

Environmental Services Portfolio Provisional Outturn Summary

2011/12 Actuals £'000	Division Service Areas	2012/13 Original Budget £'000	2012/13 Latest Approved £'000	2012/13 Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(5,610)	Customer & Support Services	(6,697)	(6,754)	(6,470)	284	1-6	247	200
1,932	Parking	1,402	1,374	1,359	(15)	7	(10)	0
(3,678)	Support Services	(5,295)	(5,380)	(5,111)	269		237	200
101	Public Protection - ES	113	113	104	(9)	8	0	0
101	Emergency Planning	113	113	104	(9)		0	0
5,904	Street Scene & Green Space	4,535	4,460	4,440	(20)	9	(7)	0
2,454	Area Management/Street Cleansing	2,385	2,380	2,428	48	10	(13)	0
(18)	Highways	(29)	(29)	(36)	(7)	11	0	0
6,057	Markets	6,042	6,130	6,007	(123)	12	(105)	0
567	Parks and Green Space	628	579	582	3	13	0	0
16,549	Street Regulation	16,254	16,454	16,182	(272)	14	(157)	(200)
31,513	Waste Services	29,815	29,974	29,603	(371)		(282)	(200)
6,613	Transport & Highways	6,188	6,470	6,622	152	15	39	0
161	Highways incl London Permit Scheme	142	172	167	(5)	16	0	0
866	Highways Planning	346	306	303	(3)	17	0	0
7,640	Traffic & Road Safety	6,676	6,948	7,092	144		39	0
35,576	TOTAL CONTROLLABLE	31,309	31,655	31,688	33		(6)	0
7,652	TOTAL NON-CONTROLLABLE	6,937	7,561	7,561	0		(141)	0
2,614	TOTAL EXCLUDED RECHARGES	2,103	2,321	2,321	0		0	0
45,842	PORTFOLIO TOTAL	40,349	41,537	41,570	33		(147)	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

Memorandum Items

Capital Charges 5802	253
Deferred Charges (REFCUS) 5804	(1,475)
Impairment 5806	2,281
Gove Grants Deferred Sub 5807	(997)
Insurance	102
Rent Income	(33)
Repairs & Maintenance	(403)
IAS19 (FRS17)	674
Excluded Recharges	93
Reported Latest Approved Budget for 2012/13	41,537

Environmental Services - Provisional Outturn Notes as at 31st March 2013

1. Income from bus lane contraventions Cr £97k

An increase in bus lane contraventions has meant that income was above budget by £106k. This has been offset by £9k less income received for tickets issued in 2011/12 than expected. The net effect is a surplus of £97k.

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.

For 2012/13, off-street car parking income was a further £296k below budget. Within this variation, around £110k relates to the four multi-storey car parks, and £186k to other surface car parks. The impact of the Easter bank holiday at the end of the financial year meant the income was slightly lower than originally projected.

The income deficit is partly being offset by savings from management action of £60k from reducing running expenses, including contract costs. There is a further net £11k underspends from minor variations across the service.

3. On Street Car Parking Dr £144k

Income shortfall in April was £40k as the fees were introduced at the end of the month. The actual income for 2012/13 is well below budget in Bromley, Beckenham and Orpington town centres. Overall a shortfall in income of £254k is projected. Again, the impact of the Easter bank holiday at the end of the financial year meant the income was slightly lower than projected.

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 underspends within the telephone budget of £6k, £31k on contract variation orders and a £3k on other areas.

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 net surplus of £24k from PCNs issued by Vinci due to an increase in contraventions.

There is a net surplus of £17k for mobile and static cameras. There have been reduced contraventions in 2012/13, however a slight increase in income received from tickets issued in 2011/12.

There are overspends within employee budgets of £21k, and £17k across general running expenses. Of this £17k, there is an overspend on postage of £23k and credit card commission of £7k, partly offset by an underspend of £8k on non-scheduled maintenance of the mobile cars and £5k on printing and stationery.

5. Permit Parking Dr 5k

There is a net variation of £5k on permit parking due to an underspend of running costs of £10k and a deficit in income of £15k.

6. Disabled Parking Cr £10k

There is an underspend within the controllable budget of £10k, due to reduced printing & stationery costs. The recharge contribution to Care Services has been reduced accordingly.

Summary of variations within Parking:	£'000
Bus Routes Enforcement	(97)
Off Street Car Parking	316
On Street Car Parking	254
Net additional income from other parking contraventions	(41)
Savings resulting from management action	(130)
Underspend within supplies & services - off-street	(11)
Underspend within supplies & services - on-street	(40)
Overspend within Enforcement employee costs	21
Increased supplies and service costs within Enforcement	17
Variation on permit parking	5
Underspend within disabled parking printing & stationery	(10)
Total variation for parking	284

7. Support Services Cr £15k

There is an underspend within employee costs of Cr £20k, largely due to not filling vacancies, and other minor variations across running expense budgets of Dr £5k.

