

Environment Portfolio Budget Monitoring Summary as at 31.03.2014

2012/13 Actuals £'000	Division Service Areas	2013/14 Original Budget £'000	2013/14 Latest Approved £'000	2013/14 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 6,092	Cr 6,461	Cr 369	1-6	Cr 330	0
	Support Services	1,225	1,239	1,247	8	7	0	0
(5,111)		Cr 5,420	Cr 4,853	Cr 5,214	Cr 361		Cr 330	0
104	Public Protection - ES							
	Emergency Planning	71	74	76	2	8	0	0
104		71	74	76	2		0	0
	Street Scene & Green Space							
4,440	Area Management/Street Cleansing	4,426	4,087	4,135	48	9	36	0
2,428	Highways	2,367	2,498	2,540	42	10	Cr 65	0
(36)	Markets	Cr 33	1	Cr 18	Cr 19	11	Cr 23	0
6,007	Parks and Green Space	6,026	5,889	5,775	Cr 114	12	Cr 7	0
582	Street Regulation	485	411	481	70	13	69	0
16,182	Waste Services	16,639	16,670	17,085	415	14	412	330
	Management action to meet FYE							Cr 330
29,603		29,910	29,556	29,998	442		422	0
	Transport & Highways							
6,622	Highways incl London Permit Scheme	6,118	6,575	6,436	Cr 139	15	Cr 126	300
167	Highways Planning	135	135	129	Cr 6	16	0	0
303	Traffic & Road Safety	167	197	177	Cr 20	17	Cr 20	0
	Management action to meet FYE							Cr 300
7,092		6,420	6,907	6,742	Cr 165		Cr 146	0
31,688	TOTAL CONTROLLABLE	30,981	31,684	31,602	Cr 82		Cr 54	0
7,561	TOTAL NON-CONTROLLABLE	7,983	7,391	7,391	0		Cr 63	0
2,321	TOTAL EXCLUDED RECHARGES	2,022	2,035	2,035	0		0	0
41,570	PORTFOLIO TOTAL	40,986	41,110	41,028	Cr 82		Cr 117	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
Public Health recharge adjustments	Cr 545

Latest Approved Budget for 2013/14

41,649

Memorandum Items

Capital Charges 5802	Cr 624
Deferred Charges (REFCUS) 5804	133
Impairment 5806	1,575
Gov Grants Deferred 5807	Cr 2,605
Insurance	559
Rent Income	10
Repairs & Maintenance	Cr 119
IAS19 (FRS17)	438
Excluded Recharges	94
Reported Latest Approved Budget for 2013/14	41,110

REASONS FOR VARIATIONS**1. Income from Bus Lane Contraventions Dr £47k**

There is a reduction in income of £73k for 2013-14 due to a reduction in the number of contraventions. This is partly mitigated by additional income of £26k received from PCNs issued in previous years.

2. Off Street Parking Cr £80k

Overall there is surplus of income of £10k for off street parking. The Hill has a deficit of £56k and the Civic Centre a deficit of £5k. This is partly offset by additional income of Cr £36k at Village Way and Cr £35k from surface car parks.

Compared to 2012/13, income for off street parking has increased by £64k. £56k of this can be attributed to the price increase which came in at the end of April 2012. The balance of £8k relates to an improvement in usage for 2013/14.

Other variations include business rate adjustments of Cr £30k, an underspend of Cr £17k for parking contract payments and a small variance of Cr £16k for car park maintenance due to on-going negotiations with the lessee for resurfacing the Village Way ramps. Minor variations across all other budgets total Cr £7k

Summary of variations within Off Street Parking	£'000
Off Street Car Parking income - multi-storey car parks	25
Off Street Car Parking income - surface car parks	Cr 35
Business rate adjustments/rebate	Cr 30
Projected underspend on R&M at multi-storey car parks	Cr 16
Underspend on contract payments	Cr 17
Other minor variations	Cr 7
Total variations within Off Street Parking	Cr 80

3. On Street Parking Cr £106k

An income deficit of £57k is projected within Bromley Town Centre Inner zones. This is more than offset by additional projected income in the outer Bromley zone of Cr £62k and within Petts Wood , Beckenham and Orpington Cr 35k.

Other variations include Cr £11k for parking contract payments and Cr £31k within running expenses including equipment and lines and signs maintenance.

There is a small surplus projected for other income of £24k.

Summary of variations within On Street Parking	£'000
Income from Bromley Town Centre Inner zones	57
Income from Bromley Town Centre Outer zones	Cr 62
Income from Petts Wood, Beckenham & Orpington	Cr 35
Other income	Cr 24
Underspend on contract payments	Cr 11
Underspend on running expenses	Cr 31
Total variations within On Street Parking	Cr 106

4. Parking Enforcement Cr £214k

There is a surplus of £122k from PCNs issued by Vinci due to an increase in contraventions. Additional income has been received for PCN contraventions in previous years totalling £64k.

