

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	5,169	Cr 3	1	Cr 9	0
290	Street Regulation and Enforcement incl markets	372	348	295	Cr 53	2	Cr 46	0
17,009	Waste Services	17,661	17,780	17,413	Cr 367	3	Cr 272	0
4,206	Street Environment	4,261	4,272	4,252	Cr 20	4	Cr 30	0
804	Management and Contract Support	871	938	1,002	64	5	62	0
632	Transport Operations and Depot Management	680	688	684	Cr 4	6	Cr 17	0
877	Trees	736	766	766	0		0	0
28,995		29,775	29,964	29,581	Cr 383		Cr 312	
Parking Services								
Cr 7,425	Parking	Cr 7,468	Cr 7,313	Cr 7,601	Cr 288	7-12	Cr 171	0
Cr 7,425		Cr 7,468	Cr 7,313	Cr 7,601	Cr 288		Cr 171	0
Transport & Highways								
245	Traffic & Road Safety	318	318	343	25	13	46	0
8,971	Highways (including London Permit Scheme)	6,554	6,577	6,657	80	14	Cr 94	0
9,216		6,872	6,895	7,000	105		Cr 48	0
30,786	TOTAL CONTROLLABLE	29,179	29,546	28,980	Cr 566		Cr 531	0
8,165	TOTAL NON-CONTROLLABLE	5,468	5,633	5,589	Cr 231	15	Cr 44	0
2,394	TOTAL EXCLUDED RECHARGES	2,244	2,244	2,244	0		0	0
41,345	PORTFOLIO TOTAL	36,891	37,423	36,813	Cr 797		Cr 575	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
Non - Controllable R&M - Water Treatment	52
Additional resources for staffing (Exec 9.8.17)	
- Approved by Exec 9.8.17	79
- Delay in recruitment	Cr 61
Business Rates revaluation	182
Waste4Fuel DRF	47
Pothole Action Fund Expenditure	113
Pothole Action Fund Income	Cr 113
Latest Approved Budget for 2017/18	<u>37,423</u>

REASONS FOR VARIATIONS

1. Parks and Green Spaces Cr £3k

Overall a net variation of Cr £3k is projected for Parks and Green Spaces. An underspend of £27k on staffing as a result of part year vacancies is partly offset by additional costs of £24k for park strategy development and infrastructure works.

2. Street Regulation and Enforcement incl markets Cr £53k

Additional income of £40k is expected from the sale of promotional space within Bromley Town Centre. Other underspends total £13k mainly from part year vacancies.

Summary of variations within Street Regulation and Enforcement:	£'000
Additional advertising income	Cr 40
Underspend on Staffing	Cr 11
Other net income	Cr 2
Total variation for Street Regulation and Enforcement	Cr 53

3. Waste Services Cr £367k

Overall tonnage is expected to be 1,400 tonnes below last year and the current budget, mainly for recycling tonnage. As a result, contract disposal costs will be £68k below budget.

Additional income of £32k 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 £191k. This is made up of an underspend of £38k related to a lower use of the sixth vehicle during the year. Other net underspends total £9k mainly due to fewer containers being purchased than originally budgeted for. Sales of green garden waste stickers have not dropped off as much as in previous years and additional income of £23k is expected and there is a net increase in the number of wheelie bin customers in 2017/18 resulting in extra income of £121k being forecast.

The Coney Hill contract is expected to overspend by £15k as the gas extraction system has to be upgraded.

The waste collection contract is likely to underspend by £48k as there has been a reduction in large scale fly tipping incidents over 3m² and a reduction in the emptying of recycling banks.

There is a projected overspend of £44k for the disposal cost of incineration ash, mainly due to an invoice received for a previous year.

Additional legal advice has been procured in relation to the Environmental Services Tender totalling £21k.

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 11,800 tonnes will be diverted by landfill and disposed of using Mechanical Biological Treatment. This will provide an additional credit of £39k.

£30k will be used to upgrade the IT systems at the Central Depot client offices, ensuring both current reliability and development potential as future contract systems are implemented.

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

Additional commissioning project support was needed to ensure the tight deadlines for publishing the Environment contract were met Dr £20k .

Other minor variances across the service total £36k.

A request is being made to the Executive to carry forward the £120k set aside for developing a direct debit system for the GGW service during next year. The debt management system has recently gone live and therefore the work required to enable direct debit payments to be taken for the GGW service will not start until April 2018.

Summary of overall variations within Waste Services	£'000
Waste disposal costs	Cr 68
Recycling Income	Cr 32
Green Garden Waste Service	Cr 191
Waste collection contract	Cr 48
Settlement with Veolia	Cr 50
Additional MBT (Mechanical Biological Treatment) income	Cr 39
Overspend on disposal of incineration ash	44
Coney Hill	15
Depot review by C & W	15
Legal advice for the Environment contract	21
IT systems upgrade at Central Depot offices	30
Additional commissioning project support for the Environment contract.	20
Other variances across the service	36
Carry forward of underspend re green garden waste direct debits	Cr 120
Total variation for Waste Services	Cr 367

4. Street Environment Cr £20k

The Street Environment budget is expected to underspend by £20k due to part year vacancies.

5. Management and Contract Support Dr £64k

It is expected that £20k will be used to upgrade the 'Fix My Street' system and £80k to procure additional support and evaluation expertise for the waste contracts. It should be noted that part of the £80k may need to be carried forward to 2018/19 when the majority of the contract evaluation will take place.

This is partly offset by a projected net underspend of £41k on salaries due to part year vacancies. Other minor variations total to Dr £5k.

