

**Decision Maker:** ENVIRONMENT PORTFOLIO HOLDER

**FOR PRE-DECISION SCRUTINY BY THE ENVIRONMENT  
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE ON:**

**Date:** Wednesday 15<sup>th</sup> November 2017

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

**Title:** BUDGET MONITORING 2017/18

**Contact Officer:** Claire Martin, Head of Finance ESD  
Tel: 020 8313 4286 E-mail: [claire.martin@bromley.gov.uk](mailto:claire.martin@bromley.gov.uk)

**Chief Officer:** Nigel Davies, Executive Director of Environment & Community Services

**Ward:** (All Wards);

---

1. Reason for report

This report provides an update of the latest budget monitoring position for 2017/18 for the Environment Portfolio, based on expenditure and activity levels up to 30 September 2017. This shows an under spend of Cr £575k.

---

2. **RECOMMENDATION(S)**

**That the Environment Portfolio Holder:**

2.1 **Endorses the latest 2017/18 budget projection for the Environment Portfolio.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
- 

## Corporate Policy

1. Policy Status: Existing Policy Sound financial management
  2. BBB Priority: Excellent Council Quality Environment
- 

## 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: £37.4m
  5. Source of funding: Existing revenue budgets 2017/18
- 

## Personnel

1. Number of staff (current and additional): 141.7 fte
  2. If from existing staff resources, number of staff hours: N/A
- 

## 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
- 

## Procurement

1. Summary of Procurement Implications: N/A
- 

## 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.
- 

## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 The 2017/18 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 2017/18 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>Variations since 31 May 2017</b>	<b>£'000</b>
Income from Bus Lanes	Cr 370
NRSWA income	Cr 174
Support for Environment contracts	142
Income from PCNs issued by wardens	120
Waste disposal	Cr 109
Shortfall of income from On/Off Street Parking	86
Staff vacancies	Cr 77
Trade waste income	Cr 67
Settlement with Veolia	Cr 50
Waste survey and strategy	48
Recycling income	Cr 33
Other miscellaneous variances	Cr 25
	<b>Cr 509</b>

5.2 Although the overall budget shows an under spend of £575k, the controllable budget for the Environment Portfolio is projected to be under spent by £531k at the year-end based on the financial information available to 30 September 2017. Within this projection there are variations which are detailed in Appendix 1 and summarised below.

### **Street Scene & Green Space (Cr £312k)**

5.3 As a result of reducing tonnage, disposal costs are expected to be underspent by £190k. This is being used to fund a survey on waste collection behavioural changes, £48k.

5.4 Officers have negotiated a final settlement figure with Veolia which is £50k more than was accrued for last year. Additional recycling income of £24k is projected as the market price for textiles has increased.

5.5 The number of green garden waste customers has increased, resulting in extra income of £135k being projected, however this is partly offset by additional costs of £111k mainly relating to the use of a sixth vehicle.

5.6 Additional income of £45k is projected mainly due to additional FPNs being issued as well as promotional space being sold within Bromley Town Centre. This is partly funding costs of £62k for additional support and evaluation expertise for Lots 1 – 4 of the Environment Contract.

5.7 Part year vacancies have led to an under spend of £77k and other minor variances total Cr £12k.

### **Parking (Cr £171k)**

5.8 Based on the number of bus lane contraventions until 30 September 2017, additional income of £390k is projected.

5.9 Parking income is expected to be £250k below budget based on activity during the first six months. This is expected to improve by £34k as the remaining parking bays are implemented.

5.10 This deficit is partly offset by extra income received from cashless parking fees (£56k) and defaults applied to the contract of £121k. There is also a projected net deficit of £180k from parking enforcement.

### **Transport and Highways (Cr £48k)**

5.11 Additional income of £174k is expected from the various elements of NRSWA, mainly from permits and defect notices. This is being used to fund specialist support to prepare the specifications for Lots 5 – 7 of the Environment Contract (£80k).

5.12 Delays in obtaining planning permission for the digital display units have resulted in a projected deficit of advertising income of £46k.

5.13 The table below summarises the main variances: -

<b>Summary of Major Variations</b>		<b>£'000</b>
Underspend on waste disposal contract costs	Cr	190
Waste survey		48
Veolia settlement	Cr	50
Green garden waste services	Cr	24
Recycling income	Cr	24
Additional income from promotional space & FPNs	Cr	45
Support & evaluation expertise for Lots 1 - 4		62
Staff vacancies	Cr	77
Other minor variances within Street Scene & Green Space	Cr	12
Income from bus lanes	Cr	390
Net loss of off and on street parking fees		216
Income from cashless parking	Cr	56
Parking contract defaults	Cr	121
Parking enforcement		180
NRSWA income	Cr	174
Specialist support for Lots 5 - 7		80
Shortfall of advertising income		46
	<b>Cr</b>	<b><u>531</u></b>

<b>Non-Applicable Sections:</b>	Legal, Personnel Procurement Implications and Impact on Vulnerable Adults & Children
Background Documents: (Access via Contact Officer)	2017/18 budget monitoring files within E&CS Finance section