

Agenda Item No. 5(a)

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER – HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE**

14 September 2017

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

REVENUE OUTTURN 2016-17

(1) **Purpose of Report** To report the final revenue controllable outturn position for 2016-17 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 2016-17 target for the portfolio and to identify the impact of the 2016-17 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 2016-17. Net expenditure was £72.832m against a budget of £75.291m, resulting in a controllable underspend of £2.459m. It was agreed by Cabinet, on 27 January 2015, and a subsequent report on 26 January 2016, that up to £4.750m of the cost of local bus services would be met from General Reserve over two years (Minute Nos. 37/15 and 2/16 refer). In 2016-17, the overspend on the local bus service was £1.929m and the reserve has been used to offset this overspend.

The variances on controllable expenditure are itemised in Appendix 1 attached to this report.

Explanation for Key Variances

Highway Maintenance overspend £1.534m

The main areas of overspend relate to winter maintenance and street lighting energy and maintenance budgets. Winter maintenance has overspent by £0.938m. Street lighting budgets have overspent by £0.560m due to the delay in the implementation of the LED contract, and the consequent delay in achieving the planned savings for 2015-16 and 2016-17.

Transport and Travel underspend £1.546m

The underspend is mainly due to staffing underspends in Fleet Services £0.338m, Access Strategy £0.174m, Technical Policy and Flood Management £0.165m, and Concessionary Fares (Gold Card) £0.712m. The overspend of £1.929m on the provision of local bus services, indicated previously in this report, has been funded by General Reserve.

Waste Management underspend £0.922m

The underspend includes the one-off 2016-17 landfill diversion saving negotiated with the Council's long term waste contractor (£1.396m). This is partially offset by the yearly increase in recycling credit rates and tonnages (£0.333m overspend), and a reduction in income from the Waste, Electrical and Electronic Equipment contract (£0.178m overspend).

Planning and Development underspend £0.637m

Over recovery of planning application fees and sections 38 and 278 (Highways Act 1980) agreements income are the main contributors to this underspend figure.

Growth Items

The following item was included in the 2016-17 budget as a growth item:

Waste Management – Increase in Landfill costs from 2016 amounting to £0.924m.

An additional £0.867m was allocated in the year from Corporate Contingency to cover increases relating to the contractual gate fees at transfer stations, and the Arkwright in-vessel composting facility.

Proposals for the use of Underspends

Of the total controllable underspend, ring-fenced commitments total £0.251m.

Description	£m
Civil Parking Enforcement – surplus to be carried forward and applied to specific highway improvement projects (Section 55 of Road Traffic Regulation Act 1984)	0.005
This is Derbyshire County Council's portion of the 2016-17 surplus on the operations of Derby and Derbyshire Road Safety Partnership	0.202
Committed funding to Flood Management Schemes	0.044
Total Ring-Fenced Commitments	0.251

This leaves a balance of £2.208m underspend to cover slippage in delivery of the budget savings, and one-off projects to be agreed at future Cabinet Member meetings.

Budget Savings Achieved Against 2016-17 Target

Budget savings totalling £7.371m were allocated for the year for the portfolio. £4.947m of these savings were achieved by the year end. The table below identifies savings made against the Departmental target in 2016-17.

Description	Budget Savings Target £m	Achieved Amount £m	Not Achieved £m
Staffing	1.800	1.800	0.000
Highway Maintenance	1.500	1.500	0.000
Community Transport	0.860	0.860	0.000
Fleet Services – Sale of surplus vehicles	0.100	0.100	0.000
Street Lighting LED Energy	0.390	0.000	0.390
Countryside Services	0.307	0.307	0.000
Challenge 15/30	0.320	0.320	0.000
Road Safety	0.060	0.060	0.000
Reduction in Revenue Support for Local Bus Services	1.500	0.000	1.500
Unidentified	0.534	0.000	0.534
Total	7.371	4.947	2.424

Reasons for non-achievement of budget savings:

The Street Lighting LED savings were not achieved due to the late implementation of the contract.

Cabinet agreed, on 27 January 2015, and a subsequent report on 26 January 2016, that up to £4.750m of the cost of the provision of local bus services would be met from the General Reserve over two years (Minute No. 37/15 and minute 2/16 refer).

