

Environment & Community Portfolio Budget Monitoring Summary

2019/20 Actuals £'000	Service Areas	2020/21 Original Budget £'000	2020/21 Final Approved £'000	2020/21 Provisional 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	5,863	5,876	13	1	0	0
Cr 119	Business Support and Markets	Cr 83	Cr 82	Cr 189	Cr 107	2	0	0
17,715	Waste Services	17,776	17,783	17,936	153	3	140	0
5,469	Street Environment	5,678	5,665	5,665	0	4	Cr 31	0
196	Street Regulation	223	224	221	Cr 3	5	1	0
1,307	Management and Contract Support	1,204	1,444	1,240	Cr 204	6	33	0
739	Arboriculture Management	724	754	1,010	256	7	152	0
31,089		31,238	31,651	31,759	108		295	0
	Transport Operations and Depot							
513	Transport Operations and Depot Management	731	650	574	Cr 76	8	Cr 111	0
513		731	650	574	Cr 76		Cr 111	0
	Traffic, Parking and Highways							
192	Traffic & Road Safety	280	245	Cr 36	Cr 281	9	Cr 193	0
Cr 7,875	Parking	Cr 7,505	Cr 7,604	Cr 8,014	Cr 410	10-15	Cr 363	0
6,719	Highways (including London Permit Scheme)	6,392	6,354	6,133	Cr 221	16	0	0
Cr 964		Cr 833	Cr 1,005	Cr 1,917	Cr 912		Cr 556	0
30,638	TOTAL CONTROLLABLE	31,136	31,296	30,416	Cr 880		Cr 372	0
4,960	TOTAL NON-CONTROLLABLE	6,182	7,276	7,276	0		0	0
2,480	TOTAL EXCLUDED RECHARGES	2,399	2,511	2,511	0		0	0
38,078	PORTFOLIO TOTAL	39,717	41,083	40,203	Cr 880		Cr 372	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
Lych Gate Carry Forward Returned to Central Contingency	Cr 48
Transfer of Electricity Budget to RCCM portfolio	Cr 28
Transfer of Highways budget to PPE for Post Funding	Cr 16
Merit Awards 20/21 Budget Allocation	25

COVID-19 Grants

COVID-19 General Grant	
- expenditure	3,238
- income	Cr 3,238
COVID-19 Income Compensation	
- expenditure	4,186
- income	Cr 4,186
Contain Outbreak Management Fund	
- expenditure	1,113
- income	Cr 1,113
Reopening High Streets Safely	
- expenditure	171
- income	Cr 171
Emergency Assistance	
- expenditure	115
- income	Cr 115
Support for the Clinically Extremely Vulnerable	
- expenditure	454
- income	Cr 454
Emergency Active Travel Fund	
- expenditure	9
- income	Cr 9

Memorandum Items

Capital Charges 5802		419
Deferred Charges (REFCUS) 5804		127
Insurance	Cr	96
Rent Income (property)		43
Repairs & Maintenance (Premises)	Cr	181
IAS19 (FRS17) sub 0206		765
Excluded Recharges		112
IAS 19 Past Service Costs FRS17 0219 All	Cr	44

Latest Approved Budget for 2020/21**41,083**

REASONS FOR VARIATIONS**1. Parks and Green Spaces Dr £13k**

There were a number of small variations across supplies and services which resulted in a £12k underspend, although this was offset by a number of hydro surveys that were undertaken in the last few months of the financial year costing £25k .

2. Business Support and Markets Cr £107k

Due to the COVID-19 restrictions, the market was shut from March 2020 and re-opened in June 2020. However as part of social distancing measures during the summer and autumn there were reduced stall sizes and numbers. Footfall was much lower than previous levels and a number of stall holders did not return to trading. During the second and third lockdown periods the market was essentially closed, except for a few stalls selling fruit and veg. These further restrictions also impacted on the Christmas market trade.

As a result, there was a £27k reduction in the costs of stall assembly due to the closed periods and reduced stall numbers during the summer months. Market security also underspent by £23k for the same reasons and advertising by £9k as there has been no marketing during the financial year. The budget for new market stall equipment underspent by £19k as no purchases were made during 2020/21.

Staffing underspent by £9k and other small variations within supplies and services resulted in a further £17k underspend during 2020/21.

3. Waste Services Dr £153k

Waste Services budgets were significantly impacted by Covid-19 over the financial year due to the various restrictions and measures in place, as well as changed trends and behaviours.

Overall, the service overspent by £153k on issues not related to Covid-19. The main cost of £255k related to a prior year payment that had been in dispute and was not settled until this financial year. This was partly offset by an underspend of £70k on landfill tax as a result of the contractor exceeding their targets in the financial year, as well as a number of other minor variations within waste services resulting in a further net underspend of £32k.

4. Street Environment £ Nil

Gully cleaning and soak away costs exceeded budget by £99k due to a high level of activity during the winter months and the last quarter of the financial year. However, this was offset by an underspend of £45k on nuisance and abandoned vehicle costs due to reduced activity levels, an underspend of £49k on routine cleaning and cleaning of litter bins, plus a number of small variations on supplies and services of £5k.

5. Street Regulation Cr £3k

There is a small underspend of £3k across supplies and services in this area.

6. Management and Contract Support Cr £204k

The salary budget overspent by £54k this financial year due to the cost of agency staff and the salary vacancy factor not being achieved. This was partially offset by a £10k underspend across supplies and services.

