

Environment & Community Portfolio Budget Monitoring Summary

2021/22 Actuals £'000	Service Areas	2022/23 Original Budget £'000	2022/23 Latest Approved £'000	2022/23 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT & COMMUNITY PORTFOLIO							
	Street Scene & Green Spaces							
1,082	Arboriculture Management	757	771	771	0		0	0
Cr 164	Business Support and Markets	Cr 64	Cr 64	42	106	1	0	50
6,039	Parks and Green Spaces	6,073	6,213	6,213	0		0	0
200	Street Regulation and Enforcement	1,573	1,573	1,573	0		0	0
18,582	Waste Services	19,654	20,464	19,664	Cr 800	2	0	Cr 800
5,789	Street Environment	5,992	6,112	6,112	0		0	0
1,417	Management and Contract Support	231	231	231	0		0	0
32,945		34,216	35,300	34,606	Cr 694		0	Cr 750
	Transport Operations and Depot							
504	Transport Operations and Depot Management	594	594	594	0		0	0
504		594	594	594	0		0	0
	Traffic, Parking and Highways							
248	Traffic & Road Safety	133	133	362	229	3	0	0
Cr 6,967	Parking	Cr 9,462	Cr 8,962	Cr 7,462	1,500	4-8	0	1,000
6,072	Highways (including London Permit Scheme)	8,813	8,813	8,813	0		0	0
Cr 647		Cr 516	Cr 16	1,713	1,729		0	1,000
32,802	TOTAL CONTROLLABLE	34,294	35,878	36,913	1,035		0	250
	TOTAL NON-CONTROLLABLE							
2,630		6,689	6,689	6,689	0		0	0
2,449	TOTAL EXCLUDED RECHARGES	2,336	2,336	2,336	0		0	0
37,881	PORTFOLIO TOTAL	43,319	44,903	45,938	1,035		0	250

Reconciliation of Latest Approved Budget £'000

Original Budget 2022/23 43,319

Carry Forward Requests approved from 2021/22

Central Contingency Adjustments

Contract Inflation		
Waste Collection & Disposal	810	
Street Environment	120	
Parks Management & Grounds Maintenance	140	
Arboricultural Services	14	1,084
Parking income		500

Other

Latest Approved Budget for 2022/23

44,903

REASONS FOR VARIATIONS**1. Business Support & Markets Dr £106k**

Street trading income remains affected by the continuation, under the Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021, of pavement licences. This was a temporary measure, originally introduced during the Covid pandemic but now extended into 2023 with a view to being made permanent, which allows businesses to apply for a pavement licence for a £100 administration fee with no ongoing charges. This is a significant reduction compared to the permanent street trading licence scheme where the fees charged are significantly higher and are subject to periodic renewal. The estimated net impact on the Council this year is a net loss of c£50k.

Market income is anticipated to be under budget by c£56k this year. This continues the trend over the last two years which has seen a decline in the number of market traders following the initial impact of the Covid pandemic.

2. Waste Services Cr £800k

In setting the budget for 2022/23, account was taken of the significant increase in waste volumes collected from residential properties that had occurred since 2020. This was explained mainly as more people working from home following Covid restrictions, as well as an increase in the amount of waste generated from more home deliveries. As 2021 progressed, it appeared that this would be a long term and permanent change in domestic habits with a corresponding long term increase in recycling processing and waste handling costs, and the 2022/23 budget therefore was increased by £800k.

However, it became apparent in the final quarter of 2021/22 that waste volumes had started to moderate and even decline - this trend has been sustained in the first part of this financial year with waste officers reporting that volumes have returned to pre-Covid levels. As a result, the increased budget provision of £800k is not required and results in the budget being underspent.

3. Traffic & Road Safety Dr £229k

As had been reported throughout the last financial year, the situation regarding TfL funding of the Council's LIP capital programme and the staff engaged to deliver schemes continues to remain uncertain. Although the service are retaining vacancies as mitigation against this loss of funding, there is a monthly net funding gap of c£73k on this revenue budget, with the accumulated deficit to the end of August totalling £365k. While a longer term funding settlement for TfL is still awaited, the Council has received interim LIP funding so far this year of £136k, resulting in a net deficit to date of £229k. However, as there is no further funding for the remainder of the year or the amount of funding is insufficient, this variation will increase. The Assistant Director of Traffic & Parking continues to work closely with TfL to understand the situation for future funding and mitigating action will be prepared including a full service redesign.

Parking**4. Income from Bus Lane Contraventions Cr £200k**

As has been reported previously, traffic levels have been down compared to pre-Covid levels and this income budget underachieved by £224k in 2021/22. This trend has continued in the first quarter of 2022/23, and projected to be c£200k under budget again this year.

5. Off/On Street Car Parking Cr £50k

Since April 2020, use of on and off street car parking spaces has been severely affected by the impact of the Covid pandemic on town centre activity and changes in commuting habits. These changes have persisted into this financial year with the wider economic uncertainty seemingly contributing to ongoing difficult trading conditions for town centres.

Although the overall budget target has been reduced by £1m since 2020, income from parking is projected to underachieve by a further £750k in 2022/23 based on activity in the first part of this financial year, with income from off street and multi-storey parking continuing to be most affected.

However, in setting the budget for 2022/23, the Executive took into account the risk of possible continuing losses and set aside a further provision of £500k in the Central Contingency budget. Subject to Executive's agreement, this amount has now been drawn down to the Parking income budget. As a result, the deficit on this income budget reduces from £750k to £250k.

Mitigating these income losses, the amount that the Council receives from RingGo fees continues to be buoyant reflecting the increased use of this payment method.

	Total
	£'000
Summary of variations within Off/On Street Car Parking	
Off/On Street Car Parking income	750
Central Contingency budget adjustment	<i>Cr</i> 500
Revised Off/On Street Car Parking income	250
Less additional RingGo fees	<i>Cr</i> 300
Total variations within Off/On Street Parking	<u>Cr 50</u>

6. Car Parking Enforcement Dr £1,650k

As reported in previous monitoring in 2021/22, since the introduction of enforcement of moving traffic contraventions in October 2021, the actual number of tickets issued has been significantly lower than anticipated. Officers believe that this has been the result of a lower volume of traffic compared to the pre-Covid survey numbers, as well as potential issues with the efficacy of the new cameras. This issue was investigated by officers and have since engaged with the contractor resulting in some improvement in camera performance.

However, the actual number of PCN's issued in 2022/23 - although higher than in 2021/22 - has remained lower than original expectations, which officers believe is due mainly to a reduction in traffic congestion meaning fewer vehicles are contravening yellow box junctions. Therefore, the shortfall for the year at this stage is projected to be £1,650k.

7. Parking Shared Service Cr £250k

There is a net projected underspend of £250k 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.

8. Traffic Committee for London fees Cr £50k

There was an underspend of £57k on this budget in 2021/22 and a similar variation is anticipated this year.

Summary of overall variations within Parking:

	£'000
Bus Routes Enforcement	200
On/Off Street Car Parking (net of Contingency budget adjustment)	Cr 50
Car Parking Enforcement	1,650
Parking Shared Services	Cr 250
Traffic Committee for London fees	Cr 50
Total variation for Parking	<u>1,500</u>

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, no 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.