

Environment & Community Services Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Final Approved £'000	2018/19 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO							
	Street Scene & Green Spaces							
5,071	Parks and Green Spaces	5,231	5,361	5,328	Cr 33	1	Cr 17	0
243	Street Regulation and Enforcement incl markets	352	357	368	11	2	6	0
16,930	Waste Services	18,120	17,715	17,096	Cr 619	3	Cr 331	0
4,103	Street Environment	4,414	4,409	4,289	Cr 120	4	Cr 100	0
907	Management and Contract Support	1,085	1,291	1,172	Cr 119	5	Cr 71	0
801	Trees	749	750	802	52	6	0	0
28,055		29,951	29,883	29,055	Cr 828		Cr 513	0
	Transport Operations and Depot							
706	Transport Operations and Depot Management	701	532	527	Cr 5		0	0
706		701	532	527	Cr 5		0	0
	Transport & Highways							
286	Traffic & Road Safety	324	330	234	Cr 96	7	Cr 105	0
Cr 7,893	Parking	Cr 7,119	Cr 7,419	Cr 7,499	Cr 80	8 - 13	54	0
6,589	Highways (including London Permit Scheme)	6,689	6,521	6,175	Cr 346	14	Cr 125	0
Cr 1,018		Cr 106	Cr 568	Cr 1,090	Cr 522		Cr 176	0
27,743	TOTAL CONTROLLABLE	30,546	29,847	28,492	Cr 1,355		Cr 689	0
6,601	TOTAL NON-CONTROLLABLE	6,195	4,378	4,378	0		14	0
2,323	TOTAL EXCLUDED RECHARGES	2,540	2,618	2,618	0		0	0
36,667	PORTFOLIO TOTAL	39,281	36,843	35,488	Cr 1,355		Cr 675	0

Reconciliation of Final Approved Budget

£'000

Original Budget 2018/19

39,281

Carry Forward Requests approved from 2017/18

Green Garden Waste Direct Debits		120
Highway Pothole Grant 2017/18 - Income	Cr	113
Highway Pothole Grant 2017/18 - Expenditure		113
Management and Contract Support		80
Parks Infrastructure works		80

Central Contingency Adjustments

Waste Disposal	Cr	490
Parking - Bus lane contraventions	Cr	300
PYE savings relating to award of Highways maintenance contract	Cr	169
Additional Income & Saving opportunity (AMEY)	Cr	181
Merit Award		25

Other

Inflation adjustment		56
R&M - Fire Risk Assessments & Cyclical Maintenance		45

Final Approved Budget for 2018/19

38,547

Memorandum Items

Insurance	Cr	8
IAS19 (FRS17)		616
Past service cost	Cr	47
Repairs & Maintenance	Cr	188
Capital Charges 5802		316
Deferred Charges (REFCUS) 5804	Cr	73
Impairment 5806	Cr	1,065
Gov Grants Deferred 5807	Cr	560
Rent Income		17
Excluded Recharges		158
Finance Lease: Payment	Cr	657
Finance Lease: Finance cost	Cr	213

Reported Latest Approved Budget for 2018/19

36,843

REASONS FOR VARIATIONS**1. Parks and Green Spaces Cr £33k**

Overall Parks and Green Spaces has a net underspend of £33k. £24k additional income was received from floral bedding sponsorship and there was a minor underspend of £9k across supplies and services.

2. Street Regulation and Enforcement incl markets Dr £11k

Additional enforcement work was carried out by Ward Security totalling £63k to partly cover for in-year vacancies (Cr £38k). Other minor underspends totalled £14k.

3. Waste Services Cr £619k

Although overall tonnage was only 200 tonnes below the current budgeted tonnage, over 2,400 more tonnes were recycled which has resulted in reduced costs of £171k. However, disposal costs of £77k were incurred for the removal and disposal of some dumped trailers during the year, so the net underspend for waste disposal was £94k.

Recycling income was £71k above budget. This was due to an increase in the market price of textiles and iron, as well as an increase in paper tonnage (687 tonnes).

Across the garden waste collection services, there was an underspend of £326k. This included an underspend of £232k related to a lower use of the sixth vehicle during the year, partly offset by additional expenditure of £21k mainly from the purchase of extra containers. A net increase in the number of wheelie bin customers in 2018/19 has resulted in extra income of £115k.

A reduction in tonnage received over the weighbridge from trade customers during the year has resulted in a reduction in income of £76k from trade waste delivered.

