

Environment & Community Services Portfolio Budget Monitoring Summary

2018/19 Actuals £'000	Service Areas	2019/20 Original Budget £'000	2019/20 Latest Approved £'000	2019/20 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	PLACE DEPARTMENT							
	Street Scene & Green Spaces							
5,328	Parks and Green Spaces	5,441	5,544	5,537	Cr 7	1	12	0
6	Business Support and Markets	26	Cr 77	Cr 128	Cr 51	2	Cr 20	0
17,096	Waste Services	17,833	17,853	17,853	0	3	Cr 100	0
4,289	Street Environment	5,288	5,563	5,536	Cr 27	4	Cr 20	0
362	Street Regulation	375	249	194	Cr 55	5	Cr 8	0
1,172	Management and Contract Support	1,255	1,266	1,320	54	6	41	0
802	Trees	769	717	797	80	7	10	0
29,055		30,935	31,115	31,109	Cr 6		Cr 85	0
	Transport Operations and Depot							
527	Transport Operations and Depot Management	746	726	721	Cr 5	8	0	0
527		746	726	721	Cr 5		0	0
	Traffic, Parking & Highways							
234	Traffic & Road Safety	334	334	322	Cr 12	9	Cr 109	0
Cr 7,499	Parking	Cr 7,539	Cr 7,538	Cr 7,759	Cr 221	10 - 14	Cr 184	0
6,175	Highways (including London Permit Scheme)	6,818	6,678	6,646	Cr 32	15	Cr 61	0
Cr 1,090		Cr 387	Cr 526	Cr 791	Cr 265		14	0
28,492	TOTAL CONTROLLABLE	31,294	31,315	31,039	Cr 276		Cr 71	0
4,378	TOTAL NON-CONTROLLABLE	6,051	6,051	6,020	Cr 31	16	15	0
2,618	TOTAL EXCLUDED RECHARGES	2,357	2,357	2,357	0		0	0
35,488	PORTFOLIO TOTAL	39,702	39,723	39,416	Cr 307		Cr 56	0

Reconciliation of Latest Approved Budget £'000

Original Budget 2019/20 39,702

Carry Forward Requests approved from 2019/20

Green Garden Waste Direct Debits 120

Central Contingency Adjustments

Inflation adjustment 70

Savings - review of staffing Cr 207

B/R Parks Contract related storage and Premises 25

Savings to be allocated – review of staffing Cr 54

Cross Portfolio movement relating to Review of Staffing 80

Post moved from Street Regulation to PPE (Nuisance and Environmental Protection) Cr 13

Latest Approved Budget for 2019/20

39,723

REASONS FOR VARIATIONS**1. Parks and Green Spaces Cr £7k**

The grounds maintenance budget is forecasting a £75k underspend based on the current level of spend under the new contract. However, there is a requirement to dredge a number of lakes and ponds within parks as these necessary works have not been undertaken for a few years. This will cost £75k this financial year.

Water bills are forecast to overspend by £30k due to leaks at Croydon Rec and Stanhope.

Grants of £32k have been received through the Rural Payments Agency relating to 2 parcels of land that LBB manage according to designations prescribed by Natural England.

There is a requirement to install a water supply at Mill Road allotments and this will cost £25k.

Staffing is forecast to underspend by £15k relating to part year vacancies.

A VAT discrepancy relating to floral bed sponsorship, backdated to 2016, was corrected this financial year resulting in a current year deficit of £24k.

Additional income of £23k from the High Elms café and from allotment rental is forecast.

Income achieved from the disposal of machinery and through Cator Park rental is £16k.

Summary of variations within Parks:

	£'000
Grounds maintenance contract	Cr 75
Lake dredging and additional works	75
Water bills relating to leaks	30
Rural Payment Agency grants	Cr 32
Water supply at Mill Road allotments	25
Underspend on staffing	Cr 15
Adjustment of VAT for floral bedding sponsorship income	24
Additional licence income from café at High Elms and allotment rental	Cr 23
Disposal of machinery and Cator Park rental income	Cr 16
Total variation for Parks	Cr 7

2. Business Support and Markets Cr £51k

Technical Support staffing is forecast to underspend by £16k due to a vacant post.

Income from markets pitch fees is forecast to underachieve by approximately £30k. This is partially due to adverse weather conditions forcing cancellations during the months leading up to Christmas.

Street Traders licence income is projected to exceed budget by £25k based activity levels to date.

Income generated through advertising and cost recoveries will overachieve by a projected £21k in line with previous years.

