

## 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
<b>ENVIRONMENT PORTFOLIO</b>								
<b>Street Scene &amp; Green Spaces</b>								
5,177	Parks and Green Spaces	5,194	5,172	5,071	Cr 101	1	Cr 3	0
290	Street Regulation and Enforcement incl markets	372	355	243	Cr 112	2	Cr 53	0
17,009	Waste Services	17,661	17,781	16,930	Cr 851	3	Cr 367	0
4,206	Street Environment	4,261	4,272	4,103	Cr 169	4	Cr 20	0
804	Management and Contract Support	871	944	907	Cr 37	5	64	0
632	Transport Operations and Depot Management	680	689	706	17	6	Cr 4	0
877	Trees	736	766	801	35	7	0	0
<b>28,995</b>		<b>29,775</b>	<b>29,979</b>	<b>28,761</b>	<b>Cr 1,218</b>		<b>Cr 383</b>	
<b>Parking Services</b>								
Cr 7,425	Parking	Cr 7,468	Cr 7,313	Cr 7,893	Cr 580	8-13	Cr 288	0
<b>Cr 7,425</b>		<b>Cr 7,468</b>	<b>Cr 7,313</b>	<b>Cr 7,893</b>	<b>Cr 580</b>		<b>Cr 288</b>	<b>0</b>
<b>Transport &amp; Highways</b>								
245	Traffic & Road Safety	318	328	286	Cr 42	14	25	0
8,971	Highways (including London Permit Scheme)	6,554	6,580	6,589	9	15	80	0
<b>9,216</b>		<b>6,872</b>	<b>6,908</b>	<b>6,875</b>	<b>Cr 33</b>		<b>105</b>	<b>0</b>
<b>30,786</b>	<b>TOTAL CONTROLLABLE</b>	<b>29,179</b>	<b>29,574</b>	<b>27,743</b>	<b>Cr 1,831</b>		<b>Cr 566</b>	<b>0</b>
8,165	<b>TOTAL NON-CONTROLLABLE</b>	5,468	6,601	6,601	0		Cr 231	0
2,394	<b>TOTAL EXCLUDED RECHARGES</b>	2,244	2,323	2,323	0		0	0
<b>41,345</b>	<b>PORTFOLIO TOTAL</b>	<b>36,891</b>	<b>38,498</b>	<b>36,667</b>	<b>Cr 1,831</b>		<b>Cr 797</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

## Original Budget 2017/18

36,891

Green Garden Waste Direct Debits

120

Non- Controllable R&amp;M - Central Depot

113

Non - Controllable R&amp;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

Staff Merit Award

28

Latest Approved Budget for 2017/18

37,451

## Memorandum Items

Capital Charges

614

Insurance

25

Rent Income

Cr 44

Repairs &amp; Maintenance

Cr 138

IAS19 (FRS17)

511

Excluded Recharges

79

Reported Latest Approved Budget for 2017/18

38,498

**REASONS FOR VARIATIONS****1. Parks and Green Spaces Cr £101k**

Overall Parks and Green Spaces had a net underspend of £101k. There was an underspend of £17k on staffing as a result of part year vacancies and £80k was intended to be spent on park strategy development and infrastructure works, however, this was delayed as staff were involved in the preparation of documents for the Environment Contract.

There were other minor underspends of £4k across the service.

<b>Summary of variations within Parks and Green Spaces</b>	<b>£'000</b>
Underspend on Staffing	Cr 17
Delay on Park strategy development and infrastructure works	Cr 80
Other net variations	Cr 4
<b>Total variation for Parks and Green Spaces</b>	<b>Cr 101</b>

In year plans were in place to carry out additional works to park infrastructure. Due to a lack of staffing capacity to procure the additional works coupled with the poor weather, the infrastructure works planned to be completed during quarter 4 could not be progressed. Officers are therefore seeking approval to carry forward £80k to complete the works in 2018/19.

**2. Street Regulation and Enforcement incl markets Cr £112k**

This variation is made up of additional income of £43k received from the sale of promotional space within Bromley Town Centre, an underspend of £22k due to part year vacancies and additional income of £14k from market stalls.

As a result of successful debt recovery processes, income was received from some outstanding debts relating to markets and therefore £33k was released from the bad debt provision.

<b>Summary of variations within Street Regulation and Enforcement:</b>	<b>£'000</b>
Additional advertising income	Cr 43
Underspend on Staffing	Cr 22
Release of bad debt provision	Cr 33
Income from markets	Cr 14
<b>Total variation for Street Regulation and Enforcement</b>	<b>Cr 112</b>

**3. Waste Services Cr £851k**

Overall tonnage was 3,550 tonnes below the current budgeted tonnage and that received for last year. The reduction was mainly for recycling tonnage (2,960 tonnes). As a result, contract disposal costs were £284k below budget.

Paper tonnage dropped below 12,000 tonnes for the first time in a number of years, resulting in a deficit of £67k. The most significant drop occurred during the last 4 months of the year, where tonnage was well below the normal monthly average of 1,050 tonnes. This was partly offset by an additional income of £11k received for paper tonnage relating to previous years.

