

Environmental Services Portfolio Budget Monitoring Summary

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Projection £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(5,610)	Customer & Support Services	(6,697)	(6,754)	(6,507)	247	1-5	246	150
1,932	Parking	1,402	1,374	1,364	(10)	6	0	0
	Support Services							
(3,678)		(5,295)	(5,380)	(5,143)	237		246	150
101	Public Protection - ES	113	113	113	0		0	0
	Emergency Planning							
101		113	113	113	0		0	0
5,904	Street Scene & Green Space	4,535	4,462	4,455	(7)	7	0	0
2,454	Area Management/Street Cleansing	2,385	2,380	2,367	(13)	8	0	0
(18)	Highways	(29)	(29)	(29)	0	9	0	0
6,057	Markets	6,042	6,130	6,025	(105)	10	0	0
567	Parks and Green Space	628	577	577	0		0	0
16,549	Street Regulation	16,254	16,454	16,297	(157)	11	(290)	(150)
	Waste Services							
31,513		29,815	29,974	29,692	(282)		(290)	(150)
6,613	Transport & Highways	6,188	6,470	6,509	39	12	(110)	0
161	Highways incl London Permit Scheme	142	172	172	0		0	0
866	Highways Planning	346	306	306	0		0	0
	Traffic & Road Safety							
7,640		6,676	6,948	6,987	39		(110)	0
35,576	TOTAL CONTROLLABLE	31,309	31,655	31,649	(6)		(154)	0
7,652	TOTAL NON-CONTROLLABLE	6,937	7,159	7,018	(141)	13	-14	0
2,614	TOTAL EXCLUDED RECHARGES	2,103	2,228	2,228	0		0	0
45,842	PORTFOLIO TOTAL	40,349	41,042	40,895	(147)		(168)	0

Reconciliation of latest approved budget

£'000

Original budget 2012/13

40,349

Repairs and Maintenance	167
Supplementary estimate for implementation of Flooding and Water Act	220
Allocation from Contingency Inbucon Pay Awards	7
Carry forward re Garden Waste Trial	161
Carry forward re Parks & Green Space - Keston Ponds	20
Carry forward re Parks & Green Space - Playground works	67
Rental Income - Budget Adjustments (already actioned by KT)	60
Property Services Rental Income	(4)
Fibre Optic Cable Chartwell transfer from ES to Resources	(5)

Latest Approved Budget for 2012/13

41,042

Environmental Services - Budget Monitoring Notes as at 31 January 2013

1. Income from bus lane contraventions Cr £100k

An increase in bus lane contraventions has meant that income is above estimated levels by £104k offset by £4k less income received for tickets issued in 2011/12 than expected. The net effect is a projected surplus of £100k.

2. Off Street Car Parking Dr £245k

The parking charges income budget assumed that the new charges would be in place for the full financial year 2012-13 but these came into effect in late April 2012, as advised in the increase in charges report. The impact of this slight delay is around Dr £20k.

Using the data available from the nine months following the increase, off-street car parking income is projected to be £280k below budget expectation, although this could be around £300k. Within this variation, around £100k relates to the four multi-storey car parks, and £180k other surface car parks. The income will continue to be closely monitored and any major variances reported to Members.

The projected income deficit is partly being offset by savings from management action of £55k from reducing running expenses, including contract costs.

3. On Street Car Parking Dr £113k

Income shortfall in April was £40k as the fees were introduced at the end of the month. After analysing the data to 31st January 2013, it is clear that income is well below expected levels in Bromley, Beckenham and Orpington town centres. Overall a shortfall in income of £220k is projected, although this could be as high as £250k.

Management action has been taken to freeze the equipment replacement budget of £70k on the assumption that, following the introduction of mobile phone parking, the programme of recycling surplus pay and display machines is continued.

There are projected underspends within the telephones budget of £7k, and £30k on Vinci variation orders.

The full year effect of the deficit currently projected for parking will be balanced by a combination of additional income generated from the extra parking capacity being provided within Bromley Town Centre following the closure of Westmoreland Road Car Park, and the balance will be funded from the underspend within waste management.

