

## **REASONS FOR VARIATIONS**

### **1. Parks and Green Spaces Dr £12k**

Overall there is a projected overspend of £12k for Parks and Green Spaces. This consists of £20k additional licence income and £3k underspend on staffing. Plus additional spend of £11k for temporary Enforcement Officers to cover vacancies.

A VAT discrepancy relating to floral bed sponsorship, backdated to 2016, has recently been corrected resulting in a current year deficit of £24k.

#### **Summary of variations within Parks:**

	<b>£'000</b>
Underspend on Staffing	Cr 3
Additional licence income from café at High Elms	Cr 20
Adjustment of VAT for floral bedding sponsorship income	24
Additional charge for temporary Enforcement Officers	11
<b>Total variation for Parks</b>	<b><u>12</u></b>

### **2. Business Support and Markets Cr £28k**

Income relating to Bromley market pitch fees is forecast to underachieve by approximately £15k. There is a small underspend of £8k against staffing within Street Regulation due to in year vacancies. Income generated through advertising and recoveries will overachieve by a projected £19k in line with 2018/19. Street Licence income is projected to exceed budget by £16k based on invoices raised to date.

#### **Summary of variations within Business Support and Markets:**

	<b>£'000</b>
Underachievement of market pitch fees	15
Underspend on staffing	Cr 8
Overachievement of recoveries income	Cr 5
Overachievement of advertising Income	Cr 14
Overachievement of Street Traders' Licences Income	Cr 16
<b>Total variations for Business Support and Markets</b>	<b><u>Cr 28</u></b>

### **3. Waste Services Cr £100k**

Based on latest tonnage, the contract disposal cost is expected to be £570k below budget, mainly as a direct result of the reduction in numbers of trade waste customers and a decrease in residential tonnage. This is partly offset by a £243k cost relating to the disposal of extra tonnage of recyclates.

There is an anticipated reduction in recyclate income of £141k. This is a result of a reduction in paper tonnage and a projected loss of income due to a decrease in price indices, particularly effecting paper and card, during the later part of the Financial Year.

Within trade waste collection there is a net projected shortfall of income of £116k mainly due to a higher customer dropout compared to the level expected, mostly for commercial customers. This is partly offset by £20k reduction on the collection contract cost.

There is a small overspend associated with Green Garden Waste. The collection contract will overspend by £29k with overachievement of income of £21k resulting in a net cost of £8k

#### **Summary of overall variations within Waste Services**

	<b>£'000</b>
Reduction in disposal cost	Cr 570
Increase in cost of processing additional recyclates	243
Reduction in recyclate income	141
Shortfall in trade waste collection income	116
Reduction in collection contract cost	Cr 20
Green Garden Waste	8
Other minor adjustments	Cr 18
<b>Total variation for Waste Services</b>	<b><u>Cr 100</u></b>

### **4. Street Environment Cr £20k**

There is a projected underspend of £20k on staffing relating to part year vacancies.

### **5. Management and Contract Support Dr £41k**

Staffing is projected to overspend due to agency staff employed above establishment to provide contract monitoring support. This is partly offset by other staff vacancies and small underspends on supplies and services.

## **6. Trees Dr £10k**

Expenditure relating to the tree maintenance contract is forecast to overspend by £25k this Financial Year because of a significant backlog of jobs. The current contractor has been given permission to use additional resources to clear these. This is offset by a £55k underspend relating to 'in house' staffing due to two vacant arboricultural officer posts. Consequently annual tree surveys are being procured through outside contractors which will cost approx. £30k and additional post advertisement fees of £10k.

### **Summary of Overall Variations within Trees**

	<b>£'000</b>
Underspend on Staffing	Cr 55
Staff Advertising	10
Additional Tree Maintenance Contract Costs	25
Cost of Tree Surveys	30
	<b>10</b>

## **7. Traffic & Road Safety Cr £109k**

There is a projected underspend of £109k, mainly due to £105k of additional income received from road closure charges following a spike in the number of applications from utility companies to undertake infrastructure work. It is not expected this volume of activity will continue into 2020/21.

