

Environment Portfolio Budget Monitoring Summary as at 31.12.2015

2014/15 Actuals £'000	Division Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
77	Public Protection							
	Emergency Planning	75	75	75	0		0	0
77		75	75	75	0		0	0
	Street Scene & Green Space							
4,115	Area Management/Street Cleansing	4,048	4,036	3,986	Cr 50	1	Cr 50	0
2,429	Highways	2,542	2,512	2,640	128	2	0	0
Cr 42	Markets	Cr 2	Cr 2	Cr 45	Cr 43	3	Cr 40	Cr 40
5,745	Parks and Green Space	5,676	5,830	5,852	22	4	0	0
467	Street Regulation	513	513	511	Cr 2	5	0	0
17,613	Waste Services	17,853	18,082	17,924	Cr 158	6	Cr 216	Cr 270
30,327		30,630	30,971	30,868	Cr 103		Cr 306	Cr 310
	Support Services							
545	Support Services	518	518	518	0			
545		518	518	518	0		0	0
	Transport & Highways							
252	Depots	275	275	275	0		0	0
6,921	Highways incl London Permit Scheme	6,794	7,169	7,504	335	7	190	145
Cr 6,496	Parking	Cr 6,696	Cr 6,402	Cr 6,747	Cr 345	8-13	Cr 30	Cr 85
176	Traffic & Road Safety	157	157	157	0	14	0	0
327	Transport Support Services	342	342	316	Cr 26	15	0	0
1,180		872	1,541	1,505	Cr 36		160	60
32,129	TOTAL CONTROLLABLE	32,095	33,105	32,966	Cr 139		Cr 146	Cr 250
6,238	TOTAL NON-CONTROLLABLE	5,332	5,315	5,282	Cr 33	16	Cr 16	0
2,221	TOTAL EXCLUDED RECHARGES	2,290	2,290	2,290	0		0	0
40,588	PORTFOLIO TOTAL	39,717	40,710	40,538	Cr 172		Cr 162	Cr 250

Reconciliation of Latest Approved Budget

£'000

Original budget 2015/16

39,717

Repairs and Maintenance - carry-forward from 2014/15	33
Keston Ponds Dam - carry-forward from 2014/15	20
Countryside & Woodland works - carry-forward from 2014/15	40
Waste - 3 split-bodied vehicles - carry-forward from 2014/15	558
Increase in Contract Costs re TLG Pension contributions	23
Lead Local Flood Authority grant	213
waste - split bodied budget not required & returned ton CC	Cr 200
Funding agreed for automatic parking cameras	306
Latest Approved Budget for 2015/16	40,710

REASONS FOR VARIATIONS

1. Area Management & Street Cleansing Cr £50k

Savings brought-forward as a result of the closure of public conveniences total £50k. There is a projected overspend of around £11k on fly-tipping, which is offset by savings on non-routine street cleansing Cr £11k, resulting in a net underspend of £50k.

2. Highways SSGS Dr £128k

There is a projected underspend on salaries of £17k due to vacancies partly offsets the additional monitoring carried out by the contractor of Dr £25k.

Due to the mild winter to date there is a projected underspend of around £14k on the Snow Friends budget.

Overspend on public rights of way of £13k due to works undertaken for overhanging vegetation.

There is an increase in income from Street traders licensing of £27k due to an increase in the number of license applications being received. Similarly income from Skip licenses is expected to be Cr £41k above budget due to an increase in requests.

Tree maintenance is projected to overspend by £120k due to a number of works that have had to be carried out relating to unpredictable emergency callouts, root pruning health and safety works and post 2013/14 storm remedial works.

Other net minor variations within running expenses total Dr £4k.

Summary of overall variations within Highways SS&GS		£'000
Employee costs	Cr	17
Agency/ Consultancy costs		25
Snow Friends	Cr	14
Tree maintenance		120
Public Rights of Way		13
Income from Street Traders Licence and skip licence fees	Cr	3
Minor variations across Supplies and Services		4
Total variation for Highways SS&GS		<u>128</u>

3. Markets Cr £43k

As a result of higher activity than budgeted, there is a projected over-achievement of income of £30k. Additionally, there is a projected net underspend of £13k across staffing and running expenses resulting in an overall underspend of £43k for the service.

4. Tree maintenance within parks Dr £22k

Post 2013/14 storm remedial works have had to be carried out on trees within parks and allotments, leading to an overspend of ££22k

5. Street Regulation Cr £2k

Underspend mainly relates to the part year effect of vacant posts as a result of the staffing review within this division.

