

Agenda Item No.5

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

20 January 2015

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

BUDGET MONITORING 2014-15 – PERIOD 7

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2014-15 up to the end of October 2014 – Period 7.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £81.058m. The Revenue Budget Monitoring Statement, prepared at Period 7, indicates that there is a projected year end overspend of £1.358m. The areas which make up this projection are shown in the table below:

	Controllable Budget £m	Projected Outturn 2014/15 £m	Projected Over/(Under) Spend for year £m
Departmental Management Team	0.561	0.518	(0.043)
Commercial Services	(1.847)	(2.067)	(0.220)
Markham Employment Growth Zone (MEGZ)	0.494	0.502	0.008
Transport and Technical Policy	21.107	19.766	(1.341)
Highway Management	2.864	3.442	0.578
Highways Maintenance	16.210	17.137	0.927
Resources and Improvement	3.690	3.391	(0.299)
Unallocated Budgets	(0.355)	0.008	0.363
Waste Management	33.918	35.295	1.377
Countryside	2.730	2.689	(0.041)
Conservation and Design	0.541	0.545	0.004
Planning Services	0.972	1.018	0.046
Derwent Valley Mills World Heritage Site	0.173	0.172	(0.001)
Total	81.058	82.416	1.358

Key Variances

Transport and Technical Policy - projected underspend (£1.341m)

The main areas of underspend relate to staff costs achieved as a result of vacancy control, Gold Card re-imbursements, B_Line and revenue support for buses.

Highway Management - projected overspend £0.578m

The main areas of overspend relate to Contracting and Design services, and an under recovery of parking income.

Highway Maintenance - projected overspend £0.927m

The main area of overspend relates to winter maintenance which is currently projected at £0.927m. The winter overspend will be funded from the Winter Maintenance Reserve.

Waste Management - projected overspend £1.377m

Residual waste tonnages were anticipated to fall in 2014-15 following further improvements in waste minimisation, recycling and composting. However, the latest forecasts, based on tonnages to date, do not indicate that this reduction is taking place. In addition, the cost of treating organic waste, which now includes food waste, at the newly opened Arkwright In-Vessel Composting facility, is higher than the previous cost of treating garden waste only. Organic waste tonnages are also anticipated to increase.

Budget reductions totalling £7.259m were allocated for the year for this portfolio. It is anticipated that £5.502m 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
Reduction in Highways Maintenance	2.000	2.000	0
Waste Disposal Efficiencies	1.600	0.223	1.377
Traffic Management and Road Safety	1.250	1.250	0
Street Lighting – Burn to Extinction	0.775	0.775	0
Reduction in Staffing	0.668	0.668	0
Increase Income on Schemes	0.380	0	0.380
Back Office and General Efficiencies	0.230	0.230	0
Smarter Travel	0.276	0.276	0
Street Lighting Energy Costs	0.050	0.050	0
Staff Training	0.030	0.030	0
Total	7.259	5.502	1.757

Reasons for non-achievement of budget reductions:

Waste Disposal Efficiencies – Waste is currently projecting an overspend by the year end of £1.377m.

Increased Income on Schemes - £0.300m relates to Permit Schemes which are awaiting Government approval, so cannot be implemented until April 2015 at the earliest. The sum of £0.070m is for new on-street parking schemes which are not due to be implemented until May/June 2015. The sum of £0.010m is for an increase in parking charges at countryside sites, which may not be delivered due to the extent of theft and damage to the ticket machines.

Earmarked Reserves

Earmarked Reserves relating to this portfolio totalling £21.035m are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Grants (including £1.9m Road Safety PSA II)	2.081
Committed Liabilities – Revenue	2.688
Committed Liabilities – Capital	10.590
Winter Maintenance	2.000
Partnership and other Councils monies held by Derbyshire County Council	0.229
Single Asset Management System	0.250
Derwent Valley Mills World Heritage Site	0.153
Laboratory and Fleet Equipment	0.195
Waste Recycling Initiatives	0.391
Non-Committed Reserves including previous years underspends	2.458
Total Earmarked Reserves	21.035

(3) **Financial Considerations** As contained within 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

Highway, Transport and Infrastructure Period 7 2014/15					
Forecast by Section					
	Budget (£)	Period 7 Act Costs (£)	Rest of Year Estimate (£)	Year End Forecast (£)	(Under)/Over spend (£)
Departmental Management Team	560,737	305,648	212,475	518,123	(42,614)
Commercial Services	(1,846,809)	(2,636,526)	568,753	(2,067,773)	(220,964)
Markham Employment Growth Zone	494,145	259,354	242,659	502,013	7,868
Transport and Technical Policy	21,106,806	10,162,810	9,603,144	19,765,954	(1,340,852)
Highway Management	2,864,218	8,223,697	(4,781,499)	3,442,198	577,980
Highway Maintenance	16,209,891	5,367,238	11,769,878	17,137,116	927,225
Resources and Improvement	3,690,435	1,969,409	1,421,914	3,391,322	(299,113)
Unallocated Budgets (including cuts)	(354,930)	151	7,849	8,000	362,930
Waste Management	33,918,055	18,716,401	16,578,738	35,295,139	1,377,084
Countryside	2,729,726	1,564,051	1,125,419	2,689,470	(40,256)
Conservation and Design	541,168	265,513	279,765	545,278	4,110
Planning Services	971,828	595,618	422,472	1,018,090	46,262
Derwent Valley Mills World Heritage Site	173,142	92,468	79,555	172,023	(1,119)
TOTAL	81,058,412	44,885,832	37,531,122	82,416,953	1,358,541