

Report No.
FSD24040

London Borough of Bromley

PART ONE - PUBLIC

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

Date: **For Pre-Decision Scrutiny by the Environment and Community Services Policy Development and Scrutiny Committee on Wednesday 12 June 2024**

Decision Type: Non-Urgent Executive Non-Key

Title: **FINAL OUTTURN 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 outturn position for 2023/24 for the Environment & Community Services Portfolio.

2. **RECOMMENDATION(S)**

The Portfolio Holders are requested to:

2.1 Endorse the 2023/24 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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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: General Fund 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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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
2. Summary of Ward Councillors comments:
3. **COMMENTARY**

- 3.1 This report provides the final outturn position for the Environment and Community Services Portfolio for 2023/24, which is broken-down in detail in Appendix 1, along with explanatory notes. This has already been considered by Executive on the 22nd of May 2024.
- 3.2 The final outturn for the “controllable” element of the Environment and Community Services budget in 2023/24 is a small net overspend of £10k a reduction of £542k from the last reported figure of a net £552k overspend which was based on activity at the end of December 2023.

Carry Forward Requests

- 3.3 Executive was requested to approve several carry forward requests relating to either unspent grant income, or delays in expenditure where cost pressures will follow through into 2024/25.
- 3.4 Appendix 2 provides a detailed breakdown of all the carry forward requests for the Environment and Community Services Portfolio. Future reports to the Portfolio Holder will be required to approve their release from the 2024/25 Central Contingency.

4. CHIEF OFFICER COMMENTS

- 4.1 The key departmental budgetary pressures are sitting within Highways, Parking and Arboriculture services.
- 4.2 The weather over the last year impacted heavily on service delivery with the hottest June on record, and more than our fair share of rain with impactful storms like Babet and Ciaran affecting a range of front-line operations and then, albeit a short but very cold winter spell that again disrupted front line operations. In particular, the highways maintenance service, street and drainage cleaning, grounds maintenance and trees required additional non-routine works during the past year.
- 4.3 The trend in the reduction in waste volumes has continued with waste officers confirming that waste volumes have continued to hold at pre-Covid levels. The income through recycled material has fluctuated this year, particularly with processing recycled paper with a reduction in commodity prices over the year. Material prices can vary and whilst an over achievement was made for 2022/23, this position cannot be guaranteed going forward.
- 4.4 Pothole repairs have added a pressure on the Highways budgets. The number of highways defects (carriageway and footway) has nearly doubled in the first 6 months of the year and these projects have statutory requirements.
- 4.5 There was a downward trend in numbers of vehicles parking in our car parks, reflecting national trends. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location. The longer term trend means that income is unlikely to return to budgeted levels and future budget setting should take account of this.
- 4.6 The TfL LIP grant has, it seems, settled to a consistent level, but at about 40% less than it was pre-2020. This means fewer highway improvement schemes can be undertaken, along with less road safety education, and several posts are held vacant accordingly.

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 “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.
- 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 small overspend of £10k in the 2023/24 financial year.
- 6.3 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1A. Budget holders have full responsibility for those budgets classified as “controllable” as any variations relate to those factors over which the budget holder has, in general, direct control. “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service.

Non-Applicable Sections:	Legal, Personnel & 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	987	165	1	100	0
92	Business Support and Markets	26	42	134	92	2	134	0
1,189	Senior Management	1,331	1,331	1,300	Cr 31	3	0	0
211	Performance Management and Business Support	224	224	218	Cr 6	4	0	0
6,439	Parks and Green Spaces	6,854	7,108	7,016	Cr 92	5	0	0
79	Carbon Management	155	156	105	Cr 51	6	0	0
18,503	Waste Services	20,722	20,722	20,589	Cr 133	7	Cr 897	0
6,491	Neighbourhood	6,961	7,087	7,049	Cr 38	8	0	0
34,155		37,087	37,491	37,398	Cr 94		Cr 663	0
	Transport Operations and Depot							
552	Transport Operations and Depot Management	632	692	546	Cr 145	9	Cr 57	0
552		632	692	546	Cr 145		Cr 57	0
	Traffic, Parking and Highways							
-140	Traffic & Road Safety	161	161	0	Cr 161	10	Cr 122	0
Cr 8,209	Parking	Cr 9,186	Cr 9,177	Cr 9,024	153	11	708	0
8,979	Highways (including London Permit Scheme)	9,339	10,171	10,428	257	12	686	0
630		314	1,155	1,404	249		1,272	0
35,337	TOTAL CONTROLLABLE	38,033	39,338	39,348	10		552	0
1,673	TOTAL NON-CONTROLLABLE	6,743	2,675	2,675	0		0	0
2,284	TOTAL EXCLUDED RECHARGES	2,343	2,167	2,167	0		0	0
39,294	PORTFOLIO TOTAL	47,119	44,180	44,190	10		552	0

Reconciliation of Latest Approved Budget
Original Budget 2023/24

£'000

47,119

9

Carry Forward Requests approved from 2022/23

Highways Income for Road Maintenance 245

Central Contingency Adjustments

Inflationary Uplifts 219

Electricity Inflation Uplift 841

Other Budget Movements

Hill Car Park Repair - Infrastructure Investment Fund 250

Hill Car Park Repair - Infrastructure Investment Fund Cr 250

Memorandum Items:

Capital Charges -5,192

Insurance 110

Repairs & Maintenance 868

Rent income 146

Excluded Recharges -176

Latest Approved Budget for 2023/24

44,180

REASONS FOR VARIATIONS

1. Arboriculture Dr £165k

Works to trees are identified through a triennial inspection programme or through reactive inspections where required, and these works are raised in accordance with the policies set out in the adopted Tree Management Strategy. The Strategy is designed to ensure that the Council's statutory responsibilities are discharged and to manage health and safety related risks when maintaining the borough's trees. Overspend is therefore a risk depending on a range of factors affecting the health of the Council's maintained tree stock and in 2023/24 there continued to be issues with disease. Additionally, in 2023/24 there were several storms, including Storms Henk and Isha, which resulted in a high number of emergency call outs and the need to bring in an additional contractor to support storm clear up works, with the storm works costing approximately £90k.

