

Agenda Item No. 5

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

28 July 2015

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

REVENUE OUTTURN 2014-15

(1) **Purpose of Report** To report the final revenue controllable outturn position for 2014-15 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 2014-15 target for the portfolio and to identify the impact of the 2014-15 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 2014-15. Net expenditure was £77.615m against a budget of £80.187m resulting in a controllable underspend of £2.572m.

Variances

The key variances on controllable expenditure are itemised in the table below.

Service	Controllable Budget £m	Outturn 2014-15 £m	Over/(Under) Spend for year £m
Commercial Services	(1.822)	(2.448)	(0.626)
Transport and Technical Policy	21.333	19.125	(2.208)
Highway Management (excluding maintenance)	2.955	2.854	(0.101)
Resources and Improvement	3.082	2.963	(0.119)
Unallocated Budgets	0	0.266	0.266
Waste Management	33.894	34.334	0.440
Countryside	2.796	2.624	(0.172)

Explanation for Key Variances

Commercial Services – (£0.626m) underspend

This is mainly due to an underspend on employee costs (£0.275m) and contractor costs (£0.136m), and an over recovery on various income streams, including income for vehicle sales and external hire (£0.452m). These underspends are offset by an under recovery for recharges £0.096m, and an overspend on agency staff covering vacant posts £0.230m.

Transport and Technical Policy – (£2.208m) underspend

The main areas of underspend against budget are Gold Card (£0.412m), B_Line concessionary fares (£0.209m), employee costs (£0.410m), Road Safety (£0.129m), Local Bus revenue support and related costs (£0.400m), supplies and services (£0.201m), and Section 38 and 278 agreements income (£0.397).

Highway Management – (£0.101m) underspend

This is mainly due to an underspend on employee costs (£0.547m) which has been offset by an overspend on recharges to works budget.

Resources and Improvement – (£0.119m) underspend

This is mainly due to an underspend on employee costs.

Unallocated Budgets – £0.266m overspend

This is due to the Department's contribution to the Corporate bad debt provision.

Waste Management - £0.440m overspend

The overspend is due to a number of fluctuations including an increase in waste tonnages, an increase in recycling credit payments to district/borough councils, along with some contract rate and indexation increases.

Countryside – (£0.172m) underspend

The underspend is made up of various smaller underspends within the Countryside Service, the main area of which is employee costs (£0.077m).

Proposals for the use of Underspends

Of the total controllable underspend, ring-fenced commitments total £1.680m.

Description	£m
Funding of overspends on capital grants	0.391
Commuted Sums	0.195
Smarter Travel	0.004
Revised 2014-15 Gold Card agreement	0.053
Derby and Derbyshire Road Safety Partnership (DDRSP)	0.084
Highway work issued but not completed	0.953
Total Ring-Fenced Commitments	1.680

This leaves a balance of £0.892m underspend for the year. As agreed by Cabinet on 7 July 2015, the portfolio has been allocated £0.580m of this underspend to fund the following projects and initiatives.

Description	£m
One off costs regarding B_Line scheme	0.160
Lobbying regarding HS2	0.010
Roadworker National Vocational Qualification Training	0.060
Mobile devices for Highways service	0.060
Cycling events	0.030
School Crossing Patrols – replacement of some zebra crossings with Pelican crossings where appropriate	0.100
Highways maintenance - potholes	0.160
Total	0.580

In accordance with financial regulations, these monies will be carried forward and/or transferred to specific reserves. The remaining underspend of £0.312m will be transferred to the general reserve.

Savings Against 2014-15 Target

Budget reductions totalling £7.259m were allocated for the year for the portfolio. £6.281m of these were achieved by the year end. The table below identifies savings made against the Departmental target in 2014-15.

Description	Budget Reduction Amount £m	Achieved Amount £m	Not Achieved £m
Reduction in Highways Maintenance	3.275	3.275	0
Waste Disposal Efficiencies	1.600	0.922	0.678
Road Safety	0.800	0.800	0
Reduction in Staffing	0.668	0.668	0
Income on Permit Scheme	0.300	0.000	0.300
Back Office and General Efficiencies	0.366	0.366	0
Fleet Reduction	0.250	0.250	0
Total	7.259	6.281	0.978

Reasons for non-achievement of budget reductions:

Waste Disposal Efficiencies – The outturn position for Waste was an overspend of £0.440m against a budget of £33.894m.

Increased Income on Permit Scheme - £0.300m relates to the Permit Scheme which was implemented in April 2015.

Impact on the Future

The following could have an impact on the financial requirements for the Department:

- Rises in waste tonnages and associated costs of disposal.
- Increases in energy costs.
- 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: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property 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 - Karen Howes, extension 38730.

(7) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member:

7.1 Notes the report.

7.2 Approves the transfers to/from the reserves outlined in the report.

7.3 Approves that the underspends outlined in the report be carried forward and ring-fenced, where stated, in accordance with the County Council's Financial Regulations.

Mike Ashworth
Strategic Director – Economy, Transport
and Environment

Peter Handford
Director of Finance

Appendix 1

Highways, Transport and Infrastructure Portfolio 2014-15

Service	Budget 2014-15 (£)	Actual 2014-15 (£)	Over/(Under) Spend 2014-15 (£)
Departmental Management Team	547,003	520,562	(26,441)
Commercial Services	(1,822,253)	(2,448,043)	(625,790)
Markham Employment Growth Zone	495,260	472,721	(22,539)
Transport and Technical Policy	21,333,217	19,124,715	(2,208,502)
Highway Management	2,955,430	2,853,931	(101,499)
Highways Maintenance	14,798,920	14,812,431	13,511
Resources and Improvement	3,081,633	2,962,980	(118,653)
Superannuation Back Funding	393,843	394,428	585
Unallocated Budgets (including cuts)	0	265,752	265,752
Waste Management	33,894,262	34,334,389	440,127
Countryside	2,795,810	2,623,921	(171,889)
Conservation and Design	552,799	529,218	(23,581)
Planning Services	989,661	996,311	6,650
Derwent Valley Mills World Heritage Site	171,264	171,264	0
Total Highways, Transport and Infrastructure Portfolio	80,186,849	77,614,580	(2,572,269)