

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO**DRAFT REVENUE BUDGET 2022/23 - SUMMARY**

2020/21 Actual	Service Area	2021/22 Budget	Increased Costs	Other Changes	2022/23 Draft Budget
£		£	£	£	£
	Transport Operations and Depot Management				
574,595	Transport Operations and Depot Management	741,770	21,780	Cr 170,030	593,520
574,595		741,770	21,780	Cr 170,030	593,520
	Street Scene & Green Spaces				
1,010,475	Arboriculture Management	732,090	24,800	Cr 900	755,990
Cr 188,666	Business Support and Markets	Cr 79,940	Cr 6,050	21,180	Cr 64,810
1,239,893	Management and Contract Support	1,415,650	42,210	111,420	1,569,280
5,876,409	Parks and Green Spaces	5,725,640	242,330	104,570	6,072,540
5,656,016	Street Environment	5,684,760	228,170	79,100	5,992,030
230,298	Street Regulation	227,580	6,560	Cr 3,600	230,540
17,935,238	Waste Services	18,514,850	750,500	387,370	19,652,720
31,759,663		32,220,630	1,288,520	699,140	34,208,290
	Traffic, Parking & Highways				
6,132,601	Highways (Including London Permit Scheme)	6,240,430	219,310	2,350,580	8,810,320
Cr 8,013,640	Parking	Cr 7,574,450	110,580	Cr 2,000,060	Cr 9,463,930
Cr 35,634	Traffic & Road Safety	132,140	1,020	Cr 1,010	132,150
Cr 1,916,673		Cr 1,201,880	330,910	349,510	Cr 521,460
30,417,585		31,760,520	1,641,210	878,620	34,280,350
7,276,062	TOTAL NON CONTROLLABLE	6,618,480	56,870	13,540	6,688,890
2,511,419	TOTAL EXCLUDED RECHARGES	2,111,500	0	88,310	2,199,810
40,205,066	PORTFOLIO TOTAL	40,490,500	1,698,080	980,470	43,169,050

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO**SUMMARY OF BUDGET VARIATIONS 2022/23**

Ref	VARIATION IN 2022/23		ORIGINAL BUDGET 2021/22 £'000
	£'000	£'000	
1 2021/22 BUDGET		40,491	
2 Increased Costs		1,698	
Full Year Effect of Allocation of Central Contingency			
3 Contract inflation uplifts within Street Scene and Green Space Services		448	25,514
Movements Between Portfolios/Departments			
4 Centralisation of Training Budgets	Cr	12	11
Real Changes			
<i>Other Real Changes</i>			
5 Reinstatement of the Highways Maintenance revenue budget		2,500	0
6 Absorption of Inflation Increase for NRSWA Income		42	Cr 1,066
7 Increase in Waste Collection Costs to reflect growth in number of properties		44	7,571
8 Increase in Residual Waste Disposal Costs to reflect growth in number of properties		44	9,271
9 Increase in Recyclate Waste Disposal Costs to reflect growth in number of properties		19	1,415
10 Absorption of Inflation Increase on Recyclates Income		<u>37</u>	Cr 919
<i>Growth</i>			
11 Increase in Residential Waste Disposal Volumes		800	9,271
12 Allocation from the COVID Grant Earmarked Reserve	Cr	800	
13 Increase to the Car Parking Income target	Cr	<u>200</u>	Cr 6,281
<i>Mitigation</i>			
<i>Transformation Programme Savings</i>			
14 Energy cost savings from the Street Lighting LED Conversion Programme	Cr	179	1,406
15 Full year effect of additional income from Moving Traffic Contraventions enforcement	Cr	<u>1,796</u>	Cr 5,417
14 Variations in Capital Charges			
16 Variations in Recharges		19	
Variations in Building Maintenance			
16 Variations in Insurances			
17 Variations in Rent Income		14	
18 2022/23 DRAFT BUDGET		<u>43,169</u>	

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO

Notes on Budget Variations in 2022/23

Ref Comments

2 Increased Costs (Dr £1,698k)

Inflation has been allocated to budgets for 2022/23. An estimated rate of 2% has been applied to pay budgets and 4% to non-pay budgets. There has also been an adjustment for increased National Insurance contributions.