2. Business Support & Markets Dr £92k

The service is reporting an underachievement of income across Advertising, Street Trading and Markets of £131k, which is partly offset by underspends on staffing and ICT Software. There is also an overspend on the security of premises.

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. In 2024-2025 there is a provision of £80k to cover the shortfall of the licensing income in street trading and markets.

The Market Income is underachieving 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.

3. Senior Management Cr £31k

The Senior Management service is reporting an underspend of £31k. This is related to employee costs due to vacancies for part of the year while recruitment activity was undertaken.

4. Performance Management and Business Support Cr £6k

The Performance Management and Business Support service is reporting an underspend of £6k which is related to supplies and services costs (stationery and mobile phone costs).

5. Parks and Green Spaces Cr £92k

The Parks and Green Spaces service is reporting an underspend of £92k. The majority of the underspend is a consequence of the transfer of Crystal Palace Park to the Crystal Palace Park Trust in September 2024; this funding is now committed to support the costs of delivering the Regeneration Plan (see report **HPR2022/022**).

6. Carbon Management Cr £51k

The Carbon Management service is reporting an underspend of £51k. This is due to vacancies for part of the year while recruitment activity was undertaken. There is also an underspend on IT related budgets.

7. Waste Services Cr £133k

The service is reporting a £133k underspend, this is a significant reduction from the reported underspend in Q3. This is mainly due to underachievement of income across the service totalling just under £600k (trade and commercial waste and green garden waste) There was also an overspend on backdated container charges for £130k. There is a growing concern regarding the number of customers who access fee-based waste services as there appears to be a downward trend, prices have been increased for 2024-25 which may affect demand even more greatly.

8. Neighbourhood Cr £38k

The service is reporting an underspend of £38k. This is due to an overachievement of income generated by fixed penalty notices (FPNs) and underspends on the Transport related expenditure budgets (transport costs for staff).

9. Transport Operations and Depot Management Cr £145k

The service is reporting a £148k underspend on staffing costs, where we have officers who have moved to part time, freeing up some budget. The premises related expenditure budgets, such as cleaning or security of premises also report a favourable variation to the budget.

10. Traffic & Road Safety Cr £161k

There has been an over achievement from temporary traffic orders due to road closures. There has been an overachievement of the budget from the advertising income.

The service will submit a request for a carry forward of £31k into FY24-25. This is for outstanding work to remove redundant signs that could not be started in 2023-2024.

11. Parking, Dr £153k

	Total
Summary of variations within Parking	£'000
Off Street (incl. Multi Storey Car Parks)	370
On Street	-233
Parking fees total:	137
Moving Traffic Contraventions (MTCs)	255
CCTV- Schools/ Bus Stops	-82
CEO Enforcement (PCN's)	-440
Bus Lanes	534
Parking Shared Services	-203
Enforcement total:	64
Other variations, including permits	-48
Total variations	<u>153</u>

11a. Car Parks (off street and multistorey car parks) Dr £370k

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) and West Wickham Station Road car park permanently closed at the start of this financial year.

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.

11b. On Street Car Parks Cr £233k

On street parking income has overachieved 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.

11c. Moving Traffic Contraventions (MTCs), Dr £255k

The trend of two years of enforcement has shown that driver compliance with moving traffic regulations has improved since the cameras first went live in October 2021, therefore fewer PCNs are being issued, with an average of 2,188 p/m in 2023-2024.

Although income levels could be maintained in the future as the Council reviews other locations where there are congestions or safety concerns, 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.

11d. CCTV - Schools/ Bus Stops, Cr 82k

Compliance around schools has continued to improve with fewer PCNs being issued. A similar decrease has been recorded at one bus stop that is currently enforced.

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

11e. CEO Enforcement (PCN's), Cr £440k

From May 2023 some additional CEOs have been deployed around the Borough to help to achieve an improved compliance in the Borough. CEOs have been employed on different working patterns to help achieve this. Officers have assessed that at present any new CEOs will result in additional costs without the benefit of any more PCNs being issued, but this is regularly reviewed.

11f. Bus Lanes Dr £534k

As has been reported previously, compliance by drivers in bus lanes continues to improve. This is an area where the budgets have to be reviewed.

11g. Shared Services Cr £203k

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 new financial year. An increased number of staff will achieve a better customer services by appeals being processed quicker, resulting in PCNs being settled quicker.

12. Highways, including London Permit Scheme Dr £257k

There is an overspend of £257k 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.

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.

ENVIRONMENT & COMMUNITY PORTFOLIO C/F REQUESTS

Other Carry Forward Requests

1. Traffic and Road Safety Underspend £31,128

The request is for meeting the cost of removing the obsolete parking guidance information signs from around Bromley and Orpington town centres. The work has been negotiated at a discounted price with the contractor J B Riney, but it could not be started before the end of the financial year.