

## Environment Portfolio Budget Monitoring Summary

| 2012/13<br>Actuals<br>£'000 | Division<br>Service Areas               | 2013/14<br>Original<br>Budget<br>£'000 | 2013/14<br>Latest<br>Approved<br>£'000 | 2013/14<br>Outturn<br>£'000 | Variation<br>£'000 | Notes | Variation<br>Last<br>Reported<br>£'000 | Full Year<br>Effect<br>£'000 |
|-----------------------------|---|--|--|-----------------------------|--------------------|-------|--|------------------------------|
| (6,470)                     | <b>Customer &amp; Support Services</b>  | (6,099)                                | (6,083)                                | (6,195)                     | (112)              | 1 - 4 | (102)                                  | 0                            |
|                             | Parking                                 | (546)                                  | (546)                                  | 0                           | 546                | 5     | 546                                    | 0                            |
| 1,359                       | Net loss of income from Westmoreland Rd | 1,225                                  | 1,239                                  | 1,239                       | 0                  |       | 0                                      | 0                            |
| (5,111)                     | Support Services                        |  |  |                             |                    |       |  |                              |
|                             |   | (5,420)                                | (5,390)                                | (4,956)                     | 434                |       | 444                                    | 0                            |
| 104                         | <b>Public Protection - ES</b>           |  |  |                             |                    |       |  |                              |
|                             | Emergency Planning                      | 71                                     | 74                                     | 74                          | 0                  |       | 0                                      | 0                            |
| 104                         |   | 71                                     | 74                                     | 74                          | 0                  |       | 0                                      | 0                            |
| 4,440                       | <b>Street Scene &amp; Green Space</b>   |  |  |                             | 0                  | 6     | 0                                      | 0                            |
| 2,428                       | Area Management/Street Cleansing        | 4,426                                  | 4,053                                  | 4,053                       | 0                  | 7     | (10)                                   | 0                            |
| (36)                        | Highways                                | 2,367                                  | 2,743                                  | 2,733                       | (10)               | 8     | (28)                                   | 0                            |
| 6,007                       | Markets                                 | (33)                                   | 1                                      | (15)                        | (16)               | 9     | 0                                      | 0                            |
| 582                         | Parks and Green Space                   | 6,026                                  | 6,060                                  | 6,025                       | (35)               | 10    | (35)                                   | 0                            |
| 16,182                      | Street Regulation                       | 485                                    | 456                                    | 471                         | 15                 | 11    | 0                                      | 0                            |
|                             | Waste Services                          | 16,639                                 | 16,635                                 | 16,892                      | 257                | 12    | 105                                    | 372                          |
|                             | <b>Management action to meet FYE</b>    |  |  |                             |                    |       |  | (372)                        |
| 29,603                      |   | 29,910                                 | 29,948                                 | 30,159                      | 211                |       | 32                                     | 0                            |
| 6,622                       | <b>Transport &amp; Highways</b>         |  |  |                             |                    |       |  |                              |
| 167                         | Highways incl London Permit Scheme      | 6,118                                  | 6,425                                  | 6,480                       | 55                 | 13    | 70                                     | 300                          |
| 303                         | Highways Planning                       | 135                                    | 135                                    | 135                         | 0                  |       | 0                                      | 0                            |
|                             | Traffic & Road Safety                   | 167                                    | 188                                    | 168                         | (20)               | 14    | 0                                      | 0                            |
|                             | <b>Management action to meet FYE</b>    |  |  |                             |                    |       |  | (300)                        |
| 7,092                       |   | 6,420                                  | 6,748                                  | 6,783                       | 35                 |       | 70                                     | 0                            |
| 31,688                      | <b>TOTAL CONTROLLABLE</b>               | 30,981                                 | 31,380                                 | 32,060                      | 680                |       | 546                                    | 0                            |
| 7,561                       | <b>TOTAL NON-CONTROLLABLE</b>           | 7,983                                  | 8,024                                  | 8,014                       | (10)               | 15    | (10)                                   | 0                            |
| 2,321                       | <b>TOTAL EXCLUDED RECHARGES</b>         | 2,022                                  | 1,943                                  | 1,943                       | 0                  |       | 0                                      | 0                            |
| 41,570                      | <b>PORTFOLIO TOTAL</b>                  | 40,986                                 | 41,347                                 | 42,017                      | 670                |       | 536                                    | 0                            |