4. Car Parking Enforcement Cr £3k

There is a projected net surplus of £71k from PCNs issued by Vinci due to an increase in contraventions. As a result of Vinci meeting our performance expectations, an additional contract payment of around £50k is due to the company.

There is a projected net surplus of £17k for mobile and static cameras. Contraventions have declined in 2012/13, however a slight increase in income is expected from previous years.

There are projected overspends within employee budgets of £20k, and £15k across general supplies and services budgets. Of this £15k, there is a projected overspend on credit card commission of £5k, and equipment £10k.

5. Disabled Parking Cr £8k

There is a projected surplus within the controllable budget of £8k, due to reduced printing & stationery costs. The recharge contribution to Care Services will be adjusted accordingly.

Summary of variations within Parking:

£'000

Bus Routes Enforcement	(100)
Off Street Car Parking	300
On Street Car Parking	220
Net additional income from other parking contraventions	(38)
Savings resulting from management action	(125)
Underspend within supplies & services - on-street	(37)
Overspend within Enforcement employee costs	20
Increased supplies and service costs within Enforcement	15
Underspend within disabled parking printing & stationary	(8)
Total variation for parking	<u>247</u>

6. Support Services Cr £10k

There is a projected underspend within employee costs of £8k, largely due to not filling vacancies, and other minor variations of £2k.

7. Area Management & Street Cleansing Cr £7k

There is a projected net overspend within employee costs of £6k. This is a combination of underspends on staff advertising, and an overspend resulting from the delay in implementing the Street Scene & Green Space review of back-office functions.

There is a projected overspend within premises costs of £19k, resulting from delays in the planned closure of public conveniences: £13k electricity, and £6k water. Additionally there are increased toilet cleaning contract payments of £13k. These overspends are being met by underspends within graffiti removal of £45k.

There is a projected underspend of £11k on car allowances, and £9k across supplies & services. This will be used to carry out additional weed spraying before the end of March at an estimated cost of £20k.

8. Highways - SS&GS Cr £13k

There is projected underspend within "Snow Friends" of £13k due to surplus supplies being used from 2011/12.

Although no overall variation is being projected within contract costs, it is anticipated that there will be an underspend of around £43k on gully cleansing, and £5k on soakaways which form part of the Street Cleansing contract. Whilst the contractor has carried out the first year of the contract with a new cyclic programme of works, the volume of drainage investigatory works has been lower than forecast.

This projected contract underspend on gully cleansing is being used to finance additional minor repairs and potholes as a result of root upheaval of paving stones and tarmac.

9. Markets £0k

There is a projected underspend within premises costs of £12k, largely due to receiving a unanticipated credit on electricity charges. This is offsetting a projected overspend of £12k within supplies and services relating to general market improvements.

10. Parks & Green Space Cr £105k

There is a projected underspend across staffing budgets of £20k. This is due to a combination of not recruiting to vacant posts, and using temporary / agency workers generating cost savings, to cover other vacant posts.

Within premises costs, there is a projected underspend on utility budgets of £30k. This has arisen due to unexpected credits and re-invoicing occurring during December/January as result of meter re-calibration and previous period adjustments.

In Grounds Maintenance, there is a projected underspend of £55k. This relates to minor underspends on contract works of £25k, other hired & contracted services £15k and additional income from works carried out at external sites of £15k.

11. Waste Management Cr £157k

There is currently a total projected underspend within waste disposal tonnages of £153k. £105k has arisen from 1,370 lower tonnes than budgeted between April and January, with a further projected underspend of £48k relating to a variation of 630 tonnes projected for the rest of 2012-13.

Within the total projected variation of 2,000 tonnes, approximately 1,000 tonnes relates to decreased activity from builders and other tradesmen bringing waste to the depots. This has resulted in a projected underspend of £77k, which partly offsets the income shortfall described below.

It is anticipated that income received as a result of the payment mechanism built into the disposal contract will result in a deficit of £36k, based on tonnages to date, and those currently anticipated for the remainder of the year.

A deficit of £125k is being projected for trade waste delivered income due to reduced activity as described above. The bad weather in this period, especially during April and May, may have had an impact and it had been hoped that this activity would pick up later in the year. So far, this appears not to have happened, hence the deficit continues to be projected. The projected net deficit relating to this service is therefore £48k.

