

Agenda Item No.5

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

11 January 2018

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

BUDGET MONITORING 2017-18 – PERIOD 7

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2017-18, up to the end of October 2017 – Period 7.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £76.847m. The Revenue Budget Monitoring Statement, prepared at Period 7, indicates that there is a projected year end underspend of £2.668m once the following adjustment has been made:

There is a projected £2.761m overspend on the provision of local bus services. It was agreed by Cabinet on 27 January 2015, and a subsequent report on 26 January 2016, that, up to £4.750m of the cost of this service would be met from General Reserves over two years (Minute Nos. 37/15 and 2/16 refer). A total of £1.929m of the General Reserve was utilised in 2016-17 to cover the overspend on local bus services, leaving an amount of up to £2.821m available in 2017-18. It is proposed to utilise some of this to cover the overspend in the local bus services budget.

The areas which make up this projection are shown in Appendix 1 and summarised in the table below:

	Controllable Budget £m	Projected Outturn 2017-18 £m	Projected Over/(Under) Spend for year £m
Departmental Management Team	0.583	0.560	(0.023)
Resources and Improvement	3.254	3.062	(0.192)
Planning and Development	0.656	(0.349)	(1.005)
Waste Management	42.542	39.766	(2.776)
Flood Management	0.438	0.231	(0.207)

Digital Derbyshire	0.151	0.125	(0.026)
Highways Maintenance	14.059	15.627	1.568
Highway Management and Land Reclamation	1.998	1.464	(0.534)
Road Safety	0.513	0.425	(0.088)
Public and Community Transport	12.731	15.068	2.337
Council Fleet Services	(1.470)	(1.596)	(0.126)
Countryside	2.353	2.245	(0.108)
Superannuation Back Funding	0.337	0.313	(0.024)
Unallocated Budget Savings	(1.297)	0	1.297
Total	76.848	76.941	0.093
Use of General Reserves	2.761	0.000	(2.761)
Revised Year End Projection	79.609	76.941	(2.668)

Key Variances

Waste Management underspend £2.776m

The figure includes the final year landfill diversion saving negotiated with the Council's long term waste contractor (£1.388m). There are also savings for National Non Domestic Rates due to the delay with Sinfon (£0.326m), and lower waste tonnage growth than originally expected (£1.000m).

Planning and Development underspend £1.005m

The underspend is mainly due to an over recovery of sections 38 and 278 developers fees, in relation to the inspection of new developments.

Highway Maintenance projected overspend £1.568m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £0.830m, due to the high level of fixed costs associated with this service. Inflation on street lighting energy has resulted in an overspend of £0.500m, and a delay in the implementation of the street lighting LED contract means a £0.175m overspend.

Public and Community Transport overspend £2.337m

The overspend is mainly due to the decision to continue to support local bus services (£2.761m). It was agreed by Cabinet, on 27 January 2015 and 26 January 2016, that up to £4.750m of the overspend on local bus services would be met from General Reserves over two years. On 13 September 2017, the Council agreed to reallocate base budget funding to local bus services from 2018-19.

Unallocated Budget £1.297m

This relates to unidentified savings which have not yet been allocated to specific services, and is therefore currently showing as an overspend.

A savings target of £5.729m has been allocated for 2017-18, of which £2.852m will be achieved. However, the Revenue Budget Report (Minute No. 6/17 refers) approved by Full Council on 8 February 2017 agreed to support the savings shortfall through the use of one-off funding, in accordance with the five year savings programme which projects delivery of the targets by 2020-21.

The table below shows performance against the target.

	Budget Reduction Amount £m	Will be Achieved Amount £m	Will Not be Achieved £m
Staffing	1.734	1.734	0.000
Home to Work Transport	0.100	0.100	0.000
Local Bus Services	0.750	0.000	0.750
Street Lighting LED	0.090	0.090	0.000
Countryside Service	0.408	0.408	0.000
Gold Card	0.250	0.250	0.000
Road Safety Partnership	0.240	0.240	0.000
Rail Partnerships	0.030	0.030	0.000
Unidentified	2.127	0.000	2.127
Total	5.729	2.852	2.877

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £21.004m, are currently held to support future expenditure and to help manage the savings programme. Details of these reserves are shown in the table below.

	Amount
Grants	1.905
Committed Liabilities – Revenue	1.738
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	8.773
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.108
Renewal Funds re Lab and Fleet Equipment	0.183
Waste Recycling Initiatives	0.391
Derby and Derbyshire Road Safety Partnership	0.303
General Reserves (including previous years underspends)	5.603
Total Highway, Transport and Infrastructure Portfolio Reserve	21.004

(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, social value, 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 & ICT

Highway, Transport and Infrastructure Portfolio - Period 7 2017-18

Appendix 1

Forecast by Service Area	Budget £	Period 7 Actual Costs £	Rest of Year Estimate £	Year End Forecast £	(Under)/ Over £
Management Team – Economy, Transport and Environment	582,652	324,391	235,488	559,879	(22,773)
Resources and Improvement	3,253,842	1,925,377	1,136,297	3,061,674	(192,168)
Planning and Development	655,594	(1,231,384)	882,744	(348,640)	(1,004,234)
Waste Management	42,541,883	21,395,031	18,371,376	39,766,407	(2,775,476)
Flood Management	438,190	(159,491)	390,956	231,465	(206,725)
Digital Derbyshire	150,808	65,736	59,096	124,832	(25,976)
Highways Maintenance	14,059,270	5,024,052	10,603,096	15,627,148	1,567,878
Highway Management and Land Reclamation	1,997,552	7,370,867	(5,906,639)	1,464,228	(533,324)
Road Safety	513,157	128,532	296,554	425,086	(88,071)
Public and Community Transport	12,730,567	8,774,587	6,292,944	15,067,531	2,336,964
Council Fleet Services	(1,469,906)	(2,372,498)	775,927	(1,596,571)	(126,665)
Countryside	2,352,999	983,131	1,261,791	2,244,922	(108,077)
Superannuation Back Funding	337,593	163,199	149,996	313,195	(24,398)
Unallocated Budget Savings	(1,296,708)	(155,331)	155,331	0	1,296,708
Total	76,847,493	42,236,199	34,704,957	76,941,156	93,663
Use of General Reserve for local bus services	2,761,473	0	0	0	(2,761,473)
Revised Year End Projection	79,608,966	42,236,199	34,704,957	76,941,156	(2,667,810)