

Agenda Item No.8

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE

22 February 2018

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

BUDGET MONITORING 2017-18 – PERIOD 9

(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 December 2017 – Period 9.

(2) **Information and Analysis** The net controllable budget for the Highways, Transport and Infrastructure Portfolio is £76.643m. The Revenue Budget Monitoring Statement, prepared at Period 9, indicates that there is a projected year end underspend of £2.222m once the following adjustment has been made:

There is a projected £2.704m 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). A total of £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.

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	0.555	(0.028)
Resources and Improvement	3.047	2.840	(0.207)
Planning and Development	0.656	(0.172)	(0.828)
Waste Management	42.542	39.736	(2.806)
Flood Management	0.438	0.237	(0.201)

Digital Derbyshire	0.151	0.126	(0.025)
Highways Maintenance	14.059	16.119	2.060
Highway Management and Land Reclamation	1.998	1.464	(0.534)
Road Safety	0.513	0.418	(0.095)
Public and Community Transport	12.730	14.940	2.210
Council Fleet Services	(1.470)	(1.643)	(0.173)
Countryside	2.356	2.193	(0.163)
Superannuation Back Funding	0.337	0.312	(0.025)
Unallocated Budget Savings	(1.297)	0	1.297
Total	76.643	77.125	0.482
Use of General Reserves	2.704	0	(2.704)
Revised Year End Projection	79.347	77.125	(2.222)

Key Variances

Waste Management underspend £2.806m

The figure includes the final year landfill diversion saving negotiated with the Council's long term waste contractor (£1.388m). There are also savings for National Non Domestic Rates due to the delay with Sinfen (£0.326m), and lower waste tonnage growth than originally expected (£1.000m).

Planning and Development underspend £0.828m

The underspend is mainly due to an over recovery of sections 38 and 278 developers fees, in relation to the inspection of new developments.

Highway Maintenance projected overspend £2.060m

The main area of overspend relates to winter maintenance which is currently projected to overspend by £1.027m, due to the high level of fixed costs associated with this service. Inflation on street lighting energy has resulted in an overspend of £0.500m, and a delay in the implementation of the street lighting LED contract means an £0.524m overspend.

Public and Community Transport overspend £2.210m

The overspend is mainly due to the decision to continue to support local bus services (£2.704m). 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 agreed to reallocate base budget funding to local bus services from 2018-19. This has been partly offset by an underspend on Gold Card (£0.416m) due to less take up than expected.

Unallocated Budget £1.297m

This relates to unidentified savings which have not yet been allocated to specific services, 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 (Minute No.6/17 refers), approved by Full Council on 8 February 2017, 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 £21.004m, are currently held to support future expenditure and to help manage the savings programme. Details of these reserves are shown in the table below.

	Amount
Grants	1.905
Committed Liabilities – Revenue	2.287
Committed Liabilities - Capital (including Accelerated Highways Maintenance)	8.334
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.098
Renewal Funds regarding Laboratory and Fleet Equipment	0.183
Waste Recycling Initiatives	0.391
Derby and Derbyshire Road Safety Partnership	0.203
General Reserves (including previous years underspends)	5.603
Total Highway, Transport and Infrastructure Portfolio Reserve	21.004

(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 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
& ICT

Highway, Transport and Infrastructure Portfolio - Period 9 2017-18

Appendix 1

Forecast by Service Area	Budget £	Period 9 Actual Costs £	Rest of Year Estimate £	Year End Forecast £	(Under)/Over £
Management Team	582,652	416,909	138,085	554,994	(27,658)
Resources and Improvement	3,046,652	2,463,232	377,017	2,840,249	(206,403)
Planning and Development	655,594	(1,049,542)	877,010	(172,532)	(828,126)
Waste Management	42,541,883	27,367,334	12,368,316	39,735,650	(2,806,233)
Flood Management	438,190	(115,388)	352,175	236,787	(201,403)
Digital Derbyshire	150,808	109,494	16,252	125,746	(25,062)
Highways Maintenance	14,059,270	5,790,065	10,329,551	16,119,616	2,060,346
Highway Management and Land Reclamation	1,997,552	9,655,923	(8,191,941)	1,463,982	(533,570)
Road Safety	513,157	187,026	231,521	418,547	(94,610)
Public and Community Transport	12,730,567	11,322,720	3,617,467	14,940,187	2,209,620
Council Fleet Services	(1,469,906)	(1,932,762)	289,370	(1,643,392)	(173,486)
Countryside	2,356,142	1,525,519	667,929	2,193,448	(162,694)
Superannuation Back Funding	337,593	212,808	99,387	312,195	(25,398)
Unallocated Budget Savings	(1,296,708)	(155,331)	155,331	0	1,296,708
Total	76,643,446	55,798,007	21,327,470	77,125,477	482,031
Use of General Reserve for local bus services	2,703,786	0	0	0	(2,703,786)
Revised Year End Projection	79,347,232	55,798,007	21,327,470	77,125,477	(2,221,755)