Summary of variations within Management & Contract Support:	£'000
Upgrade of 'Fix My Street'	20
Evaluation expertise for the waste contract	80
Underspend on Staffing	Cr 41
Other net variations	5
Total variation for Management & Contract Support	64

6. Transport Operations and Depot Management Cr £4k

Part year vacancies have resulted in an underspend of £13k. This is partly offset by £9k expenditure for a feasibility study on resurfacing works.

7. Income from Bus Lane Contraventions Cr £400k

There is a net projected surplus of £400k on the redeployable automated cameras in bus lanes for 2017/18. This is based on numbers of contraventions to December 2017. It is unlikely that this level of activities will continue in 2018/19 as it is anticipated that the numbers of contraventions in bus lanes will reduce in the future due to increase compliance.

8. Off/On Street Car Parking Dr £166k

Overall there is a net variation of Dr £166k for Off and On Street parking.

A deficit of £238k is forecast for Off Street Parking income. This is mainly due to downward trend in Off Street parking usage and 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 £23k. These issues now seem to have been resolved.

A shortfall of £53k in income is projected due to the delay with the roll out of additional On Street Parking bays.

Based on activity to December 2017, additional income of £62k is expected to be received from cashless parking fees, as the use of this service continues to grow.

£40k additional income is projected from the suspension of existing parking restrictions.

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

Summary of variations within Off/On Street Car Parking	Off St £'000	On St £'000	Total £'000
Off/On Street Car Parking income	238	0	238
Delay in roll out of additional On Street parking bays	0	53	53
Level of Defaults applied to contract Apr to Dec 17	Cr 22 Cr	1 Cr	23
Less additional Ring Go fees	Cr 23 Cr	39 Cr	62
Additional income from suspensions	0 Cr	40 Cr	40
Total variations within Off/On Street Parking	193 Cr	27	166

9. Car Parking Enforcement Dr £39k

From the activity levels up to December 2017, there is a projected net deficit of around Dr £190k 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). This position continued although from 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 costs of around Cr £136k for April to December 2017.

A projected underspend of £15k is projected for costs relating to appeal cases heard by the Traffic Committee for London due to a slight reduction in numbers.

Summary of variations within Car Parking Enforcement	£'000
PCNs issued by wardens	190
APCOA Enforcement defaults	Cr 136
Traffic Committee for London	Cr 15
Total variations within Car Parking Enforcement	39

10. Parking Shared Service Cr 55k

A net variation of Cr £55k for the Parking Shared Service mainly due to vacant posts.

11. Permits Cr 35k

There is a projected surplus of £35k for permit parking income based on activity levels up to December 2017.

12. Disabled Parking Cr 3k

The variation of Cr £3k is made up of an underspend of £11k on issuing / renewal of Blue Badges partly offset by additional costs of £8k for Blue Badge prosecutions for misuse.

Summary of overall variations within Parking:		£'000
Bus Routes Enforcement	Cr	400
Off Street Car Parking		193
On Street Car Parking	Cr	27
Car Parking Enforcement		39
Parking Shared Services	Cr	55
Permit Parking	Cr	35
Disabled Parking	Cr	3
Total variation for Parking	Cr	<u>288</u>

13. Traffic & Road Safety Dr £25k

There is a projected shortfall of £50k for advertising income due to delays with obtaining planning permission for the digital display units and a net £10k overspend on supplies and services. This is partly offset by £35k additional income received from road closure charges.

14. Highways- Including London Permit Scheme Dr £80k

Within NRSWA income, there is a projected £60k surplus of income. Additional income for Coring and Section 74 Notices has partly offset a shortfall of income from Inspection charges, Fixed Penalty Notices, and Defect Notices, as a result of improving performance by utility companies.

There is a projected overspend of £120k on the Winter service budget due to the snowfall during February and this figure could increase further should there be more adverse weather in the remaining few weeks of the year.

Based on activity levels at December 17, it is anticipated the unrecovered impact damage budget will underspend by £60k.

This has been partly offset by additional expected costs of £80k to undertake the project management and specialist support for Lots 6 and 7 of the environment contract.

Summary of Variations within Highways		£'000
Projected variations on NRSWA Income		
Inspection Charges		10
Defects and Permits		13
Coring (net)	Cr	55
Section 74 Notices	Cr	32
Fixed Penalty Notices		4
Subtotal	Cr	<u>60</u>
Overspend on Winter service budget		120
Underspend on Unrecovered impact damage	Cr	60
Lot 5-7 project management and specialist support costs		80
Total Projected variations for Highways		<u>80</u>

EARLY WARNING

Officers have received notification from the Department for Transport in February 2018 that a total of £226k additional funding has been allocated to Bromley for Pothole Action for 2017/18 and 2018/19. As this notification has been received so late in the year, a request to carry forward the £113k 2017/18 allocation as a receipt in advance will be submitted in order to carry out works on repairing potholes during 2018/19. A separate report is included elsewhere in the agenda.

15. Non-controllable Cr £231k

There is a projected surplus income of £68k within the property rental income budget, and £163k underspend on R&M works on Central Depot wall. 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:

- 1) £44k for a specialist consultant (CW Infrastructure) to prepare the contract documents and to assist in letting of the Highways Services Contracts (Lot 6 & 7).
- 2) £69k for a 2 year contract for system maintenance of CCTV automated cameras with Openview; cumulative value £318k

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, one virement has been actioned.

- 1) Virement of £30k from Street Cleansing to Tree Maintenance to undertake works as a result of recent stormy weather.