

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

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

**Date:**                      **8th November 2016**

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

**Title:**                      **BUDGET MONITORING 2016/17**

**Contact Officer:**      Claire Martin, Head of Finance ESD  
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**Chief Officer:**              Executive Director of Environment & Community Services

**Ward:**                      (All Wards);

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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 30th September 2016. This shows an under spend of Cr £294k.

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2.    **RECOMMENDATION(S)**

**That the Environment Portfolio Holder:**

**2.1    Endorses the latest 2016/17 budget projection for the Environment Portfolio.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
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### 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: £39.177m
  5. Source of funding: Existing revenue budgets 2016/17
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### Personnel

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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### Procurement

1. Summary of Procurement Implications: N/A
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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 The main variations compared to the last reported budget monitoring report are as follows: -

	<b>Since 31.5.16</b>
	<b>£'000</b>
Green garden waste tonnage disposal	90
Residual disposal costs	92
Income from recycled paper	-52
Other variations within waste services	17
Income from bus lane contraventions	-560
on and off street parking income	155
Water rates bills for Crystal Palace Park	70
Savings from the mail delivery service	-33
Income from skip & street trader licences and market stalls	-35
NRSWA income	25
Other minor variations across the Portfolio	3
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- 5.2 Although the overall budget shows an under spend of Cr £294k, the controllable budget for the Environment Portfolio is projected to be under spent by Cr £228k at the year-end based on the

financial information available to 30<sup>th</sup> September 2016. Within this projection there are variations which are detailed in Appendix 1 and summarised below.

### **Street Scene & Green Space (Dr £9k)**

- 5.3 Backdated water rates bills for Crystal Palace Park are expected to be Dr £70k above budget.
- 5.4 Extra income is projected for skip and street trading licences as well as from market stalls totalling Cr £35k, due to increased activity.
- 5.5 Increased trade waste delivered activity has resulted in additional costs of £200k due to the increased tonnage. This has been offset by additional income of Cr £200k generated as a direct consequence of this extra tonnage.
- 5.6 Increases in green garden waste and household tonnage have resulted in extra disposal costs of Dr £120k. This is offset by reductions in the disposal of detritus and additional income from recycled paper, Cr £108k.
- 5.7 Other minor variations across waste services total Cr £5k.
- 5.8 As reported in the TFM report to the Executive in July 2016, there are part year savings for the mail delivery service of Cr £33k.

### **Parking (Cr £271k)**

- 5.9 Based on the number of bus lane contraventions until 30 September 2016, additional income of Cr £570k is projected.
- 5.10 A net deficit of Dr £220k 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.
- 5.11 Due to delays in introducing the automated redeployable cameras, additional costs have been incurred for CCTV staff Dr £63k and there is also a net deficit of income projected of Dr £66k for PCNs. These overspends are partly offset by savings from not employing the extra CEOs on street for part of the year.
- 5.12 Other variations within the Parking Service total Cr £10k.

### **Transport & Highways (Dr £34k)**

- 5.13 There are projected income deficits from NRSWA of Dr £25k and from advertising on lamp columns, Dr £9k.

5.14 The table below summarises the main variances: -

<b>Summary of Major Variations</b>	<b>£'000</b>
Additional net costs for waste disposal contract costs	282
Trade waste delivered income	Cr 200
Other variations in income -recycled paper and trade waste collections	Cr 75
Income from off-street and on-street parking	220
CCTV staff costs	63
Net increase of income from bus lane and parking enforcement	Cr 544
Backlog of water rates for Crystal Palace Park	70
Savings from the mail delivery service	Cr 33
Other minor variations across the Portfolio	Cr 11
	<b><u>Cr 228</u></b>

<b>Non-Applicable Sections:</b>	Legal, Personnel Procurement Implications and Impact on Vulnerable Adults & Children
Background Documents: (Access via Contact Officer)	2016/17 budget monitoring files within E&CS Finance section