

ENVIRONMENT DIRECTORATE POSITION AS AT MONTH 6:

Revenue:

	Month 6 forecast £000
CORPORATE DIRECTOR - ENV	0
HIGHWAYS & TRANSPORT	-11
PLANNING & COUNTRYSIDE	120
PROPERTY & PUBLIC PROTECTION	-115
Total	-6

Corporate Director's summary:

Overview

- 1.1 The forecast revenue under spend for the Environment Directorate as a whole is £6,200 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 an overall under spend of £11,000. There are pressures in car parking income, public transport and Section 38 and Section 278 fee income totalling £327,000. These are going to be managed by a reduction in highways maintenance and other budget areas. The highway pressure has also been offset by a lower than expected spend on bus pass redemptions.
- 1.4 The Planning and Countryside service is forecasting an over spend of £120,000. 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 six months 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 £115,000. This is to be achieved by delaying recruitment and by cutting back on expenditure plans.

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 six months 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. There is a pressure following the withdrawal of Newbury Buses from the Newbury/Tesco and Newbury/Wash Common services and subsequent re-tendering of the contracts. In conjunction with the Portfolio Holder, it was decided to renew the contract, which has led to a pressure of £47,000. There is a £130,000 pressure on Section 38 and Section 278 fees due to the continuing economic climate and its effect on development. It is anticipated that income from developer's fees will increase from 2012/13 provided that Newbury Racecourse and other schemes in the pipeline go ahead.

- 1.7 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 six months has been good and, if this continues, would reduce the pressure to £150,000. Building Control income is forecasting a year end pressure of £128,000; income is consistently below budget due to the economic climate and competition, resulting in the loss of domestic market share and some major contracts.
- 1.8 There are pressures in Property and Public Protection of £38,000 in rental income together with a shortfall in fair funding income of £38,000.

Management action taken to address emerging pressures

- 1.9 Pressures in the Highways and Transport Service will be managed by a reduction in highway maintenance, including a reduction in minor drainage repairs. The reduction in drainage maintenance may result in an increase in localised flooding in extreme circumstances. However, it should be noted that the published road improvement programmes are not affected by this savings plan and will be completed as planned.
- 1.10 In Planning, until the legislation relating to planning fees is introduced the income will continue to suffer. Expenditure in Planning and Building Control has been reviewed with a view to addressing the shortfall in income, and savings are being made through internal restructuring in Development Control and early closure of the JSPU. It is unlikely that the shortfall will be fully recovered in this financial year.
- 1.11 The pressures in Property and Public Protection will be reduced through delaying recruitment, savings from cleaner greener and office cleaning. £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
- Further delays to the Planning fees legislation.

Summary of Overall Capital Position for the Environment Directorate

Service	2011/12 capital programme £000	Amount Spent/ Committed to 30-9-11 £000	Forecast Spend in Year £000	Forecast Under/ Spend in Year £000	Over Spend in Year
Property and Public Protection	3,393	2,212	3,203	-190	
Highways and Transport	10,541	6,657	10,301	-240	
Planning and Countryside	826	547	826	0	
Total	14,760	9,416	14,330	-430	

Approximately 63% 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 £340,000 of the Highways and Transport Programme (in respect of the Kennet Centre Car Park and the A4 Hambridge Road improvement) are planned to be re-profiled into 2012/13 and future years.

These underspends are expected to be partly offset by a £10,000 overspend on works to the former Landfill Site in London Road Bracknell which had not been budgeted for in 2011/12 because of a lack of information from Bracknell Forest.