

REVENUE BUDGET MONITORING**Report By: DIRECTOR OF RESOURCES****Purpose**

1. To advise members of the financial position for the Environment revenue budgets for the period to 31st July 2009. The report lists the variations against budget at this stage in the year and a projected outturn for the year.

Financial Implications

2. The current position for Environment is a projected underspend of £417,000. The Environment Scrutiny Portfolio includes services within Environment & Culture Directorate and the Regeneration Directorate. A projected underspend of £477,000 is within the Environment & Culture Directorate and an overspend of £60,000 is within Regeneration Directorate.

Considerations

3. The detailed Budget Monitoring Report to 31st July 2009 is attached at Appendix 1 for Members' consideration.
4. The total Environment budget for 2009/10 has increased to £26,204,000 from the amount reported to previous meeting, which was £26,168,000. This is a net increase of £36,000 and is made up of £153,000 for Emergency Planning which has now been transferred from the Deputy Chief Executive's Directorate to the Environment & Culture Directorate and a reduction of £117,000 in relation to Community Safety which is part of the Community Services Portfolio.

5. The summary position is set out in the table below.

2009/10	Annual Budget	Projected Outturn	Over/-Under spend
<u>Service Area</u>	£000	£000	£000
Highways	7,362	7,260	-102
Service Delivery Review Savings	-900	-525	375
Environmental Health & Trading Standards	695	695	0
Waste Management	13,037	12,387	-650
Directorate Management & Support	349	249	-100
Emergency Planning	153	153	0
Transportation	3,359	3,109	-250
Planning	2,149	2,459	310
Environment Total	26,204	25,787	-417

Highways

6. A saving of £102,000 through staff vacancy management is expected to be achieved due to the recruitment freeze pending the service delivery review.

Environmental Health & Trading Standards

7. Environmental Health & Trading Standards are expected to match budget. There is a risk that the Car Parking income target may not be met but this is expected to be offset by receipts from the Crematorium which continues to exceed budget.

Waste Management

8. Latest estimates from Worcestershire County Council of waste disposal contract costs project an underspend of £650,000 on Herefordshire's Waste Disposal budget for 2009/10.
9. The cost of the new waste disposal contract will become considerably higher than at present and in previous years any in-year underspend on the contract has been transferred to reserves to meet these future waste management pressures. This is not accounted for in the projected outturn figures.
10. There is a risk that if waste growth/reduction between Herefordshire and Worcestershire vary by more than 1% to the detriment of Herefordshire then an increase of £300k would be incurred by Herefordshire. This will be closely monitored throughout the year.

Directorate Management & Support

11. An underspend of £100,000 is expected through staff vacancy management in 2009/10.

Service Delivery Review Savings

12. Savings achievable through the service delivery review are based on a transfer date of 1st September 2009 assuming that they are received pro rata against the guaranteed £1m. Whilst the £900,000 savings are not expected to be achieved through service delivery review due to delays in contract negotiations, staff savings of £180,000 are expected to be achieved through vacancy management pending the staff transfer and are included in outturn estimates within the Highways and Culture & Leisure services.

Transportation

13. Recent contract negotiations on bus services have made a number of savings totalling £20,000 that should ease the pressures on budgets. A repayment of a contract payment made last year for £80,000 been set aside to mitigate other overspends within the Directorate.
14. Current indications are that the take up for concessionary fares is reducing. Based on the latest figures a prudent estimate would be a saving of £100,000. The forecast includes the receipt of £50,000 from the recent Area Based Grant re-allocation process.

Planning

15. Planning is currently expected to overspend by £310,000.
16. The levels of income generated from planning applications and building control charges are closely tied to the external economy and housing market. The Council have recently received several large applications which have improved the income position. Based on the first four months results, shortfalls in income for this coming year are forecast at £71,000 for Building Control and £126,000 for Development Control.
17. Monthly costs for scanning of plans continue to be a pressure on budgets until the new IT system is implemented. Based on current levels this is estimated to be £68,000 over the financial year. A further overspend of £45,000 is currently forecast for Planning documentation storage. Planning Management is currently looking at ways of mitigating these costs within existing budgets.

Recovery Plans

18. A review of staffing arrangements within planning including freezing current vacancies should generate savings of £35,000.
19. The balance of the overspend of the Regeneration Directorate is expected to be covered though a combination of further Directorate vacancies being held, operational savings identified within the Directorate and further anticipated savings from Concessionary Fares.

RECOMMENDATION

THAT subject to any comment the Committee may wish to make the report be noted.

BACKGROUND PAPERS

- None identified

APPENDIX

Appendix 1 – Summary Environment Revenue Budget 2009/10