

Environment Portfolio Budget Monitoring Summary

| 2016/17 Actuals £'000 | Service Areas | 2017/18 Original Budget £'000 | 2017/18 Latest Approved £'000 | 2017/18 Projected Outturn £'000 | Variation £'000 | Notes | Variation Last Reported £'000 | Full Year Effect £'000 |
|-----------------------------|--|--|--|--|--------------------|-------|--|------------------------------|
| | ENVIRONMENT PORTFOLIO | | | | | | | |
| | Street Scene & Green Spaces | | | | | | | |
| 5,177 | Parks and Green Spaces | 5,194 | 5,172 | 5,163 | Cr 9 | 1 | 0 | 0 |
| 290 | Street Regulation and Enforcement incl markets | 372 | 348 | 302 | Cr 46 | 2 | 0 | 0 |
| 17,009 | Waste Services | 17,661 | 17,762 | 17,490 | Cr 272 | 3 | Cr 22 | 0 |
| 4,206 | Street Environment | 4,261 | 4,273 | 4,243 | Cr 30 | 4 | 0 | 0 |
| 804 | Management and Contract Support | 871 | 999 | 1,061 | 62 | 5 | 0 | 0 |
| 632 | Transport Operations and Depot Management | 680 | 688 | 671 | Cr 17 | 6 | 0 | 0 |
| 877 | Trees | 736 | 736 | 736 | 0 | | 0 | 0 |
| 28,995 | | 29,775 | 29,978 | 29,666 | Cr 312 | | Cr 22 | |
| | Parking Services | | | | | | | |
| Cr 7,425 | Parking | Cr 7,468 | Cr 7,313 | Cr 7,484 | Cr 171 | 7-9 | 0 | 0 |
| Cr 7,425 | | Cr 7,468 | Cr 7,313 | Cr 7,484 | Cr 171 | | 0 | 0 |
| | Transport & Highways | | | | | | | |
| 245 | Traffic & Road Safety | 318 | 318 | 364 | 46 | 10 | 0 | 0 |
| 8,971 | Highways (including London Permit Scheme) | 6,554 | 6,577 | 6,483 | Cr 94 | 11 | 0 | 0 |
| 9,216 | | 6,872 | 6,895 | 6,847 | Cr 48 | | 0 | 0 |
| | | | | | | | | |
| 30,786 | TOTAL CONTROLLABLE | 29,179 | 29,560 | 29,029 | Cr 531 | | Cr 22 | 0 |
| 8,165 | TOTAL NON-CONTROLLABLE | 5,468 | 5,633 | 5,589 | Cr 44 | 12 | Cr 36 | 0 |
| 2,394 | TOTAL EXCLUDED RECHARGES | 2,244 | 2,244 | 2,244 | 0 | | 0 | 0 |
| 41,345 | PORTFOLIO TOTAL | 36,891 | 37,437 | 36,862 | Cr 575 | | Cr 58 | 0 |

Reconciliation of Latest Approved Budget

£'000

Original Budget 2017/18

36,891

Green Garden Waste Direct Debits

120

Non- Controllable R&M - Central Depot

113

Additional resources for staffing (Exec 9.8.17)

79

Non - Controllable R&M - Water Treatment

52

Business Rates revaluation

182

Latest Approved Budget for 2017/18

37,437

REASONS FOR VARIATIONS**1. Parks and Green Spaces Cr £9k**

Overall a net variation of Cr £9k is projected for Parks and Green Spaces. An underspend of £29k on staffing as a result of part year vacancies is partly offset by additional costs of £20k for park strategy development.

2. Street Regulation and Enforcement incl markets Cr 46k

Additional income of £31k is expected from the sale of promotional space within Bromley Town Centre. Other underspends total £15k mainly from part year vacancies.

| Summary of variations within Street Regulation and Enforcement: | £'000 | |
|--|--------------|-----------|
| Additional advertising income | Cr | 31 |
| Underspend on Staffing | Cr | 13 |
| Other net income | Cr | 2 |
| Total variation for Street Regulation and Enforcement | Cr | 46 |

3. Waste Services Cr £272k

Overall tonnage is expected to be 3,000 tonnes below last year and the current budget, mainly for recycling tonnage. As a result, contract disposal costs are expected to be £190k below budget.

Additional income of £24k is expected from the sale of recycling materials due to an increase in the market price of textiles.

Across the garden waste collection services, there is a projected underspend of £24k. This is made up of an overspend of £65k forecast for the use of a sixth vehicle for the second half of the year due to the increase in customers. Other overspends include £23k for the purchase and delivery of containers and £23k for marketing. Sales of green garden waste stickers have not dropped off as much as in previous years and additional income of £18k is expected and there is a net increase in the number of wheelie bin customers in 2017/18 resulting in extra income of £117k being forecast.

A survey will be undertaken to assess waste collection behavioural changes in residents and the waste strategy needs to be updated as part of the requirements for the Environment contract. These costs total £48k.

