

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: OUTTURN 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 the outturn position for 2020/21 for the Environment & Community Services Portfolio.

2. **RECOMMENDATIONS**

The Environment & Community Services Portfolio Holder is requested to:

- 2.1 Endorse the 2020/21 outturn position for the Environment & Community Services Portfolio.
- 2.2 Confirm agreement of the drawdown of the carry forward sum of £200k as detailed in Section 4.

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: £31.3m
 5. Source of funding: Controllable revenue budgets 2020/21
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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 2020/21 outturn for the Environment and Community Services Portfolio which have previously been considered by the Executive at its meeting on 15th June. At that meeting, the financial impact of Covid-19 on the Council in 2020/21 was also reported.
- 3.2 The total variation for the Portfolio at the year-end was an underspend of £880k. Excluding the carry forward sum of £200k and the cost of staff diverted to supporting the Council's Covid-19 response funded from allocated Covid-19 grants of £326k, the net underspend was £354k. This represents a small movement of £18k from the position previously reported at Q3.
- 3.3 The outturn position is detailed in Appendix 1A, which shows the forecast spend for each division within the Portfolio compared to the final approved budget. The main variations for the year are summarised in the table below:

	£'000
Arboriculture management	256
Waste services	223
Reduced parking shared service costs	Cr 160
Road closures income	Cr 152
Supplies & services	Cr 138
Traffic Committee for London/Debt Collection Registration	Cr 86
Markets and street trading	Cr 78
Transport Operations & Depot Management	Cr 76
Landfill tax	Cr 70
Other variations	Cr 73
Sub Total	Cr 354
Street Lighting underspend carried forward	Cr 200
Covid-19 support staff costs funded by grant	Cr 326
Total Variation	Cr 880

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

4. CARRY FORWARD REQUEST

- 4.1 At its meeting on 15th June 2021, 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 from the Highways budget.
- 4.2 During 2020/21 the street lighting new installations budget was not fully spent as not all project work went ahead, as the main emphasis later in the year was to deliver the programme of essential carriageway works. The Executive approved a carry forward of £200k, funded by the

underspend within the service, to enable the continued roll out of the lamp column replacements and LED upgrades across the Borough.

5. CHIEF OFFICER COMMENTS

5.1 Like the rest of the Council, the Covid-19 pandemic and resultant restrictions impacted on economic activity during 202/21 and had a substantial impact on many of the Environment and Community Services Portfolio's services. As a result, the Portfolio incurred a significant overspend which was reported separately to Executive in June. Excluding the impact of Covid-19, the Portfolio outturn position for the year was an overall underspending of £880k.

5.2 In respect of Covid-19, the main service areas impacted were as follows:

- Parking services were most severely affected during the initial lockdown restrictions, with a 95% reduction in parking use during the early weeks of the year and a corresponding decrease in the level of enforcement. There was some level of recovery over the summer and early autumn, however the further restrictions from November again impacted on activity which remained significantly lower than would be expected when the budget for the year was set. Multi-storey car parks only achieved 29% of their income target, whereas surface car parks achieved 46% and on street parking achieved 49%, in line with what was anticipated at Quarter 3.

- 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 significantly increased volumes of residual waste to be disposed, and trade waste income has also been severely affected.

- Revenue from fees and charges was particularly affected across all services with marked reductions in income from market rents and street traders' licences.

5.3 Although Covid-19 restrictions were eased according to the Government's roadmap, the uncertainty of any new variant cases that may arise and potentially fundamental changes to the working, social and shopping habits of residents and businesses means that uncertainty in service planning and delivery will remain for the foreseeable future. Nor it is yet clear what the wider ongoing economic impacts will be and how this will affect services later in the longer term.

6. 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.

7. 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, there was a total underspending of £880k in the 2020/21 financial year, of which £326k related to staff costs that were funded by Covid-19 support grants and £200k was an underspend on street lighting for which the budget has been carried forward into 2021/22. This results in a net underspend of £354k.
- 6.3 The impact of Covid-19 had a substantial impact on many of the Environment and Community Services Portfolio's services, as set out in the Chief Officer's comments, and resulted in a significant overspend that reported separately to the Executive at its meeting in June. These financial pressures were fully funded by Covid-19 grants as listed in Appendix 1A.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications
Background Documents: (Access via Contact Officer)	2021/22 budget monitoring files within E&CS Finance section