



COUNCILLOR SIR ALBERT BORE

Chair, Resources Overview & Scrutiny Committee

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CLlr Penny Holbrook
Chair, Housing and Neighbourhoods O&S Committee

Dear Penny,

Neighbourhoods Directorate – Street Scene Budget

At our last meeting, Resources O&S Committee considered the Quarter 3/Month 9 financial monitoring report and concerns were raised in relation to pressures within the Street Scene service. The relevant paragraph from the report is:

“Street Scene service underspend of £0.4m: The service is projecting pressures totalling £5.4m offset by mitigations of £5.8m giving a net underspend of £0.4m. The main mitigation is an underspend of £4.0m on borrowing costs due to delays in procurement of the new fleet. It is anticipated that 20 vehicles out of a total of 76 will be delivered and in use by the end of March 2021. This will result in a reduction in the pressures identified against the repair and maintenance and hire of vehicle budgets which is currently being quantified. The main pressures include £1.9m on maintenance and vehicle hire due to old and mechanically less reliable vehicles being past their natural life, income pressure within Trade Waste projected to be £1.5m behind budget, a shortfall on fleet garage income of £0.5m due to a reduction in custom, £0.2m of utility and NNDR pressures at Waste Management Depots and pressure of £0.3m on the waste procurement project due to the use of external legal advice.”

These pressures have been identified in previous financial monitoring reports and one particular area of concern for the committee has been around reduced income. The Cabinet Member for Finance and Resources and Chief Finance Officer have assured us that, whilst these are long-standing issues, a lot of work is being done through the Star Chamber to address the pressures, however the solutions are complex and require time and investment to resolve.

We heard that through the work of the Star Chamber, and confirmed by a recent budget sufficiency review, previous income targets set in February 2019 have been recognised as undeliverable and have now been written out of the Medium Term Financial Plan for future years.

The Resources O&S Committee remains concerned about the pressures continuing beyond year end and into 2021/22 and will continue to monitor the situation in future finance reports. However, I undertook to write to you as it might be of value for the Housing and Neighbourhoods O&S Committee to take a look at these issues from a service delivery perspective.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Bore', is centered on a light-colored rectangular background.

Cllr Sir Albert Bore

Chair, Resources O&S Committee

Cc: Resources O&S Committee Members