
Decision Maker:	Environment Portfolio Holder		
	For Pre-Decision Scrutiny by the Environment PDS Committee on		
Date:	7th July 2015		
Decision Type:	Non-Urgent	Executive	Non-Key
Title:	Provisional Outturn 2014/15		
Contact Officer:	Claire Martin, Head of Finance Tel: 020 8313 4286 E-mail: Claire.martin@bromley.gov.uk		
Chief Officer:	Nigel Davies, Executive Director of Environment and Community Services		
Ward:	Borough-wide		

1. Reason for report

This report provides the Portfolio Holder with the provisional final outturn position for 2014/15 for the Environment Portfolio. This shows an under spend of £1.351m for 2014/15.

It also reports the level of expenditure during 2014/15 for the selected projects within the Member Priority Initiatives.

2. **RECOMMENDATIONS**

That the Portfolio Holder is requested to:

- 2.1 **Endorse the 2014/15 provisional outturn position for the Environment Portfolio.**
- 2.2 **Note the outturn position in respect of the Environment projects within the Member Priority Initiatives programme; and**
- 2.3 **Approve the drawdown of the carry forward sums held in Central Contingency, £558k for the 3 split-bodied waste vehicles, £20k for the works required at the Keston Dam and £40k for the countryside and woodland improvement works.**

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, and Earmarked Reserve for Member Priority Initiatives
 4. Total current budget for this head: £41.9 m and £1.15 m
 5. Source of funding: Existing revenue budgets 2014/15 and Earmarked Reserve for Member Priority Initiatives
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Staff

1. Number of staff (current and additional): 190.4ftes
 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 provisional outturn for the Environment Portfolio shows an under spend of £1.351m against a controllable budget of £33.48m, representing a 4.04% variation. The detailed variations are shown in Appendix 1 with a summary included in Section 5.
- 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.
- 3.3 Council on 26th March 2012 approved the setting aside of £2.26m in an earmarked reserve for Member Priority initiatives. The Environment Portfolio is responsible for the delivery of three of these initiatives as detailed below:-

Member Priority Initiatives	£'000
General Improvements to footways and highways	750
Support to Friends Groups	250
Renew/replace the Council's community recycling sites	150
	<u>1,150</u>

- 3.4 Appendix 2 has the details of the actual expenditure incurred during 2014/15 for each of the schemes.

4. POLICY IMPLICATIONS

- 4.1 “Building a Better Bromley” refers to the Council’s intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.
- 4.2 The “2014/15 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that 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 The total variation for the Environment Portfolio at the year-end is an under spend of £1.351m. Excluding the carry forward sums of £618k, the under spend is £733k. The main variations compared to the last reported budget monitoring report in March 2015 are as follows: -

Variation	£'000
Under spend on waste vehicles (carry forward request)	(558)
Reduction in projected waste disposal tonnages	(190)
Underspend on Keston Dam & woodland budgets - Carry forward request	(60)
Additional income from parking and bus lane contraventions	(97)
Additional parking fee income	(74)
Car park barriers	(70)
Cleansing contract defaults	(38)
Additional market income	(33)
Other minor variations across the Portfolio	(52)
	<u>(1,172)</u>

- 5.2 Some of the major variations are summarised below, with more detail included in Appendix 1.

Parking (Cr £461k)

- 5.3 At the end of the year there was a surplus of income totalling Cr £205k for on- and off- street parking. An increase in parking and bus lane contraventions during the year has resulted in additional income of Cr £151k being received compared to budget.
- 5.4 Other variations within parking include Cr £52k relating to management action to freeze the on street equipment replacement budget, Cr £40k for permit and disabled parking and Cr £13k on other net variations across the service.

Support Services and Emergency Planning (Cr £76k)

- 5.5 There is an under spend of Cr £74k across budgets within Support Services and Emergency Planning mainly due to the vacancy of the Assistant Director post.

Street Scene and Green Space (Cr £746k)

- 5.6 The purchase of the three split body vehicles required for the changes to the kerbside paper collection service will be completed early in the new year and therefore the under spend of Cr £558k will need to be carried forward to 2015/16.
- 5.7 As a result of reduced tonnages of recycled paper, there is an income deficit of Dr £95k.
- 5.8 Actual disposal tonnage (mainly from households) was Dr £179k above budget. This was partly offset by Cr £123k from the green garden waste collection service and Cr £21k from other net variations across the waste service.
- 5.9 A reduction in the number of commercial and school customers from the trade waste collected service has resulted in a net loss of income of Dr £79k. This has been offset by an increase in the number of traders visiting the Civic Amenity sites, generating additional income of £Cr £118k.
- 5.10 The parks and green space budget has an under spend of £Cr £161k. This is made up of Cr £69k from staffing vacancies, Cr £32k from utility rebates and £Cr £60k carry forward request relating to the Keston Pond Dam and the woodland budget under spends.

