

Agenda Item No.5

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

1 March 2016

Joint Report of the Strategic Director - Economy, Transport and Environment
and the Director of Finance

BUDGET MONITORING 2015-16 – PERIOD 9

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2015-16, up to the end of December 2015 – Period 9.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £79.827m. The Revenue Budget Monitoring Statement, prepared at Period 9, indicates that there is a projected year end underspend of £0.415m. Within this underspend figure is an amount of £0.742m overspend on the provision of local bus services. It was agreed by Cabinet, on 27 January 2015, that the cost of this would be met from General Reserves over 2 years (Minute No. 37/15 refers). Taking this into account, the forecast is an underspend of £1.157m.

The areas which make up this projection are shown in the table below:

	Controllable Budget £m	Projected Outturn 2015-16 £m	Projected Over/(Under) Spend for year £m
Departmental Management Team	0.574	0.522	(0.052)
Highways Maintenance	15.715	17.655	1.940
Highway Management	3.461	2.414	(1.047)
Road Safety	0.771	0.640	(0.131)
Transport and Travel	15.867	15.474	(0.393)
Waste Management	36.697	35.535	(1.162)
Countryside	2.555	2.364	(0.191)
Derwent Valley Mills	0.179	0.166	(0.013)
Conservation and Design	0.591	0.589	(0.002)
Digital Derbyshire	0.190	0.158	(0.032)
Planning and Development	1.277	0.838	(0.439)
Resources and Improvement	3.019	2.737	(0.282)

Superannuation Back Funding	0.324	0.310	(0.014)
Unallocated Budget	(1.393)	0.010	1.403
Total	79.827	79.412	(0.415)
Use of General Reserves	0.742	0	(0.742)
Revised Year End Projection	80.569	79.412	(1.157)

Key Variances

Highways Maintenance projected overspend £1.940m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £1.359m, plus higher than anticipated inflation on street lighting energy.

Waste Management projected underspend (£1.163m)

A substantial element of the waste underspend is a result of one-off items, which include the 2015-16 landfill diversion saving, negotiated with the Council's long term work contractor.

Unallocated Budget £1.403m

This relates to staffing budget cuts, which have not yet been allocated to specific sections, and is therefore currently showing as an overspend. It will be allocated before the year end.

Budget reductions totalling £5.099m were allocated for the year for this Portfolio. It is anticipated that £4.027m of these will have been achieved by the year end. The table below shows performance against the target.

	Budget Reduction Amount £m	Will be Achieved Amount £m	Will Not be Achieved £m
Staffing	1.333	1.333	
Highway Maintenance	1.000	1.000	
B_Line	0.315	0.315	
Community Transport	0.300	0.300	
Street Lighting LED Energy	0.270	0	0.270
Countryside Services	0.225	0.225	
Gold Card	0.200	0.200	
Winter Maintenance	0.200	0.200	
Permit Scheme	0.100	0.100	
School Crossing Patrols	0.096	0.096	
Derwent Valley Mills – to be reallocated	0.060	0	0.060
Reduction in Revenue Support for local bus services	1.000	0.258	0.742
Total	5.099	4.027	1.072

Reasons for non-achievement of budget reductions:

The Street Lighting LED savings will not be achieved in this financial year due to the late implementation of the contract.

At the meeting on 7 July 2015, Cabinet agreed not to implement the £0.060m to Derwent Valley Mills in 2015-16, but to defer to 2016-17 to enable new Governance arrangements to be implemented before a staffing review is undertaken (Minute No. 254/15 refers).

Cabinet agreed, on 27 January 2015, to support the provision of local bus services, the cost of which would be met from General Reserves over 2 years (Minute No. 37/15 refers).

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £25.029m, are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Grants (including £1.9m Road Safety PSA II)	2.070
Committed Liabilities – Revenue	2.114
Committed Liabilities – Capital	15.115
Winter Maintenance	2.000
Partnership and other Councils' monies held by Derbyshire County Council	0.214
Derwent Valley Mills World Heritage Site	0.162
Laboratory and Fleet Equipment	0.142
Waste Recycling Initiatives	0.391
Derby and Derbyshire Road Safety Partnership	0.318
Non-Committed Reserves including previous years underspends	2.432
External Vehicles Maintenance Reserve	0.071
Total Earmarked Reserves	25.029

(3) **Financial Considerations** As detailed in the report.

Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(4) **Key Decision** No.

(5) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Karen Howes, extension 38730.

(7) **OFFICER'S RECOMMENDATION** That the Cabinet Member notes the report.

Mike Ashworth
Strategic Director – Economy,
Transport and Environment

Peter Handford
Director of Finance

Appendix 1

Highway, Transport and Infrastructure Portfolio - Period 9 2015-16

Forecast by Section	Budget £	Period 9 Actual Costs £	Rest of Year Estimate £	Year End Forecast £	(Under)/Over Spend £
Departmental Management Team	573,745	389,931	132,242	522,173	(51,572)
Highways Maintenance	15,714,669	7,820,809	9,834,364	17,655,173	1,940,504
Highway Management (excluding Maintenance)	3,460,604	10,484,992	(8,071,380)	2,413,612	(1,046,992)
Road Safety	771,179	325,599	314,866	640,465	(130,714)
Transport and Travel	15,867,626	10,908,960	4,565,270	15,474,230	(393,396)
Waste Management	36,697,454	24,501,014	11,033,732	35,534,746	(1,162,708)
Countryside	2,555,057	1,715,553	648,843	2,364,396	(190,661)
Derwent Valley Mills World Heritage Site	179,178	100,765	65,557	166,322	(12,856)
Conservation and Design	590,600	370,403	218,314	588,717	(1,883)
Digital Derbyshire	190,192	115,008	42,817	157,825	(32,367)
Planning and Development	1,277,587	215,855	622,395	838,250	(439,337)
Resources and Improvement	3,018,596	2,256,468	480,086	2,736,554	(282,042)
Superannuation Back Funding	323,497	206,477	103,238	309,715	(13,782)
Unallocated Budget	(1,393,000)	(203,142)	213,392	10,250	1,403,250
TOTAL	79,826,984	59,208,692	20,203,736	79,412,428	(414,556)