

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - JOBS, ECONOMY AND
TRANSPORT

11 November 2014

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

BUDGET MONITORING 2014/15 – PERIOD 5

(1) **Purpose of the Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2014/15 up to the end of August – Period 5.

(2) **Information and Analysis** The net budget for the Jobs, Economy and Transport portfolio is £81.868m. The Revenue Budget Monitoring Statement, prepared at Period 5, indicates that there is a projected year end overspend of £1.628m. 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	0.565	0.528	(0.037)
Commercial Services	(1.937)	(2.146)	(0.209)
Markham Employment Growth Zone (MEGZ)	0.494	0.497	0.003
Transport and Technical Policy	21.230	20.005	(1.225)
Highway Management	2.865	3.508	0.642
Highways Maintenance	16.215	17.142	0.927
Resources and Improvement	3.766	3.436	(0.329)
Unallocated Budgets	(0.690)	0	0.690
Waste Management	33.881	35.228	1.348
Countryside	2.735	2.744	0.009
Conservation and Design	0.557	0.512	(0.045)
Planning Services	0.987	1.020	0.033
Regeneration	1.027	0.841	(0.186)
Derwent Valley Mills World Heritage Site	0.173	0.181	0.007
Total	81.868	83.496	1.628

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Key Variances

Transport and Technical Policy - projected underspend (£1.225m)

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 £0.642m

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

Highway Maintenance - projected overspend £0.927m

The main area of overspend relates to winter maintenance which is currently projected at £0.927m. The winter overspend will be funded from the Winter Maintenance Reserve.

Waste Management - projected overspend £1.348m

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, Arkwright In-Vessel Composting Facility, which opened in May 2014, has an increased gate fee and anticipated increases in organic waste tonnages.

Budget reductions totalling £7.339m were allocated for the year. It is anticipated that £5.611m 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	0.252	1.348
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	0.310	0.310	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	7.339	5.611	1.728

Reasons for non-achievement of budget reductions:

Waste Disposal Efficiencies – Waste is currently projecting an overspend by the year end of £1.348m.

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Increase Income on Schemes - £0.300m relates to Permit Schemes which are awaiting Government approval, so cannot be implemented until April 2015 at the earliest. A sum of £0.070m is for new on-street parking schemes which are not due to be implemented until May/June 2015. A 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 totalling £26.977m are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Grants (including £1.9m Road Safety PSA II)	2.081
Committed Liabilities - Revenue	3.507
Committed Liabilities - Capital	15.636
Winter Maintenance	2.000
Partnership and Other Council's monies held by Derbyshire County Council	0.229
Single Asset Management System	0.250
Derwent Valley Mills World Heritage Site	0.154
Laboratory and Fleet Equipment	0.199
Waste Recycling Initiatives	0.391
Non Committed Reserves including previous years' underspends	2.530
Total Earmarked Reserves	26.977

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 in the Finance Section of 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
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Economy, Transport and Environment

Peter Handford
Director of Finance