Impact on the Future

The following could have an impact on the financial requirements of the portfolio:

- If the bid for Local Transport Plan Incentive Fund grant funding was unsuccessful, then it would negatively affect the available budget to support staff costs and deliver schemes.
- Rises in waste tonnages and associated costs of disposal.
- Resilience of the infrastructure due to adverse weather conditions.
- 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: 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

Highway, Transport and Infrastructure Portfolio - 2016-17

Appendix 1

Forecast by Section	Budget £	Actual Costs £	(Under)/Over £
Departmental Management Team	581,802	543,454	(38,348)
Highways Maintenance	13,016,527	14,550,659	1,534,132
Highway Management (excluding Maintenance)	2,051,401	1,927,980	(123,421)
Road Safety	752,695	450,998	(301,697)
Transport and Travel	14,777,250	13,231,004	(1,546,246)
Waste Management	37,070,654	36,148,042	(922,612)
Countryside	2,367,647	2,138,638	(229,009)
Derwent Valley Mills World Heritage Site	172,065	172,065	0
Conservation and Design	588,328	557,567	(30,761)
Digital Derbyshire	138,742	102,547	(36,195)
Planning and Development	937,477	300,212	(637,265)
Resources and Improvement	2,872,126	2,554,489	(317,637)
Superannuation Back Funding	323,497	325,848	2,351
Unallocated Budget	(358,708)	(171,631)	187,077
Total	75,291,503	72,831,872	(2,459,631)

Agenda Item No. 5(b)

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE**

14 September 2017

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

BUDGET MONITORING 2017-18 – PERIOD 3

(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 June 2017 – Period 3.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £75.447m. The Revenue Budget Monitoring Statement, prepared at Period 3, indicates that there is a projected year end overspend of £0.713m once adjustments have been made in relation to the following decisions.

a) There is a projected £2.592m overspend on the provision of local bus services. It was agreed by Cabinet, on 27 January 2015, and 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). £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 some of this to cover the overspend in the local bus services budget.

b) On 13 September 2017, the Council is to consider the reversal of a £1.5m budget saving for Highway Maintenance which will enable a programme of improvement works to take place as detailed in the 20 July 2017 Cabinet report.

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	0.552	(0.031)
Resources and Improvement	3.254	3.074	(0.180)
Planning and Development	0.706	0.207	(0.499)
Waste and Flooding Management	42.970	42.640	(0.330)
Digital Derbyshire	0.151	0.123	(0.028)
Highways Maintenance	13.059	14.233	1.174
Highway Management and Land Reclamation	1.942	1.557	(0.385)
Road Safety	0.512	0.420	(0.092)
Public and Community Transport	12.791	15.322	2.531
Council Fleet Services	(1.522)	(1.589)	(0.067)
Countryside	1.944	1.838	(0.106)
Superannuation Back Funding	0.324	0.375	0.051
Unallocated Budget Savings	(1.267)	0	1.267
Total	75.447	78.752	3.305
Use of General Reserves	2.592	0	(2.592)
Revised Year End Projection	78.039	78.752	0.713

Key Variances

Planning and Development underspend £0.499m

The underspend is mainly due to an over recovery of sections 38 and 278 income.

Highway Maintenance projected overspend £1.174m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £1.000m, 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 £2.531m

The over spend is mainly due to the decision to continue to support local bus services (£2.592m). 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 is to consider reallocating base budget funding to local bus services from 2018-19.

Unallocated Budget £1.267m

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 approved by Full Council on 8 February 2017 (Minute No. 10/17 refers) 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.

	Budget Reduction Amount £m	Will be Achieved Amount £m	Will Not be Achieved £m
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
Total	5.729	2.852	2.877

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £19.782m, are currently held to support future expenditure. Details of these reserves are shown in the table below.

	Amount (£m)
Grants	1.925
Committed Liabilities - Revenue	1.861
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	9.821
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.108
Renewal Funds regarding 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)	3.392
Total Highway, Transport and Infrastructure Portfolio Reserve	19.782

(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.