Several sets of enforcement hand-held equipment have had to be replaced at a cost of £77k. Other variations in running costs total Cr £23k; these include Cr £9k of Traffic Committee for London costs where the number of appeals were less than budgeted for, £8k on staffing and variations across other enforcement costs of Cr £6k.

There is a net surplus of Cr £69k for mobile and static cameras due to an increase in contraventions during 2013/14. Additional income has been received for PCN contraventions in previous years totalling £13k.

Summary of variations within Parking Enforcement	£'000
PCNs issued by wardens	Cr 186
Handheld enforcement equipment replacement	77
PCNs issued by mobile & static cameras	Cr 82
Underspend on other enforcement costs	Cr 23
Total variations within Parking Enforcement	Cr 214

5. Permit/Disabled Parking Dr £2k

There is an income deficit of £15k from the from the sale of permits. This deficit is partly offset by an underspend across running expenses of £13k.

6. Shared Parking Service Cr £18k

There is an underspend of £18k for the Bromley element of the parking shared service. This is mainly due to delays in filling vacant posts particularly the ICT & Projects Manager post.

Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	47
Off Street Parking	Cr 80
On Street Parking	Cr 106
Parking Enforcement	Cr 214
Permit/Disabled Parking	2
Shared service underspend	Cr 18
Total variation for Parking	Cr 369

7. Support Services Dr £8k

Minor variations across the service have resulted in a net overspend of £8k.

8. Emergency Planning Dr £2k

Minor variations across the service have resulted in a net overspend of £2k.

9. Area Management & Street Cleansing Dr £48k

Within the FPN littering offence scheme there is a deficit of £36k. This has arisen where the income recovery rate 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, there will be a higher recovery rate in 2014-15, and thus no deficit. This will continue to be monitored closely as any deficit will require compensating savings to be identified elsewhere.

There is a net overspend within the street cleansing contract of £31k. £33k of this relates to an additional seasonal weed spray being carried out due to the wet winter which caused significant weed growth. Other minor variations total Cr £2k.

There is an underspend of £8k due to lower participation in the community toilet scheme than anticipated.

Minor variations across other budgets have resulted in a net underspend of £11k which is partly offsetting the FPN and street cleansing contract deficits described above.

Summary of variations - Area Management & Street Cleansing	£'000
Deficit within FPN littering offences	36
Overspend within street cleansing contract	31
Underspend within community toilet scheme	Cr 8
Minor variations	Cr 11
Total variations - Area Management & Street Cleansing	48

10. Highways SS&GS Dr £42k

Increased activity for skip and street traders licences has led to a surplus in income of £38k, which is contributing to overspends elsewhere across the division.

Within the materials budget, there is an underspend of £16k, largely attributable to lower activity within Snow Friends initiatives as a result of the relatively mild winter.

There is an overspend of £31k within the carriageway major patching budget due to additional works required to repair the larger potholes caused by the winter flooding..

Footway works budgets are overspent by £22k. Within this variation, there is an overspend of £37k due to additional pavement reinstatement works. This was as a result of the damage caused during the winter storms, which necessitated the removal of trees from the footways. This overspend is partly offset by an underspend of £15k on minor footway repairs which were not required due to the larger repair works.

Within gully cleaning, there is an underspend of £35k, the majority of which was planned in order to offset other pressures across the division.

Other variations total Cr £35k mainly within safety road markings / renewals and vehicular guard rails (Cr £9k) and the public rights of way budget (Cr £13k).

As a result of the stormy weather experienced initially during October and December, and then subsequently during February and early March, there is an overspend within the tree maintenance budget of £213k. This is the result of general damage caused across the borough where trees have had to be cut and removed from highways. £100k is being drawn down from the earmarked reserve set aside for storm damage. Overall, the net overspend relating to tree maintenance as a result of storm damage is £113k.

Summary of variations - Highways SS&GS

	£'000
Surplus income from skip licences	Cr 14
Surplus income from street traders' licences	Cr 24
Underspend on materials for Snow Friends	Cr 16
Major patching overspend - potholes	31
Overspend on footways	22
Underspend on gully cleaning	Cr 35
Other variations	Cr 35
Overspend on tree maintenance	213
Drawdown from earmarked reserve set aside for storm damage	Cr 100
Total variations - Highways SS&GS	<u>42</u>

11. Markets Cr £19k

There is an income surplus of £5k due to higher customer activity than previously anticipated. Additionally, there are underspends across supplies and services budgets of £14k, giving a net underspend for the service of £19k. This is being used to contribute towards deficits within the division.

12. Parks & Greenspace Cr £114k

There is a net underspend across staffing budgets of £63k. Of this, £23k is attributable to maternity leave, with no subsequent back-filling within the Park Ranger service. The remaining net underspend of £40k is largely due to managing vacancies within BEECHE and Parks Development.

