
Decision Maker: ENVIRONMENT AND COMMUNITY SERVICES PORTFOLIO
HOLDERS

Date: Thursday 7th September 2023

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2023/24

Contact Officer: Murad Khan, Head of Finance (Environment and Community Services)
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Chief Officer: Director of Environment and Public Protection

Ward: (All Wards);

1. Reason for decision/report and options

This report provides the revenue budget monitoring position for 2023/24 for the Environment & Community Services Portfolio based on expenditure and activity levels for the first quarter of the financial year.

2. **RECOMMENDATION(S)**

The Portfolio Holders are requested to:

2.1 Endorse the 2023/24 revenue budget monitoring for the Environment & Community Services Portfolio.

2.2 Agree the release of amounts carried forward from 2022/23 as set out in section 3.5.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None directly from this report.
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Transformation Policy

1. Policy Status: Existing Policy: Further Details
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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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: £47.3m
 5. Source of funding: Controllable revenue budgets 2023/24
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Personnel

1. Number of staff (current and additional): 145.6 FTE
 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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Property

1. Summary of Property Implications: N/A
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications:
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Customer Impact

1. Estimated number of users or customers (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
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3. COMMENTARY

- 3.1 This report sets out the results of the quarterly revenue budget monitoring exercise for the 2023/24 financial year for the Environment and Community Services Portfolio.
- 3.2 The position for quarter one for the Portfolio was a projected overall overspend of £623k based on financial information available at that time.
- 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.
- 3.4 Appendix 1B provides further detail and commentary on each of the projected variations within each service.
- 3.5 **AGREEMENT TO RELEASE AMOUNTS CARRIED FORWARD FROM 2022/23 BY THE PORTFOLIO HOLDER**

3.5.1 Highways income £245,000

The amount has been carried forward into 23-24 to be used for Highways maintenance and repairs. In 22-23 the supplier, JB Riney had difficulties in completing the work due to staff shortages.

4. TRANSFORMATION IMPLICATIONS

(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley’s residents.

- 4.1 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’.
- 4.2 The “2023/24 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.
- 4.3 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.

5. FINANCIAL IMPLICATIONS

- 5.1 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 overspend of £623k is projected to the year-end based on the information available for the third quarter of the year.

Non-Applicable Headings:	Social Care, Legal, Personnel, Property & Procurement Implications
Background Documents: (Access via Contact Officer)	2023/24 budget monitoring files within E&CS Finance section

Environment & Community Portfolio Budget Monitoring Summary

2022/23 Actuals £'000	Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT & COMMUNITY PORTFOLIO							
	Street Scene & Green Spaces							
1,151	Arboriculture Management	814	814	864	50	1	0	0
92	Business Support and Markets	26	26	113	87	2	0	0
1,189	Senior Management	1,331	1,331	1,331	0		0	0
211	Performance Management and Business Support	224	224	224	0			
6,439	Parks and Green Spaces	6,854	6,854	6,860	6	3		
79	Carbon Management	155	155	155	0		0	0
18,503	Waste Services	20,722	20,722	20,740	18	4	0	0
6,491	Neighbourhood	6,961	6,961	6,961	0		0	0
34,155		37,087	37,087	37,247	160		0	0
	Transport Operations and Depot							
552	Transport Operations and Depot Management	632	632	632	0		0	0
552		632	632	632	0		0	0
	Traffic, Parking and Highways							
-140	Traffic & Road Safety	161	161	75	Cr 86	5	0	0
Cr 8,209	Parking	Cr 9,186	Cr 9,186	Cr 8,536	650	6	0	0
8,979	Highways (including London Permit Scheme)	9,339	9,584	9,483	Cr 101	7	0	0
630		314	559	1,022	463		0	0
35,337	TOTAL CONTROLLABLE	38,033	38,278	38,901	623		0	0
1,673	TOTAL NON-CONTROLLABLE	6,743	6,743	6,743	0		0	0
2,284	TOTAL EXCLUDED RECHARGES	2,343	2,343	2,343	0		0	0
39,294	PORTFOLIO TOTAL	47,119	47,364	47,987	623		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

47,119

Carry Forward Requests approved from 2022/23

Highways income for road maintenance

245

Central Contingency Adjustments

Other

Latest Approved Budget for 2023/24

47,364

REASONS FOR VARIATIONS

1. Arboriculture Dr £50k

Tree works are identified through a triennial inspection programme and carried out in compliance with the adopted Tree Management Strategy to manage risk. The projected overspend of £50k recognises that in previous years, the volume of essential works has exceeded the budget available. There are several unknown factors affecting budget which make overspend a risk, including the result of additional procurement activity agreed by the Executive in July 2023 where budget risk was identified in the report.

