

Decision Maker: Environment Portfolio Holder

For Pre-Decision Scrutiny by the Environment PDS Committee on

Date: 7th June 2016

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN 2015/16

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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 the Portfolio Holder with the provisional final outturn position for 2015/16 for the Environment Portfolio. This shows an under spend of £1.049m for 2015/16.

2. **RECOMMENDATIONS**

That the Portfolio Holder is requested to:

- 2.1 Endorse the 2015/16 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, £306k for parking automatic cameras, £13k for the Waste Electrical & Electronic Equipment grant funded work and £69.5k to develop standing advice that could be provided on surface water drainage proposals in major development planning applications.

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: £43.7m
 5. Source of funding: Existing revenue budgets 2015/16
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Staff

1. Number of staff (current and additional): 157ftes
 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 provisional outturn for the Environment Portfolio shows an under spend of £1.049m against a controllable budget of £33.14m, representing a 3.17% 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.

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 2016/17.
- 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 £1.049m. Excluding the carry forward sum of £306k, the under spend is £743k. The main variations compared to the last reported budget monitoring report in March 2015 are as follows: -

Variation	£'000
Automatic cameras for enforcement (carry forward request)	(306)
Increase in contraventions	(188)
Vacancies within the CCTV monitoring team and parking shared service	(86)
Part year vacant posts from staffing review	(59)
Indigo contract costs	(49)
Winter Service	(46)
Income from road closures	(42)
Part year vacancies within highways	(38)
Part year vacancies within SEN transport client team	(36)
Highway maintenance	(30)
Revenue funding for CCTV capital scheme no longer required	(30)
	<u>(910)</u>

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

Street Scene and Green Space (Cr £167k)

5.3 There are additional savings of Cr £43k from public conveniences due to the implementation of budget options before the end of last year.

5.4 Additional tree works have been undertaken on both street and parks trees totalling Dr £163k.

5.5 Actual disposal tonnage (mainly from trade waste delivered) was Dr £97k above budget. This was more than offset by Cr £207k from income from trade waste delivered at the CA sites

5.6 There is an under spend of Cr £245k for green garden waste. This is due to an under spend of Cr £58k within staffing and running expenses, the continuing sale of green garden waste stickers, Cr £19k and additional income of Cr £168k, from the subscription service as more customers signed up for the service during the year.

5.7 Other waste variations total Dr £173k, which is due to the purchase of new contract monitoring software (Dr £48k), additional costs relating to the purchase of replacement waste containers and weighbridge refurbishment (Dr £87k), extra costs incurred for the installing of the side guards on all vehicles and undertaking a residual waste survey (Dr £50k) and a shortfall of income for recycled paper due to lower quality as a result of the rain.

5.8 Other variations within Street Scene and Green Space include Cr £66k from staff vacancies, Cr £35k from market income, Cr £22k from snow friend materials and other miscellaneous variations totalling Dr £18k.

Transport and Highways (Cr £873k)

5.9 The mild winter has resulted in an under spend of winter service budgets of Cr £131k.

5.10 The improvement in performance by utility companies in the area of defect notices and permits has resulted in a deficit of income of Dr 397k. Staffing vacancies has during the year has led to an under spend on staffing across the division of Cr £176k.

5.11 At the end of the year there was a surplus of income totalling Cr £266k for on- and off- street parking. An increase in parking and bus lane contraventions during the year has resulted in additional income of Cr £79k being received compared to budget.

5.12 Due to technical problems there was a delay in purchasing and installing the automatic enforcement cameras and a carry forward request has been submitted to then Executive for Cr £306k.

5.13 Additional income of Cr £59k was received for parking permits mainly due to the withdrawal of the free visitor vouchers for the over 60's. Extra income was also received for road closures during the year, Cr £42k.

5.14 A reduction in the use of the mail delivery service has led to savings of Cr £42k and contract savings for Indigo have been achieved totalling Cr £99k.

5.15 Other variances across the division total Cr £70k made up of Cr £40k saving as equipment was not refreshed, Cr £30k relating to a revenue contribution towards the CCTV room upgrade no longer being required due to the legislative changes around the use of CCTV for enforcement.

Variation	£'000
Underspend on public conveniences	Cr 43
Tree works	163
Additional net cost for waste disposal contract costs	97
Trade waste delivered income	Cr 207
Variation in green garden waste budgets	Cr 245
Purchase of containers and refurbishment of weighbridge	87
Contract monitoring software development	48
Installation of side guards and waste survey	50
Staff vacancies	Cr 66
Market income	Cr 35
Winter service	Cr 131
Reduction in income from defect notices	397
Automatic enforcement cameras (carry forward)	Cr 306
Staff vacancies across the highways and transport division	Cr 176
income from on and off street parking	Cr 266
Net income from bus lane and parking contraventions	Cr 79
Savings made on contract payments to Indigo	Cr 99
Income from permits	Cr 59
Savings on the mail delivery service	Cr 42
Income from road closures	Cr 42
Equipment savings	Cr 40
Contribution to capital no longer needed for CCTV upgrade	Cr 30
Other miscellaneous variations across the department	Cr 25
	<u>Cr 1,049</u>

Carry Forward Requests

Parking - Automated Cameras - Bus Lanes - £180,000

- 5.16 On 2nd December 2015 the Executive agreed a sum of £306k be released from the Central Contingency (set aside for Parking Enforcement) for the purchase and installation of ten automated cameras to undertake Bus Lane enforcement and five automated cameras for enforcement at schools via a Framework run by Waltham Forest. The £180k for Bus Lanes was not spent in 2015/16 due to the longer ordering time of this specialist equipment and some technical issues such as the connection of the encoders. Approval is sought from the Portfolio Holder to release this carry forward sum to meet the costs of the equipment and installation in 2016/17.

Parking - Automated Cameras - Non Bus Lanes - £126,000

- 5.17 As part of the £306k released from the Central Contingency outlined above, the supply and installation of the automated cameras around schools £126k was not spent in 2015/16 also due to the longer ordering time of this specialist equipment and technical issues. Approval is sought from the Portfolio Holder to release this carry forward sum to meet the costs of the equipment and installation in 2016/17.

WEEE Grant - £13,090

- 5.18 Bromley was awarded a grant of £27,000 during 2015/16 for the Waste Electrical & Electronic Equipment (WEEE) collection projects from the Distributor Take Back Scheme Phase III. The Project aimed to take WEEE recycling closer to the residents, by placing attractive, sensibly sized modular collection banks at points within schools where pupils, parents and teachers can easily access them. It is hoped that this project will further increase the collection of WEEE

material. The project was to run through to 2016/17 and the remaining balance of £13,090 is needed to meet the costs of the project during the next financial year Approval is sought from the Portfolio Holder to release this carry forward sum to ensure the project can continue to be run during the next financial year.

Drainage/Lead Flood Grant - £69,482

- 5.19 Bromley received grant funding from Defra in April 2015 to help support the role of Lead Local Flood Authorities (LLFAs) as statutory consultees for the planning application process. The total value of one-off funding received was £69,481.73 and was to help LLFAs prepare to undertake their new role. The funding was not ring-fenced, but the Government did expect authorities to use sufficient of the funding to build capacity within the organisation and to develop standing advice that could be provided on surface water drainage proposals in major development planning applications as efficiently and cost-effectively as possible.
- 5.20 A report will be brought to the next Executive to seek approval to use the grant and will provide details of the activities that will be funded by it.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2015/16 budget monitoring files within ES finance section