

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

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

Date: 17th November 2020

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2020/21

Contact Officer: Keith Lazarus, Head of Finance ECS & Corporate
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Chief Officer: Colin Brand, Director of Environment & Public Protection

Ward: (All Wards);

1. Reason for report

This report provides an update of the latest revenue budget monitoring position for 2020/21 for the Environment & Community Services Portfolio, based on expenditure and activity levels up to 30 September 2020.

2. **RECOMMENDATION(S)**

The Environment & Community Services Portfolio Holder is requested to:

- 2.1 Endorse the latest 2020/21 revenue budget monitoring 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: 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: £40m
 5. Source of funding: Revenue budgets 2020/21
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Personnel

1. Number of staff (current and additional): 144.5fte
 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 This report sets out the results of the latest quarterly revenue budget monitoring exercise for the 2020/21 financial year for the Environment and Community Services Portfolio.
- 3.2 The current position is a projected overall underspending of £0.482m based on financial information available as at 30 September 2020. It should be noted the impact of Covid-19 on the Portfolio's budgets is not included as these details are reported separately to the Executive.
- 3.3 The projected outturn is detailed in Appendix 1A, which shows the forecast spend for each division within the Portfolio compared to the latest approved budget. The main variations are summarised in the table below:

	£'000
Waste collection costs	203
Recycling income	Cr 66
Landfill tax	Cr 45
Arboriculture management	164
Road closures income	Cr 169
Credit card commission	Cr 112
Reduced parking shared service costs	Cr 177
Other parking expenditure variations	Cr 109
Street lighting energy	Cr 150
Other net variations	Cr 21
Total Variation	Cr 482

- 3.5 Appendix 1B provides further detail and commentary on each of the projected variations within each service.

4. 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 "2020/21 Council Tax" report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised 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.

5. FINANCIAL IMPLICATIONS

- 6.1 A detailed breakdown of the projected outturn by service area is shown in Appendix 1A with explanatory notes in Appendix 1B.

6.2 Overall, an underspending of £0.482m is projected to the year-end based on the information available as at 30 September 2020.

7 COMMENTS FROM THE DIRECTOR OF ENVIRONMENT & PUBLIC PROTECTION

7.1 The Environment and Community Services Portfolio has a projected net underspend of £482k for 2020/21. Over above the impact of Covid-19, there continue to be a number of risks and challenges for service budgets.

7.2 In respect of waste, the contracts have now been in place since April 2019. Contract costs are subject to volatility as any growth in the number of properties and tonnages collected will incur additional expenditure, due to the extra collections that would be required and the additional waste that is generated. Any fluctuations on the market prices will affect the income from sales of recyclates income. Another potential risk area is recycling paper income. Wet weather affects the quality of the paper collected and therefore may lead to issues arising with the processing of it as 'paper' and a loss of income. Furthermore, latest monitoring has demonstrated the effect of changing economic and working patterns and it is not possible to predict the extent to which some of these trends will become embedded.

7.3 Over and above the current impact of Covid-19, there continues to be the risk in Parking from fluctuations in both income from on and off-street parking as usage varies, as well as changes in enforcement income. Income levels are difficult to predict as accurately as levels of parking are dependent on a wide variety of factors, some of which are beyond the Council's control.

7.4 Many of the Portfolio's services can be affected by severe weather events which cannot be predicted. In particular, the highways winter service, grounds maintenance and trees.

7.5 Like the rest of the Council, the Covid-19 pandemic and resultant restrictions have impacted on economic activity and are having a significant impact on some of the Portfolio's services, as follows:

- Parking services were severely affected during the initial lockdown restrictions, with a 95% reduction in parking use and a corresponding decrease in the level of enforcement. There has been some level of recovery since July, although activity remains lower than would be expected when the budget for the year was set.
- Waste services were disrupted in the early weeks of the financial year, with some services suspended although these soon returned to normal. However, the effect of more people being at home has significantly increased volumes of residual waste to be disposed, and trade waste income has also been severely affected.
- Revenue from fees and charges is particularly severely affected across all services with marked reductions in income from market rents, street traders' licences and street works.
- The cessation by TfL of LIP grant this year has resulted in a budget shortfall in the funding of traffic and transport services.

7.6 The latest rise in cases and the recent increase in restrictions has again added to the uncertainty of not knowing for how long restrictions will be in place. Nor it is yet clear what the longer term wider economic impacts will be and how this will affect services later in the year and beyond.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications
Background Documents: (Access via Contact Officer)	2020/21 budget monitoring files within E&CS Finance section