Within trade waste collection there was a shortfall of income of £53k, mainly due to a higher customer dropout compared to the level expected.

During the year several outstanding invoices for trade waste collection services were settled and therefore an amount of £70k has been released from the provision for bad debts.

There was a net underspend of £70k on the refuse collection contract, mainly due to a lower volume than expected on the variable elements including collection of trade bulk containers, clinical waste collections and emptying of recycling banks. This has offset the £31k cost for purchasing additional trade waste, domestic and recycling containers.

Following agreement of the 2017/18 and 2018/19 level of defaults, a total credit of £80k was received.

The Coney Hill contract has underspent by £18k as the cost of upgrading the monitoring system was lower than expected.

Additional works valued at £93k have been carried out during the mobilisation of the new Environment contract including upgrades on Confirm, the weighbridge system and relocating various teams within the depot.

Other minor variations across the waste service total Cr £23k.

A request is being made to the Executive to carry forward the £120k set aside for developing a direct debit system for the Green Garden Waste (GGW) service. Due to the mobilisation of the Environmental contracts, the direct debit system has been delayed and the work required to enable direct debit payments to be taken for the GGW service will not start until April 2019.

Summary of overall variations within Waste Services

	£'000
Waste disposal costs	Cr 94
Additional income from sale of recycling materials	Cr 71
Green Garden waste service	Cr 326
Shortfall in trade waste delivered income	76
Trade waste collected income	53
Release of bad debt provision for trade waste collected income	Cr 70
Coney Hill monitoring system	Cr 18
Underspend on refuse collection contract	Cr 70
Defaults received for the waste contract	Cr 80
Purchase of waste containers	31
Mobilisation of the Environment contract	93
Other minor underspends	Cr 23
C/f of underspend re. GGW system to accept direct debit payments	Cr 120
Total variation for Waste Services	Cr 619

4. Street Environment Cr £120k

A reduction on the amount of reactive graffiti removal works required during the year has resulted in an underspend of £80k.

Due to a dry summer and a lower volume of cyclical cleansing than expected, there was £97k underspend on the gully and soakaways cleaning contracts. This was used to fund £73k additional works on fly tipping campaigns and enforcement, instead of drawing down funding from the earmarked reserve set aside for Members' Initiatives.

Other minor variances totalled Cr £16k.

Summary of overall variations within Street Environment:

	£'000
Reduction in reactive graffiti removal works	Cr 80
Underspend on gully and soakaways cleaning contracts	Cr 97
Additional works on fly tipping	73
Other minor variances	Cr 16
Total variation for Street Environment	Cr 120

5. Management and Contract Support Cr £119k

Part year vacancies have resulted in £101k underspend on the staffing budget.

On 21 May 2018, Members approved a carry forward request of £80k from 2017/18 to fund additional administrative support during the evaluation and mobilisation of the new Environment contract. £50k of which was allocated for the provision of technical support and specialist advice, however only costs of £15k were incurred which has resulted in an underspend of £35k.

There was a minor overspend of £17k across supplies and services.

6. Tree Dr £52k

The arboriculture service budget has overspent by £52k due to callouts and health and safety remedial works associated with the stormy weather.

7. Traffic & Road Safety Cr £96k

Additional income of £102k was received from road closure charges, mainly due to additional applications from Utility companies to carry out infrastructure works. It should be noted that it is not expected that the Utilities companies will submit this volume of applications in future years. Other minor variations totalled Dr £6k.

Parking**8. Income from Bus Lane Contraventions Cr £244k**

There was a net surplus of £146k on the redeployable automated cameras in bus lanes for 2018/19 due to a higher number of contraventions than expected. It is unlikely that this level of activity will continue in 2019/20, as it is anticipated that the number of contraventions in bus lanes will reduce in the future due to increased compliance. An additional £98k income was received from PCNs issued in previous years.

9. Off/On Street Car Parking Dr £121k

Overall there was a net overspend of £121k for Off and On Street parking.

There was a deficit of £165k for Off and On Street Parking income. This was mainly due to a continued downward trend in parking usage, in particular for the on street bays & multi-storey car parks. This deficit included the delay with the roll out of additional On Street Parking bays.

Additional income of £42k was received from cashless parking fees, as the use of this service continues to grow.

During 2018/19, £7k defaults were applied to the contract relating to the management of On & Off Street Parking.