Income from trade waste that came in across the weighbridges increased far more than previously expected in the remaining 3 months of the year, resulting in additional income of £53k above budget.

Other recycling income was £49k above budget. This was mainly due to an increase in the market price of recyclates as well as a small increase in recycling tonnage.

Across the garden waste collection services, there was an underspend of £227k. This included an underspend of £66k related to a lower use of the sixth vehicle during the year. Other net underspends total £16k 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 £24k has been received. A net increase in the number of wheelie bin customers in 2017/18 has resulted in extra income of £121k.

The Coney Hill contract has overspent by £8k as the gas extraction system had to be upgraded.

The waste collection contract has underspent by £61k as there has been a reduction in large scale fly tipping incidents over 3m<sup>3</sup> and a reduction in the emptying of recycling banks.

Additional legal advice was procured in relation to the Environmental Services Tender totalling £23k.

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

During the year 16,540 tonnes were diverted from landfill and disposed of using a Mechanical Biological Treatment. This resulted in a saving of £55k.

Overall there was an underspend of £81k across all of the waste container budgets as there were sufficient numbers held in storage at the end of the year and therefore further procurement was not required.

£28k has been 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 £16k were 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 .

Additional income of £33k was received due to an increase in special collections required by residents and extra trade waste collection customers.

Other minor variances across the service total Dr £11k.

On 28 March 2018 Executive agreed in principle to carry forward £120k to develop 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. Formal approval of the carry forward is now sought.

<b>Summary of overall variations within Waste Services</b>		<b>£'000</b>
Waste disposal costs	Cr	284
Savings as a result of MBT (Mechanical Biological Treatment)	Cr	55
Income from recycled paper		56
Other recycling Income	Cr	49
Green Garden Waste Service	Cr	227
Waste collection contract	Cr	61
Settlement with Veolia	Cr	50
Coney Hill		8
Depot review by C & W		16
Legal advice for the Environment contract		23
Trade Waste Delivered income	Cr	53
Waste containers	Cr	81
IT systems upgrade at Central Depot offices		28
Additional commissioning project support for the Environment contract.		20
Income from special collections and trade waste collections	Cr	33
Other variances across the service		11
Carry forward of underspend re green garden waste direct debits	Cr	120
<b>Total variation for Waste Services</b>	<b>Cr</b>	<b>851</b>

#### **4. Street Environment Cr £169k**

Although there were plans in place to spend the cleansing contingency and gully cleansing budget, delays occurred due to adverse weather conditions and part year vacancies. This has resulted in an underspend on the cleansing contract of £30k and £80k on the gully cleaning contract. This was used to fund the additional D ring cleansing costs of £64k, instead of drawing down funding from the earmarked reserve set aside for Members' Initiatives.

A provision of £39k was released that had been set aside for the demolition works of the public conveniences. The demolition of Chislehurst public convenience was funded by the property planned programme budget during 2017/18 and all other buildings are now expected to be sold rather than demolished, and therefore this provision was no longer required.

During the year there was a reduction in the amount of graffiti removal works required, resulting in an underspend of £39k.

There was an underspend of £22k on staffing due to part year vacancies and other minor variations totalled Cr £23k.

<b>Summary of variations within Street Environment:</b>		<b>£'000</b>
Underspend on Gully cleaning and Cleansing	Cr	110
D Ring Cleansing		64
Release of provision for outstanding demolition works at Public Conveniences	Cr	39
Underspend on Graffiti Removal	Cr	39
Underspend on Staffing	Cr	22
Other net variations	Cr	23
<b>Total variation for Street Environment</b>	<b>Cr</b>	<b>169</b>

**5. Management and Contract Support Cr £37k**

Part year vacancies have resulted in an underspend of £41k partly offset by some minor variations totalling Dr £4k.

Executive on 28th March 2018 agreed in principle to carry forward £80k on the underspend within Street Scene & Green Spaces to procure additional support and evaluation expertise for the waste contracts in 2018/19, when the majority of the contract evaluation will take place. Formal approval is now sought.

**6. Transport Operations and Depot Management Dr £17k**

Additional resurfacing works were carried out at the depot costing £42k. This was partly offset by an underspend of £25k, mainly due to part year vacancies.

**7. Tree Dr £35k**

The arboriculture service budget has overspent by £35k due to health and safety remedial works associated with stormy weather and extra trees being planted.

**8. Income from Bus Lane Contraventions Cr £434k**

There was a net surplus of £422k on the redeployable automated cameras in bus lanes for 2017/18 due to a higher number of contraventions than expected. It is unlikely that this level of activity will continue in 2018/19, as it is anticipated that the numbers of contraventions in bus lanes will reduce in the future due to increased compliance. Other minor net underspends totalled £12k.

**9. Off/On Street Car Parking Dr £66k**

Overall there was a net overspend of £66k for Off and On Street parking.

