

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
HOLDER

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

Date: 21st June 2022

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN 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 outturn position for 2021/22 for the Environment & Community Services Portfolio.

2. **RECOMMENDATIONS**

The Environment & Community Services Portfolio Holder is requested to:

- 2.1 Endorse the 2021/22 outturn position 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: Environment & Community Services Portfolio Budgets
 4. Total current budget for this head: £32.6m
 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: 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 provisional results of the 2021/22 outturn for the Environment and Community Services Portfolio. The final outturn report will be considered by the Executive at its meeting on 28th June.
- 3.2 The total variation for the controllable element of the Portfolio's budget at the year-end was an overspend of £244k
- 3.3 It should be noted that this takes into account the impact of Covid-19 on the Portfolio's budgets, and the subsequent application of available Covid-19 grant funding where relevant. Total grants of £1,746k were allocated, and these are listed in Appendix 1B.
- 3.4 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 following table provided a summary by division and the impact of Covid-19 grants on the final outturn variation:

	Gross Variation	Covid-19 Grants	Net Variation
	£'000	£'000	£'000
Street Scene & Green Spaces	477	Cr 436	41
Transport Operations & Depot	Cr 139	-	Cr 139
Traffic, Parking & Highways	1,652	Cr 1,310	342
Portfolio Total	1,990	Cr 1,746	244

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

4. CHIEF OFFICER COMMENTS

- 4.1 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 continued to do so for several frontline services into this financial year with an overall overspend of £1,990k 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 income from enforcement. The income budget for 2021/22 was consequently reduced by £1.2m and while there was a good level of recovery, use of surface and multi-storey car parks in particular remain somewhat lower than budgeted. Although enforcement activity had largely returned to pre-Covid levels, staffing issues had an adverse impact on income from PCN's in December and January. Furthermore, the income target from the introduction this year of Moving Traffic Contraventions was not 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 continued into 2021, before abating in the latter third of the year. In addition, trade waste income has been

severely affected with businesses not operating as normal for a significant period of the last two years, with some no longer trading.

- Income from other fees and charges is also affected across all services to some degree with marked reductions in income from street traders' licences.
- 4.2 Although there are now no legal Covid-19 restrictions in force, future increases in infections could add to consumer uncertainty. Nor it is still yet clear what the longer term wider economic impacts will be and how this will affect services in months and years beyond.
- 4.3 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, monitoring during 2021/22 has demonstrated the effect of that changing economic and working patterns can have and also the volatility this has had on these budgets, making projections ever more challenging.
- 4.4 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 commenced during 2021 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.
- 4.5 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.
- 4.6 There is still some uncertainty with regard to TFL funding. Limited short-term grant was allocated during 2021/22 which resulted in some unfunded staffing costs as well as impacting on projects that could be delivered. Whilst some limited funding has been provided for 2022/23, the longer-term funding of either staff costs or projects remains uncertain.

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 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, there was a total overspending of £244k in the 2021/22 financial year, including the allocation of Covid-19 grants of £1,746k.

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