

HERTFORDSHIRE COUNTY COUNCIL

ENVIRONMENT SCRUTINY COMMITTEE

TUESDAY 23 MARCH 2004 AT 10.00 AM

Agenda Item No.

9

BUDGET MONITOR TO 31 JANUARY 2004

Report of the Director of Environment

Author: Mike Collier, Assistant Director (Resources) Tel: 01992 556010

1. Purpose of Report

To enable the Committee to identify if there are any issues arising from the budget monitor that they wish to scrutinise.

2. Background

- 2.1 Each area of the Environment budget is allocated to a named manager who has responsibility for ensuring that services are delivered within the available funds. At the end of each month from May onwards a report is prepared that sets out any changes in the budget, predicted variances, virement and carry forward proposals and any other items of budgetary concern.
- 2.2 Copies of the report are sent to group spokesmen and to corporate finance who produce periodic summary reports that are considered by the Cabinet.
- 2.3 At their meeting on 12 May the Scrutiny Co-ordination Panel resolved:
“That the regular Budget Monitor and 'Traffic Light' Monitor reports be included on the agenda of Scrutiny Committees on the basis that the reports are for noting not for discussion and to enable the Committees to identify issues for scrutiny.”
- 2.4 A copy of the report produced to the end of January 2004 is attached as an appendix to this report for consideration.

3. Conclusions

Members are asked to decide if there are any items arising out of the budget monitor report that they wish to consider for future scrutiny.

ENVIRONMENT (CONTACT SIMON BARGE EXT 26060)
SUMMARY BUDGET MONITOR 2003/2004 AT JANUARY 2004

Summary

Net revenue spending is currently forecast to be £97.465 million, which is £390,000 (0.4%) above the latest approved budget (see Table 1, Table 3 and Table 4) and an increase of £350,000 from the overspend projected at the end of last month. The latest approved budget has increased by £1,258,000 from the original budget set at the beginning of the year.

Gross capital spending is forecast to be £34.729 million, which is £300,000 (0.9%) below the latest approved budget plus adjustments and carry forwards (see Table 2 and Table 5).

Table 1 – Revenue Changes

(All figures in £'000)

Environment	Original Budget	Latest Approved Budget	Project'd Outturn	Project'd Variance	Viremnt and Carry Fwds Proposd	Cross Ref. to Narrative
Position Last Month	95,817	97,205	97,245	40		
Main Changes						
<u>Budget Changes</u> BV Adjustments		(130)	(130)			Note (a)
<u>Projected Outturn Changes</u> Routine Maintenance			100	100		Note (b)
Winter Maintenance			500	500		Note (c)
Transport Planning Policy and Strategy			50	50		Note (d)
Waste Management			(300)	(300)		Note (e)
PROJECTED REVENUE OUTTURN	95,817	97,075	97,465	390		

Narrative on Revenue Items

	Movement £'000
<p>a) Budget Changes – Best Value Adjustments Detailed amendments to the Best Value accounting requirements has produced a change in the figures. This has no impact on service delivery.</p>	(130)
<p>b) Routine Maintenance An increase in reactive road maintenance is likely to result in an overspend.</p>	100
<p>c) Winter Maintenance The budget allows for a set number of precautionary salting outings each year which is likely to be exceeded this winter, a situation further exacerbated by the snow experienced at the end of January. The projection now made is on the basis of the remainder of the season conforming to average weather patterns.</p>	500
<p>d) Transport Planning Policy and Strategy <i>Increase in Projected Overspend from £200,000 to £250,000</i> Further developments to the Hermis highway asset management system have been undertaken to channel ordering and reporting of works through a single source. The finished product will provide better targeting and control.</p>	50
<p>e) Waste Management <i>Increase in Projected Underspend from £200,000 to £500,000</i> Following the receipt and processing of the third quarter information it is now possible to project an increase in the underspend due to a reduction in the throughput of waste compared to estimate.</p>	(300)

Other Revenue Items

Highways Maintenance – Outstanding Claims

A number of claims for payment due to exceptional circumstances remain outstanding from the previous highways maintenance contract. Should the contractor be successful in enforcing acceptance of some or all of these there will a significant impact on this year's projected outturn.

Section 74 Income

The Routine Maintenance budget contains an amount of £135,000 for net income from the utilities under Section 74 of the Highways Act, where amounts are payable to the highways authority for excessive time taken in carrying out works on the highway. Continuing national legal developments cast doubt on whether this money will be received.

Table 2 – Capital Changes

(All figures in £'000)

Environment	Original Budget	Latest Approved Budget	Projected Outturn	Projected Variance	Virement and Capital Slippage	Cross Ref. to Narrative
Position Last Month	31,345	34,754	34,754			
Main Changes						
<u>Budget Changes</u>						
Royston Recycling Ctr		275	275			Note (f)
<u>Projected Outturn Changes</u>						
Harpenden Recycling Ctr			(300)	(300)	300	Note (g)
Current Position	31,345	35,029	34,729	(300)	300	

Narrative on Capital Items

	Movement £'000
f) Budget Change – Royston Household Recycling Centre Last month it was reported that land was being purchased under officer delegated authority to expand the household recycling centre at Royston. In order to provide the required short term cashflow, work at Harpenden was being delayed until 2004/05, but this will now no longer be needed as notice has been received from DEFRA that an application for grant has been successful. This amount has been added to the budget as an adjustment.	275
g) Harpenden Household Recycling Centre As stated above, work on this scheme has been delayed to assist with the potential land purchase at Royston. The receipt of the grant from DEFRA now means that this funding is not now required and so this budget will be carried forward to 2004/05 as capital slippage.	(300)

Other Capital Items

None

Virements

No new virements have been carried out this month.

