

**DERBYSHIRE COUNTY COUNCIL**

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

**8 November 2018**

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

**BUDGET MONITORING 2018-19 – PERIOD 5**

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2018-19, up to the end of August 2018 – Period 5.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £77.997m.

The Revenue Budget Monitoring Statement, prepared at Period 5, indicates that there is a predicted overspend of £3.084m. A total of £2.527m of this overspend relates to Winter Maintenance, of which £1m will be met from the Winter Maintenance Reserve established by Council on 2 February 2011. The further overspend relates to savings targets which are yet to be achieved and will be met from prior year underspends held for this purpose within the Department's Earmarked Reserves.

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

<b>Service Area</b>	<b>Budget £m</b>	<b>Year End Forecast 2018-19 £m</b>	<b>Projected (Under)/ Over Spend for Year £m</b>
Waste Management	43.170	42.591	(0.579)
Public and Community Transport	14.872	15.039	0.167
Highways Maintenance (excluding Winter)	12.876	13.359	0.483
Winter Maintenance	1.473	4.000	2.527
Highway Management and Land Reclamation	2.087	1.213	(0.874)
Road Safety	0.170	0.496	0.326
Resources and Improvement	2.757	2.801	0.044
Countryside Services	2.344	2.308	(0.036)
Council Fleet Services	(1.356)	(1.389)	(0.033)

**Public**

Planning and Development	0.734	(0.494)	(1.228)
Flood Risk Management	0.442	0.248	(0.194)
Digital Derbyshire	0.153	0.114	(0.039)
Management Team – Economy, Transport and Environment	0.584	0.561	(0.023)
Superannuation Back Funding	0.458	0.391	(0.067)
Unallocated Adjustments	0.000	(0.156)	(0.156)
Unallocated Savings	(2.781)	0.000	2.781
<b>Total</b>	<b>77.997</b>	<b>81.081</b>	<b>3.084</b>
Use of Winter Maintenance Reserve	1.000	0.000	(1.000)
Use of Other Earmarked Reserves	2.084	0.000	(2.084)
<b>Revised Year End Projection</b>	<b>81.081</b>	<b>81.081</b>	<b>(0.000)</b>

**Key Variances****Waste Management underspend £0.579m**

This figure includes lower waste tonnage growth than originally expected (£0.453m) and estimated savings for National Non Domestic Rates due to the delay with Sinfin waste facility (£0.171m).

**Planning and Development underspend £1.228m**

The underspend is mainly due to more sections 38 and 278 developers fees than expected, in relation to the inspection of new developments.

**Highway Maintenance projected overspend £2.996m**

The main area of overspend relates to Winter Maintenance which is currently projected to overspend by £2.526m. Due to the particularly severe and long winter of 2017-18, costs have overlapped into the 2018-19 financial year.

The balance of the overspend mainly relates to delays in the implementation on the street lighting LED project.

**Highway Management and Land Reclamation underspend £0.874m**

The main area of underspending relates to over recovery of costs in Highways Construction (£0.500m) and underspends on salary related costs (£0.500m). These are offset by a predicted under recovery on the Highways Laboratory (£0.200m).

**Budget Savings**

Budget savings totalling £2.127m were allocated for the year, with a brought forward figure from 2017-18 of £2.794m, giving an overall target to date for 2018-19 of £4.921m.

Savings expected to be achieved by the end of 2018-19 are £1.250m. The table below shows expected performance against the savings identified:

Savings Target	Total Budget Reduction Target £m	Expected to be Achieved by end of 2018-19 £m	Balance to be Achieved £m
Street Lighting LED	0.645	0.365	0.280
School Crossing Patrols *	0.060	0.060	0.000
Winter Maintenance	0.500	0.500	0.000
Gold Card Concessionary Fares	0.250	0.250	0.000
Highway Agency Agreements	0.150	0.000	0.150
Street Lighting Unadopted Roads	0.110	0.000	0.110
Residents and On-Street Parking Admin	0.025	0.000	0.025
Road Safety**	0.400	0.075	0.325
Unidentified	2.781	0.000	2.781
<b>Total</b>	<b>4.921</b>	<b>1.250</b>	<b>3.671</b>

\* On 20 September 2018, Cabinet agreed to withdraw the proposal to review the School Crossing Patrol service and find the allocated £300,000 saving from elsewhere in the department. A £60,000 saving has been identified which will not result in any reductions in the service. A total of £240,000 is still to be identified.

