

Environment Portfolio Budget Monitoring Summary

2012/13 Actuals £'000	Division Service Areas	2013/14 Original Budget £'000	2013/14 Latest Approved £'000	2013/14 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
(6,470)	Customer & Support Services							
1,359	Parking	Cr 6,645	Cr 6,084	Cr 6,414	Cr 330	1-5	Cr 145	0
	Support Services	1,225	1,239	1,239	0		0	0
(5,111)		Cr 5,420	Cr 4,845	Cr 5,175	Cr 330		Cr 145	0
104	Public Protection - ES							
	Emergency Planning	71	74	74	0		0	0
104		71	74	74	0		0	0
4,440	Street Scene & Green Space							
	Area Management/Street Cleansing	4,426	4,053	4,089	36	6	15	0
2,428	Highways	2,367	2,743	2,678	Cr 65	7	45	0
(36)	Markets	Cr 33	1	Cr 22	Cr 23	8	Cr 16	0
6,007	Parks and Green Space	6,026	6,074	6,067	Cr 7	9	25	0
582	Street Regulation	485	456	525	69	10	23	0
16,182	Waste Services	16,639	16,775	17,187	412	11	147	330
	Management action to meet FYE							Cr 330
29,603		29,910	30,102	30,524	422		239	0
6,622	Transport & Highways							
	Highways incl London Permit Scheme	6,118	6,576	6,450	Cr 126		35	300
167	Highways Planning	135	135	135	0		0	0
303	Traffic & Road Safety	167	188	168	Cr 20		Cr 20	0
	Management action to meet FYE							Cr 300
7,092		6,420	6,899	6,753	Cr 146		15	0
31,688	TOTAL CONTROLLABLE	30,981	32,230	32,176	Cr 54		109	0
7,561	TOTAL NON-CONTROLLABLE	7,983	8,024	7,961	Cr 63		6	0
2,321	TOTAL EXCLUDED RECHARGES	2,022	1,940	1,940	0		0	0
41,570	PORTFOLIO TOTAL	40,986	42,194	42,077	Cr 117		115	0

Reconciliation of Final Budget

£'000

Original budget 2013/14

40,986

Repairs and Maintenance carry forward from 2012/13

41

Allocation of Localisation & Conditions Pay Awards

83

Net loss of income from proposed sale of car parks

546

Centralisation of training budgets

Cr 3

Budget transfer within ECS Department

2

Parking Fund transfer

18

Lead Local Flood Authorities

220

Drawdown of central contingency funds re increased fuel costs

164

Detritus / Leafing - additional street cleansing costs

140

Excluded recharges - minor adjustment

Cr 3

Latest Approved Budget for 2013/14

42,194

REASONS FOR VARIATIONS

1. Income from Bus Lane Contraventions Dr £40k

Based on the latest activity data, a decrease in income of around £55k is projected for 2013-14 due to a reduction in the number of contraventions. This is partly mitigated by additional income of £15k received from previous years, due to the change in the reporting basis of the new parking ICT system.

2. Off Street Parking Cr £68k

Although no overall variation is projected for off street parking income, there are significant variances within some car parks. A shortfall of Dr £65k is projected at The Hill, offset by additional income at the Civic Centre Cr £15k, Village Way Cr £30k, and other surface car parks Cr £20k.

Compared to the same period in 2012/13, income for off street parking is up by around £90k. £56k of this can be attributed to the price increase which came in at the end of April 2012. The balance of £34k relates to an improvement in usage during December 2013.

Other variations include business rate adjustments of Cr £30k, a projected underspend for parking contract payments (Cr £30k) and a small variance of Cr £8k for car park maintenance.

