

Decision Maker: Environment Portfolio Holder

For Pre-Decision Scrutiny by the Environment PDS Committee on:

Date: 1st July 2014

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2014/15

Contact Officer: Claire Martin, Head of Finance
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Chief Officer: Nigel Davies, Executive Director of Environment and Community Services

Ward: Borough-wide

1. Reason for report

This report provides an update of the latest budget monitoring position for 2014/15 for the Environment Portfolio, based on expenditure and activity levels up to 31st May 2014. This shows an underspend of £19k.

2. RECOMMENDATIONS

That the Environment Portfolio Holder:

2.1 Endorses the latest 2014/15 budget projection for the Environment Portfolio;

Corporate Policy

1. Policy Status: Existing Policy Sound financial management.
 2. BBB Priority: Excellent Council; Quality Environment
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: All Environment Portfolio Budgets
 4. Total current budget for this head: £41.245m
 5. Source of funding: Existing revenue budgets 2014/15
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Staff

1. Number of staff (current and additional): 190 fte
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000 and the Local Government Act 2002
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affect all Council Taxpayers, Business Ratepayers, those who owe general income to the Council, all staff, Members and Pensioners.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2014/15 projected outturn is detailed in Appendix 1. This forecasts the projected spend for each division compared to the latest approved budget, and identifies in full the reasons for any variances.
- 3.2 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. Budget holders have full responsibility for those budgets classified as “controllable” as any variations relate to those factors over which the budget holder has, in general, direct control. “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as “non-controllable” within services but “controllable” within the Resources Portfolio. Other examples include cross departmental recharges and capital financing costs. This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance. These variations will include the costs related to the recession.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2014/15 to minimise the risk of compounding financial pressures in future years.
- 4.3 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council’s budgetary control and monitoring arrangements.

5. FINANCIAL IMPLICATIONS

- 5.1 Although the overall budget shows an underspend of £19k for 2014/15, the controllable budget for the Environment Portfolio is projected to be balanced at year-end based on the financial information available to 31st May 2014. Within this projection there are variations which are detailed in Appendix 1 and summarised below.

Parking

- 5.2 A small surplus of Cr £15k is projected for parking fee income.
- 5.3 A net deficit of Dr £36k is projected for parking and bus lane enforcement. This is due to a combination of greater compliance and the impact of the works at Bromley North, which has resulted in some areas becoming temporarily unenforceable from April to September 2014. Management action has been taken to reduce expenditure for the replacement of pay and display equipment to ensure a balanced budget is projected.

Street Scene & Green Space

5.4 There has been a reduction in the number of commercial and school customers from the trade waste collected service, resulting in a loss of income of approximately Dr £40k. This has been offset by an increase in the number of traders visiting the Civic Amenity sites, generating additional income of £40k.

5.5 The table below summarises the main variances: -

Summary of Major Variations	£'000
Net surplus of income from on- and off- street parking	Cr 15
Management action to reduce expenditure	Cr 21
Net shortfall of income from parking and bus lane enforcement	36
Shortfall of income from trade waste collected service	40
Surplus of income from trade waste delivered	Cr 40
	<u>0</u>

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2014/15 budget monitoring files within E&CS Finance section