

## 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)	(5,610)	(259)	1 - 5	(199)	0
1,605	Support Services	1,554	1,928	1,931	3	6	0	0
<b>(3,910)</b>		<b>(3,812)</b>	<b>(3,423)</b>	<b>(3,679)</b>	<b>(256)</b>		<b>(199)</b>	<b>0</b>
	<b>Public Protection - ES</b>							
112	Emergency Planning	114	114	101	(13)	7	0	0
<b>112</b>		<b>114</b>	<b>114</b>	<b>101</b>	<b>(13)</b>		<b>0</b>	<b>0</b>
	<b>Street Scene &amp; Green Space</b>							
5,803	Area Management/Street Cleansing	5,975	5,945	5,939	(6)	8	0	0
2,165	Highways (SSGS)	0	2,422	2,454	32	9	(4)	0
(65)	Markets	(47)	(21)	(18)	3	10	23	0
6,225	Parks and Green Space	6,153	6,137	6,091	(46)	11	42	0
567	Street Regulation	519	549	567	18	12	20	0
16,091	Waste Services	16,892	16,837	16,481	(356)	13	(10)	0
<b>30,786</b>		<b>29,492</b>	<b>31,869</b>	<b>31,514</b>	<b>(355)</b>		<b>71</b>	<b>0</b>
	<b>Transport &amp; Highways</b>							
7,277	Highways incl London Permit Scheme	9,236	6,713	6,613	(100)	14	(70)	0
147	Highways Planning	144	165	161	(4)	15	(9)	0
843	Traffic & Road Safety	790	675	644	(31)	15	(36)	0
216	Transport Strategy	235	229	222	(7)	15	(6)	0
<b>8,483</b>		<b>10,405</b>	<b>7,782</b>	<b>7,640</b>	<b>(142)</b>		<b>(121)</b>	<b>0</b>
<b>35,471</b>	<b>TOTAL CONTROLLABLE</b>	<b>36,199</b>	<b>36,342</b>	<b>35,576</b>	<b>(766)</b>		<b>(249)</b>	<b>0</b>
7,151	<b>TOTAL NON CONTROLLABLE</b>	(692)	7,652	7,652	0		(24)	0
2,596	<b>TOTAL EXCLUDED RECHARGES</b>	2,348	2,614	2,614	0		0	0
<b>45,218</b>	<b>PORTFOLIO TOTAL</b>	<b>37,855</b>	<b>46,608</b>	<b>45,842</b>	<b>(766)</b>		<b>(273)</b>	<b>0</b>

## Reconciliation of latest approved budget

£'000

## Original budget 2011/12

37,855

Repairs & Maintenance (Non-controllable)	348
Supplementary estimate for capital accounting adjustment relating to Lead Local Flood Authorities Grant income - transferred to	5,670
Transfer of design studio to Corporate Services (Resources Portfolio)	110
Transfer of Post 11599 from Parks to Customer Service Centre	(62)
Rental Income budget adjustments (Non-controllable)	(16)
Transfer of NRSWRA income to central contingency	(34)
Transfer from Waste to CSC re Kitchen Waste Service - food bags etc	(260)
Property Maintenance - non-controllable virements actioned by KT	(15)
Allocation of fuel from contingency for street lighting	(106)
Allocation of savings from key negotiations of waste contracts	100
Reduced Depot recharge out to ACS	(180)
	64

## Memorandum Items

Capital Charges - Depreciation	195
Capital Charges - Deferred Charges (REFCUS)	987
Capital Charges - Impairment	871
Capital Charges - Government Grants Deferred	(27)
Insurance	(649)
Rental income	(8)
Repairs & Maintenance	(126)
IAS19 (FRS17)	344
Recharges	249
<b>Reported Latest Approved Budget for 2011/12</b>	<b>46,608</b>

**Environmental Services Portfolio - Budget Monitoring Notes - 31 March 2012****1. Bus Lane Enforcement Cr £114k**

There is a net surplus of £114k as follows:

- An increase in the number of contraventions has resulted in additional income of £107k for 2011/12 (net of the bus lane works below).
- additional income received from PCNs issued in prior years of £7k.

The above figures include the expected 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 £6k**

Off-street car parking income is £30k below budget expectation. The overall deficit is mainly due to: reduced demand; and parking fees not having been increased to match (i) inflation added to the budget as a result of the normal estimate process and (ii) the loss of income as a direct result of the increase in VAT.

The income shortfall is mainly from the four multi-storey car parks (Dr £50k), partly offset by additional income (Cr £20k) from other car parks, mainly within Hayes, Beckenham and Petts Wood.

This 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 other minor variances across general running expenses totalling Dr £14k.

