

Decision Maker: **ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER**

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

Date: **20th November 2018**

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2018/19**

Contact Officer: Claire Martin, Head of Finance ESD
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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 2018/19 for the Environment & Community Services Portfolio, based on expenditure and activity levels up to 30 September 2018. This shows an under spend of £114k.

2. **RECOMMENDATION(S)**

That the Environment & Community Services Portfolio Holder:

2.1 **Endorses the latest 2018/19 budget projection for the Environment & Community Services Portfolio.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly from this report.
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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 & Community Services Portfolio Budgets
 4. Total current budget for this head: £38.7m
 5. Source of funding: Existing revenue budgets 2018/19
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Personnel

1. Number of staff (current and additional): 147.7fte
 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 2018/19 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. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The 2018/19 budget reflects the financial impact of the Council’s strategies and service plans which impact on all of the Council’s customers and users of our services.

5. POLICY IMPLICATIONS

- 5.1 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to provide efficient services and to have a financial strategy that focuses on stewardship and sustainability. Delivering Value for Money is one of the Corporate Operating Principles supporting Building a Better Bromley.
- 5.2 The “2018/19 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2018/19 to minimise the risk of compounding financial pressures in future years.
- 5.3 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.

6. FINANCIAL IMPLICATIONS

- 6.1 Although the overall budget shows an under spend of £114k, the controllable budget for the Environment & Community Services Portfolio is projected to be under spent by £141k at the year-end based on the financial information available to 30 September 2018. Within this projection there are variations which are detailed in Appendix 1 and summarised below.

Street Scene & Green Space (Cr £108k)

- 6.2 The number of green garden waste customers has increased resulting in additional income of £70k. The very dry, hot summer has meant that the sixth vehicle was not used as much as expected as the green garden tonnage was reduced. An under spend of £72k is currently projected. This is partly offset by the cost of purchasing extra containers totalling £20k.
- 6.3 Other variations within the waste service total Dr £44k which is mainly due to a shortfall of income from trade waste income as customers have reduced due to the partial closure of one of the weighbridges.
- 6.4 Part year vacancies within the management and contract support team have resulted in an under spend of £38k, partly offset by a net over spend of £8k within other areas of the Street Scene and Green Space Division.

Transport and Highways (Cr £33k)

- 6.5 There is a net projected surplus of £257k for income from bus lane contraventions.
- 6.6 The reduction in parking usage continues and a net deficit of £129k is projected.
- 6.7 A reduction in parking contraventions has led to a potential shortfall of income of £300k. This is partly offset by contract performance deductions of £72k and an under spend of £52k for credit card charges and electronic appeal costs.
- 6.8 Other net variations include £48k mainly from part year vacancies within the parking shared service.
- 6.9 A surplus of income from NRSWA activity is expected which is partly offset by minor overspends elsewhere within the division totalling £8k.
- 6.10 The table below summarises the main variances: -

Summary of Major Variations

		£'000
Additional green garden waste income	Cr	70
Use of sixth vehicle for GGW collections	Cr	72
Extra containers for GGW		20
Other waste variations - trade waste income		44
Vacancies within Management & contract support	Cr	38
Net overspend in other SSGS Division		8
Bus Lane Contraventions	Cr	257
Off and On Street parking income		129
Parking Enforcement income		300
Contract performance deductions	Cr	72
Credit card charges & electronic appeal costs	Cr	52
Other parking variations	Cr	48
NRSWA income	Cr	41
Other net variations within Transport & Highways		8
	Cr	141

Non-Applicable Sections:	Legal, Personnel & Procurement Implications
Background Documents: (Access via Contact Officer)	2018/19 budget monitoring files within E&CS Finance section