Full Year Effect of Allocation of Central Contingency

3 Contract inflation uplifts within Street Scene and Green Space Services (Dr £448k)

The actual inflation indexation for Waste Services, Street Environment and Grounds Maintenance contracts exceeded that assumed when the 2021/22 budgets for those services were approved, and a draw down of additional budget of £448k to cover these increased costs was agreed from Central Contingency during the year. The split across the services was: £265k Waste Services; £77k Street Environment; £106k Grounds Maintenance.

Movements Between Portfolios/Departments

4 Centralisation of Training Budgets (Cr £12k)

Departmental training budgets are now being centralised into one corporate area to be managed by HR rather than by individual budget managers.

Real Changes

5 Reinstatement of the Highways Maintenance revenue budget (Dr £2,500k)

The highway investment project was completed in 2020/21 and this adjustment restores the revenue budget to its previous level. However, a further review and business case will be undertaken, taking into account an updated borough-wide condition survey to determine the state of the footway and carriageway assets. This will allow an assessment to be made of the requirement and funding options for future planned and reactive works. The outcome of this review will be reported to Members for consideration.

6 Absorption of Inflation Increases for NRSWA Income (Dr £42k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As income under the New Roads & Street Works Act (NRSWA) are statutory fees set by the Government, inflation has been absorbed as part of the budget setting process.

7 Increase in Waste Collection Costs to reflect growth in number of properties (Dr £44k)

The refuse and recycling collection contract is based on the number of residential premises rather than bins or volumes collected. The additional costs reflect the anticipated increase in new properties in 2022/23.

8 Increase in Residual Waste Disposal Costs to reflect growth in number of properties (Dr £44k)

The additional costs for the waste disposal contract reflect the anticipated increase in tonnage of residual waste generated from new properties in 2022/23.

9 Increase in Recyclate Waste Disposal Costs to reflect growth in number of properties (Dr £19k)

The additional costs for the waste disposal contract reflect the anticipated increase in tonnage of recyclate waste generated from new properties in 2022/23.

10 Absorption of Inflation Increase on Recyclates Income (Dr £37k)

Inflation applied to sale of recyclates which is not inflated via contract (relates to market indices).

*Growth*11 Increase in Residential Waste Disposal Volumes (Dr £800k)

One ongoing effect of Covid-19 has been a significant increase in the amount of waste collected from residential properties and needing to be processed. This is due to the ongoing and anticipated longer term impact of changes to working habits, with an apparent step-change in flexible and home working, along with an increase in home deliveries, both of which factors have resulted in more waste being generated.

12 Allocation from the COVID Grant Earmarked Reserve (Cr £800k)

During 2021/22 LBB received COVID general support grant. After allocation to those services impacted by COVID restrictions and measures, the residual grant was placed into earmarked reserves in order to further support services during future years. £800k of this reserve has been allocated in 2022/23 to fund the above increase in residential waste disposal volumes.

13 Increase to the Car Parking Income target (Dr £200k)

During 2020/21 and early 2021/22, the use of car parks and on street parking spaces was severely affected by Covid-19 restrictions on town centres and changes to working patterns, resulting in a significant loss of income. The income budget for 2021/22 was subsequently reduced by £1.2m to reflect this marked change, although some longer term, partial recovery of this income stream is anticipated as usage hopefully continues to increase across all sectors. Therefore £200k has been restored to the income target for 2022/23 to reflect a phased reinstatement of the budget to pre-Covid levels.

*Transformation Programme Savings*14 Energy cost savings from the Street Lighting LED Conversion Programme (Cr £179k)

In July 2021, Executive agreed to roll out phase 3 of this programme funded from the Invest to Save reserve to replace all remaining street lights with low energy LED lamps. Although revenue budget savings for this phase estimated at £183k will not start to accrue until 2025/26, savings are now being generated from phase 2 of the programme which will be completed during 2021/22. After allowing for agreed repayments of investment funding, it is now anticipated that this phase will result in projected energy savings of £179k from 2022/23, with eventual total full year savings from phases 2 and 3 of over £0.5m per annum expected.

15 Full year effect of additional income from Moving Traffic Contraventions enforcement (Cr £1,796k)

Implementation of this scheme was approved by the Executive in September 2020, with full year net additional income estimated at £3.1m from 2023/24. As the scheme was rolled out during October and November 2021, the budget for 2021/22 reflected the part year impact of £1,173k, therefore the budget for 2022/23 needs to be increased by £1,796k to reflect the anticipated increase in income for the year.

