

**ECONOMY AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE**

**ECONOMY & ENVIRONMENT FINANCIAL PERFORMANCE – FORECAST REVENUE AND CAPITAL OUTTURN UPDATE FOR 2018/19**

**Purpose of report**

To provide a high level updated financial position from the Quarter 3 report presented to the Panel on 19 February 2019.

**Revenue**

The forecast revenue outturn for 2018/19 as at the end of February 2019 for the services under the remit of this Committee is an overspend of £0.086m, net of the use of earmarked reserves. This is a more favourable position by £0.061m than that reported to the panel at the end of Quarter 3. Significant variances are summarised in the table below:

Summary by service	February position £m	December position £m	Movement £m	Explanation of movement
Clean and Green Services	(0.604)	(0.330)	(0.274)	Reduced general waste disposal costs (£0.112m); higher than anticipated trade waste income (£0.054m); reduction in fuel estimate (£0.035m); reduction in co-mingled material disposals (£0.041m); lower than anticipated cost of transport disposal (£0.030m); and individually immaterial variances (£0.050m) offsetting additional security work at depot £0.048m.
Economy & Environment Management	0.124	0.125	(0.001)	
Leisure, Culture & Operations	(0.090)	(0.028)	(0.062)	Due to reduction in Library supplies (£0.106m) mainly delay of computer purchases, and reduction in Active Living net position £0.047m.  Bereavement £0.027m income shortfall offset by net Forest Arts position (£0.027m). Decrease in the forecast income for cemeteries £0.036m offset by individually immaterial variances across the service totalling (£0.039m)
Planning, Engineering & Transportation	0.509	0.201	0.308	Underachievement of planning applications income £0.176m and land registry income £0.090m, increased £87k increase in forecasted spend on contractor fee's for Highway's Maintenance, offset by immaterial variances totalling (£0.045m)
Programme Management	(0.024)	(0.025)	0.001	
Regeneration & Development	0.266	0.263	0.003	
Regulatory Services	(0.096)	(0.058)	(0.038)	Increased underspends in employee costs and supplies and services costs within Community Protection and Environmental Health.
Smarter Workplaces	0	0	0	
<b>Total</b>	<b>0.087</b>	<b>0.148</b>	<b>(0.061)</b>	

Risks associated with this forecast and the total financial exposure to risk has been calculated as **£0.044m**. Risks are items that are uncertain at present and therefore not included in the overall forecast. This is a reduction of the risk exposure calculated at December 2018 of **£0.627m**, being reflective of the fact that 11 months of the forecast are now based on actual costs, with only one month being a forecast.

## Capital

The capital budget has reduced by an immaterial value (£0.057m), although this includes two significant changes to budget. The forecast slippage has increased by £3.034m, underspends have increased by £0.297m. Overspends are now minimal due to budget virements being completed. Significant movements (>£0.100m) are highlighted in the table below:

	<b>Feb position</b>	<b>December position</b>	<b>Variance</b>	<b>Reasons for variances</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Budget	56.501	56.558	0.057	£0.119m New external grant for "Rethinking Parks" £1.071m additional highway authorities grant to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe. (£1.312m) re-profiling of DfT Major schemes grant, now expected to be received in 2020/19.
Forecast variance	(10.843)	(7.166)	(3.677)	
Being :				
Requested carry forwards	(9.653)	(6.619)	(3.034)	£1.236m additional slippage on District Town Centres Public Realm £0.450m Oak Park Artificial grass pitch £0.320m additional slippage on WM Strategic Transport Plan funding £0.272m open Plus in Libraries (£0.271m) reduced slippage Highways Maintenance Capital Block £0.204 New homes Bonus £0.175m Replacement of speed enforcement camera £0.146m Library Re-design Lichfield Street £0.141m External M6J10 contributions, as time limited funds being utilised as priority £0.120m Promotion of Community Health & Safety £0.119m Rethinking parks All other additional carry forwards are >£0.100m
Underspends	(1.233)	(0.936)	(0.297)	£0.100m Town & District Centres Public Realm £0.104m Active Living grant (to be reallocated to Oak Park car park)
Overspends	0.043	0.398	(0.355)	Virement now processed for external DfT Funding for Road and Bridge maintenance.

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