Skip licence income is forecast to result in a £7k shortfall which is linked to activity in the construction industry and home improvements.

There are a number of other small variations within markets and technical support which total result in a £26k underspend.

Summary of variations within Business Support and Markets:

	£'000
Underspend on staffing	Cr 16
Underachievement of market pitch fees	30
Overachievement of Street Traders' licence income	Cr 25
Overachievement of income from advertising and recoveries	Cr 21
Underachievement of Skip Licence Income	7
Other variations	Cr 26
Total variations for Business Support and Markets	Cr 51

3. Waste Services

Waste Services budgets overall are projected to be on target, although there are a number of significant offsetting variations as follows:

Landfill Tax is forecast to result in a £382k underspend. The amount of waste taken to landfill has dropped significantly in the later part of 2019 and is forecast to be minimal for the remainder of the financial year as the contractor is meeting future year targets early.

The refuse collection contract is forecast to be £167k overspent this financial year as a result of the following:

- a higher number of containers delivered to households than anticipated;
- the emptying of recycling banks has resulted in a cost pressure due to the number of banks exceeding the total expected at the time of the tender exercise.
- the processing of mattresses and asbestos has also exceeded the levels anticipated, although mattress disposal fees have recently been increased to reduce the volume received from businesses in particular;
- a full review of property numbers has been undertaken as part of the new contract arrangements which has resulted in an increase in collection costs this financial year.

Green Garden Waste income will overachieve by £66k based on the number of customers purchasing this service. However, the associated collection costs are forecast to underspend by £122k as tonnages are lower than expected, although this is offset by the cost of multiple attempts to deliver and collect green garden waste containers to customers which has resulted in a £122k cost pressure. Discussions have taken place to ensure this is minimised going forward.

Based on latest tonnages, the contract disposal cost is expected to be only £4k below budget. Whilst there has been a reduction in the number of trade waste customers and a drop in the volume of waste to be disposed of, this has been largely offset by an additional cost relating to wet paper and card being rejected and returned to Bromley for disposal during the latter part of 2019. This trend is expected to continue to some extent throughout the remainder of the financial year, however officers are exploring options to reduce this.

There is an anticipated reduction in recyclate income of £224k. This is a result of a reduction in paper tonnage being recycled as reflected above in additional disposal costs. In addition, there is a projected loss of income due to a decrease in price indices, again particularly effecting paper and card, during the latter part of the financial year.

Within Trade Waste there is a net projected shortfall of income of £63k mainly due to a higher customer dropout compared to the level expected when the budget was set.

Summary of overall variations within Waste Services

	£'000
Reduction in landfill tax	Cr 382
Increase in refuse collection contract costs	167
Green Garden Waste	Cr 66
Reduction in disposals cost	Cr 4
Reduction in recyclate income	224
Shortfall in trade waste income	63
Other minor variations	Cr 2
Total variation for Waste Services	0

These projected variations can be summarised by service area as follows:

	Exp	Inc	Total
	£'000	£'000	£'000
Household Collection & Recyclates	167	224	391
Trade Waste		63	63
Waste Disposal	Cr 386		Cr 386
Green Garden Waste	0 Cr	66 Cr	66
Waste Management	Cr 2		Cr 2
	Cr 221	221	0

4. Street Environment Cr £27k

There is a projected underspend of £18k on staffing relating to part year vacancies. Other small underspends total £9k.

5. Street Regulation Cr £55k

There is a projected underspend of £55k on staffing relating to part year vacancies within this team.

6. Management and Contract Support Dr £54k

Staffing is projected to overspend due to agency staff employed above establishment to provide contract monitoring support. This arrangement ended in December 2019. This is partly offset by other staff vacancies and small underspends on supplies and services.

7. Arboriculture Management Dr £80k

A £60k underspend on staffing is forecast in respect of two vacant arboricultural officer posts, which have now been appointed to. These vacancies has resulted in additional annual tree surveys procured through outside contractors at a cost of £60k which offsets the staffing underspend.

A sonic tomograph for advanced condition detection within trees will be purchased for £30k, allowing LBB staff to undertake this work rather than having to utilise external companies. There may also be scope in the future to sell some services to external agencies such as academies. Phase two of tree planting will be implemented during February and March and will cost £50k.

These additional one-off costs can be managed within the overall Street Services and Green Spaces budget.

8. Transport Operations & Depot Management Cr £5k

A number of small staffing underspends relating to in year vacancies are forecast totalling £15k. This is partly offset by tenant maintenance costs at the central depot forecast to exceed budget by £10k.

