selective licensing scheme being delayed
- Planning & Transport
 - Development Control. Additional spend of £300,000 on legal costs relating to a Judicial Review, appeals and costs awarded, external consultants who provided conservation advice and airport specialist noise assessments, and agency staff to support airport and other major planning applications. This was partly offset by employee underspends and additional income

Underspends, Savings or Additional Income:

- Public Realm
 - Waste Disposal & Management – estimated £250,000 saving from the Waste Strategy and alternate weekly collections, and £145,000 underspend in the budget for waste consultants
- Inclusive Growth
 - Economic Development M & A – release of £256,000 of regeneration grants held as potential clawback, that were no longer required
 - Modern Apprentice Scheme £207,000 as more support is provided through the Apprentice Levy
 - Procurement employee underspends of £131,000 due to vacancies
- Property & Construction Services
 - Commercial Investment & Development Strategy - £315,000 additional rental income mainly from investment properties
- Public Protection
 - Neighbourhood Delivery employee underspends across the service of £470,000
- Planning & Transport
 - Development Control additional income of £85,000

Final 2019/20 Position and Changes from the Forecast

3. The department's final spend compared to the approved budget and to the monitoring forecast is attached at Appendix A(i), summarised by service level for each Service Director. This shows a reduction of around £0.959 million in the final underspend for the year compared to the forecast. This is primarily due to:
 - Public Realm
 - Cleansing - an underspend of £301,000, relating mainly to a £211,000 underspend in transport costs, including maintenance costs £91,000 and internal contract hire costs £79,000
 - Fleet Management – an overspend of £185,000, due mainly to a shortfall in income of £122,000 relating to the underspends in cleansing above

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- PTU underspend of £131,000, relating to an underspend of £190,000 on transport costs, mainly maintenance and internal contract hire, an underspend on employees of £82,000, partly offset by a shortfall in income of £136,000
- Waste Disposal and Management – an underspend £132,000 in the disposal contract due to reduced waste levels
- Director of Place & Infrastructure
 - Corporate & Democratic Core – an underspend of £191,000 relating mainly to excess pension costs
- Property & Construction Services
 - Building control overspend of £134,000 due mainly to a shortfall in income against projection of £88,000, and £28,000 unbudgeted legal costs associated with an ongoing legal prosecution case.
 - Commercial Investment & Development Strategy – a further underspend against projection of £819,000. This relates mainly to additional income of £876,000, including £602,000 relating to a rent review dating back to 2014/15 on a car park close to the airport
 - Corporate Landlord & FM Services – an underspend of £104,000 against projection, related mainly to Arndale House (underspend of £169,000)
 - Head of Fixed Assets. An underspend of £300,000 related mainly to additional net external income of £243,000 from Foxhall Homes and London Luton Airport Ltd
- Public Protection
 - Car Parking Service – an overspend of £424,000 against projection which was related to a shortfall in income, mainly Penalty Charge Notice income which may in part be due to Covid-19
- Planning & Transport
 - Strategic Planning – Strategic Planning underspend of £163,000 relating mainly to a contribution of £124,000 from the Planning Reserve to cover legal costs associated with the examination of the Central Bedfordshire Local Plan. These costs had been reported at Quarter 3 as an overspend.
 - Transportation Strategy overspend of £236,000 related primarily to costs incurred and a shortfall in income from recharges to the Century Park Access Road capital project (£183,000)

£131,670 of the departments 2019/20 budget needs to be carried forward to 2020/21 subject to approval by Executive, to support investment in new apprenticeships across the Council.

Departmental Outlook from the 2019/20 Outturn

4. A number of the budget pressures experienced in 2019/20 are also likely to be pressures going forward as well, particularly with the impact of Covid-19.
 - Public Realm
 - Fleet External Customers will be a challenge unless new contracts can be secured. However, the service manager is planning to reduce staffing resources in response by not recruiting to vacant posts.
 - Crematorium income has been a challenge for some time with the opening of newer facilities nearby, and it was hoped the investment in the Vale Chapel might ensure that the service could continue to compete. Income in the early stages of 2020/21 is up, which may be influenced by Covid-19, and the service are also reviewing their business plan.
 - Property & Construction Services

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- Commercial Investment & Development Strategy. Income from investment properties always requires continuous monitoring. The Government have also recently announced a national review of investment by Local Authorities in investment properties. Covid-19 may also have a longer term impact on income opportunities. All investment decisions are made in line with criteria agreed by the Executive.
- Corporate Landlord & FM Services. The last 2 years have seen significant overspends in this service area, primarily due to increased repairs and maintenance. This is not sustainable and the Service Director is reviewing options for reducing the size of the estate to reduce the ongoing liability.
- Public Protection
 - Car Parking Service. Income has been affected by Covid-19 and future changes in personal travel plans and also potential changes in how employers operate in response to Covid-19 may have longer term impacts on parking income. If income reduces significantly, the costs of the service will need to be reviewed.
 - Licensing. Similarly, licensing income has been affected by Covid-19 and there may be longer term implications. As with parking, the costs of the service will need to be reviewed if income reduces.