

Report No.
FSD24019

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: ENVIRONMENT AND COMMUNITY SERVICES PORTOFOLIO
HOLDER AND PORTFOLIO HOLDER FOR TRANSPORT,
HIGHWAYS AND ROAD SAFETY

Date: Wednesday 13th March 2024

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 third 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 three (end of December) for the Portfolio was a projected overall overspend of £621k 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.
- 5.2 Overall, an overspend of £621k 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	100	0
92	Business Support and Markets	26	26	160	134	2	123	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		0	0
79	Carbon Management	155	155	155	0		0	0
18,503	Waste Services	20,722	20,722	19,825	Cr 897	3	0	0
6,491	Neighbourhood	6,961	7,087	7,087	0		0	0
34,155		37,087	37,306	36,643	Cr 663		223	0
	Transport Operations and Depot							
552	Transport Operations and Depot Management	632	632	575	Cr 57	4	Cr 57	0
552		632	632	575	Cr 57		Cr 57	0
	Traffic, Parking and Highways							
-140	Traffic & Road Safety	161	161	39	Cr 122	5	Cr 29	0
Cr 8,209	Parking	Cr 9,186	Cr 9,186	Cr 8,478	708	6	828	0
8,979	Highways (including London Permit Scheme)	9,339	9,584	10,270	686	7	400	0
630		314	559	1,831	1,272		1,199	0
35,337	TOTAL CONTROLLABLE	38,033	38,497	39,049	552		1,365	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	48,135	552		1,365	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.

2. Business Support & Markets Dr £134k

The service is expecting an underachievement of income across Advertising, Street Trading and Markets of £144k (further details on this is given below), which is partly offset by an underspend on staffing of £19k as a vacant post is being used to fund a fixed term post on a lower grade and a £16k underspent on ICT software. There is also an overspend on the security of premises for £25k.

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 previous licensing of tables and chairs on the highway under street trading licence scheme where the fees charges were significantly higher and were subject to periodic 6-month renewal. The estimated net impact on the Council this year is a loss of £85k.

Advertising income from promotional activity 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.

The Market Income is underachieving by £50k, due to a tough retail environment and depressed footfall in the Town Centre, which has led to a higher number of booking cancellations from market traders than normal. Furthermore the relocation of the market from the southern to northern end of the high street several years ago affected layout, reducing the number of regular stalls from 42 to 35, impacting the income capacity.

3. Waste Services Cr £897k

The Waste Service is reporting a £897k underspend for Q3, this is in the main due to the provision of Covid 19 funding (£800k) in 2022-23, to cover the additional costs of the increase in disposal of residual waste and processing of recyclates which were higher than pre COVID levels following lifestyle changes during the global pandemic. Although the levels of municipal waste have now returned to relatively stable levels the funding is still in the budget for the current year. The funding will be cut by half in '24-'25 with the remainder taken in '25-'26

4. Transport Operations and Depot Management Cr £57k

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

5. Traffic & Road Safety Cr £122k

There has been an over achievement from advertising income and temporary traffic orders due to road closures. This is partly offset by the cost of removing old street signs in the Borough.

6. Parking, Dr £708k

	Total
Summary of variations within Parking	£'000
Off Street (incl. Multi Storey Car Parks)	486
On Street	-146
Parking fees total:	340
Moving Traffic Contraventions (MTCs)	463
CCTV- Schools/ Bus Stops	-61
CEO Enforcement (PCN's)	-385
Bus Lanes	570
Parking Shared Services	-219
Enforcement total:	368
Total variations	708

6a. Car Parks (off street and multistorey car parks) Dr £486k

For a number of years, there has been an ongoing decrease in car park usage. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

As well as the above, the Hill multistorey car park was closed due to health and safety concerns for 2 months (October to December 2023), this approximately accounts for about £150k of the variance in this area. West Wickham car park also closed at the start of this financial year and accounts for a further £58k of the pressure. Motorists were advised to use nearby car parks and on street parking facilities, however during that period of time there was no real increase in the surrounding car parks that would account for any displacement from these car parks.

Despite managing to maintain income levels this year, the longer term trend means that income is unlikely to return to budgeted levels and future budget setting should take account of this.

6b. On Street Car Parks Cr £146k

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.

Due to the continued strong performance here, we will look to re-align this budget in the future to allow the additional income to mitigate pressures in other parts of the parking service.

6c. Moving Traffic Contraventions (MTCs), Dr £463k

The trend of two years of enforcement has shown that driver compliance with moving traffic regulations has improved since the cameras first went live. However, the average number of PCNs being issued in April to December 2022 was 2,619 p/m, compared to the average in April to December 2023 being 2,320. Maintenance costs for all MTC cameras has increased and for 23/24 currently stands at £61k which is £20k over budget

Although income levels could be maintained in the future, it is unlikely to ever achieve the budgeted target due to continued compliance by road users, therefore future budget setting should take account of this.

6d. CCTV - Schools/ Bus Stops, Cr 61k

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 December 2022 there were 172 PCNs p/m whereas in the same period in April to December 2023 there was an average of 94 PCNs p/m. Maintenance costs for all school and bus stop cameras was £8,694.

Where compliance has been achieved, Officers will consider new locations for cameras.

6e. CEO Enforcement (PCN's), Cr £385k

From May 2023 some 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 December 2022, the average number of PCNs issued p/m was 5,696, whereas in the same time period in 2023 6,947 PCNs were issued. In due course, the additional enforcement may lead to more compliance and less income.

6f. Bus Lanes Dr £570k

As has been reported previously, compliance by drivers in bus lanes continues to improve with the average PCNs issued per month between April to December 2022 being 911, compared to 792 PCNs being issued in the same time period in 2023. Maintenance costs for bus lane cameras for 23/24 is £28,926.

6g. Shared Services Cr £219k

There is an underspend on the Shared Service budget due to vacant posts, however the budget needs to be flexible to allow for changes in workflow demands to allow the service to cover busy periods and meet statutory deadlines. An increasing backlog in appeals will result in the team recruiting more staff in the near future, increased number of staff will achieve a better customer services by appeals being processed quicker, resulting in PCNs being settled quicker.

7. Highways, including London Permit Scheme Dr £686k

There is an overspend of £630k 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. The London permit Scheme is underachieving the income by £56k.

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.