

# APPENDIX 1A

## Environment & Community Portfolio Budget Monitoring Summary

| 2019/20<br>Actuals<br>£'000                  | Service Areas                             | 2020/21<br>Original<br>Budget<br>£'000 | 2020/21<br>Latest<br>Approved<br>£'000 | 2020/21<br>Projected<br>Outturn<br>£'000 | Variation<br>£'000 | Notes | Variation<br>Last<br>Reported<br>£'000 | Full Year<br>Effect<br>£'000 |
|--|---|--|--|--|--------------------|-------|--|------------------------------|
| <b>ENVIRONMENT &amp; COMMUNITY PORTFOLIO</b> |   |  |  |  |                    |       |  |                              |
| <b>Street Scene &amp; Green Spaces</b>       |   |  |  |  |                    |       |  |                              |
| 5,782  | Parks and Green Spaces                    | 5,716                                  | 5,713                                  | 5,713                                    | 0                  |       | 0                                      | 0                            |
| Cr 119                                       | Business Support and Markets              | Cr 83                                  | Cr 83                                  | Cr 83                                    | 0                  |       | Cr 22                                  | 0                            |
| 17,715                                       | Waste Services                            | 17,776                                 | 17,890                                 | 18,030                                   | 140                | 1     | 92                                     | 0                            |
| 5,469  | Street Environment                        | 5,678                                  | 5,667                                  | 5,636                                    | Cr 31              | 2     | 0                                      | 0                            |
| 196  | Street Regulation                         | 223                                    | 223                                    | 224                                      | 1                  |       | 0                                      | 0                            |
| 1,307  | Management and Contract Support           | 1,204                                  | 1,349                                  | 1,382                                    | 33                 | 3     | 35                                     | 0                            |
| 739  | Arboriculture Management                  | 724                                    | 754                                    | 906                                      | 152                | 4     | 164                                    | 0                            |
| <b>31,089</b>                                |   | <b>31,238</b>                          | <b>31,513</b>                          | <b>31,808</b>                            | <b>295</b>         |       | <b>269</b>                             | <b>0</b>                     |
| <b>Transport Operations and Depot</b>        |   |  |  |  |                    |       |  |                              |
| 513  | Transport Operations and Depot Management | 731                                    | 678                                    | 567                                      | Cr 111             | 5     | Cr 34                                  | 0                            |
| <b>513</b>                                   |   | <b>731</b>                             | <b>678</b>                             | <b>567</b>                               | <b>Cr 111</b>      |       | <b>Cr 34</b>                           | <b>0</b>                     |
| <b>Traffic, Parking and Highways</b>         |   |  |  |  |                    |       |  |                              |
| 192  | Traffic & Road Safety                     | 280                                    | 240                                    | 47                                       | Cr 193             | 6     | Cr 238                                 | 0                            |
| Cr 7,875                                     | Parking                                   | Cr 7,505                               | Cr 7,512                               | Cr 7,875                                 | Cr 363             | 7-9   | Cr 374                                 | 0                            |
| 6,719  | Highways (including London Permit Scheme) | 6,392                                  | 6,416                                  | 6,416                                    | 0                  | 10    | Cr 150                                 | 0                            |
| <b>Cr 964</b>                                |   | <b>Cr 833</b>                          | <b>Cr 856</b>                          | <b>Cr 1,412</b>                          | <b>Cr 556</b>      |       | <b>Cr 762</b>                          | <b>0</b>                     |
| <b>30,638</b>                                | <b>TOTAL CONTROLLABLE</b>                 | <b>31,136</b>                          | <b>31,335</b>                          | <b>30,963</b>                            | <b>Cr 372</b>      |       | <b>Cr 527</b>                          | <b>0</b>                     |
| 4,960  | <b>TOTAL NON-CONTROLLABLE</b>             | 6,182                                  | 6,243                                  | 6,243                                    | 0                  |       | 0                                      | 0                            |
| 2,480  | <b>TOTAL EXCLUDED RECHARGES</b>           | 2,399                                  | 2,399                                  | 2,399                                    | 0                  |       | 0                                      | 0                            |
| <b>38,078</b>                                | <b>PORTFOLIO TOTAL</b>                    | <b>39,717</b>                          | <b>39,977</b>                          | <b>39,605</b>                            | <b>Cr 372</b>      |       | <b>Cr 527</b>                          | <b>0</b>                     |