8. Emergency Planning Cr £9k

There is an underspend within employee costs of Cr £12k, due to a further secondment taking place. This more than covers a small net overspend across running expense budgets of £3k, resulting in an overall underspend of Cr £9k.

9. Area Management & Street Cleansing Cr £20k

Within the FPN Littering Offence budget, there is a net deficit of £17k. This takes account of contractor payments, printing and stationery partly offset by income received. It should be noted that the deficit has occurred because the recovery rate has dropped below 60%.

There is a net overspend within employee costs of £8k. 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 also a net overspend within premises costs of £5k, resulting from delays in the planned closure of public conveniences: £17k electricity, and £6k water which are offset by an underspend of £18k on general repairs & maintenance. Additionally there are increased toilet cleaning contract payments of £12k. These overspends are being met by underspends within graffiti removal.

Within the cleansing contract there are underspends on graffiti removal of £54k. Of this, approximately £30k is due to a reduction in planned works in order to finance additional pothole expenditure within Highways SSGS (see below).

There is a net overspend of £7k on the cleansing contract.

There is an underspend of £15k on car allowances.

10. Highways - SS&GS Dr £48k

There is an underspend within "Snow Friends" of £14k due to surplus supplies being used from 2011/12.

There is a net overspend within contract costs of £42k. This is largely due to additional pothole repairs carried out as a result of the prolonged period of cold and wet weather which caused increased deterioration of the highway network. These costs are being met by planned underspends within the street environment contract budgets.

There is a net underspend with the amenity / environment budgets for tree maintenance, minor works and rural verge maintenance of £12k. This is due to poor ground conditions caused by extended periods of wet weather during 2012/13 preventing easy access to some trees, hedges & verges.

There is an overspend of £23k within the Public Rights of Way budget due to additional works being undertaken. However, these costs are more than offset by the underspend within Markets and across the Street Scene and Greenspace division as a whole.

Within the budgets for income from Street Traders' Licences, and Issue of Skip Licences, there is a combined deficit of £9k. This is largely due a bad debt provision raised at year-end relating to unpaid charges.

11. Markets Cr £7k

There is an underspend within premises costs of £17k, largely due to receiving an unanticipated credit on electricity charges. This is offsetting an overspend of £12k within supplies and services relating to general market improvements.

There is also a small surplus within income of £2k. This has resulted in a net underspend across the markets service of £7k.

12. Parks & Green Space Cr £123k

There is an 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 an underspend on utility budgets of £38k. 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 an underspend of £62k. This relates to minor underspends on contract works of £20k, other hired & contracted services £40k and net other underspends across the service of £2k.

There is surplus income within BEECHE of Cr £20k. This is as a result of a higher volume of school visits than previously expected as well as additional income from room hire at the centre.

There are other net overspends across the service of Dr £17k, giving rise to an overall underspend of Cr £123k

Summary of variations within Parks & Green Space	£'000
Underspend across staffing budgets	(20)
Underspend on utility budgets	(38)
Grounds Maintenance underspends	(62)
Surplus income within BEECHE	(20)
Net overspend on other budgets across service	17
Total variation for Parks & Green Space	<u>(123)</u>

13. Street Regulation Dr £3k

There is a small net overspend across supplies and services budgets of Dr £3k.

14. Waste Management Cr £272k

Disposal tonnage was 3,140 below budgeted levels, resulting in a underspend of £240k on the disposal contract.

Within the total variation of 3,140 tonnes, approximately 1,000 tonnes relates to decreased activity from builders and other tradesmen bringing waste to the depots. This has resulted in an underspend of £77k, which partly offsets the income shortfall described below.

There is a deficit of £124k for trade waste delivered income due to reduced activity as described above. The bad weather earlier in the year, 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. However, this does not appear to have happened, hence the year-end variation. The net deficit relating to this service is therefore £47k.

There is a deficit as a result of the payment mechanism built into the disposal contract of £34k, based on 2012-13 tonnages.

Within trade waste collection income, there is a surplus of £180k. 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 surplus income. Additionally, bad debt provisions no longer required of approximately £25k have been released into revenue, contributing to this overall surplus.

There is a deficit of £33k within income from recycled paper, due to lower than anticipated paper tonnages.

Within other income streams, there is a net shortfall of £16k. This relates to a textiles deficit of £28k, and a net surplus of £12k from other income lines.

As a result of a reduced dropout of trade customers than budgeted, there are increased costs within the collection contract of approximately £23k. These are offset by various underspends across other aspects of the collection service, resulting in a net underspend of £79k.