## Reconciliation of latest approved budget

£'000

## Original budget 2013/14

40,986

Repairs and Maintenance carry-forward from 2013

41

Allocation of Localisation &amp; Conditions Pay Award

83

Centralisation of training budgets

(3)

Budget transfer within ECS department

2

Parking Funding Transfer

18

Lead Local Flood Authorities

220

## Latest Approved Budget for 2013/14

41,347

**1. Income from Bus Lane Contraventions Dr £10k**

Based on the latest activity data, a decrease in income of around £10k is projected for 2013-14 due to a reduction in the number of contraventions.

**2. Off Street Car Parking Dr £13k**

After an adjustment for the Westmoreland Road Car Park budget the net shortfall in off street parking income is £13k, broken down as follows: a shortfall is projected at The Hill MSCP Dr £58k; this is partly offset by additional income projected at Village Way Cr £19k and Other Surface car parks Cr £26k.

| <b>Summary of variations within Off Street Car Parking</b> | <b>£'000</b>     |
|--|------------------|
| The Hill   | 58               |
| Village Way  | (19)             |
| Other surface car parks                                    | (26)             |
| <b>Total variations within Off Street Parking</b>          | <b><u>13</u></b> |

**3. On Street Car Parking Cr £25k**

An income deficit of £31k is projected within Bromley Town Centre Inner zones. This is more than offset by additional projected income in the outer Bromley zone of Cr £35k. This results in an overall net income surplus of £4k for Bromley Town Centre. Additional income has also been received from areas outside of Bromley Town Centre and therefore a surplus of £21k is projected, resulting in an overall variance of Cr £25k.

| <b>Summary of variations within On Street Car Parking</b> | <b>£'000</b>       |
|---|--------------------|
| Bromley Town Centre Inner zones                           | 31                 |
| Bromley Town Centre Outer zone                            | (35)               |
| Petts Wood, Beckenham & Orpington                         | (21)               |
| <b>Total variations within On Street Car Parking</b>      | <b><u>(25)</u></b> |

**4. Car Parking Enforcement Cr £110k**

Based on the activity level for the first six months of the financial year 2013/14 there is a projected net surplus of £120k from PCNs issued by Vinci due to an increase in contraventions. Additional income has been received for PCN contraventions in 2012/13 totalling £30k.

Several sets of the enforcement hand held equipment have had to be replaced at a cost of £50k.

There is a projected net surplus of around Cr £10k for mobile and static cameras due to a small net increase in contraventions during 2013/14.

| <b>Summary of variations within Car Parking Enforcement</b> | <b>£'000</b>        |
|---|---------------------|
| PCNs issued by wardens                                      | (150)               |
| Handheld enforcement equipment replacement                  | 50                  |
| PCNs issued by mobile & static cameras                      | (10)                |
| <b>Total variations within Car Parking Enforcement</b>      | <b><u>(110)</u></b> |

| <b>Summary of overall variations within Parking:</b> | <b>£'000</b> |
|--|--------------|
| Bus Routes Enforcement                               | 10           |
| Off Street Car Parking income                        | 13           |
| On Street Car Parking income                         | (25)         |
| Parking Enforcement                                  | (110)        |
| <b>Total variation for Parking</b>                   | <b>(112)</b> |

### **5. Net Loss of Income from Sale of Westmoreland Road Car Park Dr £546k**

The 2013-14 original off-street parking income budgets include a full year budget for Westmoreland Road Multi-Storey Car Park. The Car Park closed on 2nd April 2013, and as a result there is now a shortfall of income of £729k partly offset by savings on business rates (Cr £122k) and contractor costs (Cr £61k); a net shortfall in income of Dr £546k.

After allowing for the full year effect of the price increase effective from around May 2012, a net additional £65k (excluding Westmoreland Road MSCP) has been received for parking income from within Bromley Town Centre for the first six months of the year when compared to the same period in 2012/13.

It should be noted that the full year effect of the price increase was built into the 2012/13 budget and a deficit was reported for last year as a result of the slight delay in implementation. Also, as a direct result of increasing the parking capacity within Bromley Town Centre following the maintenance works done at the Hill car park and additional spaces provided on street and at St Blaise, £130k additional income was built into the 2013/14 budget.