6. Waste Services Cr £158k

Green garden waste disposal tonnages are projected to be 1,280 tonnes below budget mainly due to the weather, resulting in an underspend of £ to £57k. For information, the total projected tonnage of 14,540 tonnes is only 300 tonnes below the 2014/15 outturn.

Across the garden waste collection service, there is a projected underspend of £214k. This is a combination of a projected underspend of £40k within staffing and running expenses, the continuing sale of green garden waste stickers Cr £17k, and projected additional income for the garden waste subscription service of Cr £157k.

Disposal tonnages from increased trade waste delivered activity are projected to be 1,400 tonnes above budget resulting in an overspend of £200k. For information, there has been an additional 1050 tonnes at the Weighbridges for the first nine months of the year compared to the same period in 2014-15.

As a direct consequence of the extra tonnage described above, there is projected additional income within trade waste delivered of £230k. This more than offsets the disposal overspend from Weighbridge tonnage.

For other residual tonnages, there is a projected overspend of £58k. This is mainly due to the expected additional tonnage relating to the extra day for the leap year. This is more than offset by a reduction in detritus tonnage resulting in an underspend of £80k.

Other overspends include Dr £50k relating to the purchase of bins / containers, largely for trade waste customers and depot refurbishment works.

Within paper recycling income, there is a projected deficit of £66k. This relates largely to an issue with 2015-16 paper tonnages that have been adversely affected by wet weather over recent months, and have not been able to be recycled in the usual way.

Within other income streams, there is a projected net surplus of £8k income from trade waste collected income, textile collections and kitchen waste liners.

Savings of £250k were built into the 2015/16 waste services budget for the revision to the kerbside paper collection service. The report to the Environment Portfolio Holder on 18 February 2015 highlighted that after taking account of the one-off implementation costs, the savings expected to be delivered during 2015/16 would be below the target by £107k. The savings for future years would however be exceeded by £250k per annum.

The actual implementation of the changes began at the end of June, a month later than expected. However actual costs were far less than anticipated and the resulting level of savings is projected to be £267k in 2015/16, which is £17k above the target saving.

An underspend on the Coney Hill contract costs Cr £39k has partly offset additional disposal costs of Dr £47k associated with the disposal of incinerator ash tonnage.

Other minor variances total Dr £19k

The existing software had to be developed to include the waste and grounds maintenance contracts in order to improve the contract monitoring that will be carried out by the new contract support team within Street Scene and Green space. The development of the software will have the versatility to support the commissioning process providing an IT foundation for contract management beyond 2019 when the service contracts are due to be tendered, Dr £47k.

		Dec £'000
Summary of overall variations within Waste Services		
Waste disposal tonnages - Green Garden Waste	Cr	57
Underspend from Green Garden Waste service	Cr	214
Waste disposal tonnages - Trade Waste Delivered		200
Trade waste delivered income	Cr	230
Waste disposal tonnages - other residual tonnage	Cr	22
Bins & weighbridge refurbishment		50
Paper recycling income		66
Trade waste collected and textile collection income	Cr	8
Impact of implementation of revised kerbside collection arrangements	Cr	17
Other minor variations across the waste service budget		19
Coney Hill and Incinerator ash		8
Contract monitoring software		47
Total variation for Waste Services	Cr	158

7. Highways (incl London Permit Scheme) Dr 335k

Within NRSWA income, there is a projected net deficit of £390k. This is partly the result of improving performance by utility companies in the area of defect notices, which has resulted in lower charges raised by the Council, and appears to be an on-going trend.

Additional highway maintenance has been carried out totalling £30k.

The winter service budgets are currently projected to be £85k underspent, 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	164	120 Cr	44
Met Office Costs	26	22	-4
Vehicle / plant maintenance & repairs	111	106	-5
Standby / training / overtime and other costs	106	74	-32
Winter Service Totals	407	322 Cr	85

Summary of variations within Highways (incl London Permit Scheme)	£'000
NRSWA income	390
Highway maintenance	30
Winter service	Cr 85
Total variation for Highways	335

8. Income from Bus Lane Contraventions Cr £450k

As a result of reinstating bus lane enforcement following completion of public realm works in Bromley North from March 2015, there is projected additional income of around £450k for 2015/16. This projection from Parking takes into account the likely drop off by the end of the financial year due to motorists' increased compliance and therefore the potential full year effect is only likely to be £40k.