There is also an underspend within the collection contract of £70k relating to the green waste sticker collection service. Through introducing the new full Garden Waste Collection Service, collection costs associated with the existing sticker service have been absorbed, leading to this underspend. This has enabled expenditure of £60k on new containers for the full Garden Waste Collection Service in anticipation of its expansion in 2013-14.

There are also provisions no longer required relating to Trade Waste and Clinical Waste totalling £72k which have been released to revenue.

Within the Green Garden Collection Waste service, there is an actual in-year surplus of £17k. However, when taking into consideration the payback to the invest-to-save fund of £80k, there is an overall deficit of £63k. This is largely attributable to an income deficit of £100k due to staggered customer take-up throughout the year (as opposed to anticipated customer numbers already being part of the scheme as at 1st April 2012). There are also increased staffing costs of £6k and printing & publicity costs not previously allowed for of £23k.

Partly offsetting this deficit are reduced collection costs of £34k (as a result of fewer customers being in the scheme than expected), and savings on disposal costs of £32k due to no additional green garden waste tonnage costs incurred. These variances give rise to the overall deficit within the Green Garden Waste Collection service of £63k.

There is an underspend within staffing and other running expenses of £19k. 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 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 had to incur additional disposal costs in 2012-13 of £58k, relating to around 1,930 tonnes of detritus.

Summary of variations within Waste Management	£'000
Decrease in waste disposal tonnage	(163)
Reduction in disposal tonnage as a direct result of a decrease in trade waste delivered customers	(77)
Shortfall of income due to drop in customers delivering trade waste to depots	124
Payment mechanism deficit	34
Additional income from trade waste collections	(180)
Paper income	33
Income from the sale of textiles	28
Surplus from other income lines	(12)
Net underspend within collection contract - trade waste & other items	(79)
Underspend within collection contract - sticker collection	(70)
Purchase of green garden waste containers	60
Release of provision balances	(72)
Green garden waste collection service	63
Underspend within staffing & other running expenses	(19)
Extra cost of disposing of detritus	58
Total variation for Waste Management	(272)

15. Highways including London Permit Scheme Dr £152k

Actual street lighting electricity costs are £90k below budget, largely the result of receiving unexpected rebates and credits of £80k.

Within carriageway and footway repairs, there is a net underspend of £24k. This has largely arisen where actual contractor costs for some repair works have been slightly lower than initially anticipated.

Within Street Lighting, unrecovered costs from impact damage are £28k below budget. This has arisen due to a higher number of incidents being successfully recovered through insurance claims than previously anticipated.

There is an underspend of £24k within the Lead Local Flood Authorities budget. This has occurred where the accrued costs for completed works at the end of 2011/12, were slightly higher than the final charges.

There are net underspends across IT, and other general running expense budgets of £17k.

Within NR&SWA income, there is a net deficit of £99k. This relates largely to increased bad debt provision of £91k for defects raised in 2011/12 which are still outstanding as at 31st March 2013.

Costs relating to winter maintenance due to the snow during the winter months, and the subsequent prolonged period of cold weather, have resulted in an overspend of £236k. This has increased from the previously reported overspend of £129k, largely due to further salt/gritting costs as a result of the cold weather continuing longer than initially anticipated i.e. into March. The table below gives a breakdown of winter maintenance budgets and variances: -

Winter Maintenance	Budget £'000	Spend £'000	Variance £'000
Salt, gritting & snow clearance	157	368	211
Met Office Costs	25	21	(4)
Vehicle / plant maintenance & repairs	110	122	12
Standby / training / overtime and other costs	104	121	17
Winter Maintenance Totals	396	632	236

Summary of variations within Highways (incl London Permit Scl £'000

Street Lighting electricity	(90)
Carriageway / Footway underspend	(24)
Underspend on Street Lighting Impact damage unrecovered	(28)
Underspend within Lead Local Flood Authorities budget	(24)
Net underspends across other running expenses	(17)
Deficit within NR&SWA income	99
Winter Maintenance	236
Total variation for Highwas including London Permit Scheme	152

16. Highways Planning Cr £5k

Minor variations in supplies and services budgets totals Cr £5k.

17. Traffic & Road Safety Cr £3k

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 this amount has now been transferred to the earmarked reserve for future potential redundancy costs relating to TfL funded staff, subject to Executive approval. This will provide a buffer should the costs not be able to be contained within TfL resources.

Other net variations across budgets total Cr £3k.

Analysis of Members' Initiatives - Earmarked Reserves @ 31.3.2013

Item	Divison / Service Area	Responsible Officer	Allocation £'000	Total Spend During 2012/13 £'000	Balance Available £'000
Footways, Highways & General Improvements	T&H - Highways	Garry Warner	750	614	136
Support for Friends Groups	SS&GS - Parks & Green Space	Louise Simpson	250	0	250
Renewal / Replacement of Community Recycling Sites	SS&GS - Waste	John Woodruff	150	150	0
TOTAL			1,150	764	386