- 5.11 There is a deficit of Dr £79k from the litter enforcement scheme and public conveniences, which is more than offset by additional income from the markets (Cr £43k) and licences for skips and street traders (Cr £44k).
- 5.12 Other variations within Street Scene and Green Space include Cr £29 from staff vacancies, Cr £38k for cleansing contract defaults, Cr £20k from snow friend materials and other miscellaneous variations totalling Cr £23k.

Transport and Highways (Cr £70k)

- 5.13 The mild winter has resulted in an under spend of winter service budgets of Cr £55k.
- 5.14 Additional income from street works and the deposit register of Cr £60k has been used to fund £46k extra planned highway maintenance works. Other minor variations across the service total Cr £1k.

	£'000
Net surplus of income from on- and off- street parking	Cr 205
Income from increase in parking contraventions	Cr 151
Management action re on-street parking equipment replacement	Cr 52
Permit and disabled parking	Cr 40
Other net variations within parking	Cr 13
Net variations across Support Services and Emergency Planning	Cr 74
Underspend relating to the purchase of 3 waste vehicles (carry forward request)	Cr 558
Additional waste disposal costs	179
Underspend from green garden waste collection service	Cr 123
Net variations in waste income - trade waste/paper/textiles etc	56
Other minor variations in waste services	Cr 21
Underspend within parks and green space	Cr 101
Keston Pond Dam and woodland works underspend (carry forward request)	Cr 60
Litter enforcement scheme and public conveniences	79
Income from markets, skip and street trader licences	Cr 87
Other variations across the Street Scene and Green Space Division	Cr 110
Street works income and release of bad debt provision	Cr 60
Underspend of winter service budgets	Cr 55
Highway planned maintenance	46
Other net variations across Transport and Highways	Cr 1
	Cr 1,351

- 5.15 Appendix 2 shows that £902k has been spent up until 31 March 2015 out of the £1.15m set aside for the three projects within the Member Priority Initiatives. This leaves a balance of £248k for the Support for Friends Groups project, although officers do not expect any spend in the immediate future.

Carry Forward Requests

3 Split-bodied Waste Vehicles £558k

- 5.16 In February 2015, Committee Report ES14081 - Revision to Kerbside Collection Service - explained the benefits of revising the frequency of the kerbside collection paper service in order to achieve a substantive saving whilst reflecting the changes in the tonnages of material being collected. As a result, on 23rd February 2015, full Council approved an allocation of £558k for the purchase of three split-bodied vehicles to enable the service change.

- 5.17 The purchase of the vehicles will be completed during 2015/16 and therefore the allocation is shown as unspent for 2014/15. The Executive has been requested to agree that the £558k is carried forward into 2015/16 budgets to enable the purchase to be made and the resultant saving achieved.

Countryside & Woodland Improvement Works £40k

- 5.18 An initial order was raised for known tasks that were required to be undertaken via the woodland & countryside budgets at the outset of the seasonal works. Additionally, further works were requested at Keston, Hayes and other sites later in the season. Unfortunately, the contractors were not able to deliver the additional works due to time constraints and increased pressure on their own workloads. Furthermore, the early arrival of Spring meant that certain tasks could not be completed due to nesting birds.
- 5.19 Consequently, there is an under spend on these budgets of £40k which is requested to be carried forward into 2015/16 budgets to ensure that these works are completed.

Keston Ponds Dam £20k

- 5.20 Following Executive agreement in June 2014 to carry-forward £65k, £45k has been spent during 2014-15 on repair works to the dam at Keston Ponds. A further £20k had been set aside for remedial tree works on the banks between ponds 2 & 3. Unfortunately, as with the other woodland works, the contractor was not able to undertake this task, and therefore the Executive have been requested to agree to carry-forward this sum into 2015/16 budgets.
- 5.21 All three sums have been set aside in the Central Contingency and approval is sought from the Portfolio Holder to release these carry forward sums.

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