

ENVIRONMENT REVENUE BUDGET MONITORING

Report By: DIRECTOR OF ENVIRONMENT

Purpose

1. To advise members of the financial position for the Environment Directorate budgets for the period to 31st January 2007. The report lists the variations against budget at this stage in the year.

Financial Implications

2. It is expected that all Environment directorate budget variances will be contained within the overall 2006/07 Revenue Budget for Environment.

Considerations

3. The detailed report on Budget Monitoring is attached at Appendix 1 for Members' consideration.
4. The total Environment Budget for 2006/07 is the amount reported to the last meeting of the Committee which was £26,714,460.
5. The summary position is set out in the table below.

2006/07	Budget	Projected Outturn	Variance
<u>Service Area</u>	£000	£000	£000
Environmental Health & Trading Standards	13,361	12,786	(575)
Highways & Transportation	10,345	10,354	9
Planning	3,008	2,808	(200)
Environment Total	26,714	25,948	(766)

6. In overall terms the year end position for the Environment Budgets is a projected under spend of £766,000. This is mainly due to projected under spending on the Waste Disposal PFI and also grant income received in advance in Planning. The under spend on the Waste Disposal PFI will be transferred to reserves and an application to carry forward unspent grant income into 2007/08 will be made at the end of the financial year.

Environmental Health and Trading Standards

7. Although there are minor pressures within this service, the projected outturn reflects a net under spend of £575,000. This mainly relates to the under spend of £600,000

on the Waste Disposal PFI contract and is as a result of expected contract variations; the under spend will be transferred to reserves at year end.

8. The budget pressures on Landfill and Contaminated Land of £11,000 relates to additional costs incurred on fencing and security of the Agricote site. Increased energy costs also puts pressure of £14,000 on the Crematoria budget for the year. Underspending in other areas within Environment will mitigate these pressures.

Highways and Transportation

9. The Highways & Transportation budgets continue to be under considerable pressure and every effort will be made to contain spending within the service budget through the re-allocation of resources. Current projected outturn reflects a net over spend of £9,000 which will be mitigated by under spends from other areas within the Directorate.
10. Pressure will be put on the Winter Maintenance budget due to the recent adverse weather conditions. It is estimated that the outturn will be £35,000 above budget.
11. Uptake of the Concessionary Fare scheme has been strong and out-turn is currently predicted to be in the region of £1,004,000, being £172,000 over spend against budget.
12. The budget for Car Parking is also under pressure due to a small fall in income in comparison to previous years and additional rental charges in relation to 2005/06 payable within the current year. The projected net outturn is estimated to be £150,000 overspend. Income on Decriminalised Parking is also expected to fall below target by £65,000. This is due to the reduction in Wardens during the year, absent from work due to ill health.
13. Street Lighting budgets continue to be underspent due to recruitment problems and Owen Williams have now been brought in to carry out commissioning of schemes. The estimated under spend of £350,000 will be re-allocated to meet other budget pressures within the service.
14. There is additional projected under spend for the year in relation to Public Convenience costs (£25,000) and additional income received on Section 38 Agreements (£38,000). These will be use to mitigate pressures within the service.

Planning

15. Planning Fee income has fallen slightly below income target for the Period to 31st January 2007. However current forecasts based on income patterns in previous years and the uncertainty of the impact of the introduction of Design & Access Statements indicate that it is likely that Fee income will meet target. The shortfall in Development Control income (£130,000) being met through the excess Building Control Fee income.
16. It is likely that there will be an under spend position in Conservation of £100,000. This is due to the receipt of various grant income in advance of incurring the relative project costs. It is difficult to estimate the outturn as this depends on the timing and conditions of the individual grants received. An application will be made at year end to carry forward budget into 2007/08 in order to complete projects where income has been received in 2006/07.

17. There is also likely to be a net under spend in relation to Planning Delivery Grant of £200,000. This grant is required to meet future costs in relation to Local Development Framework and improve IT systems. In 2006/07 this under spend will be used to mitigate other pressures within the service in relation to IT Contract fees £100,000. An application will be made at year end to carry forward Planning Delivery Grant budget into 2007/08.

RECOMMENDATION

THAT the Revenue Budget Monitoring Report for 2006/07 be noted subject to any comments which members may wish to make.

BACKGROUND PAPERS

- None identified.