

Agenda Item No.6

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

3 March 2015

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

BUDGET MONITORING 2014-15 – PERIOD 9

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2014-15 up to the end of December 2014 – Period 9.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £81.375m. The Revenue Budget Monitoring Statement, prepared at Period 9, indicates that there is a projected year end overspend of £0.968m. The areas which make up this projection are shown in the table below:

	Controllable Budget £m	Projected Outturn 2014/15 £m	Projected Over/(Under) Spend for year £m
Departmental Management Team	0.546	0.523	(0.023)
Commercial Services	(1.822)	(2.128)	(0.306)
Markham Employment Growth Zone (MEGZ)	0.495	0.484	(0.011)
Transport and Technical Policy	21.153	19.531	(1.622)
Highway Management	2.955	3.435	0.480
Highways Maintenance	16.210	17.286	1.076
Resources and Improvement	3.405	3.446	0.041
Unallocated Budgets	0	0	0
Waste Management	33.942	35.305	1.363
Countryside	2.780	2.726	(0.054)
Conservation and Design	0.546	0.533	(0.013)
Planning Services	0.990	1.025	0.035
Derwent Valley Mills World Heritage Site	0.175	0.177	0.002
Total	81.375	82.343	0.968

Key Variances

Transport and Technical Policy – projected underspend (£1.622m)

The main areas of underspend relate to staff costs achieved as a result of vacancy control, Gold Card re-imbursements, B_Line and revenue support for buses.

Highway Management – Projected overspend £0.480m

The main areas of overspend relate to Contracting and Design services, and an under recovery of parking income.

Highway Maintenance – Projected overspend £1.076m

The main area of overspend relates to winter maintenance which is currently projected at £1.076m. The winter overspend will be funded from the Winter Maintenance Reserve.

Waste Management - Projected overspend £1.363m

Residual waste tonnages were anticipated to fall in 2014-15 following further improvements in waste minimisation, recycling and composting. However, the latest forecasts, based on tonnages to date, do not indicate that this reduction is taking place. In addition, the cost of treating organic waste, which now includes food waste, at the newly opened Arkwright In-Vessel Composting facility, is higher than the previous cost of treating garden waste only. Organic waste tonnages are also anticipated to increase.

Budget reductions totalling £7.259m were allocated for the year for this Portfolio. It is anticipated that £5.502m of these will have been achieved by the year end. The table below shows performance against the target.

	Budget Reduction Amount £m	Will be Achieved Amount £m	Will Not be Achieved £m
Reduction in Highways Maintenance	2.000	2.000	0
Waste Disposal Efficiencies	1.600	0.223	1.377
Traffic Management and Road Safety	1.250	1.250	0
Street Lighting – Burn to Extinction	0.775	0.775	0
Reduction in Staffing	0.668	0.668	0
Increase Income on Schemes	0.380	0	0.380
Back Office and General Efficiencies	0.230	0.230	0
Smarter Travel	0.276	0.276	0
Street Lighting Energy Costs	0.050	0.050	0
Staff Training	0.030	0.030	0
Total	7.259	5.502	1.757

Reasons for non-achievement of budget reductions:

Waste Disposal Efficiencies – Waste is currently projecting an overspend by the year end of £1.363m.

Increased Income on Schemes - £0.300m relates to Permit Schemes which are awaiting Government approval, so cannot be implemented until April 2015 at the earliest. The sum of £0.070m is for new on-street parking schemes which are not due to be implemented until May/June 2015. The sum of £0.010m is for an increase in parking charges at countryside sites, which may not be delivered due to the extent of theft and damage to the ticket machines.

Earmarked Reserves

Earmarked Reserves relating to this Portfolio totalling £20.941m are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Grants (including £1.9m Road Safety PSA II)	2.094
Committed Liabilities – Revenue	2.201
Committed Liabilities – Capital	10.134
Winter Maintenance	2.000
Partnership and other Councils monies held by Derbyshire County Council	0.318
Single Asset Management System	0.250
Derwent Valley Mills World Heritage Site	0.152
Laboratory and Fleet Equipment	0.195
Waste Recycling Initiatives	0.391
Non-Committed Reserves including previous years underspends	3.206
Total Earmarked Reserves	20.941

(3) **Financial Considerations** As contained within 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 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 RECOMMENDATION** That the Cabinet Member notes the report.

Mike Ashworth
Strategic Director
Economy, Transport and Environment

Peter Handford
Director of Finance

Highway, Transport and Infrastructure Period 9 2014-15

Forecast by Section

	Budget (£)	Period 9 Act Costs (£)	Rest of Year Estimate (£)	Year End Forecast (£)	(Under)/ Over (£)
Departmental Management Team	545,501	391,104	131,495	522,599	(22,902)
Commercial Services	(1,822,253)	(2,191,313)	62,779	(2,128,534)	(306,281)
Markham Employment Growth Zone	495,260	336,665	147,684	484,349	(10,911)
Transport and Technical Policy	21,152,831	13,859,871	5,670,894	19,530,765	(1,622,066)
Highway Management	2,955,429	9,699,544	(6,264,662)	3,434,882	479,453
Highways Maintenance	16,209,891	5,031,627	12,254,599	17,286,226	1,076,335
Resources and Improvement	3,405,130	2,622,240	824,074	3,446,314	41,184
Unallocated Budgets (including cuts)	0	0	0	0	0
Waste Management	33,941,574	24,279,790	11,024,753	35,304,543	1,362,969
Countryside	2,780,460	1,945,923	780,054	2,725,977	(54,483)
Conservation and Design	546,174	374,747	158,375	533,122	(13,052)
Planning Services	989,661	770,850	254,591	1,025,441	35,780
Derwent Valley Mills World Heritage Site	175,125	116,383	60,643	177,026	1,901
TOTAL	81,374,783	57,237,431	25,105,279	82,342,710	967,927