

## Environmental Services Portfolio Budget Monitoring Summary

2010/11 Actuals £'000	Division Service Areas	2011/12 Original Budget £'000	2011/12 Latest Approved £'000	2011/12 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(5,515)	<b>Customer &amp; Support Services</b>							
	Parking	(5,366)	(5,351)	(5,550)	(199)	1 - 5	(167)	0
1,605	Support Services	1,554	1,928	1,928	0		0	0
(3,910)		(3,812)	(3,423)	(3,622)	(199)		(167)	0
	<b>Public Protection - ES</b>							
112	Emergency Planning	114	114	114	0		0	0
112		114	114	114	0		0	0
	<b>Street Scene &amp; Green Space</b>							
5,803	Area Management/Street Cleansing	5,975	5,945	5,945	0	6	0	0
2,165	Highways	0	2,422	2,418	(4)	7	(6)	0
(65)	Markets	(47)	(21)	2	23	8	14	0
6,225	Parks and Green Space	6,153	6,137	6,179	42	9	42	0
567	Street Regulation	519	549	569	20	20	30	0
16,091	Waste Services	16,892	16,837	16,827	(10)	11	(50)	0
30,786		29,492	31,869	31,940	71		30	0
	<b>Transport &amp; Highways</b>							
7,277	Highways incl London Permit Scheme	9,236	6,713	6,643	(70)	12	0	0
147	Highways Planning	144	169	160	(9)	13	0	0
843	Traffic & Road Safety	790	665	629	(36)	13	(2)	0
216	Transport Strategy	235	235	229	(6)	13	0	0
8,483		10,405	7,782	7,661	(121)		(2)	0
35,471	<b>TOTAL CONTROLLABLE</b>	36,199	36,342	36,093	(249)		(139)	0
7,151	<b>TOTAL NON CONTROLLABLE</b>	(692)	4,768	4,744	(24)	14	5	0
2,596	<b>TOTAL EXCLUDED RECHARGES</b>	2,348	2,301	2,301	0		0	0
45,218	<b>PORTFOLIO TOTAL</b>	37,855	43,411	43,138	(273)		(134)	0

**Reconciliation of latest approved budget** **£'000**

<b>Original budget 2011/12</b>	<b>37,855</b>
Repairs & Maintenance (Non-controllable)	348
Supplementary estimate for capital accounting adjustment relating to Government Grants Deferred	5,670
Lead Local Flood Authorities Grant income - transferred to Local Services Support Grant	110
Transfer of design studio to Corporate Services (Resources Portfolio)	(61)
Transfer of Post 11599 from Parks to Customer Service Centre	(16)
Rental Income budget adjustments (Non-controllable)	(34)
Transfer of NRSWRA income to central contingency	(260)
Transfer from Waste to CSC re Kitchen Waste Service - food bags etc	(15)
Property Maintenance - non-controllable virements actioned by KT	(106)
Allocation of fuel from contingency for street lighting	100
Allocation of savings from key negotiations of waste contracts	(180)
<b>Latest Approved Budget for 2011/12</b>	<b>43,411</b>

## **Environmental Services Portfolio - Budget Monitoring Notes - 31 January 2012**

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### **1. Bus Lane Enforcement Cr £113k**

There is a projected net surplus of £113k as follows:

- An increase in the number of contraventions has resulted in additional projected income of £106k for 2011/12 (net of the bus lane works below).
- Anticipated increase in income from PCNs issued in prior years of £7k.

The above figures include the projected shortfall of income of £50k, (full-year effect £100k) as a result of the suspension of bus lane restrictions in Cray Avenue, following the diversion of traffic as a result of the bridge replacement at Chislehurst Road.

### **2. Off Street Car Parking Cr £16k**

Off-street car parking income is projected to be £30k below budget expectation. This has improved slightly since the end of 2011. The overall deficit is mainly due to reduced demand and parking fees not having been increased to match inflation added to the budget as a result of the normal estimate process, nor the loss of income as a direct result of the increase in VAT.