Carry Forward

There are currently no plans to carry forward budget to next financial year.

Table 3

ENVIRONMENT
Revenue Budget Monitor
Latest Approved Budget

As At: January 2004

Service	Original Budget £000	Carry Forwards £000	Virements £000	Technical Adjustments £000	Contingency Movements £000	Latest Approv'd Budget £000
Structural Maintenance	17,160	220		317		17,697
Routine Maintenance	12,186			(384)		11,802
Winter Maintenance	2,088			(387)		1,701
Lighting	5,246			(562)		4,684
Traffic Management and Safety	3,515			518		4,033
Sustainable Transport Policies	955			(32)		923
Road Safety Education and Training	1,001			(18)		983
School Crossing Patrols	775			(14)		761
Passenger Transport	9,152			114		9,266
Transport Planning Policy and Strategy	1,597			695		2,292
Advance Preparation and Consultation	1,859			(463)		1,396
Waste Management	20,084	122		44		20,250
Strategy, Planning and Information	3,087			1,276		4,363
Environmental Management	3,744			97		3,841
Best Value Adjustments	13,368			(285)		13,083
TOTAL	95,817	342	-	916	-	97,075

Table 4**ENVIRONMENT****Revenue Budget Monitor - Spend (including Commitments) and Projections****As At: January 2004**

Service	Current Month			Year to Date			Forecast Outturn				Carry Fwds £000
	Budget £000	Actual £000	Var £000	Budget £000	Actual £000	Var £000	Budget £000	Actual £000	Var £000	%	
Structural Maintenance	1,050	1,050	-	12,000	12,000	-	17,697	17,697		-	
Routine Maintenance	1,000	1,050	50	8,600	8,650	50	11,802	11,902	100	0.8%	
Winter Maintenance	380	680	300	1,000	1,300	300	1,701	2,201	500	29.4%	
Lighting	400	400	-	3,900	3,900	-	4,684	4,684		-	
Traffic Management and Safety	300	300	-	3,100	3,100	-	4,033	4,033		-	
Sustainable Transport Policies	80	80	-	760	760	-	923	923		-	
Road Safety Education and Training	70	70	-	880	860	(20)	983	983		-	
School Crossing Patrols	50	50	-	690	640	(50)	761	711	(50)	-6.6%	
Passenger Transport	1,000	1,000	-	8,000	8,050	50	9,266	9,356	90	1.0%	
Transport Planning Policy and Strategy	100	150	50	1,800	1,950	150	2,292	2,542	250	10.9%	
Advance Preparation and Consultation	100	100	-	1,000	1,000	-	1,396	1,396		-	
Waste Management	2,100	2,000	(100)	15,000	14,750	(250)	20,250	19,750	(500)	-2.5%	
Strategy, Planning and Information	200	200	-	3,700	3,700	-	4,363	4,313	(50)	-1.1%	
Environmental Management	200	200	-	3,600	3,650	50	3,841	3,891	50	1.3%	
Best Value Adjustments			-	-	-	-	13,083	13,083		-	
TOTAL	7,030	7,330	300	64,030	64,310	280	97,075	97,465	390	0.4%	

Table 5

ENVIRONMENT - Capital Budget Monitor

As At: January 2004

Service	Respons Officer	Scheme Cost £000	Original Budget £000	CF from Last Yr £000	Adjs & Viremts £000	Latest Budget £000	Yr to Dt Spend £000	Proj Outturn £000	Proj Variance £000	Perct %	Carry Fwds £000
DFT Funded Schemes											
Baldock Bypass - TSG/SCA Funding	R Smith	33,821	1,409			1,409	302	1,409		-	
Structural Maintenance of Bridges/C'ways	R Smith	7,939	7,939			7,939	7,939	7,939		-	
Integrated Transport Measures	R Smith	14,170	14,170	669		14,839	9,415	14,839		-	
St Peters St, StAlbans - Demonstration Grant	R Smith	-	-		1,000	1,000		1,000		-	
County Schemes											
Structural Maintenance of Non Princ Roads	R Smith	4,400	4,400		(25)	4,375	4,375	4,375		-	
Recycling Station at SW Herts	R Brown	1,722	185	560	175	920	532	920		-	
Other Recycling Centre Improvements	R Brown			122		122		122			
Harpenden Household Recycling Centre	R Brown	300	300			300		-	(300)	100%	
Royston Household Recycling Centre	R Brown				275	275		275			
Rights of Way - Maintaining Statutory Duty	R Brown	200	200			200	136	200		-	
Aldenham Dam Repairs	R Smith	220	220	73		293	268	293		-	
Aldenham Country Park - Improvements	R Brown	75	75		25	100	29	100		-	
Disabled Crossing Facilities	R Smith	150	150			150		150		-	
ICT Setup Costs at New Highways Offices	R Smith	175	175		(175)	-		-		-	
Digitising Highway Boundary Info	R Smith	31	31			31		31		-	
Securing Major LTP Funding	R Smith	100	100			100	42	100		-	
Self Financing - New Depot at South Mimms	R Smith	875	875		375	1,250	566	1,250		-	
Self Financing – Household Recycling Centre	R Brown				580	580		580			
Annual Provisions - Capital Element	R Smith	1,116	1,116			1,116		1,116		-	
Economic Development - Essex Road Bridge	A Fisher	30	-	30		30	23	30		-	
TOTAL		65,324	31,345	1,454	2,230	35,029	23,627	34,729	(300)	-0.9%	-