2. Business Support & Markets Dr £87k

Street trading income remains affected by the continuation, under the Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021, of pavement licences. This was a temporary measure, originally introduced during the Covid pandemic but now extended into 2023 and being made permanent, which allows businesses to apply for a pavement licence for a £100 administration fee with no ongoing charges; this administration process is managed through Licensing in PP. This is a significant reduction compared to the permanent street trading licence scheme where the fees charged were significantly higher and are subject to periodic 6-month renewal. The estimated net impact on the Council this year is a net loss of £87k.

3. Parks and Green Spaces, Dr 6k

The service is incurring a £6k overspend on Business Rates in Parks General, this is related to the charges for Tent Peg Lane.

4. Waste Services Dr £18k

The service is declaring an overspend of £18k related to haulage costs for the 'Persistent Organic Pollutants (POPS) containing' waste. This is due to DEFRA and Environmental agency guidance that requires any waste containing potential POPs waste should be incinerated, therefore a change to the waste management contract is required to manage this which has meant an increase in costs to the council.

5. Traffic & Road Safety Cr £85k

As had been reported throughout the last financial year, the situation regarding TfL funding of the Council's LIP capital programme and the staff engaged to deliver schemes continues to remain uncertain. The service are retaining vacancies as mitigation against this loss of funding. Total income overachieved by the service in Q1 is £85k, this is the advertising income from JD Decaux.

Parking, Dr £650k

	Total £'000
Summary of variations within Parking	
Off Street (incl. Multi Storey Car Parks)	206
On Street	-121
RingGo fees	-117
Parking fees total:	-32
Moving Traffic Contraventions (MTCs)	304
Bus Lanes	628
Parking Shared Services	-250
Enforcement total:	682
Total variations	650

6a. Car Parks (off street and multistorey car parks) Dr £206k

In recent years there has been a marked change in the use of vehicles for trips to town centres and for commuting. This has had an impact on the use of off-street car parking spaces, resulting in a lower income to the Council. Based on the information available in Q1 this income line is underachieving by £206k

6b. On Street Car Parks Cr £121k

On street parking income has overachieved the budget by £121k.

6c. Ringo Fees, Cr £117k

The amount that the Council receives from RingGo fees continued to be buoyant into the first quarter of the financial year, as the increased use of this payment method to pay for parking fees appears to be sustained and an overachievement of £117k. All pay and display machines were removed in April 23 making this the only payment method for all on and off street parking within the Borough, apart from the Civic Offices car park.

6d. Moving Traffic Contraventions (MTCs), Dr £304k

Since the introduction of enforcement of moving traffic contraventions in October 2021, the actual number of tickets issued has been significantly lower than anticipated. Officers believe that this has been the result of changes in traffic patterns post Covid-19 pandemic, alongside the Borough's fair approach to enforcement. The shortfall for Q1 is £304k.

6e. Bus Lanes, Dr £628k

As has been reported previously, compliance of Bus Lanes continues to improve and therefore this income budget underachieved by £628k this year, this is a worsening of the position from last year.

6f. Parking Shared Service Cr £250k

An underspend of £250k is being reported for the Parking Shared Service mainly due to underspends on staffing as a result of vacancies across both boroughs as well as a reduction in the number of agency staff employed.

7. Highways, including London Permit Scheme Cr £101k

The Highways service has an overall underspend of £101k. The service have applied for a carry forward of £245k that will be utilised in 2023-2024 for Highways Maintenance.

Highways are overachieving in areas such as Traffic Control Maintenance (Inspection Fees, Defect Notices, Section 74 Notices, Fixed Penalty Notices) by £101k.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Subcommittee bi-annually. Since the last report to the Executive, no waivers over £50k have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.