

**HERTFORDSHIRE COUNTY COUNCIL
ENVIRONMENT SCRUTINY COMMITTEE**

TUESDAY 21 OCTOBER 2003 AT 10.00 AM

Agenda Item No

8

BUDGET MONITOR TO 31 JULY 2003

Report of the Director of Environment

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Executive Member: Derrick Ashley

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 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 July 2003 is attached as an appendix to this report for consideration.

3. Rural Implications

There are no direct rural implications arising out of this report.

4. 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 JULY 2003

Summary

Net revenue spending is currently forecast to be £97.076 million, which is at the same level as the latest approved budget (see Table 1, Table 3 and Table 4). The latest approved budget has increased by £1,259,000 from the original budget set at the beginning of the year.

Gross capital spending is forecast to be £34.479 million, which is at the same level as 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	Projected Outturn	Variance	Virement and Carry Forwards Proposed	Cross Ref. to Narrative
Position Last Month	95,817	95,803	95,803			
Main Changes						
<u>Budget Changes</u>						
Application of Carry Forwards		220	220			Note (a)
Transfer to the Corporate Centre		(26)	(26)			Note (b)
Transfer of ECDU from the Corporate Centre		1,079	1,079			Note (c)
PROJECTED REVENUE OUTTURN	95,817	97,076	97,076			

Narrative on Revenue Items

	Movement £'000
a) Budget Change – Application of Carry Forwards Formal approval has now been received for the carry forward of the specific funds identified in the final 2002/03 outturn figures to the 2003/04 budget.	220
b) Budget Change – Transfer to the Corporate Centre A Communications post has been transferred from Environment to the Central Communications Unit.	26
c) Budget Change – Transfer of ECDU from the Corporate Centre The Economic and Community Development Unit transferred to Environment from the Chief Executive's Department on 1 st April.	1,079

Other Revenue Items

Passenger Transport

The tender prices for the renewal of some of the bus contracts for existing routes have come in higher than anticipated which has exerted early pressure on the budget. Ways are being investigated of attempting to manage the financial impact of this.

Waste Management

There are early pressures on this budget due to a slightly higher level in growth of waste than forecast. As trends become clearer through the year it is hoped that this situation can be managed.

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	Variance	Virement and Capital Slippage	Cross Ref. to Narrative
Position Last Month	31,345	33,799	33,799			
Main Changes						
<u>Budget Changes</u>						
Inclusion of Self Financing Household Recycling Centre		680	680			Note (d)
Current Position	31,345	34,479	34,479			

Narrative on Capital Items

	Movement £'000
d) Budget Adjustment – Self Financing Household Recycling Centre The self financing element of the new Household Recycling Centre development has not previously been included in the capital monitor report.	680

Other Capital Items

Self Financing Scheme – New Depot at South Mimms
Tenders received for the construction of a replacement depot at South Mimms are considerably in excess of the original estimate. Consultation is now taking place with the Corporate Centre and the prospective contractors to try to reduce the costs through modifying the specifications. If this does not fully bridge the gap, additional funds will need to be sought, which could mean that the net capital receipt to the County Council produced by this project could be reduced.

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: July 2003

Service	Original Budget £000	Carry Forwards £000	Virements £000	Technical Adjustments £000	Contingency Movements £000	Latest Approved 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			680		2,277
Advance Preparation and Consultation	1,859			(463)		1,396
Waste Management	20,084			44		20,128
Strategy, Planning and Information	3,087			1,276		4,363
Environmental Management	3,744			97		3,841
Best Value Adjustments	13,368			(147)		13,221
TOTAL	95,817	-	-	1,039	-	97,076

Table 4

ENVIRONMENT

Revenue Budget Monitor - Spend (including Commitments) and Projections

As At: July 2003

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	1,300	1,100	(200)	3,300	3,100	(200)	17,697	17,697		-	
Routine Maintenance	600	600	-	2,400	2,400	-	11,802	11,802		-	
Winter Maintenance	100	100	-	200	200	-	1,701	1,701		-	
Lighting	300	350	50	1,300	1,250	(50)	4,684	4,684		-	
Traffic Management and Safety	300	350	50	1,100	1,200	100	4,033	4,033		-	
Sustainable Transport Policies	100	100	-	250	250	-	923	923		-	
Road Safety Education and Training	230	220	(10)	460	420	(40)	983	983		-	
School Crossing Patrols	100	100	-	290	270	(20)	761	761		-	
Passenger Transport	750	780	30	2,800	3,000	200	9,266	9,266		-	
Transport Planning Policy and Strategy	330	340	10	850	840	(10)	2,277	2,277		-	
Advance Preparation and Consultation	150	150	-	400	400	-	1,396	1,396		-	
Waste Management	1,000	1,100	100	5,800	5,850	50	20,128	20,128		-	
Strategy, Planning and Information	950	950	-	1,700	1,700	-	4,363	4,363		-	
Environmental Management	600	600	-	1,500	1,500	-	3,841	3,841		-	
Best Value Adjustments			-	-	-	-	13,221	13,221		-	
TOTAL	6,810	6,840	30	22,350	22,380	30	97,076	97,076	-	-	-

Table 5

ENVIRONMENT - Capital Budget Monitor

As At: July 2003

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	M Palmer	33,821	1,409			1,409	114	1,409		-	
Structural Maintenance of Bridges/C'ways	M Palmer	7,939	7,939			7,939	3,173	7,939		-	
Integrated Transport Measures	M Palmer	14,170	14,170	669		14,839	2,253	14,839		-	
St Peters St, St Albans - Demonstration Grant	M Palmer	-	-		1,000	1,000		1,000		-	
County Schemes											
Structural Maintenance of Non Princ Roads	M Palmer	4,400	4,400		(25)	4,375		4,375		-	
Recycling Station at SW Herts	R Brown	1,722	185	682	175	1,042		1,042		-	
Harpenden Household Recycling Centre	R Brown	300	300			300		300		-	
Rights of Way - Maintaining Statutory Duty	R Brown	200	200			200	30	200		-	
Aldenham Dam Repairs	M Palmer	220	220	73		293	18	293		-	
Aldenham Country Park - Improvements	R Brown	75	75		25	100		100		-	
Disabled Crossing Facilities	M Palmer	150	150			150		150		-	
ICT Setup Costs at New Highways Offices	M Palmer	175	175		(175)	-		-		-	
Digitising Highway Boundary Info	M Palmer	31	31			31		31		-	
Securing Major LTP Funding	M Palmer	100	100			100		100		-	
Self Financing - New Depot at South Mimms	M Palmer	875	875			875	33	875		-	
Self Financing – Household Recycling Centre	R Brown				680	680		680			
Annual Provisions - Capital Element	M Palmer	1,116	1,116			1,116		1,116		-	
Economic Development - Essex Road Bridge	A Fisher	30	-	30		30		30		-	
TOTAL		65,324	31,345	1,454	1,680	34,479	5,621	34,479	-	-	-