

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

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

Date: 18th June 2019

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2019/20

Contact Officer: Claire Martin, Head of Finance ECS & Corporate
Tel: 020 8313 4286 E-mail: 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 2019/20 for the Environment & Community Services Portfolio, based on expenditure and activity levels up to 31 May 2019, where available. This shows an over spend of £151k.

2. **RECOMMENDATION(S)**

That the Environment & Community Services Portfolio Holder:

2.1 **Endorses the latest 2019/20 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: £39.7m
 5. Source of funding: Existing revenue budgets 2019/20
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Personnel

1. Number of staff (current and additional): 146.7fte
 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 2019/20 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 “2019/20 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2019/20 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 over spend of £151k, the controllable budget for the Environment & Community Services Portfolio is projected to be over spent by £138k at the year-end based on the financial information available to 31 May 2019, wherever possible.
- 6.2 Some of the major variations are detailed below, with more detail included in Appendix 1.

Street Scene & Green Space (Cr £15k)

- 6.3 Based on April tonnage figures, the waste disposal costs are expected to be £140k below budget mainly due to the reduction in Trade Waste activities.

6.4 A shortfall of income of £155k is expected from Trade Waste services as customer numbers have reduced. This is partly offset by a reduction in collection contract costs of £22k and the disposal cost savings detailed above.

6.5 Other net variances across the division total Cr £8k.

Traffic, Parking and Highways (Dr £153k)

6.6 There is a net projected surplus of £96k for income from bus lane contraventions.

6.7 The reduction in parking usage continues and a net deficit of £245k is projected.

6.8 A reduction in parking contraventions has led to a potential shortfall of income of £111k.

6.9 Part year vacancies within the Shared Service has resulted in an under spend of £60k and other net variances within parking total Cr £7k.

6.10 Additional income of £40k has been received for road closures as a result of an increase in applications received from utility companies.

6.11 The table below summarises the main variances: -

Summary of Major Variances	£'000
Waste disposal costs	Cr 140
Shortfall of income from Trade Waste	155
Wastre collection contract costs	Cr 22
Income from Bus Lane contraventions	Cr 96
Off and On Street parking income	245
Income from Parking Enforcement	111
Staff vacancies	Cr 60
Income from road closures	Cr 40
Other net variations within the Portfolio	Cr 15
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Non-Applicable Sections:	Legal, Personnel & Procurement Implications
Background Documents: (Access via Contact Officer)	2019/20 budget monitoring files within E&CS Finance section