£19k extra income was received from the suspension of existing parking restrictions. This partly offset other minor overspends across the service totalling £24k.

The table below summarises the variations for Off and On Street Car parking: -

	OFF ST	ON ST	Total
	£'000	£'000	£'000
Summary of variations within Off/On Street Car Parking			
Off/On Street Car Parking income	32	133	165
Less additional Ring Go fees	Cr 15	Cr 27	Cr 42
Level of Defaults applied to contract	Cr 5	Cr 2	Cr 7
Bay Suspensions		Cr 19	Cr 19
Other minor variations	15	9	24
Total variations within Off/On Street Parking	27	94	121

10. Permit Parking Cr £15k

There was a minor underspend of £15k across Permit Parking, mainly due to additional permit income,. This is a slightly lower increase than previously projected in December 2018.

11. Disabled Parking Cr £16k

The variation of £16k for Disabled Parking was mainly due to an underspend on costs of issuing / renewal of Blue Badges.

12. Car Parking Enforcement Dr £211k

There was a net deficit of £406k from PCNs issued by APCOA in 2018/19. This was due to a reduction in contraventions, issues related to the deployment plan and policy changes to the shared use bays in zone A of Bromley Town Centre, as well as a growing number of ad hoc enforcement requests from residents using the online form.

A reduction in contraventions from CCTV enforcement cameras around Schools has resulted in a shortfall of income of £20k.

Defaults applied to the Enforcement contract totalled £113k, which partly offsets the income variation. £40k of this amount related to defaults for 2017/18.

There was an underspend of £24k on credit card commission and debt collection costs, as a direct result of the reduction of contraventions .

Additional income of £48k was received from PCNs issued in previous years.

Other minor underspend across supplies and services totalled £30k.

Summary of variations within Car Parking Enforcement:

	£'000
PCNs issued by wardens	406
PCNs issued from CCTV enforcement camera	20
APCOA Enforcement defaults	Cr 113
Credit card commission and Debt collection costs	Cr 24
Additional income from PCNs issued in previous years	Cr 48
Other net variations	Cr 30
Total variations within Car Parking Enforcement	<u>211</u>

13. Parking Shared Services Cr £137k

There was a net underspend of £137k on the Parking Shared Service. £17k of which was due to the recent review of the split of costs based on activity levels between LB Bromley and LB Bexley. The remaining underspend of £120k was mainly due to part year vacancies.

Summary of overall variations within Parking:

	£'000
Bus Routes Enforcement	Cr 244
Off Street Car Parking	27
On Street Car Parking	94
Permit Parking	Cr 15
Disabled Parking	Cr 16
Car Parking Enforcement	211
Parking Shared Services	Cr 137
Total variation for Parking	<u>Cr 80</u>

14. Highways (Including London Permit Scheme) Cr £346k

Overall the Highways service has a net underspend of £346k for 2018/19. In year staff vacancies have led to an underspend of £33k on staffing budgets and there was a £20k underspend on car allowances and leased cars.

Within NRSWA income, there was a net surplus of £59k, mainly due to an increase in the number Section 74 Notices.

As a result of successful debt recovery processes, income was received from some outstanding debts relating to NR&SWA and therefore £36k was released from the bad debt provision.

The winter service budgets were £184k underspent, essentially due to the relatively mild winter and lack of snowfall. In addition, the salt budget for snow friends has underspent by £28k.

There was an overspend of £63k on the Street Lighting electricity budget. This was due to a combination of increased energy tariffs and additional usage. The extra usage was largely the result of the LED street lights being temporarily on during the daytime in March 19, as the company controlling the LED system went into administration.

A total of £19k was received from vehicles that were sold at commercial vehicle auctions during the year.

Other minor variations across the service totalled Cr £30k.

Summary of Variations within Highways

	£'000
Staff vacancies	Cr 33
Car allowances and leased cars	Cr 20
Additional NR&SWA income	Cr 59
Release of bad debt provision	Cr 36
Underspend on Winter service budget	Cr 184
Snow friends materials	Cr 28
Additional electricity cost on Street lighting	63
Receipts from commercial vehicle auctions	Cr 19
Other minor underspend	Cr 30
Total variations within Highways:	<u>Cr 346</u>

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 waivers have been actioned.

£315.8k to procure additional traffic enforcement CCTV cameras around schools and 5 years extension on the contract for the provision of software maintenance licence for CCTV traffic Enforcement cameras; £668k 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 virements have been actioned.