

## **ENVIRONMENT DIRECTORATE POSITION AS AT QUARTER 1:**

### **Revenue:**

|                              | Month 3<br>forecast<br>£000 |
|------------------------------|-----------------------------|
| CORPORATE DIRECTOR - ENV     | 0                           |
| HIGHWAYS & TRANSPORT         | 0                           |
| PLANNING & COUNTRYSIDE       | 150                         |
| PROPERTY & PUBLIC PROTECTION | -6                          |
| <b>Total</b>                 | <b>144</b>                  |

### **Corporate Director's summary:**

#### **Overview**

- 1.1 The forecast revenue over spend for the Environment Directorate as a whole is £144,000 against the budget of £30.1 million.
- 1.2 No variance is expected in the Corporate Director's budget.
- 1.3 Highways and Transport is forecasting to budget. However despite a reduction in income target in 2011/12, income from parking during the first quarter is below the expected level resulting in a forecast year end shortfall of £150,000.
- 1.4 The Planning and Countryside service is forecasting an over spend of £150,000. The delay in the introduction of legislation surrounding the setting of Development Control planning fees will mean that the new fee structure cannot be implemented until January 2012 at the earliest. This will result in a pressure against the income target. Income from Development Control in the first quarter has been good and, if this continues, would reduce the above pressure. Building Control income levels are consistently below budget.
- 1.5 The Property and Public Protection budget is expected to be under spent by £6,000.

#### **Pressures on the 2011-12 budget**

- 1.6 In Highways and Transport, despite a £220,000 reduction in income target in 2011/12, income from parking during the first quarter is below the expected level. There is expected to be a shortfall of £75,000 in car park income and £75,000 in fixed penalty income. It is known that car park income is down across the UK. £70,000 of the MVF target has been identified but £56,000 remains a pressure.
- 1.7 The Planning and Countryside service is forecasting an over spend of £150,000. The delay of legislation surrounding the setting of

Development Control planning fees is expected to result in a pressure of £210,000 against the income target. Income from Development Control in the first quarter has been good and, if this continues, would reduce the pressure to £50,000. Building Control income is forecasting a year end pressure of £61,500; income is consistently below budget due to the economic climate, competition, loss of domestic market and some major contracts. The remaining pressure from MVF is currently forecast at £40,000.

- 1.8 There are pressures in Property and Public Protection of £27,000 in rental income together with a shortfall in fair funding income of £38,000.

### **Management action taken to address emerging pressures**

- 1.9 The main pressure forecast by the Highways and Transport Service of £150,000 is due to declining parking income during the first quarter and £56,000 MVF pressure. These pressures will be managed by a reduction in highway maintenance programmes.
- 1.10 In Planning and Countryside, the additional income in quarter one has helped to reduce the forecast income pressure that has arisen from the delays in planning legislation. However, this forecast can only be achieved if planning income levels remain high throughout the remainder of the year. Building Control expenditure will also be reviewed with a view to addressing the shortfall in income.
- 1.11 The pressures in Property and Public Protection will be reduced through freezing of vacancies. £31,000 of the £38,000 shortfall in fair funding income will be met from savings within the service.

### **Risks identified**

Potential risks include:

- Further pressure on car park income, planning and building control income due to the impact of changes in demand
- Severe weather would put pressure on winter maintenance budgets
- An unforeseen Property maintenance issue would put pressure on the reactive maintenance budget
- Increased expenditure on the Local Development Framework following the suspension of the Examination in Public
- The Berkshire joint arrangement to prepare a minerals and waste planning policy document has ended. This has resulted in a need to prepare a local policy document. The programme and associated costs are currently being prepared.

### Capital Summary:

| <b>Service</b>                 | <b>2011/12<br/>capital<br/>programme<br/>£000</b> | <b>Amount<br/>Spent/<br/>Committed<br/>to 31-6-11<br/>£000</b> | <b>Forecast<br/>Spend in<br/>Year<br/>£000</b> | <b>Forecast<br/>Under/ Over<br/>Spend in Year<br/>£000</b> |
|--------------------------------|---|--|--|--|
| Property and Public Protection | 3,393   | 1,408  | 3,193  | -200   |
| Highways and Transport         | 10,285  | 4,535  | 10,185   | -100   |
| Planning and Countryside       | 679   | 397  | 679  | 0  |
| <b>Total</b>                   | <b>14,357</b>                                     | <b>6,340</b>   | <b>14,057</b>                                  | <b>-300</b>  |

2.1 Approximately 44% of the Environment Capital Budget has been committed so far this year. £200,000 of the Property and Public Protection programme (from the Carbon Management Programme) and £100,000 of the Highways and Transport Programme (repairs to the Kennet Centre Car Park are planned to be re-profiled into 2012/13 and future years. All other schemes are currently expected to be completed on budget within this financial year.