

## Environment &amp; Community Portfolio Budget Monitoring Summary

2020/21 Actuals £'000	Service Areas	2021/22 Original Budget £'000	2021/22 Latest Approved £'000	2021/22 Projected Outturn £'000	Variation £'000	Notes
	<b>ENVIRONMENT &amp; COMMUNITY PORTFOLIO</b>					
	<b>Street Scene &amp; Green Spaces</b>					
5,876	Parks and Green Spaces	5,726	5,841	5,841	0	
Cr 189	Business Support and Markets	Cr 80	Cr 80	0	80	1
17,936	Waste Services	18,515	18,780	18,930	150	2
5,665	Street Environment	5,685	5,753	5,753	0	
221	Street Regulation	227	227	232	5	3
1,240	Management and Contract Support	1,416	1,416	1,416	0	
1,010	Arboriculture Management	732	732	732	0	
	COVID grants	0	0	Cr 100	Cr 100	
<b>31,759</b>		<b>32,221</b>	<b>32,669</b>	<b>32,804</b>	<b>135</b>	
	<b>Transport Operations and Depot</b>					
574	Transport Operations and Depot Management	742	742	642	Cr 100	4
<b>574</b>		<b>742</b>	<b>742</b>	<b>642</b>	<b>Cr 100</b>	
	<b>Traffic, Parking and Highways</b>					
Cr 36	Traffic & Road Safety	132	132	132	0	5
Cr 8,014	Parking	Cr 7,574	Cr 7,574	Cr 7,120	454	6 - 10
6,133	Highways (including London Permit Scheme)	6,240	6,440	6,440	0	
	COVID grants	0	0	Cr 340	Cr 340	
<b>Cr 1,917</b>		<b>Cr 1,202</b>	<b>Cr 1,002</b>	<b>Cr 888</b>	<b>114</b>	
<b>30,416</b>	<b>TOTAL CONTROLLABLE</b>	<b>31,761</b>	<b>32,409</b>	<b>32,558</b>	<b>149</b>	
7,276	<b>TOTAL NON-CONTROLLABLE</b>	6,619	6,645	6,645	0	
2,511	<b>TOTAL EXCLUDED RECHARGES</b>	2,112	2,112	2,112	0	
<b>40,203</b>	<b>PORTFOLIO TOTAL</b>	<b>40,492</b>	<b>41,166</b>	<b>41,315</b>	<b>149</b>	

Reconciliation of Latest Approved Budget **£'000**

Original Budget 2021/22 **40,492**

**Carry Forward Requests**

Street Lighting upgrades 200

**Central Contingency Adjustments**

Contract inflation:

Waste Services 265

Street Environment 77

Grounds Maintenance 106

**Other**

Repairs & Maintenance programme 26

Latest Approved Budget for 2021/22

**41,166**

**REASONS FOR VARIATIONS****1. Business Support and Markets Dr £80k**

Street Traders licence income is projecting a £70k shortfall due to the effects of COVID-19 restrictions during the first few months of the financial year. Also changes to legislation for pavement licenses is anticipated to reduce the number of street trader licenses applied for during the summer months.

Advertising income is projected to underachieve by £10k due to the continued COVID-19 restrictions during the first part of the financial year. The return of this income stream during the later months of the year is anticipated to be slow.

**2. Waste Services Dr £150k**

Waste Services budgets are currently forecast to overspend by £150k. These variations are mainly due to the ongoing impact of COVID-19 restrictions and measures affecting this service. They are as follows:

Reduced income of £100k from Trade Waste Collection customers is forecast as a result of lockdown measures affecting businesses during the first quarter of 2021/22. Whilst it is anticipated that this income stream will fully recover there is a risk that a number of businesses will have ceased trading and a current drop in client take up indicates that this may be the case. This income stream will be observed closely during further rounds of monitoring this financial year.

Recycling income is projected to meet current income targets. However there is uncertainty about continued income levels, mainly due to fluctuating price indices, especially paper and card, and the effects of wet weather, particularly as May has been such a wet month. Again this area will be monitored carefully as more months of data becomes available.

The disposal of residual waste and processing of recyclates will remain higher than pre COVID levels as working from home will become 'the normal' for many people. However, it is expected that the £500k growth built into the 2021/22 budget in recognition of this will be enough to absorb the increases. The service will continue to monitor this carefully and report any variations as more months of data becomes available.

The sale of kitchen waste liners is lower than previous years as the libraries, where these items are mainly sold, have been closed during the continued COVID-19 lockdown. And longer term some residents are continuing to purchase their kitchen waste liners from other sources. This has resulted in a £50k shortfall of projected income.

The Green Garden Waste service is expected to outturn on budget. Customer numbers continue to grow resulting in additional income but this is expected to be offset by the increased collection and disposal costs.