There was a deficit of £225k for Off Street Parking income. This was mainly due to a reduction in usage and initial problems with the new Parking contract, which started in April. These contract issues included car park cleaning, cash collection and counting, and resulted in defaults of £24k being applied. These issues now seem to have been resolved. This was partly offset by £38k surplus income for On Street Parking.

A delay with the roll out of additional On Street Parking bays has resulted in a shortfall of income of £53k.

Additional income of £74k was received from cashless parking fees, as the use of this service continues to grow.

£47k extra income was received from the suspension of existing parking restrictions and other minor underspends across the service total £29k.

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

	Off St	On St	Total
	£'000	£'000	£'000
<b>Summary of variations within Off/On Street Car Parking</b>			
Off/On Street Car Parking income	225 Cr	38	187
Level of Defaults applied to contract	Cr 23 Cr	1 Cr	24
Delay in roll out of additional On Street parking bays	0	53	53
Additional income from Ring Go fees	Cr 27 Cr	47 Cr	74
Additional income from suspensions	0 Cr	47 Cr	47
Other minor variations	4 Cr	33 Cr	29
<b>Total variations within Off/On Street Parking</b>	<b>179 Cr</b>	<b>113</b>	<b>66</b>

**10. Car Parking Enforcement Cr £110k**

There was a net deficit of £138k 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 of Civil Enforcement Officers (CEOs). This position continued, although from September this seems to have stabilised and staff were recruited with the necessary skills and abilities to carry out the contract. Defaults of £155k were applied to the Enforcement part of the contract for 2017/18.

There was an underspend of £47k for costs relating to appeal cases heard by the Traffic Committee for London due to a slight reduction in numbers. Other variations total Cr £46k.

<b>Summary of variations within Car Parking Enforcement</b>	<b>£'000</b>
PCNs issued by wardens	138
APCOA Enforcement defaults	Cr 155
Traffic Committee for London (Appeal cases)	Cr 47
Other net variations	Cr 46
<b>Total variations within Car Parking Enforcement</b>	<b>Cr 110</b>

**11. Parking Shared Service Cr £26k**

There is a net underspend of £26k for the Parking Shared Service mainly due to vacant posts.

**12. Permits Cr £55k**

Additional income of £51k was received due to an increase in visitor permits issued and there were other minor variations of Cr £4k.

**13. Disabled Parking Cr £21k**

The variation of £21k for Disabled Parking was mainly due to an underspend on costs of issuing / renewal of Blue Badges.

<b>Summary of overall variations within Parking:</b>	<b>£'000</b>
Bus Routes Enforcement	Cr 434
Off Street Car Parking	179
On Street Car Parking	Cr 113
Car Parking Enforcement	Cr 110
Parking Shared Services	Cr 26
Permit Parking	Cr 55
Disabled Parking	Cr 21
<b>Total variation for Parking</b>	<b>Cr 580</b>

**14. Traffic & Road Safety Cr £42k**

There was a shortfall of advertising income of £56k due to delays in obtaining planning permission for the digital display units. This was offset by £98k additional income received from road closure charges, mainly due to additional applications from utilities companies to carry out infrastructure works. It should be noted that it is not expected that the Utilities will submit this volume of applications in future years.

**15. Highways- Including London Permit Scheme Dr £9k**

There was an overall net surplus of £70k for NRSWA income. This was made up of additional income of £112k for Coring and Section 74 Notices partly offset by the shortfall of income (£42k), from Inspection charges, Fixed Penalty Notices and Defect Notices, as a result of improving performance by utility companies.

There was a net underspend of £69k on drainage works. This has been offset by extra costs of £74k for project management and specialist support, for Lots 6 and 7 of the environment contract and additional agency staff costs of £20k.

Due to the snowfall during February and March, the winter service budgets overspent by £74k.

Other minor underspends across the service totalled £20k.

It should be noted that within Street Lighting, there was a net underspent of £89k on the maintenance and electricity budgets, which was used to pay back the Invest to Save fund.

In February 2018, notification of £226k funding for Pothole Action for 2017/18 and 2018/19 was received from the Department for Transport. This was reported to the Executive on 28th March 2018, and Members agreed a request to carry forward the £113k 2017/18 allocation as a receipt in advance in order to carry out works on repairing potholes during 2018/19.

**Summary of Variations within Highways**

Additional NR&SWA income	Cr	70
Underspend on Drainage	Cr	69
Project management and specialist support for Lots 6 and 7 (Highways Contract)		74
Overspend on agency staff		20
Overspend on Winter service budget		74
Other minor underspends	Cr	20
<b>Total variations for Highways</b>		<b><u>9</u></b>

**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:

- 1a) £52k to install additional cycle parking at Elmstead Woods (TfL capital scheme) and
- 1b) £35k design works for improvement to Orpington Station Forecourt (TfL capital scheme); total £115k cumulative spend with contractor.
- 2) £10k to procure additional bike hangers (TfL capital scheme); £180k cumulative contract value

**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 virement has been actioned.