9. Traffic & Road Safety Cr £12k

There is a projected underspend of £12k across Traffic & Road Safety, mainly due to additional income of £131k received from road closure charges following a spike in the number of applications from utility companies for undertaking infrastructure works. It is expected this volume of activity will continue into 2020/21. A number of road safety projects and schemes, including some minor road repairs, will be undertaken during February and March 2020 in order to use the surplus income effectively. Project expenditure will be £130k. There are other minor credit variations totalling £15k mainly due to staffing and income generated from the Streetwise Project.

Parking Cr £221k**10. Income from Bus Lane Contraventions Dr £53k**

There is a net projected deficit of £53k on the deployable automated cameras in bus lanes for 2019/20 based on the number of contraventions to November 2019. A reduction in the number of contraventions issued continues through Quarter 3, mainly due to issues at Crystal Palace Parade which is still undergoing works on a new traffic layout. LBB officers have been advised the bus lane isn't likely to be reinstated until mid-February.

11. Off/On Street Car Parking Dr £145k

A shortfall of £274k is forecast for Off and On Street parking income. This is mainly due to the general continued downward trend in parking usage, in particular at The Hill MSCP. However some improvement in usage can be seen compared to Quarter 2, but not at the levels anticipated when income targets were agreed. This also includes £8k from off-street rental income for Supreme Clean at Chislehurst and Amazon Lockers.

Following analysis of credit card commission costs, there is a potential underspend of £59k which is largely a result of the changes in parking usage.

Additional income of £58k is expected to be received from cashless parking fees, as use of the Ringo service continues to grow.

Income generated through bay suspensions is expected to be just above budget by £1k however this is offset by a potential deficit in dispensations income of £7k.

There are contract defaults of £18k against Off and On Street parking to November 2019.

This overall projected variation for Off and On Street parking is detailed below:

	Off St.	On St.	Total
	£'000	£'000	£'000
Summary of variations within Off/On Street Car Parking			
Car parking income	138	136	274
Credit card commission	Cr 59		Cr 59
RingGo SMS & convenience fees	Cr 19	Cr 38	Cr 58
Bay suspensions		Cr 1	Cr 1
Dispensations		7	7
APCOA contract defaults	Cr 6	Cr 12	Cr 18
Total variations within Off/On Street Parking	54	92	145

12. Permit Parking Cr £64k

Activity levels to November 2019 indicate a potential overachievement of £59k relating to permit parking income, following the implementation of price increases from 1 April 2019, along with a small underspend against credit card commission costs of Cr £5k.

13. Car Parking Enforcement Cr £236k

There is a £144k overachievement of income relating to PCNs issued by wardens, due to more PCNs being issued than originally forecast in Quarters 1 and 2 following APCOA deploying additional CEOs at their own cost.

There is a £8k deficit on PCNs issued from CCTV enforcement cameras. Despite the deployment of new cameras around schools in September which have produced an increase in contraventions, there are cameras at other schools that have resulted in higher compliance but have not been relocated resulting in reduced income.

Following analysis of credit card commission costs, there is a potential underspend of £38k.

There are defaults on the Enforcement contract of around £61k for the period to November 2019.

	£'000
Summary of variations within Car Parking Enforcement	
PCNs issued by wardens	Cr 144
PCNs issued from CCTV enforcement camera	8
Credit card commission	Cr 38
APCOA enforcement contract defaults	Cr 61
Total variations within Car Parking Enforcement	Cr 236

14. Parking Shared Service Cr £123k

There is a net variation of cr £123k for the Parking Shared Service mainly due to underspends on staffing as a result of vacancies across both boroughs.

	£'000
Summary of overall variations within Parking:	
Bus Routes Enforcement	53
Off Street Car Parking	54
On Street Car Parking	92
Permit Parking	Cr 64
Car Parking Enforcement	Cr 236
Parking Shared Services	Cr 123
Other Expenditure Variations	3
Total variation for Parking	Cr 221

15. Highways- Including London Permit Scheme Cr £32k

There is a forecast £44k underspend on staffing costs 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. Income from Fixed Penalty Notices (FPNs) is anticipated to be £8k lower than budget this financial year.

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

There is a total of £18k received from sales at commercial vehicle auctions and other small variations produce a £9k underspend, which includes variations within materials, line of business software and car allowances.

Electricity costs associated with street lighting are anticipated to exceed budget by £20k this financial year. However the next phase of street light upgrades is due to commence shortly which should help to contain electricity costs going forward.

16. Non-controllable Cr £31k

There is a projected £31k overachievement 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.