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

Mike Ashworth
Strategic Director – Economy,
Transport and Communities

Peter Handford
Director of Finance
and ICT

Appendix 1

Highway, Transport and Infrastructure Portfolio - Period 3 2017-18

Forecast by Service Area	Budget (£)	Period 3 Actual Costs (£)	Rest of Year Estimate (£)	Year End Forecast (£)	(Under)/Over (£)
Management Team – Economy, Transport and Communities	582,652	137,545	414,400	551,945	(30,708)
Resources and Improvement	3,253,842	865,623	2,208,458	3,074,081	(179,761)
Planning and Development	705,594	(815,495)	1,021,898	206,404	(499,191)
Waste and Flooding Management	42,969,819	7,565,163	35,075,222	42,640,384	(329,435)
Digital Derbyshire	150,808	28,486	94,700	123,186	(27,622)
Highways Maintenance	13,059,270	2,134,791	12,098,009	14,232,800	1,173,530
Highway Management and Land Reclamation	1,942,556	5,113,591	(3,556,383)	1,557,208	(385,347)
Road Safety	512,407	(24,721)	444,656	419,936	(92,471)
Public and Community Transport	12,790,567	2,878,694	12,443,159	15,321,853	2,531,286
Council Fleet Services	(1,521,900)	(3,094,061)	1,505,106	(1,588,955)	(67,055)
Countryside	1,944,361	492,786	1,345,321	1,838,107	(106,254)
Superannuation Back Funding	323,497	74,715	300,670	375,385	51,888
Unallocated Budget Savings	(1,266,500)	(155,331)	155,331	0	1,266,500
Total	75,446,974	15,201,786	63,550,548	78,752,334	3,305,360
Use of General Reserve for local bus services	2,592,000	0	0	0	(2,592,000)
Revised Year End Projection	78,038,974	15,201,786	63,550,548	78,752,334	713,360

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER, HEALTH AND COMMUNITIES

7 September 2017

**Report of the Strategic Director for Economy, Transport and
Communities, Strategic Director for Adult Care, Strategic Director for
Corporate Resources and Director of Finance & ICT**

REVENUE OUTTURN 2016-2017

1. Purpose of the Report

To report the final revenue outturn position for 2016-17 and to identify significant variations in expenditure from the budget.

2. Information and Analysis

2.1 Summary

Attached as Appendix 1 to this report is a statement setting out the final outturn position for 2016-17. The gross controllable budget was £49.915m and the controllable underspend was £5.043m. This includes an underspend of £4.634m against the ring-fenced Public Health budget. After transferring this to the Public Health Reserve, the Portfolio's net underspend is £0.409m.

The areas which make up this total underspend are shown in the table below:-

HEALTH AND COMMUNITIES PORTFOLIO			
OUTTURN 2016-17			
DIVISION	CONTROLLABLE BUDGET £m	CONTROLLABLE ACTUAL £m	(UNDER)/ OVER £m
PUBLIC HEALTH	0.296	(4.338)	(4.634)
COMMUNITIES			
Community Safety	1.120	1.010	(0.110)
Emergency Planning	0.406	0.401	(0.005)
Trading Standards	1.409	1.325	(0.084)
Derbyshire Sport	0.172	0.172	0.000
TOTAL COMMUNITIES	3.107	2.908	(0.199)
Coroners	1.440	1.422	(0.018)
Registrars	(0.373)	(0.565)	(0.192)
TOTAL FOR PORTFOLIO	4.470	(0.573)	(5.043)

2.2 Key variances

Public Health – underspend £4.634m

A large proportion of the underspend has been generated from activity-based contracts which have not met anticipated levels of service during the financial year.

The whole underspend has been transferred into the Public Health Reserve. However £3.547m of the reserve is committed to fund set-up costs associated with the new Live Life Better Derbyshire Service as well as continuing to fund investment in Prevention work which was approved by Cabinet on 20 September 2016 and Public Health related work within the remainder of the Health and Communities portfolio.

A further proportion of the Public Health reserve will be used to meet the Public Health Division restructure costs and pay protection arrangements for two years (as per DCC policy) of those staff who are adversely affected following the new structure being implemented.

It is proposed (subject to Cabinet approval) that £0.5m of the Public Health reserve will be used to implement a comprehensive programme of sports and physical activity grant schemes being rolled out across the County. This will leave the Public Health reserve exhausted.