Summary of variations within Off Street Parking	£'000
Off Street Parking income - multi-storey car parks	20
Off Street Parking income - other surface car parks	Cr 20
Business rate adjustments/rebate	Cr 30
Projected underspend on R&M at multi-storey car parks	Cr 8
Underspend on contract payments	Cr 30
Total variations within Off Street Parking	<u>Cr 68</u>

3. On Street Parking Cr £74k

An income deficit of £52k is projected within Bromley Town Centre Inner zones. This is more than offset by additional projected income in the outer Bromley zone of Cr £57k and within Petts Wood, Beckenham and Orpington Cr 25k. Compared to the same period in 2012/13 income is up by around £50k, which again, can be attributed to the price increase.

Other minor variations within running expenses including equipment and contract payments, total Cr £23k.

There is a small surplus projected for other income of £21k.

Summary of variations within On Street Parking	£'000
Income from Bromley Town Centre Inner zones	52
Income from Bromley Town Centre Outer zones	Cr 57
Income from Petts Wood, Beckenham & Orpington	Cr 25
Other income	Cr 21
Underspend on running expenses	Cr 23
Total variations within On Street Parking	<u>Cr 74</u>

4. Parking Enforcement Cr £248k

Based on activity levels up to January 2014, there is a projected net surplus of £107k from PCNs issued by Vinci due to an increase in contraventions. Additional income has been received for PCN contraventions in 2012/13 totalling £90k, due to the change in reporting basis of the new parking ICT system.

Several sets of the enforcement hand-held equipment have had to be replaced at a cost of £50k, and there is a small variation of Cr £3k on the enforcement contract costs.

There is a projected net surplus of around Cr £68k for mobile and static cameras due to an increase in contraventions during 2013/14. Additional income has been received for PCN contraventions in 2012/13 totalling £30k, due to the change in reporting basis of the new parking ICT system.

Summary of variations within Parking Enforcement

	£'000
PCNs issued by wardens	Cr 197
Handheld enforcement equipment replacement	50
PCNs issued by mobile & static cameras	Cr 98
Variation in contract costs	Cr 3
Total variations within Parking Enforcement	Cr 248

5. Permit Parking Dr £20k

Based on income up to January 2014, a net income deficit is projected for permit parking of Dr £20k.

Summary of overall variations within Parking:

	£'000
Bus Routes Enforcement	40
Off Street Parking	Cr 68
On Street Parking	Cr 74
Parking Enforcement	Cr 248
Permit Parking	20
Total variation for Parking	Cr 330

6. Area Management & Street Cleansing Dr £36k

The FPN littering offence scheme is projecting a net deficit of £33k. This has arisen as the income recovery rate, as of writing, has fallen to around 40% in recent months, and therefore costs exceed income collected. It is anticipated that following recent contractor changes and payment arrangements from January 2014, there will be a higher recovery rate, and thus no increase in the deficit. This will continue to be monitored closely as any increased deficit would require compensating savings to be identified elsewhere.

There is a projected overspend within the street cleansing contract of £20k, which has been funded from a planned underspend on gully cleaning within Highways.

Minor variations across other budgets have resulted in a projected underspend of £17k, which is partly offsetting the deficit above.

Summary of variations - Area Management & Street Cleansing

	£'000
Deficit within FPN littering offences	33
Overspend within street cleansing	20
Minor variations	Cr 17
Total variations - Area Management & Street Cleansing	Cr 36

7. Highways SS&GS Cr £65k

A surplus in income is projected from skip licences and street traders' licences totalling £28k, which is contributing to mitigating overspends elsewhere across the division.

Within the materials budget, there is a projected underspend of £14k, largely attributable to lower activity within Snow Friends initiatives as a result of the relatively mild winter.

There is a planned underspend within gully cleaning of £40k. £20k of this is contributing towards mitigating other budget pressures across the division, and £20k is funding additional Street Cleansing works.

Other variations total Cr £33k, mainly within safety road markings/renewals & vehicular guard rails (Cr £15k) and the public rights of way budget (Cr £12k).

