

## Agenda Item No.5

## DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND  
INFRASTRUCTURE

26 October 2017

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

## BUDGET MONITORING 2017-18 – PERIOD 5

(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 August 2017 – Period 5.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £76.487m. The Revenue Budget Monitoring Statement, prepared at Period 5, indicates that there is a projected year end underspend of £2.826m once the following adjustment has been made:

a) There is a projected £2.824m overspend on the provision of local bus services. It was agreed by Cabinet, on 27 January 2015 and further to 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). A total of £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 this to cover the overspend in the local bus services budget.

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

	Controllable Budget £m	Projected Outturn 2017-18 £m	Projected Over/(Under) Spend for year £m
Departmental Management Team	0.583	0.557	(0.026)
Resources and Improvement	3.253	3.205	(0.048)
Planning and Development	0.685	(0.366)	(1.051)
Waste Management	42.542	40.228	(2.314)
Flood Management	0.438	0.305	(0.133)

Digital Derbyshire	0.151	0.117	(0.034)
Highways Maintenance	14.059	15.028	0.969
Highway Management and Land Reclamation	1.967	1.181	(0.786)
Road Safety	0.513	0.413	(0.100)
Public and Community Transport	12.791	15.273	2.482
Council Fleet Services	(1.504)	(1.623)	(0.119)
Countryside	1.938	1.849	(0.089)
Superannuation Back Funding	0.337	0.315	(0.022)
Unallocated Budget Savings	(1.266)	0.000	1.266
<b>Total</b>	<b>76.487</b>	<b>76.482</b>	<b>(0.005)</b>
Use of General Reserves	2.821	0.000	(2.821)
<b>Revised Year End Projection</b>	<b>79.308</b>	<b>76.482</b>	<b>(2.826)</b>

## Key Variances

### Waste Management underspend £2.314m

The figure includes the final year landfill diversion saving negotiated with the Council's long term waste contractor (£1.388m). There are also savings for National Non Domestic Rates due to the delay with Sinfen (£0.326m) and lower waste tonnage growth than originally expected (£0.672m).

### Planning and Development underspend £1.051m

The underspend is mainly due to an over recovery of Section 38 and 278 developers fees, in relation to the inspection of new developments.

### Highway Maintenance projected overspend £0.969m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £0.827m 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 £2.482m

The overspend is mainly due to the decision to continue to support local bus services (£2.824m). 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 agreed to reallocate base budget funding to local bus services from 2018-19.

### Unallocated Budget £1.266m

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 (Minute No.

6/17 refers), approved by Council on 8 February 2017, 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 £22.118m, are currently held to support future expenditure. Details of these reserves are shown in the table below.

	<b>Amount (£)</b>
Grants	1.925
Committed Liabilities – Revenue	1.854
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	9.702
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.108
Renewal Funds re 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)	5.854
<b>Total Highway, Transport and Infrastructure Portfolio Reserve</b>	<b>22.118</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.

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

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

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

# Highway, Transport and Infrastructure Portfolio - Period 5 2017-18

## Appendix 1

Forecast by Service Area	Budget	Period 5 Actual Costs	Rest of Year Estimate	Year End Forecast £	(Under)/ Over
Management Team – Economy, Transport and Communities	582,652	229,837	326,878	556,715	(25,937)
Resources and Improvement	3,253,842	1,419,892	1,785,065	3,204,957	(48,885)
Planning and Development	685,594	(942,558)	576,612	(365,946)	(1,051,540)
Waste Management	42,541,880	14,655,134	25,572,646	40,227,780	(2,314,103)
Flood Management	438,190	(201,576)	506,636	305,060	(133,130)
Digital Derbyshire	150,808	46,983	69,827	116,810	(33,998)
Highways Maintenance	14,059,270	2,961,034	12,066,994	15,028,028	968,758
Highway Management and Land Reclamation	1,966,652	6,290,559	(5,109,686)	1,180,873	(785,779)
Road Safety	513,157	41,228	372,374	413,602	(99,555)
Public and Community Transport	12,790,567	6,732,395	8,541,169	15,273,564	2,482,997
Council Fleet Services	(1,504,563)	(2,688,122)	1,064,748	(1,623,374)	(118,811)
Countryside	1,937,999	663,559	1,185,825	1,849,384	(88,615)
Superannuation Back Funding	337,593	88,811	225,955	314,766	(22,827)
Unallocated Budget Savings	(1,266,500)	(155,331)	155,331	0	1,266,500
<b>Total</b>	<b>76,487,144</b>	<b>29,141,845</b>	<b>47,340,374</b>	<b>76,482,219</b>	<b>(4,925)</b>
Use of General Reserve for local bus services	2,821,000	0	0	0	(2,821,000)
<b>Revised Year End Projection</b>	<b>79,308,144</b>	<b>29,141,845</b>	<b>47,340,374</b>	<b>76,482,219</b>	<b>(2,825,925)</b>