

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO HOLDER

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

Date: 1st September 2021

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2021/22

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 the first revenue budget monitoring position for 2021/22 for the Environment & Community Services Portfolio based on expenditure and activity levels for the first quarter of the financial year.

2. RECOMMENDATION(S)

The Environment & Community Services Portfolio Holder is requested to:

- 2.1 Endorse the 2021/22 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: £32.4m
 5. Source of funding: Controllable revenue budgets 2021/22
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Personnel

1. Number of staff (current and additional): 145.6fte
 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 first quarterly revenue budget monitoring exercise for the 2021/22 financial year for the Environment and Community Services Portfolio. Due to the timetabling of this year's Committee meetings, this has already been considered by the Executive at its meeting on 15th July.
- 3.2 The position for quarter one for the Portfolio was a projected overall overspend of £149k based on financial information available at that time. It should be noted that monitoring this year now takes into account any ongoing impact of Covid-19 on the Portfolio's budgets, and anticipated application of available Covid-19 grant funding where relevant. Excluding the application of available grant funding of £440k, the projected overspend would be £589k.
- 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
On/off street car parking	263
Parking enforcement	285
Waste services income	150
Enforcement of bus lanes	121
Street trading licencing income	70
Parking shared service	Cr 200
Transport Operations & Depot Management	Cr 100
Sub total	589
Application of Covid-19 grant funding	Cr 440
Total Variation	149

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

4. CARRY FORWARDS FROM 2020/21 to 2021/22

- 4.1 At its meeting on 15th June, the Executive considered and approved carry forward of unspent budgets from 2020/21 into 2021/22. For this Portfolio, the only item relates to a carry forward of £200k from the Highways budget in respect of an underspend on the street lighting upgrade scheme. The Portfolio Holder has agreed for this to be draw down and utilised in 2021/22, therefore the budget has adjusted accordingly.

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 “2021/22 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.

6. 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 overspending of £149k is projected to the year-end based on the information available for the first quarter of the year, inclusive of Covid-19 grant funding of £440k.

7 COMMENTS FROM THE DIRECTOR OF ENVIRONMENT & PUBLIC PROTECTION

7.1 Like the rest of the Council, the Covid-19 pandemic and resultant restrictions had a significant impact on many of the Environment and Community Services Portfolio's services in 2020/21 and continue to do so into this financial year with an overall overspend of £589k projected, before application of Covid grant funding of £440k.

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 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 of which some 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 There is still some uncertainty with regard to TFL funding and at the time of this report we have not been advised on the level of grant allocation we will receive for project delivery up to the 11th December 2021. No funding for either staff costs or projects has been identified post this date.

7.6 While all Covid restrictions have recently been lifted, uncertainty remains as to 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)	2021/22 budget monitoring files within E&CS Finance section