The projected income shortfall is mainly from the four multi-storey car parks (Dr £50k), offset by additional income projected for car parks within Beckenham and Petts Wood.

This projected shortfall in income is offset by a balance from a provision of £50k no longer required for contract payments following successful negotiations with the parking contractor.

There are overspends across general running expenses of £4k.

### **3. On Street Car Parking Cr £26k**

There is currently projected to be a surplus of £40k from on-street car parking income. £11k is from the Beckenham area, and £29k from elsewhere across the borough.

There are projected overspends of £11k due to tariff changes to machines being carried out before 31st March 2012, and £3k on repairs and maintenance.

### **4. Parking Enforcement Cr £15k**

There is currently a projected shortfall of income of £62k from PCNs issued in previous years compared to what was expected.

This shortfall is offset by projected additional income of £63k for 2011/12 as a result of more efficient use of CCTV cameras for enforcement. This gives a projected net income surplus of £1k.

There is a net underspend of £14k on employee costs as a result of the new CCTV car not being operational until June 2011.

### **5. Permit & Disabled Parking Cr £29k**

Additional income is projected for permit & disabled parking of £23k due to the full-year effect of new parking schemes and increased charges for disabled badges from January 2012. There are other minor variations of Cr £6k across general running expenses.

**Summary of variations within Parking:****£'000**

Bus Routes Enforcement	(113)
Off Street Car Parking	(16)
On Street Car Parking	(26)
Deficit in PCN income issued in previous years	62
Additional PCN income due to more efficient use of CCTV cameras in 2011/12	(63)
Underspend on CCTV employee costs	(14)
Permit & disabled parking	(29)
<b>Total variation for parking</b>	<b>(199)</b>

**6. Area Management & Street Cleansing £0k**

As 80% of graffiti removal works are pro-active, this element of the Street Cleansing contract has been reduced £68k to fund additional spring and autumn cleaning works, costing £73k.

Due to the delay in implementing the toilet closure programme, there is a net overspend of £12k.

The net contract cost of nuisance vehicles is £17k lower than budgeted. This is due to additional income being generated by the contractor as a result of the high price of scrap metal which has reduced the contract cost to the Council.

**7. Highways (SS&GS) Cr £4k**

Following the unexpected gales experienced in January, additional emergency tree works had to be undertaken, resulting in an overspend of £70k. To meet this unforeseen cost, works carried out under the Minor Improvements budget have been delayed until 2012-13, Cr £70k.

There is currently a small surplus of £4k projected from Street Traders' Licences due to more businesses applying for licences.

**8. Markets Dr £23k**

There is a projected shortfall in income of £30k mainly due to the continuing effects of the recession, which is partly offset by underspends across supplies and services budgets of £7k, giving a net overall deficit of £23k.

**9. Parks & Green Space Dr £42k**

There is a net overspend on staffing of £48k due to the 2011/12 budget savings relating to the ranger service review of £156k not being fully met in year, and not appointing to the vacant Parks Project Officer post. The overspend is partly offset by an underspend of £6k due to a reduction in grant to the Chislehurst Common Conservators.

**10. Street Regulation Dr £20k**

There is an overspend on staffing of £30k. This is due to:

- Dr £25k 2011/12 budget savings not being fully met in year
- Dr £5k net costs incurred as cover for staff on long-term sick

This is partly offset by an underspend of £5k on staff advertising and another £5k from across transport and supplies and services budgets.

**11. Waste Management Cr £10k**

Prices for trade waste collections were increased by 15% in April 2011 and 13% in April 2010. For 2010/11 the fall-out of customers equated to 3.8%, however in 2011/12 this percentage has nearly trebled, to currently 11.2%. When setting the new fees and budgets an assumption was made that there would be reduction of a further 5% of customers and therefore the additional reduction of 6.2% has meant that income is currently projected to be £85k below budget.

It should be noted that this is partly offset by a corresponding reduction in contract collection costs of £15k and £56k for disposal costs due to a projected reduction of 700 tonnes from the decrease in customers.

