

Report No.
FSD23068

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: PORTFOLIO HOLDER FOR ENVIRONMENT AND THE
PORTFOLIO HOLDER FOR TRANSPORT, HIGHWAYS AND
ROAD SAFETY

Date: Thursday 16th November 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 second 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.

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 two (end of September) for the Portfolio was a projected overall overspend of £1.365m 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.

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 £1.365mk is projected to the year-end based on the information available for the second 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	822	922	100	1	50	0
92	Business Support and Markets	26	26	149	123	2	87	0
1,189	Senior Management	1,331	1,331	1,331	0		0	0
211	Performance Management and Business Support	224	224	224	0		0	0
6,439	Parks and Green Spaces	6,854	6,940	6,940	0		6	0
79	Carbon Management	155	155	155	0		0	0
18,503	Waste Services	20,722	20,722	20,722	0		18	0
6,491	Neighbourhood	6,961	7,087	7,087	0		0	0
34,155		37,087	37,306	37,529	223		160	0
Transport Operations and Depot								
552	Transport Operations and Depot Management	632	632	575	Cr 57	3	0	0
552		632	632	575	Cr 57		0	0
Traffic, Parking and Highways								
-140	Traffic & Road Safety	161	161	132	Cr 29	4	Cr 86	0
Cr 8,209	Parking	Cr 9,186	Cr 9,186	Cr 8,358	828	5	650	0
8,979	Highways (including London Permit Scheme)	9,339	9,584	9,984	400	6	Cr 101	0
630		314	559	1,758	1,199		463	0
35,337	TOTAL CONTROLLABLE	38,033	38,497	39,862	1,365		623	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	47,583	48,948	1,365		623	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

Inflationary Uplifts

219

Other Budget Movements

Hill Car Park Repair - Infrastructure Investment Fund

250

Hill Car Park Repair - Infrastructure Investment Fund

Cr 250

Latest Approved Budget for 2023/24

47,583

REASONS FOR VARIATIONS

1. Arboriculture Dr £100k

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 £100k 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 £123k

The service is expecting an underachievement of income across Advertising, Street Trading and Markets of £144k, which is partly offset by an underspend on staffing of £21k as a vacant post is being used to fund a fixed term post on a lower grade.

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 Public Protection. 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 loss of £80k.

Advertising income is underachieving by £9k, the Promotional Activity in Bromley High Street has fewer larger scale week-long promotions. The majority of the promotional activity comes from smaller companies and it is limited to a few days, generating less income.

3. Transport Operations and Depot Management Cr £57k

The service is reporting a £57k underspend this is on staffing costs, where we have officers who have moved to part time, freeing up some budget.

4. Traffic & Road Safety Cr £29k

As has been reported in the last couple of years, TFL funding has been reduced and beyond 2024/25 there is uncertainty of funding levels. The service is retaining vacancies as mitigation against this loss of funding. There has also been an over achievement from advertising income & Road closures.

5. Parking, Dr £828k

	Total
Summary of variations within Parking	£'000
Off Street (incl. Multi Storey Car Parks)	505
On Street	-105
Parking fees total:	400
Moving Traffic Contraventions (MTCs)	408
CCTV- Schools/ Bus Stops	-52
CEO Enforcement (PCN's)	-513
Bus Lanes	585
Enforcement total:	428
Total variations	828

5a. Car Parks (off street and multistorey car parks) Dr £505k

Car Park usage has decreased, however this has been an on-going trend for a number of years and may have been exacerbated by the cost of living crisis and the introduction of ULEZ. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

A decision was made to close the Hill multistorey car park in October 23 due to Safety concerns. Motorists are being advised to use nearby car parks and on street parking facilities whilst the future of the car park is being considered. Officers will monitor usage to establish if the regular users of the Hill are using these other Council parking places, however it is likely that income will reduce as not all displaced parking will be to Council car parks.

5b. On Street Car Parks Cr £105k

On street parking income is overachieving the budget with the demand for on street parking sessions remaining steady. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

5c. Moving Traffic Contraventions (MTCs), Dr £408k

The trend of nearly two years of enforcement has shown that driver compliance with moving traffic regulations has improved; the average number of PCNs being issued in April to Aug 22 was 2,721 p/m, compared to the average in April to Aug 23 being 2,414. Maintenance costs for all MTC cameras have increased and for 23/24 currently stands at £61k which is £20k over budget.

5d. CCTV - Schools/ Bus Stops, Cr 52k

Compliance around the schools has continued to improve, whereas one camera at a bus stop has seen a large number of PCNs being issued. April to August 22 there were 61 PCNs p/m whereas in the same period in April to August 23 there was an average of 129 PCNs p/m. Maintenance costs for all school and bus stop cameras was £3,329.

5e. CEO Enforcement (PCN's), Cr £513k

From May 23 additional CEOs have been deployed around the Borough to help to achieve an improved compliance around the Borough, CEOs have been employed on different working patterns to help achieve this. From April to August 22, the average number of PCNs issued p/m was 5,394, whereas in the same time period in 2023 6,851 PCNs were issued. In due course the additional enforcement may lead to more compliance and less income.

5f. Bus Lanes Dr £585k

As has been reported previously, compliance by drivers in bus lanes continues to improve with the average PCNs issued per month between April to August 22 being 931, compared to 774 PCNs being issued in the same time period in 2023. Maintenance costs for bus lane cameras for 23/24 is £25,544.

6. Highways, including London Permit Scheme Dr £400k

The service has an overall overspend of £400k.

There is an overspend of £500k in Highway Services, as the number of highway defects (carriageway and footway) has nearly doubled in the first 6 months of the year and these projects have statutory requirements. A second contractor had to be employed to clear the existing backlog from the main supplier, J B Riney. Officers will continue to monitor the situation as there is a possibility of further cost pressures which will be clearer in Q3.

The overspend is partially offset by an underspend in Street Lighting, on Traffic Signal Maintenance, this equates to £100k.

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.