

Decision Maker: Environment Portfolio Holder

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

Date: 29th September 2016

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2016/17

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 2016/17 for the Environment Portfolio, based on expenditure and activity levels up to 31st May 2016. This shows a balanced budget.

2. **RECOMMENDATIONS**

That the Environment Portfolio Holder:

2.1 **Endorses the latest 2016/17 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: £39.042m
 5. Source of funding: Existing revenue budgets 2016/17
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Staff

1. Number of staff (current and additional): 143 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 2016/17 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 2016/17 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 a balanced budget based on the financial information available to 31st May 2016. Within this projection there are variations which are detailed in Appendix 1 and summarised below.

Street Scene & Green Space (Cr £140k)

- 5.2 Increased trade waste delivered activity has resulted in additional costs of £160k due to the increased tonnage. This has been offset by additional income of Cr £160k generated as a direct consequence of this the additional tonnage.
- 5.3 Reductions in detritus and residual tonnage have resulted in savings of £92k for disposal costs.
- 5.4 Additional income is projected of Cr £48k from recycled paper and trade waste collections.

Parking (Dr £140k)

- 5.5 A net deficit of Dr £65k is projected for on and off street parking income mainly due to the staggered implementation of additional pay and display parking spaces as each proposal has

required consultation with residents, traders and Ward Members before they can become operational.

5.6 Due to delays in introducing the automated redeployable cameras, additional costs have been incurred for CCTV staff Dr £52k and there is also a net deficit of income projected of Dr £23k for PCNs.

5.7 The table below summarises the main variances: -

Summary of Major Variations	£'000
Additional net costs for waste disposal contract costs	68
Trade waste delivered income	Cr 160
Other variations in income -recycled paper and trade waste collections	Cr 48
Income from off-street and on-street parking	65
CCTV staff costs	52
Net loss of income from bus lane and parking enforcement	23
	<u>0</u>

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2016/17 budget monitoring files within E&CS Finance section