**3. Street Regulation Dr £5k**

There is a £5k projected overspend relating to overtime undertaken by members of the team who have been supervising at the Norman Park COVID-19 testing station. The bulk of this work has now ceased but there are some small ongoing costs as assistance is required with twice weekly set up costs.

**4. Transport Operations and Depot Management Cr £100k**

Salaries are projected to underspend by £30k due to staff vacancies and reduced working hours. Business rates are forecast to be in line with last financial year and therefore result in a £70k underspend.

**5. Traffic & Road Safety**

There are projected underspends against LBB funded staffing budgets of £61k mainly due to an MG6 vacancy and part-time staff working in fully budgeted posts. However, at this point, TfL have only confirmed LIP funding to 11th December 2021, and therefore the underspend on LBB funded posts may be required to offset a potential LIP shortfall for the remainder of the financial year.

The Assistant Director of Traffic & Parking continues to work closely with TfL to understand the situation for future funding from 11 December and beyond and mitigating action will be prepared including a full service redesign.

Income for road closure charges is expected to achieve budget. The income budget was increased for this financial year as it had over-achieved target significantly and consistently in previous years. This budget will be monitored closely as lockdown easing continues and any potential surplus may be required to part fund TFL LIP funding gaps that may arise post-11 December.

**Parking Dr £454k****6. Income from Bus Lane Contraventions - Dr £121k**

There is a projected shortfall of £121k for bus lane enforcement. Activity levels are approximately 70% of 2019-20, the last 'normal' year which is in line with lower levels of traffic on the roads due to the continued affects of lockdown restrictions, along with the conversion of the Bromley Road bus lane to a cycle lane. Long term affects relating to people working from home post pandemic will be monitored during the remainder of the financial year.

**7. Off/On Street Car Parking Dr £263k**

There is a projected deficit of £289k for Off and On Street parking income which continues to be adversely affected mainly due to the ongoing Covid-19 pandemic resulting in an overall reduction in parking use due to lockdown restrictions and general behaviour change. However there are some early indications of recovery and improvements in usage can be seen, particularly in On Street parking. Unfortunately MSCP income remains low, achieving around 35% of the same period in 2019-20. Officers are undertaking an exercise to analyse individual car park use to identify and monitor trends as it is suspected commuter car parks are impacting on income levels the most.

There is an anticipated underspend against Third Party Payment costs of £72k.

As part of savings initiatives an £18k income target for generating advertising revenue in off-street car parks was introduced last financial year; however Officers do not deem this target is achievable this financial year. Other advertising income streams will be monitored and any over achievement applied to offset this loss.

There is a projected £5k surplus for income received from off-street rentals for car washing facilities and Amazon lockers and Officers continue to identify new locations for these services.

Income generated for Bay Suspensions is projected to under-achieve by £25k and there is a projected deficit in Dispensation income of £8k, as demand for both has dropped-off significantly.

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

<b>Summary of variations within Off/On Street Car Parking</b>	<b>OFF ST £'000</b>	<b>ON ST £'000</b>	<b>Total £'000</b>
Off/On Street Car Parking income	269	20	289
Third Party Payments	Cr 72	Cr	72
Bay Suspensions		25	25
Dispensations		8	8
Advertising Revenue	18		18
Miscellaneous Income	Cr 5	Cr	5
<b>Total variations within Off/On Street Parking</b>	<b>210</b>	<b>53</b>	<b>263</b>

**8. Permit Parking Cr £15k**

A overachievement of £6k is anticipated for permit parking. April activity was strong and falls in-line with an average month in 2019-20 and it is hoped this level will remain or increase throughout the financial year. There are projected underspends of against credit card commission costs of £5k, and £4k against the APCOA contract.

**9. Car Parking Enforcement Dr £285k**

Based on April activity levels, there is a projected deficit of £264k from PCNs issued for the year. Whilst there are indications of good levels of recovery, ticket numbers are not achieving pre-Covid averages as yet. There is a projected shortfall of £21k for PCNs issued from CCTV enforcement cameras, however Officers are investigating camera moves as compliance has been reached in several areas.

**10. Parking Shared Service Cr £200k**

There is a net projected underspend of £200k for the Parking Shared Service mainly due to underspends on staffing as a result of vacancies across both boroughs as well as a reduction in the number of agency staff employed.

	<b>Qtr. 1</b>
	<b>£'000</b>
<b>Summary of overall variations within Parking:</b>	
Bus Routes Enforcement	121
Off Street Car Parking	210
On Street Car Parking	53
Permit Parking	Cr 15
Car Parking Enforcement	285
Parking Shared Services	<u>Cr 200</u>
<b>Total variation for Parking</b>	<b><u>454</u></b>

**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.

**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.