As a result of the stormy weather experienced during October and December, there is a projected overspend within the tree maintenance budget of £100k. This is the result of general damage caused across the borough where trees have had to be cut and removed from highways. This has increased from the previously reported variation of £60k (as at 31st December) due to further periods of stormy weather experienced during the Christmas period. £50k will be drawn down from the earmarked reserve set aside for storm damage. Therefore the net overspend relating to tree maintenance as a result of storm damage is projected to be £50k.

Summary of variations - Highways SS&GS	£'000
Surplus income from skip licences	Cr 14
Surplus income from street traders' licences	Cr 14
Underspend on materials for Snow Friends	Cr 14
Planned underspend within gully cleaning	Cr 40
Other variations	Cr 33
Overspend on tree maintenance	100
Drawdown from earmarked reserve set aside for storm damage	Cr 50
Total variations - Highways SS&GS	Cr 65

8. Markets Cr £23k

There is a projected income surplus of £10k due to higher customer activity than previously anticipated. Additionally, there are underspends across supplies and services budgets of £13k, giving a net underspend for the service of £23k. This is being used to contribute towards mitigating deficits within the division.

9. Parks & Greenspace Cr £7k

There is a projected net underspend across salary budgets of £50k. Of this, £20k is attributable to maternity leave, with no subsequent back-filling within the Park Ranger service. The remaining net underspend of £30k is largely due to managing vacancies within BEECHE and Parks Development.

Other minor variations across parks and green space budgets total Cr £7k.

As a result of the stormy weather experienced during October and December, there is a projected overspend within tree maintenance of £100k. This has largely been incurred where a number of fallen trees have had to be removed from residential properties in the Riverside Gardens area of the borough. This has increased from previously reported variation of £60k due to further periods of stormy weather experienced during the Christmas period. £50k will be drawn down from the earmarked reserve allocated for storm damage and therefore the net overspend relating to tree maintenance as a result of storm damage is projected to be £50k.

Summary of variations - within Parks & Green Space	£'000
Underspend within staffing	Cr 50
Other minor variations	Cr 7
Overspend on tree maintenance	100
Drawdown from earmarked reserve set aside for storm damage	Cr 50
Total variations - Parks & Green Space	Cr 7

10. Street Regulation Dr £69k

Delays in implementing staff savings of £107k have resulted in only a part year effect (Cr £39k) being achieved. The full £107k saving will be achieved from April 2014.

Management action has been taken not to backfill a secondment to Education, Care & Health services (Cr £12k), in order to contribute to mitigating the deficit.

There is a projected net overspend across other budget lines of £13k. This comprises £5k within car allowances and a net £8k across other budget headings.

Summary of variations - within Street Regulation	£'000
Delay in achieving staffing savings	68
Management action	Cr 12
Other minor variations	13
Total variations - Street Regulation	69

11. Waste Services Dr £412k

There is currently projected to be a net overspend for waste disposal of £300k. Actual tonnage collected was 3,100 tonnes above budget for the first eleven months of the year, and it is anticipated that there will be a year-end variation for 2013-14 of 3,400 tonnes. This sharp increase in recent months is a direct result of the impact of the storms during the Christmas period.

From April to November, total waste tonnages rose by a total of 1.44%. The impact of the storms led to increases of 7% in December, 12% in January and 12.4% in February. Analysis of the tonnages show sharp increases in waste delivered to the CA sites by both residents and traders, suggesting clearance of storm damage from properties. Collected domestic refuse increased substantially, representing both the usual post-Christmas clearout and increased weights due to high water content. Similarly, street sweeping tonnages increased as a result of the unusual rainfall levels.

It is anticipated that income received as a result of the payment mechanism built into the disposal contract will result in a deficit of £20k. This projection has taken into account tonnage adjustments for 2012/13, disposal tonnages to date and those currently anticipated for the remainder of the year.

Within trade waste collection income, there is a net projected deficit of £40k. Prices were increased by 4.2% from 1st April 2013 with the expectation of a minimal dropout of customers. Around 3% of commercial customers have withdrawn from the service.