The Ring-Fenced Grant is expected to be reduced in both 2018-19 and 2019-20 by £1.082m and £1.054m respectively. Based on current budgeted spend this will leave the Public Health budget over-committed in excess of £1m by 2019-20. Therefore it is intended to use the non-recurrent monies in reserve over 2018-19 and 2019-20 to enable the Public Health Department to mitigate the effect of the cuts on the budget over an extended period of time to reduce the immediate impact of more drastic reductions in Public Health Services.

Key areas of underspend were:-

£m	reason
1.111	Contribution to existing commitments to Prevention work and to support Public Health related interventions within the remainder of the Health and Communities portfolio
0.954	Lower than anticipated costs for Tariff based Services within the Integrated Sexual Health Contract
0.733	Lower than anticipated costs for Accredited Services within the Integrated Wellbeing Contract
0.720	Lower than anticipated costs on the Substance Misuse Inpatient Detox, Drug Prescribing, Prevention, Residential Rehab Treatment and Shared Care budgets
0.329	Lower than anticipated costs for uptake of Health Checks within Derbyshire
0.228	Vacancy control
0.179	Lower than anticipated costs on Children's Public Health budgets
0.126	Lower than anticipated costs on Tobacco Control budget

Registrars Service – underspend £0.192m

The underspend is due to the over recovery of income for the various Registrar fees and charges.

Community Safety – underspend £0.110m

The underspend is largely due to vacancy control and will assist with restructures which will help to deliver budget savings.

Trading Standards – underspend £0.084m

The underspend is largely due to vacancy control and will assist with restructures which will help to deliver budget savings.

2.3 Budget Savings

Budget savings totaling £0.455m were agreed by Full Council as part of the approval of the 2016-17 budget. A table showing performance against target is attached as Appendix 2.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal and human rights, human resources, equality and diversity, health, environmental, transport, property, and prevention of crime and disorder considerations.

4. Key Decision

No.

5. Call-in

Is it required that call-in be waived in respect of decisions proposed in the report? No

6. Background Papers

Files and reports held by Economy, Transport and Communities, Adult Care and Corporate Accountancy sections.

Public Health Prevention Fund Investment – Cabinet 20 September 2016.

Prioritisation of Public Health Grant Investment – Cabinet 15 March 2016.

7. Officers' Recommendation

- 7.1 That the Cabinet Member notes the revenue outturn position for 2016-17.

Mike Ashworth
Strategic Director – Economy,
Transport and Communities

Joy Hollister
Strategic Director – Adult Care

Judith Greenhalgh
Strategic Director – Corporate
Resources

Peter Handford
Director of Finance & ICT

APPENDIX 1

HEALTH AND COMMUNITIES PORTFOLIO OUTTURN 2016-17					
DIVISION	2016-17 GROSS CONTROLLABLE BUDGET £	2016-17 INCOME BUDGET £	2016-17 CONTROLLABLE NET BUDGET £	ACTUAL £	CONTROLLABLE (UNDER)/ OVER £
PUBLIC HEALTH	43,161,607	-42,866,000	295,607	-4,338,645	-4,634,252
COMMUNITY SAFETY	1,813,517	-693,539	1,119,978	1,010,295	-109,683
EMERGENCY PLANNING	677,243	-271,000	406,243	401,401	-4,842
TRADING STANDARDS	1,520,210	-110,963	1,409,247	1,325,400	-83,847
DERBYSHIRE SPORT	171,684	0	171,684	171,684	0
CORONERS	1,880,254	-440,503	1,439,751	1,421,920	-17,831
REGISTRARS	690,865	-1,063,232	-372,367	-565,262	-192,895
TOTAL	49,915,380	-45,445,237	4,470,143	-573,207	-5,043,350

Net Underspend excluding Public Health

-409,098

APPENDIX 2

Health and Communities Portfolio Budget Savings 2016-17			Budget Savings target £m	Achieved Amount £m	Outstanding Amount £m
Emergency Planning					
Staffing Review			0.036	0.036	0.000
Community Safety					
Staffing re organisation			0.061	0.061	0.000
Community Safety Project Fund			0.085	0.085	0.000
Trading Standards					
Restructuring of the service			0.128	0.000	0.128
Registrars					
Increase in charges			0.145	0.145	0.000
TOTAL			0.455	0.327	0.128