An amount has been set aside within the central contingency to cover the estimated £546k net loss of income resulting from the closure/sale of Westmoreland Road. Executive approval is therefore requested in order to balance the budget.

### **6. Street Scene & Green Space salaries (division-wide) £0k**

Delays in implementing management staff savings of £60k have resulted in only a part year effect (Cr £27k) being achieved. Other one-off savings from management action have been identified totalling £33k in order to balance the budget.

### **7. Area Management & Street Cleansing £0k**

The FPN littering offence trial which currently runs until 30th November is projecting a net deficit of £11k. This has arisen because the income recovery rate as of writing, has fallen below 50% in the last 6 months, and therefore costs exceed income collected.

Minor variations across other budgets have resulted in a projected underspend of £11k which offsets the deficit above.

### **8. Highways SS&GS Cr £10k**

A small surplus in income is projected from skip licences and street traders' licences totalling £10k, which is contributing to balancing the divisional budget.

### **9. Markets Cr £16k**

There is a projected income surplus of £10k due to higher customer activity than previously anticipated. Additionally, there is a planned underspend of £6k within the equipment budget, resulting in a net underspend across the service of £16k. This is being used to balance the overall divisional budget.

**10. Parks & Greenspace Cr £35k**

There is a projected net underspend across salary budgets of £18k. This is largely attributable to maternity leave, with no subsequent back-filling within the Park Ranger service. There is also a planned underspend within the Grounds Maintenance other hired & contracted services budget of £17k in order to help balance the divisional budget overall.

**11. Street Regulation Dr £15k**

Within Street Regulation, staff savings as a result of the baseline review process of £47k were built into the 2013-14 budget. Due to delays in implementing the review, part year savings of £24k have been achieved.

Management action has been taken not to backfill a secondment to Education, Care & Health services (Cr £12k), in order to contribute to the deficit. The full £47k saving will be achieved from April 2014. In addition, there are other minor variations totalling £Dr £4k.

**Summary of variations within Street Regulation****£'000**

|   |           |
|---|-----------|
| Delay in achieving staff savings            | 23        |
| Management action                           | (12)      |
| Other minor variations                      | 4         |
| <b>Total variations - Street Regulation</b> | <b>15</b> |

**12. Waste Services Dr £257k**

There is currently projected to be a net overspend for waste disposal of £20k. Actual tonnage is 125 tonnes above budget for the first six months of the year, and it is anticipated that there will be a year-end variation for 2013-14 of 250 tonnes.

The additional tonnage variation is made up of the following: street cleansing detritus tonnage is 500 tonnes more than that received for 2012/13; a 1,000 tonne variation is projected for the year. Trade waste annual tonnage is projected to be 300 tonnes lower than anticipated due to the decline in customers and other tonnage is 225 tonnes below budget for the 6 months, with a full year projection of 450 tonnes below budget.

Due to legislative changes, detritus and leafing collected from street cleansing can no longer be composted. Veolia have offered to dispose of this tonnage at a price of £84 per tonne instead of landfilling it at a cost of £131. This tonnage used to be disposed of by composting at a cost of £44 per tonne. The change in legislation has meant that the Council has had to incur additional disposal costs in 2013/14 of £140k, relating to 2,900 tonnes of detritus plus 600 tonnes of leafing. It should be noted that the detritus tonnage is currently in line with tonnages received for 2011/12 and 2010/11 i.e. about 1,000 tonnes above the 2012/13 tonnage, which is what the 2013/14 disposal tonnage budget was based on.

Officers have attempted to contain this cost, however, given the other budget pressures within the waste service, this has not been possible. As the additional costs of the disposal of this tonnage directly relates to street sweeping tonnages, it is proposed to request the Executive to agree to allow a drawdown of £140k of the £200k currently held in the central contingency for the street cleansing contract for 2013/14. As a result of recent stormy weather, the request will also seek drawdown of the remaining £60k to be used for additional street cleaning costs to deal with the extra debris on the highways, the extent of which is still being evaluated.

Within trade waste collection income, there is a net projected deficit of £60k. Prices were increased by 4.2% from 1st April 2013 with minimal expectation for a dropout of customers. Around 3% of commercial customers have withdrawn from the service.

