

# REVENUE BUDGET MONITORING

Report By: Director of Environment

## Purpose

1. To advise Members of the financial position for the Environment Programme Area budgets for the period to 30th September 2007. The report lists the variations against budget at this stage in the year.

## Financial Implications

2. It is expected that the Environment Revenue Budget for 2007/08 will be underspent by a net amount of £357,000.

## Considerations

3. The detailed report on Budget Monitoring to 30<sup>th</sup> September 2007 is attached at Appendix 1 for Members' consideration.
4. The total Environment Budget for 2007/08 has reduced from the amount reported to the last meeting of the Committee, which was £25,021,000, to £24,741,000. This reduction of £280,000 relates to:
  - The transfer of staffing budgets from the Planning Service (£178,000) and Environmental Health & Trading Standards (£37,000) totalling £215,000 to the 'Info by Phone' team.
  - Annual contributions to fund prudential borrowing used to purchase Vehicles and Machinery in Highways & Transportation. These purchases replaced items previously leased, being the more cost-effective option.
  - Following the review of Service Level Agreements with Hereford City Council, the overall income targets for contributions for services provided by Herefordshire Council has been re-allocated to the relevant Directorates. An additional income budget of £27,000 has been allocated to Highways & Transportation in relation to Christmas Lights.

## Environmental Health & Trading Standards

5. The current projected underspend in this service of £600,000 relates to the Waste Disposal budget. This projection is mainly based on forecasts from Worcestershire CC in relation to the joint Waste Disposal contract. In previous years there has been significant underspend and until the new Contract variations are agreed this position will continue, however the cost of the new contract will be considerably higher than at present. The final position will be reflected in the overall revenue account but, as in previous years, any underspend against the contract will need to be earmarked for reserves to meet future waste management pressures.
6. All other areas spending will be contained within the service budget.

**Highways & Transportation**

7. Concessionary travel is expected to overspend by £100k. This projection is based on inflationary increases during the year on fares of 10% and an increase of patronage of 5%, based on increases already seen so far this year.
8. The Highways budgets continue to be under considerable pressure in relation to road maintenance. This is mainly due to budget virement, reported to the previous Committee, reducing the Roads Maintenance budget by £909,000 to meet contract inflationary pressures within Environment. Every effort will be made to contain spending within the service budget.

**Planning**

9. There is likely to be an overspend in relation to IT SLA charges in Planning of £100k. In the previous year, on a one-off basis, this pressure was met by Planning Delivery Grant however there is no capacity to do this in the current year.
10. There is also an additional projected overspend of £43k in relation to a revenue contribution to Capital for the purchase of land at Belmont.
11. Although Planning Fee income is on target for the Period to 30<sup>th</sup> September 2007, current forecasts based on income patterns in the previous two years, which take seasonal fluctuations into account, indicate a potential shortfall of income of £30-60k for the year. As Fee income levels are difficult to predict, income will be closely monitored.

**RECOMMENDATION**

**THAT the report be noted.**

**BACKGROUND PAPERS**

- Appendix I attached.