### **Parking**

## **8. Income from Bus Lane Contraventions Dr £46k**

There is a projected deficit of £46k on the deployable automated cameras in bus lanes for 2019/20. In part this is due to two periods of closure and diversion in Bromley High Street for streetworks. This closure along with camera issues in Shortlands and road works in Crystal Palace have resulted in a loss of income this Financial Year.

## **9. Off/On Street Car Parking Dr £260k**

A shortfall of £322k is forecast for Off and On Street parking income. This is mainly due to a continued downward trend in parking usage, in particular the off street and multi-storey car parks.

Rental income of £6k is expected for High Street car cleaning services and retail collection lockers located at multi-storey car parks.

Additional income of £48k is projected to be received from cashless parking fees, as use of this service continues to grow.

Income generated from bay suspensions is expected to over-achieve by £7k, however this is partially offset by a deficit in dispensations income of £3k.

There are defaults of £10k against Off and On Street parking to date.

	<b>OFF ST £'000</b>	<b>ON ST £'000</b>	<b>Total £'000</b>
<b>Summary of variations within Off/On Street Car Parking</b>			
Off/On Street Car Parking income	172	150	322
Cashless Parking & Convenience Fees	Cr 16	Cr 32	Cr 48
Bay Suspensions		Cr 7	Cr 7
Dispensations		3	3
Defaults	Cr 3	Cr 7	Cr 10
<b>Total variations within Off/On Street Parking</b>	<b>152</b>	<b>108</b>	<b>260</b>

## **10. Permit Parking Cr £36k**

Current activity levels indicate a potential increase of £36k for permit parking, following the implementation of price increases from 1 April 2019.

## **11. Car Parking Enforcement Cr £40k**

Currently there is a projected overachievement of income of £25k from Penalty Charge Notices (PCNs) issued by Civil Enforcement Officers (CEOs). The contractor has supplied additional CEOs at their own cost following concerns about Q1 PCN numbers. This is partially offset by a £6k deficit on PCNs issued from CCTV enforcement cameras. Officers have identified cameras to be relocated, and 5 new cameras were deployed at schools in September. It is currently too early to predict the effect of these.

There are defaults on the Enforcement contract costs of around Cr £21k.

### **Summary of variations within Car Parking Enforcement**

	<b>£'000</b>
PCNs issued by CEOs	Cr 25
PCNs issued from CCTV enforcement camera	6
Enforcement defaults	Cr 21
<b>Total variations within Car Parking Enforcement</b>	<b>Cr 40</b>

## **12. Parking Shared Service Cr £60k**

There is an anticipated underspend of £60k relating to the parking shared service mainly due to vacant posts across the two boroughs.

<b>Summary of overall variations within Parking:</b>	<b>£'000</b>
Bus Routes Enforcement	46
Off Street Car Parking	152
On Street Car Parking	108
Permit Parking	Cr 36
Car Parking Enforcement	Cr 40
Parking Shared Services	Cr 60
Other Minor Expenditure Variations	14
<b>Total variation for Parking</b>	<b><u>184</u></b>

## **13. Highways- Including London Permit Scheme Cr £61k**

There is a forecast £39k underspend on staffing, mainly due to reduced hours and part year vacancies.

New Roads and Street Works Act (NRSWA) income is projected to underachieve by £19k. This is made up of a £36k shortfall relating to Defect notices as a result of improved performance by utility companies, offset by a surplus of Section 74 income as utility companies are taking longer than agreed to complete works. Fixed Penalty Notices (FPNs) are anticipated to result in a £8k overspend this Financial Year.

<b>Summary of variations on NRSWA Income:</b>	<b>£'000</b>
Defects	36
Section 74 Notices	Cr 25
Fixed Penalty Notices	8
<b>Total variation for NRSWA</b>	<b><u>19</u></b>

There is a total of £18k received from vehicles sold at commercial vehicle auctions and other small variations produce a £23k underspend, this includes variations within materials and car allowances.

## **14. Non-controllable Dr £13k**

There is a projected £13k shortfall of income 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 exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning 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, no waivers have been actioned.

### **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.