9. Off Street Car Parking Cr 224k

Overall a surplus of £185k is projected for off street parking income. Cr £100k extra is expected from Village Way and the Civic Centre multi-storey car parks which is offset by a projected deficit of around £60k at the Hill MSCP. Additional income of £55k is projected from the Mitre Close surface car park. It should be noted that the average income at Mitre Close for April 2014 to February 2015 was £2k however in March 2015 this rose to £6k and has continued at this level from April to December 2015. This is because some spaces were being used by the Bromley North contractors during the period of works and therefore enforcement did not commence until March 2015. Other surface car parks show a projected net surplus of around £90k mainly in Beckenham, Chislehurst and West Wickham.

Additionally there is an underspend of £17k due to a one-off business rates rebate which is offset by additional rent of Dr £17k due to a backdated rent increase. Indigo car parking contract costs are projected to be underspent by £35k. There are various minor net variations across the service of Cr £4k.

Summary of variations within Off Street Car Parking	£'000
Business Rate rebate	Cr 17
Backdated rent increase	17
Third party payments- Indigo (formerly Vinci Park).	Cr 35
Off Street Car Parking income - multi-storey car parks	Cr 40
Off Street Car Parking income - other surface car parks	Cr 145
Minor variations	Cr 4
Total variations within Off Street Parking	Cr 224

10. On Street Parking Cr £60k

Due to the replacement of on street P&D machines with cashless parking there is a projected underspend on airways costs of £6k. There is a minor variation on Indigo contract costs of Cr £4k.

There is additional on street parking income projected of £50k. Major variations are on Chislehurst - Cr £15k, Petts Wood Cr £15k, Bromley TC Cr £13k and Penge Cr £10k, offset by variations across other areas Dr £3k.

Summary of variations within On Street Parking	£'000
P&D Airways costs	Cr 6
Indigo contract costs	Cr 4
On Street Parking income	Cr 50
Total variations within On Street Parking	Cr 60

11. Car Parking Enforcement Dr £489k

Salaries on CCTV staff are projected to be underspent by £41k, of which Cr £30k is due to a vacant post not filled and Cr £11k due to holiday/ sickness cover not being required. Indigo contract payments are likely to be underspent by £23k. Miscellaneous Supplies and Services variations are projected to be net Cr 6k.

Based on activity levels up to December 2015, there is a projected net surplus of £184k from PCNs issued by Vinci in the current year due to an increase in contraventions. There is also a projected surplus of Cr £80k for old year tickets issued by CEOs.

A net deficit of Dr £823k is projected for mobile and static cameras due to changes in legislation from April 2015.

Summary of variations within Car Parking Enforcement	£'000
CCTV Salary costs	Cr 41
Indigo contract costs	Cr 23
Supplies and Services (net)	Cr 6
PCNs issued by CEOs	Cr 264
PCNs issued by mobile & static cameras	823
Total variations within Car Parking Enforcement	489

12. Parking Shared Service Cr £14k

It is projected that the net variation on Parking Shared Service for Bromley 2015/16 will be Cr £14k, mainly due to vacant posts.

13. Permit and Disabled Parking Cr £86k

Based on income and expenditure to the end of December 2015, it is projected that there will be a net £86k additional income.

Summary of variations within Permit and Disabled Parking	£'000
Permit staff costs	Cr 3
Printing and Stationery	Cr 6
Permit Income	Cr 69
Disabled Parking contract costs	Cr 10
Disabled Parking Income	2
Total variations	Cr 86

Summary of overall variations within Parking:	Dec
	£'000
Bus Routes Enforcement	Cr 450
Off Street Car Parking	Cr 224
On Street Car Parking	Cr 60
Car Parking Enforcement	489
Parking Shared Service	Cr 14
Permit and Disabled Parking	Cr 86
Total variation for Parking	Cr 345

14. Traffic & Road Safety £0k

EARLY WARNING - There is a potential loss of income of £100k from TfL for advertising on bus shelters should the current contract be terminated in July 2016. Officers are currently seeking legal advice on whether this can be challenged, the outcome of which will impact upon whether alternative savings will be required when setting the 2016/17 budget.

15. Transport Support Services Cr £26k

A reduction in the mail delivery service requirements across the Council has meant that there is a projected underspend on drivers and transport running costs of Cr £26k.

16. Non-controllable Cr £19k

Within property rental income budgets, there is projected surplus income of £16k. 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 from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of 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, one waiver has been actioned:

£68,550 for Nautoguide Ltd for contract monitoring software as detailed in 6 above.

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, the following virements have been actioned:

1) A virement of £50k has been actioned from on street parking to highway maintenance