There is an overspend within other disposal costs of £88k due to a projected increase of 1,100 tonnes. This could be as high as £112k if the year-end variation results in an increase of 1,400 tonnes.

It is anticipated that income received as a result of the payment mechanism built into the disposal contract will result in a surplus of £92k, based on tonnages to date, and those currently anticipated for the remainder of the year.

There is a small surplus of £10k within income from recycled paper, and £3k from other recycling.

There is also small surplus of £7k from the income received within the Schools Recycling Service. This has arisen due to more schools taking up the service than originally anticipated.

All variations are summarised in the table below : -

<b>Summary of Variations:-</b>	<b>£'000</b>
Shortfall of trade waste collection income due to reduction in customers	85
Corresponding reduction in trade waste collection contract costs	(15)
Reduction in disposal tonnage from trade waste collection customers	(56)
Deficit in disposal tonnages (other than trade waste collected)	88
Surplus within payment mechanism	(92)
Surplus income from paper & other recycling	(13)
Additional income due to increase in customers within Schools Recycling Service	(7)
<b>Total variation for waste management</b>	<b><u>(10)</u></b>

## **12. Highways & London Permit Scheme Cr £70k**

### Highways Dr £52k

There is a projected underspend on salaries of £46k through a combination of vacancies and reduced hours following an early retirement.

Other variations include general running expense budgets and income (excluding NR&SWA) of £16k.

Following a relatively mild winter, an underspend on winter maintenance of £90k is projected. This relates to the snow clearance budget not being spent. Kier's normal work of carrying out street cleansing duties was suspended, allowing the necessary clearance of snow at no additional cost. This projection is dependant on no further significant snowfalls occurring before 31st March 2012.

There is an overall net deficit of £134k within NR&SWA income as follows:

- Inspections	82
- Defect notices	100
- Section 74 notices	-60
- Fixed Penalty Notices	12
	<b><u>134</u></b>

The deficit within inspections has arisen as a result of a revised criteria applied for inspections charged to Thames Water and invoice being adjusted accordingly. Also, charges relating to 2010-11 are expected to be cancelled following within "Category A" items (relating to works in progress).

The deficit within defect notices has arisen due to cancelled invoices relating "D2" (in progress) charges. Of these, the majority relates to Thames Water, although some cancellations are being processed regarding the smaller utility companies too.

### London Permit Scheme Cr £52k

There is a projected surplus of £40k from permit scheme income, and an underspend across employee costs and running expenses of £12k. This gives a projected underspend on the controllable budget of £52k which is offset by additional recharges of £52k associated with the additional volumes of London Permit permits compared to budgeted level. Therefore, the overall total budget will be balanced.

All variations are summarised in the table below : -

<b>Summary of Variations:-</b>	<b>£'000</b>
Underspend on Highways salaires	(46)
Surplus across Highways running expenses and income (excluding NR&SWA)	(16)
Underspend on winter maintenance	(90)
Net deficit across NR&SWA income	134
Underspends across LPS employee costs and running expense	(12)
Surplus within LPS income	(40)
<b>Total variation for Highways &amp; London Permit Scheme</b>	<b>(70)</b>

### 13. Highways Planning, Traffic & Road Safety and Transport Strategy Cr £51k

An underspend of £15k is projected on staffing as a result of transferring costs to Transport for London earlier than previously anticipated, and reduced working hours.

There is a projected over-achievement of income from road closure charges of £25k, due to higher volumes in the second half of the year than previously anticipated.

There are further underspends totalling £11k across services from supplies and services budgets.

### 14. Non-controllable budgets Cr £24k

For information here, the variations relate to a net surplus within property repairs and maintenance and rental income budgets across the department. Property department are accountable for these variations.

### 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 the Executive, the following virements have been actioned:

1) A virement of £50k has been actioned from the Highways (SSGS) Minor improvement budget to Highways Tree Planting & Maintenance. This is to fund emergency works undertaken as a result of gales experienced in January, and tree-pruning to mitigate third party liability claims.