16 Variations in Recharges (Dr £19k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

17 Variations in Rent Income (Dr £14k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO
DRAFT REVENUE BUDGET 2022/23 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable
	£	£	£	£	£	£	£			£
Transport Operations and Depot Management										
Transport Operations and Depot Management	301,780	209,670	22,590	134,800	0	0	Cr 75,320	0	0	593,520
	301,780	209,670	22,590	134,800	0	0	Cr 75,320	0	0	593,520
Street Scene & Green Spaces										
Arboriculture Management	267,460	108,940	7,080	419,360	0	0	Cr 46,850	0	0	755,990
Business Support and Markets	281,490	13,210	730	188,860	0	0	Cr 549,100	0	0	Cr 64,810
Management and Contract Support	1,570,480	0	4,160	34,640	0	0	0	Cr 40,000	0	1,569,280
Parks and Green Spaces	134,340	4,348,230	5,100	53,270	1,977,230	0	Cr 185,630	Cr 260,000	0	6,072,540
Street Environment	179,950	12,080	9,330	476,440	5,322,350	0	Cr 8,120	0	0	5,992,030
Street Regulation	212,600	0	13,460	10,480	0	0	Cr 6,000	0	0	230,540
Waste Services	239,720	35,530	16,940	134,590	27,314,950	0	Cr 8,032,410	Cr 56,600	0	19,652,720
	2,886,040	4,517,990	56,800	1,317,640	34,614,530	0	Cr 8,828,110	Cr 356,600	0	34,208,290
Traffic, Parking & Highways										
Highways (Including London Permit Scheme)	1,522,540	1,283,200	30,750	7,190,720	0	0	Cr 1,169,000	Cr 47,890	0	8,810,320
Parking	811,660	1,179,770	2,260	489,180	2,642,630	0	Cr 14,680,570	91,140	0	Cr 9,463,930
Traffic & Road Safety	1,645,880	0	14,510	46,270	0	0	Cr 323,120	Cr 1,251,390	0	132,150
	3,980,080	2,462,970	47,520	7,726,170	2,642,630	0	Cr 16,172,690	Cr 1,208,140	0	Cr 521,460
	7,167,900	7,190,630	126,910	9,178,610	37,257,160	0	Cr 25,076,120	Cr 1,564,740	0	34,280,350

Service area	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£				£	£	£	£
Transport Operations and Depot Management								
Transport Operations and Depot Management	33,000	124,640	Cr 11,920	145,720	457,310	1,196,550	Cr 1,232,360	Cr 35,810
	33,000	124,640	Cr 11,920	145,720	457,310	1,196,550	Cr 1,232,360	Cr 35,810
Street Scene & Green Spaces								
Arboriculture Management	0	438,090	0	438,090	116,810	1,310,890	Cr 584,830	726,060
Business Support and Markets	0	740	0	740	200,340	136,270	Cr 242,080	Cr 105,810
Management and Contract Support	0	2,770	0	2,770	257,460	1,829,510	Cr 1,297,450	532,060
Parks and Green Spaces	290,000	804,090	Cr 388,690	705,400	584,170	7,362,110	Cr 1,002,740	6,359,370
Street Environment	39,000	6,470	0	45,470	909,840	6,947,340	Cr 196,400	6,750,940
Street Regulation	0	570	0	570	83,040	314,150	Cr 309,620	4,530
Waste Services	20,000	570	0	20,570	3,613,640	23,286,930	Cr 2,424,400	20,862,530
	349,000	1,253,300	Cr 388,690	1,213,610	5,765,300	41,187,200	Cr 6,057,520	35,129,680
Traffic, Parking & Highways								
Highways (Including London Permit Scheme)	4,389,000	560,170	Cr 20,360	4,928,810	2,550,200	16,289,330	Cr 283,680	16,005,650
Parking	421,000	27,470	Cr 51,520	396,950	459,900	Cr 8,607,080	212,330	Cr 8,394,750
Traffic & Road Safety	0	3,800	0	3,800	435,860	571,810	Cr 107,530	464,280
	4,810,000	591,440	Cr 71,880	5,329,560	3,445,960	8,254,060	Cr 178,880	8,075,180
	5,192,000	1,969,380	Cr 472,490	6,688,890	9,668,570	50,637,810	Cr 7,468,760	43,169,050