

**Environment, Climate Emergency and Transport Committee****Monday, 14<sup>th</sup> June 2021**

<b>REPORT TITLE:</b>	<b>CAPITAL AND REVENUE BUDGET MONITORING QUARTER 4</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF NEIGHBOURHOODS</b>

**REPORT SUMMARY**

This report sets out the financial monitoring information for the Environment, Climate Emergency and Transport Committee. The report provides Members with an overview of budget performance for this area of activity. The financial information details the year-end revenue and capital outturn position, as reported at quarter 4 (Apr-Mar) 2020/21

**RECOMMENDATION/S**

The Environment, Climate Emergency and Transport Committee is requested to;

Note the year-end revenue outturn position of £4.345m adverse and the performance of the capital programme, as reported at quarter 4 (Apr-Mar) of 2020/21.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 Regular monitoring and reporting of the Revenue Budgets, savings achievements and Medium-Term Financial Strategy (MTFS) position enables decisions to be taken faster, which may produce revenue benefits and will improve financial control of Wirral Council.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Other reporting frequencies could be considered, but quarterly reporting is standard practice.

### **3.0 BACKGROUND INFORMATION**

- 3.1.1 This report provides a summary of the final year-end revenue outturn position as at the end of 2020/21 financial year.
- 3.1.2 The year-end figure recorded as part of the final revenue outturn position represents an adverse variance from budget of £4.345m for this Committee.

## **3.2 2020/21 COMMITTEE REVENUE BUDGET**

- 3.2.1 The budget for the Environment, Climate Emergency and Transport Committee is included within the Neighbourhoods Directorate.
- 3.2.2 The Environment, Climate Emergency and Transport Committee is reporting an adverse budget variance of £4.345m at year-end. This is because of income losses within Car Parking and Garden Waste Subscriptions. This is due to temporary closures and suspension of these services from the beginning of the year, due to the outbreak of Covid-19. Most income losses in this Committee are, in part, mitigated by the Sales, Fees and Compensation scheme, which is recorded as a separate and distinct funding stream.
- 3.2.3 Many of the staff have been redeployed onto Covid-19 emergency response functions such as the Food Hub, Personal Protective Equipment (PPE) Distribution and the Covid-19 Helpline, meaning that the costs incurred in the Neighbourhoods directorate remain high even though income and core activity has fallen.

**TABLE 1 2020/21 – Environment, Climate Emergency and Transport Committee  
Revenue Budget Outturn**

	Full Year				
	Budget	Actual	Variance (+ Fav, - Adv)		Adv/Fav
	£000	£000	£000	%	
Environment (including parks and open spaces)	6,885	7,429	-545	-8%	Adverse
Highways management and infrastructure	7,224	10,367	-3,143	-44%	Adverse
Recycling and waste	28,610	29,267	-658	-2%	Adverse
<b>Total Surplus / (Deficit)</b>	<b>42,718</b>	<b>47,063</b>	<b>-4,345</b>	<b>-10%</b>	<b>Adverse</b>

**3.2.4 Highways & Infrastructure:** This area is reporting an adverse variance of £3.143m. This is mainly due to a loss of Car Parking income following temporary suspension of charges. Car Parking charges were reinstated from February generating some income for the service.

**3.2.5** Car Parking is reporting an adverse variance of £1.867m. The remaining adverse variance within this area consists of:

- An underachievement of Developer Income (£0.198m)
- An underachievement of Inspection income (£0.248m)
- Design Team under recovery (£0.215m)
- Highways Management (£0.919m).

**3.2.6** The service has attempted to mitigate some of these losses through generating additional income from road closures, permits and traffic signals due to an increase in demand for utilities companies work.

**3.2.7 Parks & Environment:** This area is reporting a final adverse variance of £1.202m. This is due to temporary suspension of the Garden Waste Service (£0.516m) caused by Covid-19 as result of workforce prioritisation. The income loss within Waste is partially mitigated through favourable variances against payments to the contractor of £0.102m. The other main loss relates to income from football and bowling clubs within Parks (£0.677m), with most of this being front loaded towards the beginning of the spring season when these activities were not permitted. The income loss within Parks is partially mitigated through a reduction in Planned Preventative Maintenance work of £0.161m, which has resulted in cost avoidance and contributed towards supporting the pollinator programme.