Within trade waste delivered income, there is a projected surplus of £45k, due to increased activity from builders and other tradesmen bringing waste to the depots.

There is a projected deficit from paper recycling income of £115k due to reduced tonnages currently being collected from households. It is likely that this trend 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. There is also a small projected surplus of £3k relating to income from special collections.

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 (effective from 1st February), as well as holding a post vacant for part of the year, is a projected deficit of £27k. The full £50k saving is expected to be delivered from April 2014.

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 £12k.

The full-year effect (2014/15) of the deficit relating to disposal tonnages, detritus, leafing, paper income, and trade waste collection income is likely to be around £330k. Of this, there is an amount of £200k has been allocated from centrally held funds as a growth item. The remaining balance of £130k has been met from within existing Streetscene & Greenspace budgets.

Summary of variations within Waste Services	£'000
Waste disposal tonnages	300
Payment mechanism deficit	20
Trade waste collection income	40
Trade waste delivered income	Cr 45
Paper recycling income	115
Textile collections & special collection income	Cr 13
Staffing	27
Coney Hill	Cr 20
Equipment, collection contract & car allowances	Cr 12
Total variation for Waste Services	<u>412</u>

12. Highways (Incl London Permit Scheme) Cr £126k

A balanced budget is projected for all areas of NR&SWA income. This has improved from the previous projected deficit of £65k, largely as a result of the settlement of several old invoices that has allowed the release of a bad debt provision.

The full year-effect within NRSWA income is a projected deficit of around £300k. This has already been met from within T&H budgets as part of the 2014-15 budget setting process work that has been undertaken.

There is a projected underspend within staffing budgets of £40k. This is due to a combination of not recruiting to vacant posts, and delays in appointing to other posts.

Costs relating to winter maintenance budgets have resulted in a projected underspend of £116k, essentially due to the relatively mild winter and lack of snowfall. The table below gives a breakdown of winter maintenance budgets and the projected variances: -

Winter Maintenance	Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000
Salt, gritting & snow clearance	161	28 Cr	133
Met Office Costs	25	30	5
Vehicle / plant maintenance & repairs	113	117	4
Standby / training / overtime and other costs	106	114	8
Winter Maintenance Totals	405	289 Cr	116

As a result of the unprecedented recent heavy rainfall, there is a projected overspend relating to emergency flood works and clean-up operations of £50k. This is particularly prevalent in the Borkwood Court (Orpington) and Courtfield Rise/Corkscrew Hill (West Wickham) areas of the borough. Costs relating to the hire of pumps and other specialist drainage equipment, as well as the purchase of sandbags, have been incurred. Members recently approved a one-off provision for emergency flood damage of £100k. £50k of this earmarked reserve will be drawn down to cover the projected costs and ensure there is no overall budget variation relating to flood damage for 2013/14. It is likely that the remaining £50k will be required in the early part of 2014-15.

There is a net projected overspend across all other highways budgets of £30k. This is more than covered by the staffing and winter maintenance underspends.

Summary of variations within Transport & Highways	£'000
Variation in NRSWA income	0
Salary underspend	Cr 40
Winter Maintenance	Cr 116
Overspend relating to emergency flood work	50
Drawdown from earmarked reserve set aside for emergency flooding	Cr 50
Net overspend across other budgets	30
Total variation for Transport & Highways	Cr 126

13. Traffic & Road Safety Cr £20k

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

15. Non-controllable budgets Cr £63k

For information, this variation across the Environment portfolio relates to a net projected underspend within property repairs and maintenance budgets, and a small surplus in rental income. Property division are accountable for these variations.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the from the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, the following waivers have been approved:

- 1) Extension of Hire Car & Light Commercial Vehicle Fleet contract for 12 months: £81k
- 2) Lease Car fleet - Extension of damage repair contract for 12 months from Feb 2014 £60k: (expected cost)

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 Executive no virements have been actioned.