Many of the team were mobilised to support various elements of the Council's emergency response to Covid-19, including providing assistance to residents that were required to shield and those deemed clinically extremely vulnerable, and local contact tracing. Covid grant funding of £248k has been allocated to the service to recognise this cost.

7. Arboriculture Management Dr £256k

This service overspent by £256k this financial year, of which £159k was due to the volume of statutory tree surveys and associated urgent remedial works required within the Borough. Staff vacancies in previous years had contributed towards a backlog of works that needed to be undertaken. The purchase of additional trees during the last quarter of the year, which can be met from within the Portfolio's overall budget, resulted in further spending of £121k. This was partly offset by an underspend of £24k across staffing, supplies and services and the recovery of establishment expenses.

8. Transport Operations and Depot Management Cr £76k

Salary budgets underspent by £74k due to staff vacancies and reduced working hours. Minor improvement works at the Depot in quarter 4 resulted in £53k of expenditure that was not projected in quarter 3. Veolia's contribution towards depot security services exceeded the income budget by £20k. Other minor variations including business rates, tenant maintenance costs, and software expenditure within the division total a further £31k underspend.

9. Traffic & Road Safety Cr £281k

There was an overall surplus of £281k across Traffic & Road Safety for 2020-21. There were underspends against LBB funded staffing budgets totalling £39k mainly due to vacancies including an MG6 post and part-time staff working in fully budgeted posts, with TfL confirming LIP funding could be claimed until the end of the financial year. However, the Assistant Director of Traffic & Parking continues to work closely with TfL to understand the situation for future funding for 2021/22 and beyond. The situation continues to be closely monitored, with interim funding currently only confirmed to December 2021; mitigating action has been prepared including a full service redesign, should this be necessary.

Income for road closure charges overachieved budget by £152k. Despite the current situation with Covid-19, utility companies continued to apply for road closures to undertake works at the level seen in previous years. There were other minor credit variations across the service totalling £39k, mainly due to some historic ledger balances being written back to revenue, along with underspends on supplies and services budgets and a small surplus on advertising revenue.

A number of staff were diverted during the year to support Covid-19 activities including contact tracing and shielding projects. This has been recognised by an allocation of Covid grant funding of £51k.

Parking Cr £410k**10. Income from Bus Lane Contraventions Dr £138k**

The temporary reduction in workloads during periods of lockdown, when parking activity had been significantly limited by Government restrictions, gave officers in the Parking Shared Service a unique opportunity to review a greater number of aged tickets and outstanding income from PCN's issued in prior years than is the case in a normal year. This exercise has resulted in a net write-off of £138k this year, which is expected to reduce the level of usual write-offs in the following year.

11. Off/On Street Car Parking Cr £80k

There was an underspend against credit card commission costs of £65k, a favourable increase to the previously reported figure of £59k. This was due to the decline in parking usage during the periods of lockdown and subsequent restrictions, and the lower volume of transactions.

Similarly, the reduction in parking use generated a £15k deficit in income from cashless parking fees.

Defaults secured against the APCOA contract in relation to off street parking totalled £29k for the year.

12. Permit Parking Cr £11k

There were minor underspends against credit card commission costs and the APCOA contract totalling £11k in the year.

13. Car Parking Enforcement Cr £59k

There was an underspend on credit card commission costs of £59k for the financial year.

14. Parking Shared Service Cr £160k

There was a net underspend of Cr £160k 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 is in the process of undertaking a full review of the Shared Service.

15. Parking Expenditure Variations Cr £240k

Other variations across the service totalled an underspend of £222k mainly due to savings against Traffic Committee Fees for London and Debt Collection Registration fees and a underspend on Third Party Payments. COVID grant of £18k has been allocated to Parking to reflect the cost of staff diverted to supporting the Council's Covid response in the year. The variations are summarised as follows:

16. Highways - Including London Permit Scheme Cr £221k

Monitoring in quarter 3 had anticipated that the impact of Covid-19 restrictions would result in a £60k loss of income on streetworks in respect of permits, Section 74 charges, fixed penalty notices and inspections. However, during quarter 4 income levels significantly exceeded those previously expected and income actually overachieved by £48k by the end of the year.

The Street lighting maintenance and installation budget underspent by £204k as the replacement columns currently need less maintenance than older columns. The intention had been to direct the surplus budget to LED conversions in residential streets; at the same time, officers had envisaged progressing the parallel project to replace street lamps on traffic routes supported by Salix funding. However, as sufficient resources were not available to complete both projects, a £200k carry forward request has been submitted to enable the LED conversions to take place in early 2021/22.

Street lighting electricity costs underspent by £233k this financial year as the new, low energy lamp post upgrades continued to be rolled out across the Borough. Staffing underspent by £151k this year as the TfL funding was secured to the end of the financial year and so the surplus budget for vacant posts was no longer required to offset any previously anticipated shortfall in TfL funding. Winter maintenance budgets underspent by £150k this year due to relatively mild weather.

A level of underspending on the service's budget had previously been anticipated and the Portfolio Holder had consequently agreed for officers to undertake a programme of essential planned carriageway works during the latter part of the financial year costing £535k.

There were a number of other small variations across supplies and services and transport costs totalling a £36k overspend. COVID grant funding of £6k has been allocated to Highways to cover staffing costs relating to those members of staff diverted to support the Council's Covid response in the year.

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 £75,300, cumulative contract value of £225,900 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.