**3.2.8** The Garden Waste service achieved the target of 40,000 subscribers at a reduced rate. A small number of additional garden waste subscribers were enrolled later in 2020/21 through marketing campaigns. The new direct debit scheme has been implemented, which exceeded the initial target and will help with customer retention in future years.

Parks have reopened their facilities to sports clubs in line with government guidance. However, this happened too late in Quarter 4 to have any impact on 2020/21 figures.

### 3.3 2020/21 Capital Outturn

**TABLE 2: 2020/21 Environment, Climate Emergency and Transport – Capital Outturn**

<b>2020-21 PROGRAMME</b>	<b>2020/21 Cabinet Programme £000</b>	<b>2020/21 Revised Programme £000</b>	<b>2020/21 Actual £000</b>	<b>2020/21 Variance £000</b>
Environment, Climate Emergency and Transport	21,851	26,741	18,864	7,877

3.3.1 Table 2 provides an update on the 2020/21 capital Programme. A number of significant variations have arisen since the programme was agreed in March 2020. These include the re-profiling of expenditure into and out of the 2020/21 financial year, inclusion of additional grant funded schemes, variations to spend forecasts and the inclusion of potential new capital schemes.

3.3.2 Overall this Committee is reporting actual 2020/21 outturn of £18.864m against a revised programme budget of £26.741m. This represents a favourable variance of £7,877m. This is due to delays in projects commencing because of the COVID-19 pandemic. This expenditure has been re profiled into the 2021/22.

## 4.0 FINANCIAL IMPLICATIONS

4.1 This is the revenue budget monitoring report that provides information on the forecast outturn for the Neighbourhoods Directorate for 2020/21. The Council has robust methods for reporting and forecasting budgets in place and alongside formal Quarterly reporting to the Policy & Resources Committee, the financial position is routinely reported at Directorate Management Team meetings and corporately at the Strategic Leadership Team (SLT). In the event of any early warning highlighting pressures and potential overspends, the SLT take collective responsibility to identify solutions to resolve these to ensure a balanced budget can be reported at the end of the year.

## 5.0 LEGAL IMPLICATIONS

5.1 The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. This is in addition to the personal duty on the Chief Finance (Section 151) Officer to make a report, if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 There are no implications arising directly from this report.

## **7.0 RELEVANT RISKS**

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
1. Senior Leadership / Directorate Teams regularly reviewing the financial position.
  2. Availability of General Fund Balances.
  3. Review of existing services and service provision.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 No consultation has been carried out in relation to this report.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.1.2 There are no equality implications arising specifically from this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 The Refreshed Wirral Plan 2021-2026 includes a set of goals and objectives to create a sustainable environment which urgently tackles the environment emergency. These are based on developing and delivering plans that improve the environment for Wirral residents. The performance report will include information on key areas where environment and climate related outcomes are delivered.
- 10.2 No direct implications. The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

**REPORT AUTHOR:** Sarah Cox  
*Senior Finance Business Partner*  
telephone: 0151 666 3421  
email: [sarahcox@wirral.gov.uk](mailto:sarahcox@wirral.gov.uk)

## **APPENDICES**

None

## **BACKGROUND PAPERS**

- 2020/21 Revenue Budget Monitor for Quarter Two (Apr - Sep)
- 2020/21 Revenue Budget Monitor for Quarter Three (Apr- Dec)
- Revenue Budget 2020/21 and Medium-Term Financial Plan (2021/22 to 2024/25)

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Environment, Climate Emergency and Transport Committee</b>	<b>22 October 2020</b>
<b>Environment, Climate Emergency and Transport Committee</b>	<b>3 December 2020</b>
<b>Environment, Climate Emergency and Transport Committee</b>	<b>1 February 2021</b>
<b>Environment, Climate Emergency and Transport Committee</b>	<b>16 March 2021</b>