

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – HIGHWAYS, TRANSPORT AND INFRASTRUCTURE

12 September 2019

Joint Report of the Executive Director – Economy, Transport and Environment
and the Director of Finance & ICT

REVENUE OUTTURN 2018-19

- (1) **Purpose of Report** To inform the Cabinet Member of the outturn position for 2018-19.
- (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 2018-19. Net controllable expenditure was £76.781m against a budget of £77.974m, resulting in a controllable underspend of £1.193m.

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

Explanation for Key Variances

Highway Maintenance overspend £0.352m

The main areas of overspend relate to the winter maintenance budgets which have overspent by £1.943m. This overspend has been offset by an underspend in various routine maintenance budgets. The reason for this underspend was that an additional allocation for £8.414m was granted to Derbyshire County Council from the Department of Transport in November 2018. This additional funding was to be used for '*local highways maintenance, including the repair of potholes, to keep local bridges and structures open and safe, as well as aid other minor highway works that may be needed*'. This additional funding was time limited until the end of March 2019, so to allow the most efficient and effective use of its resources. The County Council made use of this additional income over its base revenue budget allocation, thereby resulting in less spend on revenue than previously forecast.

Public and Community Transport underspend £0.323m

The underspend is mainly due to reduced take up of Concessionary Fares (Gold Card), of £0.327m.

Waste Management underspend £2.403m

The underspend includes a reduction in Stanton transfer station costs (£0.225m) and recycling credit payments below budget (£0.230m). Also, waste tonnages in 2018-19 have been less than forecast (£0.795m), electricity revenue from the New Waste Treatment Facility has been greater than forecasted (£0.808m) and savings on National Non-Domestic rates are due to the delay with the New Waste Treatment Facility (£0.340m).

Planning and Development underspend £1.639m

Over recovery of planning application fees and sections 38 and 278 (Highways Act 1980) agreements income are the main contributors to this underspend figure (£1.973m). This has been offset by a saving target of £0.518m which has yet to be allocated within the section.

Resources and Improvement underspend £0.303m

This underspend is a result of vacancies in various areas within the Resources and Improvement Division.

Unallocated Savings overspend £3.321m

This relates to savings which have not yet been allocated to specific services, and is therefore an overspend.

Growth Items

The following items were included in the 2018-19 budget as growth items:

Waste Management – Waste contract costs, increased tonnages and landfill tax - £2.476m ongoing and £0.634m one-off.

Highway Maintenance – To provide a co-ordinated, cyclical maintenance programme and maintenance improvements - £1.500m ongoing and £1.000m one-off.

Public Transport – To enable reasonable levels of public transport accessibility to be maintained across Derbyshire - £2.600m ongoing.

Street Lighting – To meet the inflationary increases of street lighting energy - £0.148m one-off.

Planning Development Management and Obligation Monitoring Systems – System investment to support planning applications - £0.110m one-

HS2 Co-ordination Officer – To provide support in representing the Council’s interest as the HS2 route is developed - £0.064m one-off.

Proposals for the use of Underspend

The following have been put forward as bids against the 2018-19 Economy, Transport and Environment Department underspend of £1.400m.

Description	£m
Countryside and Public Rights of Way - Invest to save to implement review findings	0.150
Transformation - invest to save projects to deliver budget savings and service transformation	0.100
Highways - resources to implement the Future Highways Model Improvement Plan invest to save initiatives	0.140
Street Lighting additional energy costs	0.224
Belper High Street – prize money held on behalf of external organisation	0.002
Commuted sums maintenance held for future highway maintenance liabilities	0.333
Palterton Lane, Glapwell – future maintenance liabilities of countryside site following lease termination	0.120
Total Bids against the 2018-19 Underspend	1.069

This leaves a balance of £0.331m underspend to cover slippage in delivery of the budget savings and other one-off projects to be agreed at future Cabinet Member meetings.

Budget Savings

Budget savings totalling £2.127m were allocated for the year, with a brought forward figure from previous years of £2.794m, giving an overall target to date for 2018-19 of £4.921m for the portfolio. A total of £1.106m savings were achieved by the year end. The table below identifies savings made against the portfolio target in 2018-19.

Description	Budget Savings Allocated 2018-19 £m	Achieved Amount by end 2018-19 £m	Balance Not Achieved 2018-19 £m
Street Lighting LED	0.390	0.196	0.194
School Crossing Patrols	0.060	0.060	0.000
Winter Maintenance	0.500	0.500	0.000
Gold Card Concessionary Fares	0.250	0.250	0.000
Road Safety	0.400	0.100	0.300
Unidentified	0.527	0.000	0.527
Total	2.127	1.106	1.021

Due to slippage, the street lighting LED project and Road Safety savings were not fully achieved in 2018-19, but are expected to be achieved in full in 2019-20.

Unidentified savings £3.815m are going to be carried forward into 2019-20.

Reasons for non-achievement of budget savings:

The Street Lighting LED savings were not achieved due to delayed procurement processes which led to the late implementation of the contract.

Road Safety savings have been allocated but the implementation has been delayed due to legislation not yet being passed.

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £19.732m, are currently held to support future expenditure. Details of these reserves are shown below:

	Amount £m
Grants	1.378
Committed Liabilities – Revenue	1.042
Committed Liabilities – Capital	4.988
Winter Maintenance	2.000
Money Held on behalf of Other Councils and Partnerships	0.539
Renewal Funds regarding Lab and Fleet Equipment	0.056
Waste Recycling Initiatives	0.391
Derby and Derbyshire Road Safety Partnership	0.051
General Reserves (committed to specific projects)	2.111
General Reserves (to assist with managing the departments savings programme)	7.176
Total Highway, Transport and Infrastructure Portfolio Reserves	19.732

Impact on the Future

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

- a) 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.
- b) Rises in waste tonnages and associated costs of disposal.
- c) Resilience of the infrastructure due to adverse weather conditions.
- d) 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 Environment Department.

- (7) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member notes the report.

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Highway, Transport & Infrastructure Portfolio 2018-19

Forecast by Service Area	2018-19 Budget £m	2018-19 Actual £m	Over/ (Under) Spend £
Waste Management	43.263	40.860	(2.403)
Public and Community Transport	15.022	14.699	(0.323)
Highways Maintenance	13.351	11.760	(1.591)
Winter Maintenance	1.473	3.416	1.943
Highway Management and Land Reclamation	2.103	2.033	(0.070)
Road Safety	0.147	0.398	0.251
Resources and Improvement	2.750	2.447	(0.303)
Countryside Services	2.298	2.049	(0.249)
Council Fleet Services	(1.406)	(1.363)	0.043
Planning and Development	0.621	(1.018)	(1.639)
Flood Risk Management	0.442	0.303	(0.139)
Digital Derbyshire	0.153	0.097	(0.056)
Management Team – Economy, Transport and Environment	0.585	0.565	(0.020)
Superannuation Back Funding	0.493	0.473	(0.020)
Unallocated Adjustments	0.000	0.062	0.062
Unallocated Savings	(3.321)	0.000	3.321
Total	77.974	76.781	(1.193)