

## Agenda Item No.5

## DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND  
INFRASTRUCTURE

19 January 2016

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

## BUDGET MONITORING 2015-16 – PERIOD 7

(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 October 2015 – Period 7.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £79.848m. The Revenue Budget Monitoring Statement, prepared at Period 7, indicates that there is a projected year end overspend of £0.375m. Within this overspend figure is an amount of £0.785m 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. Taking this into account, the forecast is effectively an underspend of £0.410m.

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

	<b>Controllable Budget £m</b>	<b>Projected Outturn 2015-16 £m</b>	<b>Projected Over/(Under) Spend for year £m</b>
Departmental Management Team	0.574	0.524	(0.050)
Highways Maintenance	15.720	17.744	2.024
Highway Management (excluding Maintenance)	3.461	2.869	(0.592)
Road Safety	0.771	0.612	(0.159)
Transport and Travel	15.877	15.636	(0.241)
Waste Management	36.698	35.328	(1.370)
Countryside	2.555	2.500	(0.055)
Derwent Valley Mills	0.179	0.170	(0.009)
Conservation and Design	0.567	0.555	(0.012)
Digital Derbyshire	0.190	0.206	0.016
Planning and Development	1.278	0.930	(0.348)
Resources and Improvement	3.048	2.829	(0.219)

Superannuation Back Funding	0.323	0.310	(0.013)
Unallocated Budget	(1.393)	0.010	1.403
<b>Total</b>	<b>79.848</b>	<b>80.223</b>	<b>0.375</b>
Use of General Reserves	0.785	0	(0.785)
<b>Revised Year End Projection</b>	<b>80.633</b>	<b>80.223</b>	<b>(0.410)</b>

## Key Variances

### Highways Maintenance projected overspend £2.024m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £1.478m plus higher than anticipated inflation on street lighting energy.

### Waste Management projected underspend (£1.370m)

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 £3.769m of these will have been achieved by the year end. The table below shows performance against the target.

	<b>Budget Reduction Amount £m</b>	<b>Will be Achieved Amount £m</b>	<b>Will Not be Achieved £m</b>
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	1.000
<b>Total</b>	<b>5.099</b>	<b>3.769</b>	<b>1.330</b>

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 £24.944m, are currently held to support future expenditure. Details of these reserves are shown below:

	<b>Amount £m</b>
Grants (including £1.9m Road Safety PSA II)	2.087
Committed Liabilities – Revenue	1.635
Committed Liabilities – Capital	15.007
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	0.137
Waste Recycling Initiatives	0.391
Non-Committed Reserves including previous years underspends	2.993
Derby and Derbyshire Road Safety Partnership	0.318
<b>Total Earmarked Reserves</b>	<b>24.944</b>

(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.

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

(6) **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 7 2015-16

Forecast by Section	Budget £	Period 7 Actual Costs £	Rest of Year Estimate £	Year End Forecast £	(Under)/Over Spend £
Departmental Management Team	573,745	303,571	219,837	523,408	(50,337)
Highways Maintenance	15,719,669	5,907,995	11,836,070	17,744,065	2,024,396
Highway Management (excluding Maintenance)	3,460,604	8,497,526	(5,628,407)	2,869,119	(591,485)
Road Safety	771,179	217,819	394,217	612,036	(159,143)
Transport and Travel	15,877,243	7,423,268	8,212,404	15,635,672	(241,571)
Waste Management	36,697,651	18,950,380	16,377,062	35,327,442	(1,370,209)
Countryside	2,555,350	1,359,842	1,139,944	2,499,786	(55,564)
Derwent Valley Mills World Heritage Site	179,178	64,101	106,396	170,497	(8,681)
Conservation and Design	566,735	273,659	281,591	555,250	(11,485)
Digital Derbyshire	190,192	86,339	119,999	206,338	16,146
Planning and Development	1,277,587	76,574	853,410	929,984	(347,603)
Resources and Improvement	3,047,982	1,779,446	1,049,889	2,829,335	(218,647)
Superannuation Back Funding	323,497	155,018	155,031	310,049	(13,448)
Unallocated Budget	(1,393,000)	(203,142)	213,392	10,250	1,403,250
<b>TOTAL</b>	<b>79,847,612</b>	<b>44,892,396</b>	<b>35,330,835</b>	<b>80,223,231</b>	<b>375,619</b>