Within trade waste collection income, there is a projected surplus of £160k. Prices were increased by 17% from 1st April 2012 and expectation was built into the 2012-13 for a dropout of 11% of customers. However, it would appear that the actual net loss of total customers has only been around 3.5%, resulting in the projected surplus income.

As a result of a reduced dropout of customers than budgeted, there are increased costs within the collection contract of approximately £25k. These are offset by various underspends across other aspects of the collection contract, resulting in a net collection contract underspend of £107k.

There is currently projected to be a deficit of £50k within income from recycled paper, due to lower than anticipated paper tonnages.

There is currently projected to be a surplus from the green garden waste collection service of £50k, due to higher take-up than originally budgeted. This is being used to purchase more containers for the expansion of the service.

Within other income streams, there is a net deficit of £21k relating to clinical waste £6k, and textiles £15k.

There is an underspend within staffing and other running expenses of £11k. This is largely due to staff vacancies.

Due to legislative changes, detritus collected from street cleansing can no longer be composted. Veolia have offered to dispose of this tonnage estimated to be 2,000 tonnes per annum at a price of £73 per tonne instead of landfilling it at a cost of £122. This tonnage used to be disposed of by composting at a cost of £43 per tonne. The change in legislation has meant that the Council has to incur additional annual disposal costs of approximately £60k.

A provision of £18k that is no longer required has been released.

Summary of variations within Waste Management	£'000
Decrease in waste disposal tonnage	(76)
Reduction in disposal tonnage as a direct result of a decrease in trade waste delivered customers	(77)
Payment mechanism deficit	36
Shortfall of income due to drop in customers delivering trade waste to depots	125
Additional income from trade waste collections	(160)
Paper income	50
Green garden waste collection income	(50)
Purchase of green garden waste containers	50
Clinical waste income	6
Income from the sale of textiles	15
Underspend within staffing & other running expenses	(11)
Extra cost of disposing of detritus	60
Release of provision balance	(18)
Underspend within collection contract	(107)
	<u>(157)</u>

12. Highways including London Permit Scheme Dr £39k

There is a projected underspend within the Street lighting electricity budget of £90k. This is largely the result of receiving unexpected rebates and credits of £80k.

Costs relating to winter maintenance due to the snow during the winter months have resulted in a projected overspend of £129k. The table below gives a breakdown of winter maintenance budgets and the projected variances: -

Winter Maintenance	Budget £'000	Projected Spend £'000	Projected Variance £'000
Salt, gritting & snow clearance	157	257	100
Met Office Costs	25	21	-4
Vehicle / plant maintenance & repairs	110	123	13
Standby / training / overtime and other costs	104	124	20
Winter Maintenance Totals	396	525	129

13. Traffic & Road Safety Cr £0k

The final payment of a European grant has now been received for the Commerce project. This together with the release of provisions made for the project, totals £97k and it is proposed that this amount is transferred to the earmarked reserve for future possible redundancy costs relating to TfL funded staff, subject to Executive approval. Members should note that at this time there is no indication that LIP funding is likely to be reduced, however, this amount would provide a buffer should the costs not be able to be contained within TfL resources.

13. Non-controllable budgets Cr £141k

For information here, the variation relates to a net surplus within property rental income, and underspends on repairs and maintenance budgets across Environmental Services. The Operational Property division are accountable for these variations.

Analysis of Members' Initiatives - Earmarked Reserves @ 18.3.2013

Item	Divison / Service Area	Responsible Officer	Allocation £'000	Spend To Date £'000	Commitments £'000	Total Spend & Commitments £'000	Balance Available £'000	Comments on Progress of Scheme
Footways, Highways & General Improvements	T&H - Highways	Garry Warner	750	412	206	618	132	£618k spent/committed to date.
Support for Friends Groups	SS&GS - Parks & Green Space	Louise Simpson	250	0	0	0	250	Plans already underway, but no orders placed yet.
Renewal / Replacement of Community Recycling Sites	SS&GS - Waste	John Woodruff	150	0	0	0	150	Plans already underway, but no orders placed yet.
TOTAL			1,150	412	206	618	532	