

Agenda Item No. 5(b)

**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 and ICT

**BUDGET MONITORING 2017-18 – PERIOD 3**

(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 June 2017 – Period 3.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £75.447m. The Revenue Budget Monitoring Statement, prepared at Period 3, indicates that there is a projected year end overspend of £0.713m once adjustments have been made in relation to the following decisions.

a) There is a projected £2.592m 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). £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.

b) On 13 September 2017, the Council is to consider the reversal of a £1.5m budget saving for Highway Maintenance which will enable a programme of improvement works to take place as detailed in the 20 July 2017 Cabinet report.

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

	<b>Controllable Budget £m</b>	<b>Projected Outturn 2017-18 £m</b>	<b>Projected Over/(Under) Spend for year £m</b>
Departmental Management Team	0.583	0.552	(0.031)
Resources and Improvement	3.254	3.074	(0.180)
Planning and Development	0.706	0.207	(0.499)
Waste and Flooding Management	42.970	42.640	(0.330)
Digital Derbyshire	0.151	0.123	(0.028)
Highways Maintenance	13.059	14.233	1.174
Highway Management and Land Reclamation	1.942	1.557	(0.385)
Road Safety	0.512	0.420	(0.092)
Public and Community Transport	12.791	15.322	2.531
Council Fleet Services	(1.522)	(1.589)	(0.067)
Countryside	1.944	1.838	(0.106)
Superannuation Back Funding	0.324	0.375	0.051
Unallocated Budget Savings	(1.267)	0	1.267
<b>Total</b>	<b>75.447</b>	<b>78.752</b>	<b>3.305</b>
Use of General Reserves	2.592	0	(2.592)
<b>Revised Year End Projection</b>	<b>78.039</b>	<b>78.752</b>	<b>0.713</b>

## Key Variances

### Planning and Development underspend £0.499m

The underspend is mainly due to an over recovery of sections 38 and 278 income.

### Highway Maintenance projected overspend £1.174m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £1.000m, due to the high level of fixed costs associated with this service, plus a delay in the implementation of the street lighting LED contract.

### Public and Community Transport overspend £2.531m

The over spend is mainly due to the decision to continue to support local bus services (£2.592m). 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 is to consider reallocating base budget funding to local bus services from 2018-19.

### Unallocated Budget £1.267m

This relates to unidentified savings which have not yet been allocated to specific sections, 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 approved by Full Council on 8 February 2017 (Minute No. 10/17 refers) 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.

	<b>Budget Reduction Amount £m</b>	<b>Will be Achieved Amount £m</b>	<b>Will Not be Achieved £m</b>
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
<b>Total</b>	<b>5.729</b>	<b>2.852</b>	<b>2.877</b>

### **Earmarked Reserves**

Earmarked Reserves relating to this portfolio, totalling £19.782m, are currently held to support future expenditure. Details of these reserves are shown in the table below.

	<b>Amount (£m)</b>
Grants	1.925
Committed Liabilities - Revenue	1.861
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	9.821
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.108
Renewal Funds regarding Lab and Fleet Equipment	0.183
Waste Recycling Initiatives	0.391
Derby and Derbyshire Road Safety Partnership	0.101
General Uncommitted Reserves (including previous years underspends)	3.392
<b>Total Highway, Transport and Infrastructure Portfolio Reserve</b>	<b>19.782</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, 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.

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

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

**Peter Handford**  
**Director of Finance**  
**and ICT**

## Appendix 1

## Highway, Transport and Infrastructure Portfolio - Period 3 2017-18

Forecast by Service Area	Budget (£)	Period 3 Actual Costs (£)	Rest of Year Estimate (£)	Year End Forecast (£)	(Under)/Over (£)
Management Team – Economy, Transport and Communities	582,652	137,545	414,400	551,945	(30,708)
Resources and Improvement	3,253,842	865,623	2,208,458	3,074,081	(179,761)
Planning and Development	705,594	(815,495)	1,021,898	206,404	(499,191)
Waste and Flooding Management	42,969,819	7,565,163	35,075,222	42,640,384	(329,435)
Digital Derbyshire	150,808	28,486	94,700	123,186	(27,622)
Highways Maintenance	13,059,270	2,134,791	12,098,009	14,232,800	1,173,530
Highway Management and Land Reclamation	1,942,556	5,113,591	(3,556,383)	1,557,208	(385,347)
Road Safety	512,407	(24,721)	444,656	419,936	(92,471)
Public and Community Transport	12,790,567	2,878,694	12,443,159	15,321,853	2,531,286
Council Fleet Services	(1,521,900)	(3,094,061)	1,505,106	(1,588,955)	(67,055)
Countryside	1,944,361	492,786	1,345,321	1,838,107	(106,254)
Superannuation Back Funding	323,497	74,715	300,670	375,385	51,888
Unallocated Budget Savings	(1,266,500)	(155,331)	155,331	0	1,266,500
<b>Total</b>	<b>75,446,974</b>	<b>15,201,786</b>	<b>63,550,548</b>	<b>78,752,334</b>	<b>3,305,360</b>
Use of General Reserve for local bus services	2,592,000	0	0	0	(2,592,000)
<b>Revised Year End Projection</b>	<b>78,038,974</b>	<b>15,201,786</b>	<b>63,550,548</b>	<b>78,752,334</b>	<b>713,360</b>