

## ENVIRONMENT REVENUE BUDGET MONITORING

Report By: DIRECTOR OF ENVIRONMENT

### Purpose

1. To advise members of Budget Monitoring the position for the Environment Programme Area budgets for the period to 31<sup>ST</sup> October 2005. The report lists the variations against budget at this stage in the year.

### Financial Implications

2. It is expected that all budget variances will be contained within the overall 2005/06 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 2005/06 is the amount reported to the last meeting of the Committee which was £24,093,980.
5. The Budget for 2005/06 incorporates net underspending of £491,000 brought forward from 2004/05 from Highways and Transportation (-£439,000), Environmental Health and Trading Standards (£170,000) and Planning (£760,000). This excludes any underspending or overspending on the Waste Management PFI contract, which is transferred to reserves.
6. In overall terms the Environment Budgets are expected to come in on budget but this may be because of additional income from car parking and planning. Some reallocation of resources may be necessary.

### Highways and Transportation

7. The Highways budgets are under considerable pressure particularly in relation to road maintenance including winter maintenance, verge and drainage maintenance, street cleaning and public toilets. Every effort will be made to contain spending within the budget but this may require some reallocation of reserves.
8. The income budget for Car Parking, however, looks likely to exceed its income target by £200,000 however there is a slight fall in the expected income from De-criminalised Parking of £30,000.
9. With forthcoming renegotiation of contracts in relation to Public Transport, an overspending of £35,000 is expected in 2005/06 rising to £250,000 in 2006/07. Some of these additional costs can be mitigated by the increase in Car Parking income.

## Environmental Health and Trading Standards

10. The spending on these services looks very much in line with the budget at present. It is expected that expenditure will exceed budget by £50,000 on Licensing as income has not increased in line with running costs. The Waste Collection contract is expected to exceed the budget by £75,000 after taking into account the projected surplus on Trade Waste.
11. The Waste Disposal P.F.I contract budget is expected to break even after taking into account the virement to Homelessness in 2005/06. The position is worse than 2004/05 because of the increased proportion of the contract (i.e. up to 25.7% from 24.77%) being borne by the Council and a reduction in the amount received for P.F.I. credits because of a change in basis being used. Previously our PFI credits had reduced in cash terms by 4% per annum but after a careful cash benefit analysis we have accepted a Treasury proposal that we should receive a fixed annual amount for the remaining years of the contract.

## Planning

12. During the first seven months, building control and development fee income is above budget by approximately £325,000. Whilst income continues to be buoyant, volumes of applications are falling and it is possible that the full year's additional income will not be as high as £325,000.

## RECOMMENDATION

**THAT the Revenue Budget Monitoring Report for 2005/06 be noted subject to the comments which members may wish to make.**

## BACKGROUND PAPERS

- None identified.