

Environment & Community Portfolio Budget Monitoring Summary

2019/20 Actuals £'000	Service Areas	2020/21 Original Budget £'000	2020/21 Latest Approved £'000	2020/21 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
ENVIRONMENT & COMMUNITY PORTFOLIO								
Street Scene & Green Spaces								
5,782	Parks and Green Spaces	5,716	5,726	5,726	0		0	0
Cr 119	Business Support and Markets	Cr 83	Cr 83	Cr 105	Cr 22	1	0	0
17,715	Waste Services	17,776	17,896	17,988	92	2	0	0
5,469	Street Environment	5,678	5,678	5,678	0		0	0
196	Street Regulation	223	223	223	0		0	0
1,307	Management and Contract Support	1,204	1,275	1,310	35	3	0	0
739	Arboriculture Management	724	754	918	164	4		
31,089		31,238	31,469	31,738	269		0	0
Transport Operations and Depot								
513	Transport Operations and Depot Management	731	731	697	Cr 34	5	Cr 60	0
513		731	731	697	Cr 34		Cr 60	0
Traffic, Parking and Highways								
192	Traffic & Road Safety	280	240	71	Cr 169	6	0	0
Cr 7,875	Parking	Cr 7,505	Cr 7,505	Cr 7,903	Cr 398	7-10	Cr 226	0
6,719	Highways (including London Permit Scheme)	6,392	6,428	6,278	Cr 150	11	0	0
Cr 964		Cr 833	Cr 837	Cr 1,554	Cr 717		Cr 226	0
30,638	TOTAL CONTROLLABLE	31,136	31,363	30,881	Cr 482		Cr 286	0
4,960	TOTAL NON-CONTROLLABLE	6,182	6,243	6,243	0		0	0
2,480	TOTAL EXCLUDED RECHARGES	2,399	2,399	2,399	0		0	0
38,078	PORTFOLIO TOTAL	39,717	40,005	39,523	Cr 482		Cr 286	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2020/21

39,717

Carry Forward Requests approved from 2019/20

Green Garden waste DD system

120

Lych Gate Footbridge Repairs

48

Procurement of a Sonic Tomograph

30

Millwood Rd Allotments Water Supply

30

Central Contingency Adjustments

Other

R&M - Norman Park Pavilion No.4 (non controllable)

42

R&M Depot Electrical Remedial Works & Roof survey work (non controllable)

18

Latest Approved Budget for 2020/21

40,005

REASONS FOR VARIATIONS

The Covid-19 restrictions that were introduced on 23rd March have had a significant impact on many of the Portfolio's services. Although restrictions were subsequently eased, they have again been raised recently and it is not known how long these will remain or even be increased in the coming weeks. Nor it is clear what the longer term wider economic impacts will be and how this will affect services later in the year and beyond. Therefore, projections will continue to be refined and updated as the financial year progresses.

1. Business Support and Markets Cr £22k

There is an underspend of £22k projected across the service which is made up of a number of minor variations including staff vacancies and agency cover costs for the market supervisor.

2. Waste Services Dr £92k

Recycling income is projected to overachieve by £66k due to the recent high volume of recyclable items although the sharp drop in paper prices has meant the projected income achieved through this stream this financial year has not been as much as previously anticipated. The relatively dry summer has meant that there have been minimal issues with wet paper loads being rejected but this could change as wetter weather sets in.

The way in which residual waste is disposed of has resulted in the contractor exceeding their targets this financial year and therefore landfill tax is due to underspend by £45k.

Costs relating to 2019/20 that had been in dispute and not settled until this financial year have impacted budget by £255k. This is partly offset by a number of other minor variations within waste services resulting in a projected underspend of £52k.

3. Management and Contract Support Dr£35k

This budget is forecast to overspend by £35k this financial year mainly due to the need for the fix my street officer to remain in post longer than originally intended.

4. Arboriculture Management Dr £164k

Staff vacancies in previous years have contributed towards a backlog of high priority works that now need to be undertaken. As a result, this service is forecast to overspend by £164k this financial year due to the volume of statutory tree surveys and associated remedial works required within the Borough, although service managers will investigate mitigation options to reduce the overall overspend.

5. Transport Operations and Depot Management Cr£34k

Salaries are projected to underspend by £25k due to staff vacancies. Other minor variations within the division result in a further £9k underspend.

6. Traffic & Road Safety Cr£169k

There are projected underspends against LBB funded staffing budgets of £69k mainly due to vacancies including an MG6 post and part-time staff working in fully budgeted posts. However, until the situation regarding TfL LIP funding of staff costs this year is confirmed, this underspend of £69k is not included as a variation at this stage.

Income for road closure charges is projecting a surplus of £169k, which wasn't reported in Q1 monitoring. Despite the current situation with Covid-19, utility companies continue to apply for road closures to undertake works at the level seen in previous years. However, subject to Members' decisions regarding the review of the T&RS service, this underspend may be required to fund any additional costs resulting from that review. This will be updated in the next quarterly report.

Parking Cr£398k

7. Off/On Street Car Parking Cr £75k

There is an anticipated underspend against Credit Card Commission costs of £59k as a result of lower activity.

There are defaults against the contract of Cr £16k against Off Street parking for Quarters 1 and 2.

8. Car Parking Enforcement Cr £53k

There is a projected underspend on Credit Card Commission costs of £53k as a result of lower activity.

9. Parking Shared Service Cr £177k

There is a net projected underspend of Cr £177k for the Parking Shared Service mainly due to underspends on staffing as a result of vacancies across both boroughs and a reduction in the number of agency staff employed. The Head of Parking has now been permanently appointed and has advised they will be undertaking a full review of the Shared Service.

10. Parking Expenditure Variations Cr £93k

There are other variations across the service totalling a potential underspend of Cr £93k mainly due to business rates payments being less than budgeted, savings against Traffic Committee Fees for London and a projected underspend on Third Party Payments. These variations are summarised as follows:

Summary of other Variations within Parking	£'000
Premises	Cr 38
Supplies & Services	Cr 23
Third Party Payments	Cr 32
Total Variations for Parking Expenditure	Cr 93

11. Highways - Including London Permit Scheme Cr £150k

Street Lighting electricity costs are forecast to underspend by £150k this financial year as the new, low energy, lamp post upgrades continue to be rolled out across the Borough. It is anticipated that, subject to a business case and subsequent approval, underspends on this budget in future years will be used to invest in completing the replacement programme across the Borough, therefore releasing greater savings in the longer term.

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, the following waivers over £50k have been actioned.

- 1) a 1 year extension to the Confirm OnDemand Enterprise License use by Highways from 1st July 2020 to 30th June 2021 costing £75k, cumulative contract value of £226k. This software supports customer enquiries, works orders and
- 2) a 1 year extension to the MarketForce Services Ltd Contract for the market stall assembly from 1st January 2021 to 31st December 2021. Annual value of approximately £77k and a cumulative contract value of £296k.

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.