

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

Date: Monday 21 March 2022

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: Director of Environment and Public Protection

Ward: (All Wards);

1. Reason for report

This report provides an update of the latest revenue budget monitoring position for 2021/22 for the Environment & Community Services Portfolio, based on expenditure and activity levels up to 30 September 2021.

2. **RECOMMENDATION(S)**

The Environment & Community Services Portfolio Holder is requested to:

- 2.1 Endorse the latest 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. MBEB Priority: Excellent Council Quality Environment Safe Bromley
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Environment & Community Services Portfolio Budgets
 4. Total current budget for this head: £32.3m
 5. Source of funding: Controllable revenue budgets 2021/22
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Personnel

1. Number of staff (current and additional):145.4fte
 2. If from existing staff resources, number of staff hours:
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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 2021/22 financial year for the Environment & Community Services Portfolio based on financial information available as at 31 December 2021.
- 3.2 This updated position for the Portfolio shows a small net projected underspend of £6k against controllable budgets. Members are reminded that monitoring this year now takes into account any ongoing impact of Covid-19 on the Portfolio's budgets, and the latest allocation of Covid-19 grant funding towards costs or loss of income resulting from the continuing impact of Covid-19 on services. Excluding the application of this anticipated grant funding, which now totals £1,810k, the projected overspend would be £1,804k.
- 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 Services:	
- Increased waste volumes	737
- Green garden waste	362
- Trade waste	201
- Recycling income	Cr 695
Parking:	
- On/off-street car parking	283
- Enforcement	1,065
- Bus lanes	227
- Shared service	Cr 212
- Permit parking income	Cr 142
Income from street traders and markets	137
Tree maintenance	340
Highways	Cr 365
Transport Operations & Depots	Cr 105
Other variations	Cr 29
Sub total	1,804
Application of Covid-19 grant funding	Cr 1,810
Total Variation	Cr 6

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

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

None directly from this report.

5. POLICY IMPLICATIONS

- 5.1 To meet the ambitions for residents, the Council must use available resources deploy its workforce wisely. This is reflected in the “Making Bromley Even Better” ambition of Service Efficiency - ‘To manage our resources well, providing value for money, and efficient and effective services for Bromley’s residents’.
- 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 Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council’s budgetary control and monitoring arrangements.

6. COMMENTS FROM THE DIRECTOR OF ENVIRONMENT & PUBLIC PROTECTION

6.1 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 for several frontline services into this financial year with an overall overspend of £1,804k projected, before application of Covid grant funding. The main service areas affected are:

- Parking services were most severely affected during the initial lockdown restrictions in 2020, with a 95% reduction in parking use at one stage and a corresponding decrease in the level of enforcement. The income budget for 2021/22 was consequently reduced by £1.2m and while there has been a good level of recovery in recent months, use of surface and multi-storey car parks in particular remain somewhat lower than budgeted. Although enforcement activity has largely returned to pre-Covid levels and income from PCN's is now projected to overachieve, the income target from the introduction this year of Moving Traffic Contraventions will not be achieved.
- Waste services were impacted as a result of people remaining at home during periods of lockdown, subsequent continued restrictions and more people working from home generating significantly increased volumes of residual waste to be disposed. Although the budget was consequently increased by £0.5m for 2021/22 to take this into account, that trend has continued with consequential pressure on budgets. In addition, trade waste income has also been severely affected with businesses not operating as normal for much of the last 18 months and some no longer trading; consequently income levels are projected to be under budget this year.
- Income from other fees and charges is also affected across all services to some degree with marked reductions in income from street traders’ licences.

6.2 Although there are no legal Covid-19 restrictions now in place, future increases in infections and reintroduction of some restrictions would add to uncertainty of how long these measures could be in force for. 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.

6.3 In respect of waste, the new contracts have 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.

- 6.4 Over and above the current impact of Covid-19, Parking will continue to experience 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. In addition, enforcement of Moving Traffic Contraventions recently commenced in accordance with the previous decision taken by the Executive. Income projections were based on previously anticipated volumes of traffic, which have been lower as a result of the impact of Covid.
- 6.5 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.
- 6.6 There is still some uncertainty with regard to TFL funding. Limited short-term grant was allocated to 11th December 2021. No funding for either staff costs or projects has been identified post this date.

7. FINANCIAL IMPLICATIONS

- 7.1 A detailed breakdown of the projected outturn by service area is shown in Appendix 1A with explanatory notes in Appendix 1B.
- 7.2 Overall, a net underspending of £6k 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 £1,810k.

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