

Decision Maker: Environment Portfolio Holder

**For Pre-decision scrutiny by the Environment PDS
Committee on 16 June 2011**

Date: 16 June 2011

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL OUTTURN 2010/11

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Chief Officer: Nigel Davies, Director of Environmental Services

Ward: Boroughwide

1. Reason for report

This report provides the Portfolio Holder with the provisional final outturn position for 2010/11.

2. **RECOMMENDATION(S)**

2.1 The Portfolio Holder is requested to endorse the 2010/11 provisional outturn position for the Environment Portfolio.

Corporate Policy

1. Policy Status: Existing policy. Sound financial management
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: All Environment Portfolio Budgets
 4. Total current budget for this head: £37.5m
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): 232
 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: Call-in is applicable
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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? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2010/11 provisional outturn for the Environment Portfolio is an overspend of £7,006k. This includes variations for capital charges and inter-committee recharges of £6,126k, leaving a variance of Dr £880k against the controllable budget of £34,120k representing a 2.58% variation. This is after allowing for the transfers to and from the central contingency for the waste underspend of Cr £701k and the recession monies to cover the £185k net shortfall of income in parking. This compares with a projected Dr £777k variation previously reported to the April meeting of the PDS committee. The detailed variations are shown in Appendix 1, however the main reason for the overspend is due to the adverse weather conditions during the winter months.
- 3.2 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. 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. As such, any variations arising are shown as “non-controllable” within services but “controllable” within the Resources Portfolio. Other examples include cross departmental recharges and capital financing costs. This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance. These variations will include the costs related to the recession.

4. POLICY IMPLICATIONS

- 4.1 The Resources Portfolio Plan for 2009/10 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley’s Best Value Performance Plan “Making a Difference” refers to the Council’s intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2010/11 to minimise the risk of compounding financial pressures in future years.
- 4.4 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.

5. FINANCIAL IMPLICATIONS

- 5.1 The table below summarises the financial position for the controllable budget of the Environment Portfolio and takes account of the savings in waste tonnage transferred to the central contingency sum as well as the utilisation of the central contingency sum for the recession related costs (parking): -

SUMMARY OF VARIATION	£'000
Shortfall of parking income due to the recession	185
Reduction of waste tonnage partly due to the recession and Recycling & Composting for all'	(658)
Impact of snowfall on winter maintenance and waste collection service	818
Other minor variations	19
	<u>364</u>
Savings in waste tonnage transferred to Council's central contingency	701
Shortfall of parking income to be met from Council's recession fund	(185)
Net variation after allowing for transfers to and from the central contingency	<u>880</u>
Variation in non-controllable budgets	6,126
Net variation projected for overall Environment Portfolio Budget (Appendix 1)	<u><u>7,006</u></u>

- 5.2 Refuse disposal tonnages continue to drop which is due to a combination of factors including for example, the impact of the recession and greater public awareness of the benefits of recycling. This will also include the impact of any further reduction in disposal tonnage compared with the savings assumed in the 'Recycling and Composting for All: Phase 2 Business case' report to a previous Executive meeting.

5.3 Earmarked Reserve of £1m for Residents Priorities

For 2009/10, Members agreed to set aside £1m in an earmarked reserve for Residents Priorities. The table below shows that the budget has now been fully spent.

Schemes agreed by the Portfolio Holder	Spend to 31.3.10 £'000	Spend to 31.3.11 £'000	Total £'000
Tree Maintenance	102	2	104
Bromley North	14	48	62
Belmont Lane	54	0	54
Courtlands Avenue	60	41	101
Edward Road	10	1	11
Glentrammon Road (Footway)	94	100	194
Lovibonds Avenue	36	109	145
Uplands Road	84	29	113
Walnut Road	55	3	58
Glentrammon Road (Carriageway)	0	87	87
Elmstead Lane	0	60	60
Polsteeple Hill	0	11	11
Total Spend	<u>509</u>	<u>491</u>	<u>1000</u>

5.4 Earmarked Reserve of £1m for Members Priorities

For 2010/11, Members agreed to set aside a further £1m in an earmarked reserve for Members Priorities. The table below sets out the latest position, which shows that £823k was spent before 31st March 2011 and the balance of £177k relate to orders for works that have been raised but have not been completed: -

Schemes agreed by the Portfolio Holder	Spend	Spend	Commitments	Total
	to 31.3.11	from 1.4.11		
	£'000	£'000	£'000	£'000
Bromley North	0	0	38	38
Barnhill Avenue	43	0	0	43
Brookmead Way	31	0	0	31
Broomhill Road	42	0	0	42
Charterhouse Road	7	0	0	7
Chelsfield Lane	18	0	0	18
Cray Valley	51	0	0	51
Dunkery Road	55	0	0	55
Eldred Drive	9	0	0	9
Farnaby Road	44	0	0	44
Homefield Rise	43	0	0	43
Kechill Gardens	44	0	0	44
Lubbock Road	59	0	0	59
Pickhurst Park	32	0	0	32
Ravensbourne Avenue	104	0	0	104
St Keverne Road	49	0	0	49
Station Hill	20	0	0	20
Sydenham Avenue	17	0	0	17
Leamington Avenue	18	0	0	18
Main Road	40	0	0	40
Cudham Road	45	0	0	45
Petten Grove	52	0	0	52
Other highway programme schemes	0	0	139	139
Total Spend	823	0	177	1000

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	2010/11 budget monitoring files within ES finance section