\*\* Saving has been allocated but the implementation has been delayed due to legislation not yet being passed.

## Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £22.906m, 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 £m
Grants	1.435
Committed Liabilities – Revenue	0.913
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	7.610
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.481
Renewal Funds regarding Lab and Fleet Equipment	0.158
Waste Recycling Initiatives	0.391
Derby and Derbyshire Road Safety Partnership	0.202
General Reserves (including previous years underspends) committed by Cabinet to various initiatives and to manage savings programme	9.716
<b>Total Highway, Transport and Infrastructure Portfolio Reserve</b>	<b>22.906</b>

## **Growth Items**

The following items were included in the 2018-19 budget as growth items:

### **HS2 Co-ordinator Officer**

To provide support in representing the Council's interest as the HS2 route is developed - £0.064m one-off.

### **Waste**

To support a range of waste related activities including waste growth, increased tonnages and management costs associated with the new waste treatment facility at Sinfin - £2.760m ongoing and £0.634m one-off.

### **Highways Maintenance**

To provide a coordinated, cyclical maintenance programme and maintenance improvements - £1.500m ongoing and £1.000m one-off.

### **Public Transport**

To enable reasonable levels of public transport accessibility to be maintained across Derbyshire - £2.600m ongoing.

### **Street Lighting**

To meet the inflationary increases of street lighting energy - £0.148m ongoing.

### **Planning Development Management and Obligation Monitoring Systems**

Systems investment to support planning applications - £0.110m one-off.

## **Impact on the Future**

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

- a) 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.
- b) Rises in waste tonnages and associated costs of disposal.
- c) Resilience of the infrastructure due to adverse weather conditions.
- d) New legislation that impacts on the ability of the Department to raise income.

(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 – Emma Hickman, extension 38913.
- (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 5 2018-19

## Appendix 1

Forecast by Service Area	Budget £m	Period 3 Actual Costs £m	Rest of Year Estimate £m	Year End Forecast £m	(Under)/ Over £m
Waste Management	43.170	15.588	27.003	42.591	(0.579)
Public and Community Transport	14.872	5.645	9.394	15.039	0.167
Highways Maintenance (excluding Winter)	12.876	1.512	11.847	13.359	0.483
Winter Maintenance	1.473	1.636	2.364	4.000	2.527
Highway Management and Land Reclamation	2.087	7.133	(5.920)	1.213	(0.874)
Road Safety	0.170	0.120	0.376	0.496	0.326
Resources and Improvement	2.757	1.310	1.491	2.801	0.044
Countryside Services	2.344	0.725	1.583	2.308	(0.036)
Council Fleet Services	(1.356)	(2.531)	1.142	(1.389)	(0.033)
Planning and Development	0.734	(1.394)	0.900	(0.494)	(1.228)
Flood Risk Management	0.442	(0.150)	0.398	0.248	(0.194)
Digital Derbyshire	0.153	0.198	(0.084)	0.114	(0.039)
Management Team – Economy, Transport and Environment	0.584	0.205	0.356	0.561	(0.023)
Superannuation Back Funding	0.458	0.186	0.205	0.391	(0.067)
Unallocated Adjustments	0.000	(0.156)	0.000	(0.156)	(0.156)
Unallocated Savings	(2.781)	0.000	0.000	0.000	2.781
<b>Total</b>	<b>77.997</b>	<b>30.617</b>	<b>50.464</b>	<b>81.081</b>	<b>3.084</b>
Use of Winter Maintenance Reserve	1.000	0.000	0.000	0.000	(1.000)
Use of Other Earmarked Reserves	2.084	0.000	0.000	0.000	(2.084)
<b>Revised Year End Projection</b>	<b>81.081</b>	<b>30.617</b>	<b>50.464</b>	<b>81.081</b>	<b>0.000</b>