

**Decision Maker:**      **Environment Portfolio Holder**

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

**Date:**                      **7<sup>th</sup> July 2015**

**Decision Type:**      Non-Urgent                      Executive                      Non-Key

**Title:**                      **BUDGET MONITORING 2015/16**

**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

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1.    Reason for report

This report provides an update of the latest budget monitoring position for 2015/16 for the Environment Portfolio, based on expenditure and activity levels up to 31st May 2015. This shows an over spend of £404k.

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2.    **RECOMMENDATIONS**

**That the Environment Portfolio Holder:**

**2.1    Endorses the latest 2015/16 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: £40.571m
  5. Source of funding: Existing revenue budgets 2015/16
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### Staff

1. Number of staff (current and additional): 157 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 2015/16 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.

#### **Comments from the Executive Director of Environment and Community Services**

- 3.4 Overall, the controllable budget for the Environment Portfolio is projected to be over spent by £404k.
- 3.5 The projected overspend of £100k in Waste Services, is in line with what was reported to the Portfolio Holder when the proposal for the changes to the paper collection service was recommended. The savings in future years will be £500k, £250k more than the saving currently built into the 2015/16 budget. This overspend is partly offset by the savings from the closure of the public conveniences and additional off street parking income.
- 3.6 The effect of the legislation changes for parking enforcement by CCTV is a projected deficit of Dr £856k. This is partly offset by additional off-street parking income and one-off bus lane enforcement income. Parking officers are reviewing the camera enforcement service with a view to preparing options for the future of the service as well as calculating what is required from the £1m held in the Central Contingency.
- 3.7 The Environment Portfolio budget is expected to be balanced for future years.

### **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 2015/16 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 controllable budget for the Environment Portfolio is projected to be over spent by £404k at the year-end based on the financial information available to 31st May 2015. Within this projection there are variations which are detailed in Appendix 1 and summarised below.

### Street Scene & Green Space (Dr £50k)

- 5.2 The expected saving as a result of the changes to the paper collection service is £100k below the savings target of £250k that was built into the budget. However, it should be noted that the target will be exceeded in subsequent years by £250k.
- 5.3 The deficit in waste services is partly offset by the additional savings of Cr £50k from public conveniences due to the implementation starting before the end of last year.

### Transport and Highways (Dr £354k)

- 5.4 There is a net loss of income of Dr £529k projected for bus lane and parking contraventions due to the effect of the changes in legislation around the de-regulation of cameras for the use of parking enforcement.
- 5.5 Additional income is projected for off-street parking income.
- 5.6 The table below summarises the main variances: -

#### Summary of Major Variations

	£'000
Underspend for public conveniences	Cr 50
Net changes for the paper collection service	100
Income from off-street parking	Cr 175
Net loss of income from bus lane and parking enforcement	529
	<b>404</b>

<b>Non-Applicable Sections:</b>	Legal, Personnel
Background Documents: (Access via Contact Officer)	2015/16 budget monitoring files within E&CS Finance section