Within trade waste delivered income, there is a projected surplus of £30k due to increased activity from builders and other tradesmen bringing waste to the depots.

There is a projected deficit from paper recycling income of £130k due to reduced tonnages currently being collected from households. It is likely that this will continue into future years.

Income from textile collections is projected to generate a surplus of £10k due to increased projected tonnages from previously expected. However, there is a projected deficit within clinical waste income of £7k due to a lower customers volumes than previously anticipated.

Within the 2013-14 budget setting process, staff savings of £50k relating to two site supervisor posts were incorporated. The net effect of delays in implementing the changes, which are currently expected to be effective from 1st January, as well as holding a post vacant for part of the year, is a projected deficit of £15k. The full £50k saving is expected to be delivered from April 2014.

To partly offset the above overspends, management action has been taken to reduce expenditure on the container replacement budget by £30k.

Additionally there is an anticipated underspend within the Coney Hill budget of £20k, in expectation that sums set aside for replacement equipment and other non-routine items will not be required.

There is also a projected net underspend across various other budgets totalling Cr £25k.

The full-year effect of the deficit relating to disposal tonnages, detritus, leafing, paper income, and trade waste collection income is likely to be around £370k.

| <b>Summary of variations within Waste Services</b> | <b>£'000</b> |
|--|--------------|
| Waste disposal tonnages                            | 20           |
| Detritus & leafing                                 | 140          |
| Trade waste collection income                      | 60           |
| Trade waste delivered income                       | (30)         |
| Paper recycling income                             | 130          |
| Textile collections income                         | (10)         |
| Clinical waste income                              | 7            |
| Staffing   | 15           |
| Management action - container replacement budget   | (30)         |
| Coney Hill   | (20)         |
| Other minor variations                             | (25)         |
| <b>Total variation for Waste Services</b>          | <b>257</b>   |

### **13. Highways (Incl London Permit Scheme) Dr £55k**

There is a projected net deficit across all areas of NR&SWA income of £85k, mainly as a result of falling volumes of sample inspections and fewer defect notices being issued. This has improved since the last position was reported due to successful negotiations with utility companies over disputed invoices.

There is a projected underspend within staffing budgets of £30k. This is due to not recruiting to a vacant post, and delays in appointing to other posts..

| <b>Summary of variations within Transport &amp; Highways</b> | <b>£'000</b> |
|--|--------------|
| Deficit in NRSWA income                                      | 85           |
| Salary underspend  | (30)         |
| <b>Total variation for Transport &amp; Highways</b>          | <b>55</b>    |

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#### **14. Traffic & Road Safety Cr £20k**

There is a projected underspend across traffic and road safety salary budgets of £20k. This is due to uncovered maternity leave and not backfilling a short-term secondment to Education, Care & Health services.

#### **15. Non-controllable budgets Cr £10k**

For information here, the variation relates to a net surplus within property rental income across the Environment Portfolio. Property Division are accountable for these variations.

**Analysis of Members' Initiatives - Earmarked Reserves @ 30.9.13**

| <b>Item</b>  | <b>Divison / Service Area</b> | <b>Responsible Officer</b> | <b>Allocation<br/>£'000</b> | <b>Spend To<br/>Date £'000</b> | <b>Commitments<br/>£'000</b> | <b>Total Spend &amp;<br/>Commitments<br/>£'000</b> | <b>Balance<br/>Available<br/>£'000</b> | <b>Comments on Progress of Scheme</b>                                       |
|--|-------------------------------|----------------------------|-----------------------------|--------------------------------|------------------------------|--|--|---|
| Footways, Highways & General Improvements          | T&H - Highways                | Garry Warner               | 750                         | 750                            | 0                            | 750  | 0                                      | Scheme finished.  |
| Support for Friends Groups                         | SS&GS - Parks & Green Space   | Louise Simpson             | 250                         | 0                              | 0                            | 0  | 250                                    | Estimated £45k expenditure in 2013/14, with remainder held over to 2014/15. |
| Renewal / Replacement of Community Recycling Sites | SS&GS - Waste                 | John Woodruff              | 150                         | 150                            | 0                            | 150  | 0                                      | Scheme finished.  |
| <b>TOTAL</b>                                       |                               |                            | <b>1,150</b>                | <b>900</b>                     | <b>0</b>                     | <b>900</b>   | <b>250</b>                             |   |