

ENVIRONMENT PORTFOLIO**DRAFT REVENUE BUDGET 2018/19 - SUMMARY**

2016/17 Actual	Service Area	2017/18 Budget	Increased costs	Other Changes	2018/19 Draft Budget
£		£	£	£	£
	Parking Services				
Cr 7,424,740	Parking	Cr 7,468,180	66,230	251,480	Cr 7,150,470
Cr 7,424,740		Cr 7,468,180	66,230	251,480	Cr 7,150,470
	Street Scene & Green Space				
803,998	Management and Contract Support	871,350	12,490	205,500	1,089,340
5,177,177	Parks and Green Space	5,193,760	108,730	Cr 15,910	5,286,580
4,205,733	Street Environment	4,261,350	83,610	71,840	4,416,800
290,402	Street Regulation and Enforcement incl markets	372,140	1,970	Cr 27,980	346,130
631,796	Transport Operations and Depot Management	679,760	10,720	8,250	698,730
876,646	Tree Maintenance	735,610	12,950	Cr 1,000	747,560
17,009,503	Waste Services	17,660,790	356,600	129,830	18,147,220
28,995,253		29,774,760	587,070	370,530	30,732,360
	Transport & Highways				
244,710	Traffic & Road Safety	237,990	15,330	0	253,320
8,970,855	Highways (Including London Permit Scheme)	6,634,390	131,480	26,580	6,792,450
9,215,565		6,872,380	146,810	26,580	7,045,770
30,786,078		29,178,960	800,110	648,590	30,627,660
8,164,872	TOTAL NON CONTROLLABLE	5,467,830	18,720	708,810	6,195,360
2,394,020	TOTAL EXCLUDED RECHARGES	2,244,090	0	81,230	2,325,320
41,344,970	PORTFOLIO TOTAL	36,890,880	818,830	1,438,630	39,148,340

ENVIRONMENT PORTFOLIO**SUMMARY OF BUDGET VARIATIONS 2018/19**

Ref		VARIATION IN 2018/19 £'000	ORIGINA L BUDGET £'000
1	2017/18 BUDGET	36,891	
2	Increased Costs	819	
	Full Year Effect of Allocation of Central Contingency		
3	Impact of NNDR revaluation	182	799
4	Additional resources for the Environment & Community Services Department	<u>157</u>	987
	Real Changes		
	<i>Other Real Changes:</i>		
5	Absorption of inflation increases for PCNs	96	Cr 3,574
6	Increase in landfill tax above inflation	76	3,711
7	Increase in refuse/recycling collection to reflect additional units	52	7,120
8	Increase in refuse/recycling disposal to reflect additional units	82	13,103
9	Award of Dog and Pest Contracts	8	4
10	Mobile Phone Savings	<u>Cr 4</u>	21
11	Variations in Capital Charges	447	
12	Variations in Recharges	81	
13	Variations in Building Maintenance	53	
14	Variations in Insurances	161	
15	Variations in Rent Income	47	
16	2018/19 DRAFT BUDGET	<u>39,148</u>	

ENVIRONMENT PORTFOLIO**Notes on Budget Variations in 2018/19****Ref Comments****Full Year Effect of Allocation of Central Contingency**

- 3 Impact of NNDR revaluation (Dr £182k)
This reflects the financial impact of the business rate revaluation on Council run properties. Overall, a sum of £559k was released from Central Contingency, £182k of which relates to properties within this Portfolio, as approved by Executive on 6 December 2017.
- 4 Additional resources for the Environment & Community Services Department (Dr £157k)
Additional resources was allocated to fulfil the corporate requirements for contract monitoring and business support, as approved by Executive on 9 August 2017.

Real Changes

- 5 Absorption of Inflation increases for PCNs (Dr £96k)
Estimates are prepared on the basis that inflation is added to both income and expenditure. As penalty charge notices (for parking and bus lane contraventions) are set by the Mayor of London and therefore statutory, savings have to be found to absorb the inflation rate.
- 6 Increase in landfill tax above inflation (Dr £76k)
This represents the expected cost of the Government increasing the landfill tax above inflation built into the 2018/19 budget.
- 7 Increase in Refuse/Recycling Collection (Dr £52k)
The current refuse and recycling collection contract is based on the number of premises rather than bins. The additional costs reflect the anticipated increase in new properties for 2018/19.
- 8 Increase in Refuse/Recycling Disposal (Dr £82k)
The additional costs for the disposal contract reflect the anticipated increase in tonnage generated from new properties for 2018/19.
- 9 Award of Dog and Pest Contracts (Dr £8k)
This reflects the financial impact of the award of the new Dog and Pest Control contracts.
- 10 Mobile Phone Savings (Cr £4k)
Savings as a result of transferring the remaining ISD service to BT, as agreed by Executive on 9 August 2017.
- 11 Variations in Capital Charges (Dr £447k)
The variation in capital charges is due to a combination of the following:
- (i) Depreciation – the impact of revaluations or asset disposals in 2016/17 (after the 2017/18 budget was agreed) and in the first half of 2017/18;
 - (ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in our 2018/19 Capital Programme that do not add value to the Council's fixed asset base.
 - (iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2018/19 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.
- These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

