

Agenda Item No.5

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

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

BUDGET MONITORING 2018-19 – PERIOD 3

(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 June 2018 – Period 3.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £78.048m.

The Revenue Budget Monitoring Statement, prepared at Period 3, indicates that there is a predicted overspend of £3.516m. Some £2.526m 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 within the Department's Earmarked Reserves for this purpose.

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

Service Area	Budget £m	Year End Forecast 2018-19 £m	Projected (Under)/ Over Spend for Year £m
Waste Management	43.170	42.555	(0.615)
Public and Community Transport	14.632	14.602	(0.030)
Highways Maintenance	14.399	17.611	3.212
Highway Management and Land Reclamation	2.039	1.220	(0.819)
Road Safety	0.170	0.494	0.324
Resources and Improvement	2.763	2.705	(0.058)
Countryside Services	2.344	2.268	(0.076)
Council Fleet Services	(1.306)	(1.447)	(0.141)
Planning and Development	0.734	0.189	(0.545)

Flood Risk Management	0.442	0.288	(0.154)
Digital Derbyshire	0.153	0.102	(0.051)
Management Team – Economy, Transport and Environment	0.584	0.537	(0.047)
Superannuation Back Funding	0.458	0.439	(0.019)
Unallocated Adjustments	0.006	0.000	(0.006)
Unallocated Savings	(2.541)	0.000	2.541
Total	78.047	81.563	3.516
Use of Winter Maintenance Reserve	1.000		(1.000)
Use of Other Earmarked Reserves	2.516		(2.516)
Revised Year End Projection	81.563	81.563	(0.000)

Key Variances

Waste Management underspend £0.615m

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 £0.545m

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

Highway Maintenance projected overspend £3.212m

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 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 £0.819m

The main area of underspend 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 £0.840m. 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	0.300	0.000	0.300
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	2.541	0.000	2.541
Total	4.921	1.190	3.731

* 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 £19.251m, 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	0.910
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	7.605
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.519
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)	6.031
Total Highway, Transport and Infrastructure Portfolio Reserve	19.251

(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

Appendix 1

Highway, Transport and Infrastructure Portfolio - Period 3 2018-19

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	7.680	34.875	42.555	(0.615)
Public and Community Transport	14.632	2.211	12.391	14.602	(0.030)
Highways Maintenance	14.399	2.579	15.032	17.611	3.212
Highway Management and Land Reclamation	2.039	4.950	(3.730)	1.220	(0.819)
Road Safety	0.170	0.053	0.441	0.494	0.324
Resources and Improvement	2.763	0.787	1.918	2.705	(0.058)
Countryside Services	2.344	0.355	1.913	2.268	(0.076)
Council Fleet Services	(1.306)	(2.780)	1.333	(1.447)	(0.141)
Planning and Development	0.734	(1.157)	1.346	0.189	(0.545)
Flood Risk Management	0.442	(0.199)	0.487	0.288	(0.154)
Digital Derbyshire	0.153	0.127	(0.025)	0.102	(0.051)
Management Team – Economy, Transport and Environment	0.584	0.117	0.420	0.537	(0.047)
Superannuation Back Funding	0.458	0.188	0.251	0.439	(0.019)
Unallocated Adjustments	0.006	0.000	0.000	0.000	(0.006)
Unallocated Savings	(2.541)	(0.156)	0.156	0.000	2.541
Total	78.047	14.755	66.808	81.563	3.516
Use of Winter Maintenance Reserve	1.000	0.000	0.000	0.000	(1.000)
Use of Other Earmarked Reserves	2.516	0.000	0.000	0.000	(2.516)
Revised Year End Projection	81.563	14.755	66.808	81.563	0.000