2018/19 Revenue Financial Performance: Economy & Environment Directorate Outturn Report

1. Outturn Review

Economy and Environment	Current Net Budget		Forecast (under)/over spend					Change from Last Quarter	Change from Last Month
			Quarter One	Quarter Two	Quarter Three	Month Eleven	Year End		
	£000		£000	£000	£000	£000	£000	£000	£000
Corporate Director - Environment	170		0	0	0	0	0	0	0
Development & Planning	2,701		(114)	(232)	(236)	(116)	(156)	80	(40)
Public Protection & Culture	4,086		47	70	(11)	(47)	(81)	(70)	(34)
Transport & Countryside	23,138		70	(171)	(120)	(122)	(213)	(93)	(91)
Economy and Environment	**30,095**		**3**	**(333)**	**(367)**	**(285)**	**(450)**	**(83)**	**(165)**

1.1 The Directorate outturn position is £450k underspent which is 1.5% of the net budget of £30m and is a variance of £83k to the Quarter Three forecast.

1.2 The Directorate achieved the following in-year savings in response to the corporate slow down (excluding capitalisation):

Slowing Down Savings 2018/19 Service	Total £000
Development and Planning	116
Public Protection and Culture	15
Transport and Countryside	115
Total	246

1.3 Capitalisation of £443k of costs in-year which were additional to the savings above, are analysed by service below.

Capitalisation In-Year		Total
Service	Description	£000
Development and Planning	Transport policy post	45
Public Protection and Culture	Library books stock an associated costs	95
Transport and Countryside	Hand patching	178
	Sign and Road Markings	50
	Drainage	75
Total		443

(1) Development and Planning

The Service outturn position is £156k underspent. The forecast at Quarter Three of £236k was largely due to

- salary and associated savings in Development Control (£26k),
- a drawdown of CIL funding for the full cost of the service including overheads (£45k) and
- capitalisation within transport policy (£45k).

This underspend was revised at Month Eleven to £116k, taking account of appeals costs of £100k. The outturn position showed

- Planning and transport policy budget underspends were unsuccessfully requested to be carried forward resulting in a previously unreported £94k underspend.
- Credit notes raised for housing income invoiced during the year were greater than expected resulting in the housing service being overspent by £67k.

(2) Public Protection & Culture

The Service outturn position is an underspend of £81k. The main contributor to this is the capitalisation of expenditure in the service. The saving in 2018/19 is £95k and this has mitigated £40k overspends in the Activity team, where there were transition costs associated with two functions that have now ceased - Activity Team and the Duke of Edinburgh scheme.

(3) Transport and Countryside

The Service outturn position is an underspend of £213k, after capitalisation of relevant highways expenditure. Without this, the Service would be overspent by £90k.

The forecast overspend at Quarter Three of £120k was largely due to winter maintenance overspends and pressure on the car parking income budgets. The year-end actuals moved significantly against the forecast at Quarter Three as follows:

- Winter maintenance budgets overspent by £187k at year-end. Snowfall in February 2019 cost an additional £75k over the estimated cost at Quarter Three and at Month Eleven.

- The forecast pressure of £229k in the parking budget at Quarter Three was reduced by £120k at year-end. Income continued to be below expectations in the last quarter and was overall £221k lower than budget of which £120k related to problems in recruiting Civil Enforcement Officers. A slow down of expenditure reduced the net pressure by year-end.

2. 2018/19 Savings and Income Generation Programme - RAG

2.1 The Economy and Environment Directorate savings and income generation programme is summarised below:

	2018/19			
	Target	**Green**	**Red**	**Achieved**
Economy & Environment	**£k**	**£k**	**£k**	
Planning & Development	202	202	0	100%
Public Protection & Culture	18	18	0	100%
Transport & Countryside	2,046	1,925	122	94%
Total	**2,266**	**2,144**	**122**	**95%**

2.2 Transport and Countryside:

The target net increase in penalty charges income of £46k is Red as considerable difficulty in recruiting Civil Enforcement Officers has resulted in reduced income from penalty charges. There has been no increased income from on street parking charges as this savings proposal was not pursued. Additional car parking fees built into the budget for 2018/19 of £75k is Red as external power supply problems, vandalism of, and theft from parking equipment, fewer enforcement resources than anticipated and a reduction in demand has had an adverse impact on income.

3. Risks

Transport & Countryside:

Although overspent this year the reserve established for the winter gritting costs was not utilised as the Service as a whole was underspent.

Building control:

Building Control has experienced some fluctuations in market share which impacts on the re-charge made by Wokingham BC (as hosts of the shared service).

Libraries and Leisure:

A risk reserve of £90k (Libraries) and £50k (Leisure) available this year to mitigate financial risks was not used as the service overall was underspent.

4. Transformation Funding

The Directorate was awarded £20k transformation funding to meet the costs of overseeing the Council's Commercialisation agenda and the recruitment of a casual Project Manager. This was managed by the Head of Public Protection and Culture.