The waste collection contract is projected to be underspent by £24k mainly due to a reduction in large scale fly tipping incidents over 3m³.

Following the settlement with Veolia, an extra £50k will be received above the net accrual of £120k made in 2016/17.

It is estimated that approximately 5,400 tonnes will be diverted by landfill and disposed of using Mechanical Biological Treatment. This will provide an additional credit of £18k.

Costs of £15k have been incurred for a depot review carried out by C & W.

Other waste income is expected to generate an additional £5k.

| Summary of overall variations within Waste Services | £'000 | |
|---|--------------|------------|
| Waste disposal costs | Cr | 190 |
| Recycling Income | Cr | 24 |
| Green Garden Waste Service | Cr | 24 |
| Waste collection behavioural change survey & waste strategy | | 48 |
| Waste collection contract | Cr | 24 |
| Settlement with Veolia | Cr | 50 |
| Additional MBT (Mechanical Biological Treatment) income | Cr | 18 |
| Depot review by C & W | | 15 |
| Other income | Cr | 5 |
| Total variation for Waste Services | Cr | 272 |

4. Street Environment Cr £30k

The Street Environment budget is expected to underspend by £30k. This is due to part year vacancies £18k and £12k surplus income mainly from FPNs.

5. Management and Contract Support Dr £62k

There is a net projected overspend of £62k relating to additional support and evaluation expertise for the environment contracts.

6. Transport Operations and Depot Management Cr £17k

Part year vacancies have resulted in an underspend of £17k.

7. Income from Bus Lane Contraventions Cr £390k

There is a net projected surplus of £390k on the redeployable automated cameras in bus lanes for 2017-18. This is based on numbers of contraventions up to 30 September 2017.

8. Off/On Street Car Parking Dr £139k

Overall there is a net variation of Dr £139k for Off and On Street parking.

A deficit of £250k is forecast for Off and On Street Parking income. This was partly due to initial problems with the new Parking contract which started in April. These included issues around car park cleaning, cash collection and counting, which resulted in defaults relating to Off/On Street Car Parking income being issued totalling £21k. These issues now seem to have been resolved.

This is partly offset by additional income of £56k which is expected to be received from cashless parking fees, as the use of this service continues to grow.

With the roll out of additional On Street Parking bays, an extra £34k income will be generated this year.

This projected overspend for Off and On Street Car parking within the Parking budget is detailed below: -

| | OFF ST | ON ST | Total |
|---|---------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Summary of variations within Off/On Street Car Parking | | | |
| Off/On Street Car Parking income | 300 Cr | 50 | 250 |
| Less additional Ring Go fees | Cr 23 Cr | 33 Cr | 56 |
| Level of Defaults applied to contract April to Sept 17 | Cr 11 Cr | 10 Cr | 21 |
| Additional income from new bays | 0 Cr | 34 Cr | 34 |
| Total variations within Off/On Street Parking | 266 Cr | 127 | 139 |

9. Car Parking Enforcement Dr £80k

From activity levels up to September 2017, there is a projected net deficit of around Dr £180k from PCNs issued by APCOA in the current year due to a reduction in contraventions. During the initial mobilisation period of the contract APCOA experienced problems in recruitment and training Civil Enforcement Officers (CEOs). In September this seems to have stabilised and staff have been recruited with the necessary skills and abilities to carry out the contract. There are defaults on the Enforcement contract of around Cr £100k for April to August 2017 which partly offsets this variation. Data is still awaited for any defaults for September.

| | |
|---|--------------|
| Summary of variations within Car Parking Enforcement | £'000 |
| PCNs issued by wardens | 180 |
| APCOA Enforcement defaults | Cr 100 |
| Total variations within Car Parking Enforcement | 80 |

| | |
|--|---------------|
| Summary of overall variations within Parking: | £'000 |
| Bus Routes Enforcement | Cr 390 |
| Off Street Car Parking | 266 |
| On Street Car Parking | Cr 127 |
| Car Parking Enforcement | 80 |
| Total variation for Parking | Cr 171 |

10. Traffic & Road Safety Dr £46k

There is a projected shortfall of £46k for advertising income due to delays with obtaining planning permission for the digital display units.

11. Highways- Including London Permit Scheme Cr £94k

Within NRSWA income, there is a projected surplus of income of £174k. This is mainly due to an increase in the number of permits issued as well as income from defect notices and coring.

This has been partly offset by additional expected costs of £80k to undertake the project management and specialist support for Lots 5-10 of the environment contracts.

Summary of Variations within Highways.

| | £'000 |
|---|--------------|
| NRSWA income | Cr 174 |
| Lot 5-7 project management and specialist support costs | 80 |
| Total Projected variations for Highways | Cr 94 |

12. Non-controllable Cr £44k

There is a projected surplus income of £44k within the property rental income budget. 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, the following waiver for contract values over £50k has been actioned:

£69k (12 months contract) relating to a parking design specialist to carry out parking bay reviews.

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.