**3. On Street Car Parking Cr £48k**

There is a surplus of £57k from on-street car parking income. £25k is from Bromley Town Centre, with the balance coming from across the borough - largely Beckenham, Petts Wood & Hayes.

There are other minor variations across general running expenses totalling £9k giving rise to the overall net position of Cr £48k.

**4. Parking Enforcement Cr £47k**

There is additional income of £101k for PCNs in 2011/12 as a result of more efficient use of CCTV cameras for enforcement, including the part-year effect of CCTV enforcement hours extended to evenings and Sundays. The performance of the parking contractor contributed to this surplus.

However, there is a shortfall of income of £57k from PCNs issued in previous years compared to what was expected. This gives a net income surplus of £44k.

The previously anticipated underspend on employee costs of £14k, has reduced to £5k due to additional temporary staff required for cover whilst permanent staff received training on new systems.

There is a net overspend of £2k across other running expenses resulting in an overall net position of Cr £47k.

**5. Permit & Disabled Parking Cr £44k**

Additional income has been received for permit & disabled parking of £37k 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 £7k across general running expenses.

<b>Summary of variations within Parking:</b>	<b>£'000</b>
Bus Routes Enforcement	(114)
Off Street Car Parking	(6)
On Street Car Parking	(48)
Deficit in PCN income issued in previous years	57
Additional PCN income due to more efficient use of CCTV cameras in 2011/12	(101)
Other variations within Enforcement	(3)
Permit & disabled parking	(44)
<b>Total variation for parking</b>	<b><u>(259)</u></b>

**6. Support Services Dr £3k**

There is an underspend within employee costs of £13k, largely due to a combination of a vacancy following retirement, and maternity leave. There is an underspend of £11k within the premises resurfacing budget, due to previously anticipated works not taking place.

There is a £32k overspend on the equipment budget; £29k relates to the purchase of a telehandler needed for depot operations. Other underspends across the division total £5k, leading to an overall £3k overspend.

**7. Emergency Planning Cr £13k**

As a result of a part-year vacancy, there is an underspend within employee costs of £19k. There are overspends across running expense budgets of £6k, resulting in a net overall underspend of £13k.

**8. Area Management & Street Cleansing Cr £6k**

As 80% of graffiti removal works are pro-active, this element of the Street Cleansing contract has been reduced by £75k to fund additional spring and autumn cleaning works, costing £92k.

The net contract cost of nuisance vehicles is £18k 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.

There is an underspend of £5k across other general running expenses.

**9. Highways (SS&GS) Dr £32k**

Following the unexpected gales experienced in January, additional emergency tree works had to be undertaken, resulting in an overspend of £88k. This included health & safety works e.g. tree pruning to mitigate third party liability claims.

The previously projected underspends across Minor Improvement budgets of £70k, to contribute to the additional tree works, were not fully realised. This was due to additional repairs to pavements from tree root damage as identified following routine safety inspections. The net underspend within these budgets is therefore £50k.

There is currently a small surplus of £6k projected from Street Traders' Licences due to more businesses applying for licences

**10. Markets Dr £3k**

There is a shortfall in income of £9k mainly due to the continuing effects of the recession. This has improved from the previous projected deficit of £30k due to unexpected income from an increase in numbers of occasional traders during February and March. The deficit is partly offset by underspends across supplies and services budgets of £6k, giving a net overall deficit of £3k.

### **11. Parks & Green Space Cr £46k**

Staffing is overspent by £42k 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.

There is an overspend across transport budgets of £18k, of which £14k relates to car allowances and £4k vehicle repairs. The overspend on car allowances is not expected to continue into 2012/13 as there has been a reduction in staffing as a result of the ranger review.

Within the Countryside running expenses budgets, there is an underspend of £20k relating to previously anticipated remedial works to the dam structure at Keston Ponds not taking place. The delay is due to the complexity of consent (required from both the Environment Agency and Natural England) and finding suitable contractors. As the works could not be completed until 2012/13, a request is being submitted to carry-forward these funds to meet the commitment.

Within Parks Infrastructure, there is an underspend of £67k relating to Playground works for the improvement and replacement of equipment across 6 sites - Blake recreation ground, Martins Hill, Penge recreation ground, Petts Wood recreation ground, Pratts Bottom open space and Willet recreation ground. Tenders were returned during the first two weeks in March 2012, however due to problems encountered with the tender submissions, no bids could be accepted and the works could not be carried out before the 31st March 2012. A request is being submitted to the Executive to carry forward the £67k to enable the improvement works to be completed in 2012/13 following a further tendering process.

Within the grounds maintenance budgets there has been an overspend of £28k on required works commissioned from contractors. This has been partly offset by savings made on cemeteries maintenance and running expenses (Cr £24k).