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    |
| Transfer of Electricity Budget to RCCM portfolio                          | Cr 28 |

**Latest Approved Budget for 2020/21** 39,977

**REASONS FOR VARIATIONS**

The Covid-19 restrictions that have been in place for much of the time since 23rd March 2020 have had a significant impact on many of the Portfolio's services and these impacts are reported separately to the Executive as part of the quarterly monitoring update. It is not known how long current restrictions will remain or how these will be eased in the coming weeks and months. Nor is it clear what the longer term wider economic impacts will be and how this will affect services beyond this financial year. Projections continue to be refined and updated as the financial year progresses.

**1. Waste Services Dr £140k**

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 £97k.

Costs of £255k relating to 2019/20 that had been in dispute were settled this financial year have impacted on the budget. This is partly offset by a number of minor projected underspends within waste services of £18k.

**2. Street Environment Cr £31k**

Nuisance and abandoned vehicle costs are projected to underspend by £30k this financial year based on the level of activity to date and supplies and services have a number of small variations totalling a further £1k underspend.

**3. Management and Contract Support Dr £33k**

Salaries are forecast to overspend by £33k this financial year due to the cost of agency staff and minimal turnover of posts during the year.

**4. Arboriculture Management Dr £152k**

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. Staff vacancies in previous years have contributed towards a backlog of works that are now being urgently undertaken. This is partly offset by an underspend of £21k across staffing and supplies and services.

**5. Transport Operations and Depot Management Cr £111k**

Salaries are projected to underspend by £79k due to staff vacancies and reduced working hours. Other minor variations including business rates, tenant maintenance costs and software expenditure within the division total a further £32k underspend.

**6. Traffic & Road Safety Cr £193k**

There is now a net projected surplus of £193k across Traffic & Road Safety. This includes projected underspends of £56k against LBB funded staffing budgets mainly due to vacancies and part-time staff working in fully budgeted posts. Since TfL confirmed LIP funding is now available until the end of the financial year, and will not cease as previously announced and reported in quarters 1 and 2, this underspend that was being held to mitigate that income loss can now be released.

Income for road closure charges is projecting a surplus of £125k. 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.

There is a projected overachievement of £12k for advertising income, as full invoicing has been agreed for the supplier for the remainder of the financial year.

**Parking Cr £484k****7. Off/On Street Car Parking Cr £24k**

There are defaults against the contract of £24k against Off Street parking for Quarters 1 - 3.

**8. Parking Shared Service Cr £177k**

There is a net projected underspend of £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 staffing for the Shared Service.

**9. Parking Expenditure Variations Cr £162k**

There are other variations across the service totalling an underspend of £162k mainly due to a business rates budget not required, savings on fees for the Traffic Committee for London and a projected underspend on Third Party Payments. These variations are summarised as follows:

| <b>Summary of other Variations within Parking</b> | <b>£'000</b>         |
|---|----------------------|
| Premises  | Cr 43                |
| Supplies & Services                               | Cr 76                |
| Third Party Payments                              | Cr 43                |
| <b>Total Variations for Parking Expenditure</b>   | <b><u>Cr 162</u></b> |

**10. Highways - Including London Permit Scheme**

Street Lighting electricity costs are forecast to underspend by £187k this financial year as the new, low energy, lamp post upgrades continue to be rolled out across the Borough.

Funding from TfL has now been secured to the end of the financial year and so the surplus budget for vacant posts is no longer required to offset any previously anticipated shortfall in TfL funding, resulting in a forecast underspend on staffing of £115k this year.

Winter maintenance budgets are forecast to underspend by £150k this year due to relatively mild weather to date and the fact there are only a couple more months until the end of the year when severe winter weather could have an impact on spend. There are a number of other small variations across the service totalling a further £67k underspend.

The service plan to redirect these surplus budgets to fund additional carriageway works this year and therefore no overall variation on Highways is now projected.

**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 On Demand 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 invoicing.

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.