12 Variations in Recharges (Dr £81k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

13 Variations in Building Maintenance (Dr £53k)

Variations in building maintenance are due to the realignment of budgets to reflect business priorities. There are corresponding adjustments in other portfolios and these are balanced out across the council with a net nil variation.

14 Variations in Insurance Recharges (Dr £161k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because an extra year of claims experience since the 2017/18 budget was finalised has been factored in. The overall variation across the Council is Dr £41k, mainly as a result of the increase in Insurance Premium Tax from 10% to 12%, which took effect in June 2017.

15 Variations in Rent Income (Dr £47k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

**ENVIRONMENT PORTFOLIO
DRAFT REVENUE BUDGET 2018/19 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Income	Controllable Recharges	Total Controllable	Capital Charges/Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£		£	£				£	£	£	£
Parking Services																
Parking	609,960	1,113,000	2,090	568,790	1,979,390	Cr 11,467,740	44,040	Cr 7,150,470	241,000	32,040	Cr 49,400	223,640	367,730	Cr 6,559,100	426,690	Cr 6,132,410
Street Scene & Green Space																
Management and Contract Support	1,073,770	0	5,070	10,500	0	0	0	1,089,340	0	960	0	960	153,970	1,244,270	Cr 948,170	296,100
Parks and Green Space	78,220	3,220,570	4,500	46,050	2,240,710	Cr 43,470	Cr 260,000	5,286,580	559,000	712,420	Cr 294,260	977,160	590,480	6,854,220	Cr 715,500	6,138,720
Street Environment	189,350	26,820	26,350	404,010	3,778,400	Cr 8,130	0	4,416,800	41,000	9,040	0	50,040	805,940	5,272,780	Cr 250,040	5,022,740
Street Regulation and Enforcement incl markets	653,220	5,220	21,020	154,860	0	Cr 488,190	0	346,130	0	1,470	0	1,470	204,630	552,230	Cr 558,950	Cr 6,720
Transport Operations and Depot Management	364,080	258,440	27,780	185,580	0	Cr 137,150	0	698,730	32,000	187,490	Cr 108,830	110,660	268,150	1,077,540	Cr 1,036,860	40,680
Tree Maintenance	216,440	100,190	4,880	426,050	0	0	0	747,560	0	274,660	0	274,660	72,830	1,095,050	Cr 595,800	499,250
Waste Services	219,160	37,000	18,550	435,470	23,117,510	Cr 5,670,370	Cr 10,100	18,147,220	85,000	490	0	85,490	1,086,700	19,319,410	Cr 153,350	19,166,060
	2,794,240	3,648,240	108,150	1,662,520	29,136,620	Cr 6,347,310	Cr 270,100	30,732,360	717,000	1,186,530	Cr 403,090	1,500,440	3,182,700	35,415,500	Cr 4,258,670	31,156,830
Transport & Highways																
Traffic & Road Safety	1,398,850	0	14,830	31,890	0	Cr 102,000	Cr 1,090,250	253,320	0	2,960	0	2,960	507,710	763,990	0	763,990
Highways (Including London Permit Scheme)	1,563,490	1,458,130	119,930	4,942,130	52,270	Cr 1,199,810	Cr 143,690	6,792,450	4,012,000	475,160	Cr 18,840	4,468,320	2,563,640	13,824,410	Cr 464,480	13,359,930
	2,962,340	1,458,130	134,760	4,974,020	52,270	Cr 1,301,810	Cr 1,233,940	7,045,770	4,012,000	478,120	Cr 18,840	4,471,280	3,071,350	14,588,400	Cr 464,480	14,123,920
	6,366,540	6,219,370	245,000	7,205,330	31,168,280	Cr 19,116,860	Cr 1,460,000	30,627,660	4,970,000	1,696,690	Cr 471,330	6,195,360	6,621,780	43,444,800	Cr 4,296,460	39,148,340