Within Grounds Maintenance, there is an underspend of £65k relating to repair works to the dam at Keston Ponds not taking place. During the winter storms, a tree fell across the dam causing structural damage and inspections undertaken revealed works and remedial actions in the region of £65k being required. Due to the complex and specialist nature of these works, combined with the close proximity to the end of the financial year, it has not been possible to undertake this project in 2013/14. A request is therefore being made to the June Executive to carry forward these funds into 2014-15.

There are minor variations across other Parks and Greenspace budgets of Dr £14k, resulting in a net underspend for the service of £114k.

Summary of variations - within Parks & Green Space

	£'000
Underspend within staffing	Cr 63
Underspend within grounds maintenance (carry-forward request to be made)	Cr 65
Other minor variations	14
Total variations - Parks & Green Space	Cr 114

13. Street Regulation Dr £70k

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

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

Other minor variations across other budget headings total Dr £14k.

Summary of variations - within Street Regulation

	£'000
Delay in achieving staffing savings	68
Management action	Cr 12
Other minor variations	14
Total variations - Street Regulation	70

14. Waste Services Dr £415k

Actual tonnage is 3,600 tonnes above budget for the year. This is mainly due to the impact of the storms during the Christmas period.

Income received as a result of the payment mechanism built into the disposal contract has resulted in a small deficit of £5k.

Within trade waste collection income, there is a deficit of £48k. 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 surplus of £76k, due to increased activity from builders and other tradesmen bringing waste to the depots.

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

Income from textile collections has generated a surplus of £20k due to increased tonnages compared to expected. In addition there is additional £8k across other income streams.

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

The Coney Hill budget is underspent by £24k as a result of sums set aside for replacement equipment and other non-routine items not being required.

There is also a net underspend across various other budgets totalling Cr £19k. This includes car allowances, the collection contract as well as general running expenses.

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. £200k has been allocated from centrally held funds as a growth item and the remaining balance of £130k has been met from within existing Street Scene & Green Space budgets.

Summary of variations within Waste Services	£'000
Waste disposal tonnages	352
Payment mechanism deficit	5
Trade waste collection income	48
Trade waste delivered income	Cr 76
Paper recycling income	130
Textile collections, special collection & other income	Cr 28
Staffing	27
Coney Hill	Cr 24
Collection contract, car allowances & general running expenses	Cr 19
Total variation for Waste Services	415

15. Highways (Incl London Permit Scheme) Cr £139k

Across all streams of NRSWA income there is a surplus of £91k. This has improved from the previously projected nil variation mainly as result of an additional defect notices raised during February and March.

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 an underspend within staffing budgets of £39k, due to a combination of not recruiting to vacant posts and delays in appointing to other posts.

The winter service budgets have underspent by £86k, essentially due to the relatively mild winter and lack of snowfall. The table below gives a breakdown of winter service budgets, final expenditure, and subsequent variances: -

Winter Service	Budget £'000	Outturn £'000	Variance £'000
Salt, gritting & snow clearance	161	25 Cr	136
Met Office Costs	25	31	6
Vehicle / plant maintenance & repairs	113	146	33
Standby / training / overtime and other costs	106	117	11
Winter Service Totals	405	319 Cr	86

Within the drainage budget, there is an overspend of £50k. This is largely as a result of the unprecedented heavy rainfall over the winter months where additional costs relating to emergency flood works and clean-up operations have been incurred. Members have approved a one-off provision for emergency flood damage of £100k, although no drawdown is required in 2013-14 due to surplus NRSWA income absorbing this cost. It is currently anticipated that a full drawdown will be required in 2014-15 to complete the remaining works.

There is a net overspend across all other highways budgets of £27k, resulting in a total underspend for the service of £139k.

Summary of variations within Transport & Highways	£'000
Variation in NRSWA income	Cr 91
Salary underspend	Cr 39
Winter Service	Cr 86
Overspend relating to emergency flood work	50
Net overspend across other budgets	27
Total variation for Transport & Highways	Cr 139

16. Highways Planning Cr £6k

Minor variations across the service have resulted in a net underspend of £6k.

17. Traffic & Road Safety Cr £20k

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

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) Supply of hand held devices for Civil Enforcement Officers £80k

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.

Analysis of Members' Initiatives - Earmarked Reserves @ 31.03.14

Item	Divison / Service Area	Responsible Officer	Allocation £'000	Spend To 31.3.14 £'000	Balance Available £'000	Comments on Progress of Scheme
Footways, Highways & General Improvements	T&H - Highways	Garry Warner	750	750	0	Scheme completed.
Support for Friends Groups	SS&GS - Parks & Green Space	Louise Simpson	250	3	247	£2k to be allocated for trees. Other works/projects have been considered but nothing advanced at this stage. Balance expected to be spent during 2014/15.
Renewal / Replacement of Community Recycling Sites	SS&GS - Waste	John Woodruff	150	150	0	Scheme completed.
TOTAL			1,150	903	247	