

## **ENVIRONMENT DIRECTORATE POSITION AS AT MONTH 10**

	<b>Month 10 Forecast Variance £000</b>
Corporate Director	-9
Highways and Transport	3
Planning and Countryside	-37
Property and Public Protection	-6
<b>Total</b>	<b>-49</b>

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

#### **Overview**

- 1.1 The forecast revenue under spend for the Environment Directorate as a whole is £49,490 against the budget of £29.9 million. This is a change of £71,060 from the forecast overspend at month 9.
- 1.2 The Corporate Director's budget is expected to be under spent by £9,000 because he is no longer required to make a contribution to the cost of the Director of Public Health.
- 1.3 The Highways and Transport budget has reduced its forecast overspend to £3,270, which is a reduction of £25,000 from month 9. There are significant pressures in car park income, winter maintenance and emergencies as detailed below which are being offset by savings from concessionary fares and a reduction in highways maintenance spend, as well as an increase in income generated. The previously reported pressure on street lighting has reduced this month. This is as a result of detailed analysis of usage over the past year for which the supplier has re invoiced.
- 1.4 The Planning and Countryside service has increased its forecast underspend to £37,260, an increase of £10,000 from month 9. Development Control income is now expected to be £60,000 behind target and Building Control income £50,000 behind target. These pressures have been offset by reductions in spend on minerals and waste, urban design and additional vacancy savings because of the recruitment freeze.
- 1.5 The Property and Public Protection budget is now expected to be under spent by £6,500. This is a change of £36,000 from the previously reported pressure of £29,700. There are pressures in the running costs of West Street House and West Point, a shortfall in commercial property income, and a potential pressure relating to final energy invoices for Avonbank and Northcroft House. These pressures are being offset by planned reductions in expenditure and through managed vacancy savings.

- 1.6 In 2010-11 the Council is required to implement International Financial Reporting Standards (IFRS). Under the revised accounting guidelines, over £2m of highways maintenance expenditure that was treated as revenue has now be classed as capital expenditure. The impact of this is that from Month 9, the Highways and Transport revenue budget is £2m less than previously reported.

#### **Pressures on the 2010-11 budget**

- 1.7 In Highways and Transport, the forecast shortfall in car park income is now at £197,000. The winter maintenance budget is forecast to be £87,000 overspent because of the cost of rebuilding salt stocks to a prudent recommended level and costs of snow clearance and footway treatment. There is a pressure of £182,000 due to the high number of highway emergencies that had to be dealt with during the severe winter weather.
- 1.8 In Property and Public Protection, the estimated budget pressures on the running costs of West Street House and West Point have remained at £110,000 for the current year, while the forecast shortfall in commercial property income remains at £33,000.

#### **Progress against the recruitment freeze**

- 1.9 The directorate has identified vacancy savings to meet the recruitment freeze target of £200k.

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

- 1.10 As a result of management action, the pressures in Highways and Transport will be partly offset by increased income of £117,550 and a planned reduction in some highways maintenance activities of £110,000. In addition there are savings from reduced demand for concessionary fares of £143,000 and lower than anticipated spend on sewage treatment works of £50,000.
- 1.11 The Head of Property and Public Protection is aiming to offset £103,000 of pressures by reducing spending on reactive maintenance, office cleaning and supplies and services, Cleaner Greener project and aiming to offset a further £79,000 of pressures from vacancy savings over and above the MVF and recruitment freeze targets across property services and public protection.

#### **Risks identified**

Potential risks include:

- Further pressure on car park income and planning income due to the effects of the recession
- Further severe weather would put greater 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.