

## DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND  
INFRASTRUCTURE

8 September 2015

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

## BUDGET MONITORING 2015-16 – PERIOD 3

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2015-16 up to the end of June 2015 – Period 3.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £79.415m. The Revenue Budget Monitoring Statement, prepared at Period 3, indicates that there is a projected year end overspend of £0.521m which will be funded from Earmarked Reserves. The areas which make up this projection are shown in the table below:

	<b>Controllable Budget £m</b>	<b>Projected Outturn 2015-16 £m</b>	<b>Projected Over/(Under) Spend for year £m</b>
Departmental Management Team	0.574	0.520	(0.054)
Highways Maintenance	14.800	16.323	1.523
Highway Management (excluding Maintenance)	3.367	3.610	0.243
Road Safety	0.765	0.689	(0.076)
Transport and Travel	16.637	15.728	(0.909)
Waste Management	36.620	35.699	(0.921)
Countryside	2.516	2.544	0.028
Derwent Valley Mills	0.168	0.159	(0.009)
Conservation and Design	0.554	0.549	(0.005)
Digital Derbyshire	0.190	0.213	0.023
Planning and Development	1.245	0.914	(0.331)
Resources and Improvement	3.013	2.655	(0.358)
Superannuation Back Funding	0.323	0.313	(0.010)
Unallocated Budget	(1.357)	0.020	1.377
<b>Total</b>	<b>79.415</b>	<b>79.936</b>	<b>0.521</b>
Use of Earmarked Reserves	0.521	0	(0.521)
<b>Revised Year End Projection</b>	<b>29.936</b>	<b>79.936</b>	<b>0</b>

## Key Variances

### Highways Maintenance projected overspend £1.523m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £1.341. Also, street lighting energy will overspend by £0.220m due to the delayed implementation of the LED programme.

### Transport and Travel projected underspend (£0.909m)

The main area of underspend relates to employee costs and vehicle parts costs.

### Waste Management projected underspend (£0.921m)

Based on confirmed data for April and May, the tonnage growth anticipated for 2015-16 has not yet occurred, therefore, an underspend of £0.530m is currently predicted. However, this trend could easily change. In addition other contractual variations in the Waste Contract are demonstrating cost reductions which are partially offset by increased costs associated with recycling.

### Unallocated Budget £1.377m

This relates to staffing budget cuts, which have not yet been allocated to specific sections, and is therefore currently showing as an overspend. It will be allocated before the year end.

Budget reductions totalling £4.099m were allocated for the year for this Portfolio. It is anticipated that £3.744m of these will have been achieved by the year end. 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	1.333	1.333	
Highway Maintenance	1.000	1.000	
B_Line	0.315	0.315	
Community Transport	0.300	0.300	
Street Lighting LED Energy	0.270	0.050	0.220
Countryside Services	0.225	0.150	0.075
Gold Card	0.200	0.200	
Winter Maintenance	0.200	0.200	
Permit Scheme	0.100	0.100	
School Crossing Patrols	0.096	0.096	
Derwent Valley Mills – to be reallocated	0.060		0.060
<b>Total</b>	<b>4.099</b>	<b>3.744</b>	<b>0.355</b>

Reasons for non-achievement of budget reductions:

Street lighting energy will overspend by £0.220m due to the delayed implementation of the LED programme.

At this point in time, £0.150m budget reductions have been identified in the Countryside Service. It is anticipated that the remaining £0.075m will be identified within the year.

At the meeting on 7 July 2015, Cabinet agreed not to implement the £0.060m to Derwent Valley Mills in 2015-16, but to defer it to 2016-17 to enable new governance arrangements to be implemented before a staffing review is undertaken (Minute No. 254/15 refers).

### **Earmarked Reserves**

Earmarked Reserves relating to this portfolio totalling £25.234m are currently held to support future expenditure. Details of these reserves are shown below:

	<b>Amount £m</b>
Grants (including £1.9m Road Safety PSA II)	2.087
Committed Liabilities – Revenue	2.598
Committed Liabilities – Capital	14.462
Winter Maintenance	2.000
Partnership and other Councils' monies held by Derbyshire County Council	0.217
Derwent Valley Mills World Heritage Site	0.172
Laboratory and Fleet Equipment	0.195
Waste Recycling Initiatives	0.391
Non-Committed Reserves including previous years underspends	3.012
<b>Total Earmarked Reserves</b>	<b>25.134</b>
Use of Reserves	0.521
<b>Revised Earmarked Reserves</b>	<b>24.613</b>

### **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.

(3) **Key Decision** No.

(4) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(5) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details – Karen Howes, extension 38730.

(6) **OFFICER'S RECOMMENDATION** That the Cabinet Member notes the report.

**Mike Ashworth**  
**Strategic Director - Economy,**  
**Transport and Environment**

**Peter Handford**  
**Director of Finance**

## Appendix 1

## Highway, Transport and Infrastructure Period 3 2015-16

Forecast by Section	Budget £	Period 3 Actual Costs £	Rest of Year Estimate £	Year End Forecast £	Over/ (Under) Spend £
Departmental Management Team	573,745	128,311	391,304	519,615	(54,130)
Highways Maintenance	14,799,865	2,298,315	14,024,711	16,323,026	1,523,161
Highway Management (excluding Maintenance)	3,367,242	5,156,147	(1,545,846)	3,610,300	243,058
Road Safety	764,679	71,574	617,695	689,269	(75,410)
Transport and Travel	16,637,097	291,049	15,436,930	15,727,979	(909,118)
Waste Management	36,620,543	8,477,735	27,221,384	35,699,119	(921,424)
Countryside	2,515,787	648,947	1,894,771	2,543,718	27,931
Derwent Valley Mills World Heritage Site	167,552	(1,151)	160,044	158,893	(8,659)
Conservation and Design	553,771	101,235	447,936	549,171	(4,600)
Digital Derbyshire	190,192	66,586	145,980	212,566	22,374
Planning and Development	1,244,979	(131,608)	1,045,823	914,215	(330,764)
Resources and Improvement	3,012,982	763,637	1,891,383	2,655,020	(357,962)
Superannuation Back Funding	323,497	0	313,189	313,189	(10,308)
Unallocated Budget	(1,356,930)	(203,142)	223,397	20,255	1,377,185
<b>TOTAL</b>	<b>79,415,001</b>	<b>17,667,635</b>	<b>62,268,701</b>	<b>79,936,335</b>	<b>521,334</b>