

Agenda Item No. 5(a)

**DERBYSHIRE COUNTY COUNCIL**

**MEETING OF CABINET MEMBER – HIGHWAYS, TRANSPORT AND  
INFRASTRUCTURE**

**14 September 2017**

Joint Report of the Strategic Director – Economy, Transport and Communities  
and the Director of Finance

**REVENUE OUTTURN 2016-17**

(1) **Purpose of Report** To report the final revenue controllable outturn position for 2016-17 for the portfolio, to identify significant variations in expenditure from the budget, to make proposals for action regarding the use of any underspends, to highlight savings made against 2016-17 target for the portfolio and to identify the impact of the 2016-17 outturn on future years and any action proposed.

(2) **Information and Analysis**

**Summary**

Attached, as Appendix 1 to this report, is a statement setting out the final controllable outturn position for the portfolio for 2016-17. Net expenditure was £72.832m against a budget of £75.291m, resulting in a controllable underspend of £2.459m. 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 local bus services would be met from General Reserve over two years (Minute Nos. 37/15 and 2/16 refer). In 2016-17, the overspend on the local bus service was £1.929m and the reserve has been used to offset this overspend.

The variances on controllable expenditure are itemised in Appendix 1 attached to this report.

**Explanation for Key Variances**

**Highway Maintenance overspend £1.534m**

The main areas of overspend relate to winter maintenance and street lighting energy and maintenance budgets. Winter maintenance has overspent by £0.938m. Street lighting budgets have overspent by £0.560m due to the delay in the implementation of the LED contract, and the consequent delay in achieving the planned savings for 2015-16 and 2016-17.

### **Transport and Travel underspend £1.546m**

The underspend is mainly due to staffing underspends in Fleet Services £0.338m, Access Strategy £0.174m, Technical Policy and Flood Management £0.165m, and Concessionary Fares (Gold Card) £0.712m. The overspend of £1.929m on the provision of local bus services, indicated previously in this report, has been funded by General Reserve.

### **Waste Management underspend £0.922m**

The underspend includes the one-off 2016-17 landfill diversion saving negotiated with the Council's long term waste contractor (£1.396m). This is partially offset by the yearly increase in recycling credit rates and tonnages (£0.333m overspend), and a reduction in income from the Waste, Electrical and Electronic Equipment contract (£0.178m overspend).

### **Planning and Development underspend £0.637m**

Over recovery of planning application fees and sections 38 and 278 (Highways Act 1980) agreements income are the main contributors to this underspend figure.

### **Growth Items**

The following item was included in the 2016-17 budget as a growth item:

Waste Management – Increase in Landfill costs from 2016 amounting to £0.924m.

An additional £0.867m was allocated in the year from Corporate Contingency to cover increases relating to the contractual gate fees at transfer stations, and the Arkwright in-vessel composting facility.

### **Proposals for the use of Underspends**

Of the total controllable underspend, ring-fenced commitments total £0.251m.

<b>Description</b>	<b>£m</b>
Civil Parking Enforcement – surplus to be carried forward and applied to specific highway improvement projects (Section 55 of Road Traffic Regulation Act 1984)	0.005
This is Derbyshire County Council's portion of the 2016-17 surplus on the operations of Derby and Derbyshire Road Safety Partnership	0.202
Committed funding to Flood Management Schemes	0.044
<b>Total Ring-Fenced Commitments</b>	<b>0.251</b>

This leaves a balance of £2.208m underspend to cover slippage in delivery of the budget savings, and one-off projects to be agreed at future Cabinet Member meetings.

## Budget Savings Achieved Against 2016-17 Target

Budget savings totalling £7.371m were allocated for the year for the portfolio. £4.947m of these savings were achieved by the year end. The table below identifies savings made against the Departmental target in 2016-17.

Description	Budget Savings Target £m	Achieved Amount £m	Not Achieved £m
Staffing	1.800	1.800	0.000
Highway Maintenance	1.500	1.500	0.000
Community Transport	0.860	0.860	0.000
Fleet Services – Sale of surplus vehicles	0.100	0.100	0.000
Street Lighting LED Energy	0.390	0.000	0.390
Countryside Services	0.307	0.307	0.000
Challenge 15/30	0.320	0.320	0.000
Road Safety	0.060	0.060	0.000
Reduction in Revenue Support for Local Bus Services	1.500	0.000	1.500
Unidentified	0.534	0.000	0.534
<b>Total</b>	<b>7.371</b>	<b>4.947</b>	<b>2.424</b>

### Reasons for non-achievement of budget savings:

The Street Lighting LED savings were not achieved due to the late implementation of the contract.

Cabinet agreed, on 27 January 2015, and a subsequent report on 26 January 2016, that up to £4.750m of the cost of the provision of local bus services would be met from the General Reserve over two years (Minute No. 37/15 and minute 2/16 refer).

### Impact on the Future

The following could have an impact on the financial requirements of the portfolio:

- If the bid for Local Transport Plan Incentive Fund grant funding was unsuccessful, then it would negatively affect the available budget to support staff costs and deliver schemes.
- Rises in waste tonnages and associated costs of disposal.
- Resilience of the infrastructure due to adverse weather conditions.
- New legislation that impacts on the ability of the Department to raise income.

(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, 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 Communities Department. Officer contact details - Karen Howes, extension 38730.

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

**Mike Ashworth**  
**Strategic Director – Economy,**  
**Transport and Communities**

**Peter Handford**  
**Director of Finance**

## Highway, Transport and Infrastructure Portfolio - 2016-17

## Appendix 1

<b>Forecast by Section</b>	<b>Budget £</b>	<b>Actual Costs £</b>	<b>(Under)/Over £</b>
Departmental Management Team	581,802	543,454	(38,348)
Highways Maintenance	13,016,527	14,550,659	1,534,132
Highway Management (excluding Maintenance)	2,051,401	1,927,980	(123,421)
Road Safety	752,695	450,998	(301,697)
Transport and Travel	14,777,250	13,231,004	(1,546,246)
Waste Management	37,070,654	36,148,042	(922,612)
Countryside	2,367,647	2,138,638	(229,009)
Derwent Valley Mills World Heritage Site	172,065	172,065	0
Conservation and Design	588,328	557,567	(30,761)
Digital Derbyshire	138,742	102,547	(36,195)
Planning and Development	937,477	300,212	(637,265)
Resources and Improvement	2,872,126	2,554,489	(317,637)
Superannuation Back Funding	323,497	325,848	2,351
Unallocated Budget	(358,708)	(171,631)	187,077
<b>Total</b>	<b>75,291,503</b>	<b>72,831,872</b>	<b>(2,459,631)</b>