Other minor variations in general running expenses total Cr £17k.

### **12. Street Regulation Dr £18k**

There is an overspend on staffing of £31k. This is due to:

- Dr £25k 2011/12 budget savings not being fully met in year
- Dr £6k net costs incurred as cover for staff on long-term sick

This is partly offset by an other minor variations totalling Cr 13k from staff advertising and other general running expenses.

**13. Waste Management Cr £356k**

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 £76k below budget.

It should be noted that this is partly offset by a corresponding reduction in contract collection costs of £21k from the decrease in customers.

The part year impact of the recent disposal contract negotiations relating to a combination of revised disposal targets as well as the use of the CPI index instead of the RPIX index, has meant that additional savings of £37k have been achieved during 2011/12. The full year impact of these negotiations has been built into the 2012/13 budget.

Disposal tonnage was 1,500 below budgeted tonnage, resulting in an underspend of £118k on the disposal contract.

There is a surplus as a result of the payment mechanism built into the disposal contract of £100k, based on 2011-12 tonnages.

Within the Schools Recycling Service, there is a small surplus of £5k income. This has arisen due to more schools taking up the service than originally anticipated

A surplus of £25k from recycling income is more than offset by a deficit within Trade Waste delivered of £11k and clinical waste collection income £24k due to a decrease in customers.

There is an underspend relating to the Garden Waste Trial of £161k. The scheme was designed to launch in the Spring of 2012, with the intent of maximising the customer base by co-inciding with the beginning of the gardening season. Publicity and direct communications commenced in February 2012, and containers were ordered. Sufficient containers for the initial customer requirements were received during 2011/12, and these were delivered to customers.

As customer numbers continue to increase, the balance of the containers were received in April 2012, and the cost of delivery to customers will also be incurred during 2012/13. Therefore a carry-forward request is being submitted to enable the invoices to be paid in 2012/13.

All variations for waste management 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	76
Corresponding reduction in trade waste collection contract costs	(21)
Part year effect of waste disposal contract negotiations	(37)
Reduction in disposal tonnages	(118)
Surplus within payment mechanism	(100)
Income deficit within Trade Waste delivered	11
Additional income due to increase in customers within Schools Recycling Service	(5)
Surplus income from other recycling	(25)
Reduction in clinical waste income	24
Underspend within Garden Waste Trial	(161)
<b>Total variation for waste management</b>	<b>(356)</b>

**14. Highways & London Permit Scheme Cr £100k**

There is an underspend on salaries of £62k through a combination of vacancies and reduced hours following an early retirement.

Other variations include additional miscellaneous income (excluding NR&SWA) of £52k.

There is an underspend within the Street Lighting electricity budget of £32k, mainly due to a refund received directly related to the risk premiums built into the energy contract.

Following a relatively mild winter, there is an underspend on winter maintenance of £46k. This is mainly due to the fact that no additional costs were incurred for the snow clearance in February, above the existing street cleansing and highways maintenance charges for normal contracted duties. This has reduced from the previously reported underspend of £90k due to the miscoding of salt costs.

There is an overall net deficit of £92k within NR&SWA income as follows:

- Inspections	57
- Defect notices	79
- Section 74 notices	-53
- Fixed Penalty Notices	9
	<b>92</b>

The overall net deficit of £92k has improved from the previous projected deficit of £134k. This is due to a previously unanticipated agreement reached with Thames Water over unpaid 2010-11 inspection income of Cr £25k, a lower than anticipated bad debt provision within 2011/12 defects of Cr £20k, and other minor variations Dr £3k.

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.

All variations are summarised in the table below : -

<b>Summary of Variations:-</b>	<b>£'000</b>
Underspend on Highways salaries	(62)
Additional miscellaneous income (excluding NR&SWA)	(52)
Underspend on Street Lighting electricity	(32)
Underspend on winter maintenance	(46)
Net deficit across NR&SWA income	92
<b>Total variation for Highways &amp; London Permit Scheme</b>	<b>(100)</b>

**15. Highways Planning, Traffic & Road Safety and Transport Strategy Cr £42k**

There is an underspend of £5k on staffing as a result of transferring costs to Transport for London earlier than previously anticipated, and reduced working hours.

There is an over-achievement of income from road closure charges of £14k, due to higher volumes in the second half of the year than previously anticipated. A reduction in the contribution required to the pan-London enforcement of the ban on HGVs using non-designated routes has led to an underspend of £10k during 2011/12.

There are further underspends totalling £13k from across supplies and services budgets, resulting in the net overall underspend of £42k.

**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 £40k has been actioned from Area Management & Street Cleansing supplies & services budgets, to create a dedicated budget for the Snow Friends project.