

Environment, Development and Transport Committee

Report title:	Finance monitoring
Date of meeting:	8 March 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact This report provides the EDT Committee with financial monitoring information for the services reporting to this Committee for 2018-19.	

Executive summary

The services reporting to this Committee are delivered by Community and Environmental Services.

The 2018-19 net revenue budget for this committee is £103.521m and we are currently forecasting a £0.850m underspend for the services reporting to this committee

The total capital programme relating to this committee for the years 2018 to 2020 is £96.173m, with £50.878m currently profiled to be spent in 2018-19. Details of the capital programme are shown in section 3 of this report.

The balance of EDT Committee reserves as of 1 April 2018 was £27.434m. The reserves at the beginning of the year included committed expenditure, unspent grants and contributions which were carried forward from 2017-18. Details are shown in Section 4 of this report.

Appendix A provides the Committee with an update on relevant decisions taken under delegated powers by the Executive Director (or his team), within the Terms of Reference of this Committee.

Recommendations:

Members are recommended to note:

- a) **The note 2018-19 revenue budget the Environment, Development and Transport Committee and the current forecast outturn position**
- b) **The Capital programme for this Committee and the projected out-turn position for the Broadland Northway**
- c) **The balance of reserves brought forward to 2018-19 and the forecast use for 2019-20.**
- d) **The delegated decisions taken as set out in Section 1 of Appendix A.**

1. Proposal

- 1.1. Members have a key role in overseeing the financial position for the services under the direction of this committee, including reviewing the revenue and capital position and reserves held by the service. Although budgets are set and monitored on an annual basis it is important that the ongoing position is understood and the previous

years' position are considered.

- 1.2. This report reflects the budgets for 2018-19 budget and forecast outturn position as at the end of January 2019.

2. Evidence

- 2.1. The services reporting to this Committee are delivered by Community and Environmental Services which also manage services reporting to Communities Committee, Digital and Innovation Committee and Business and Property Committee.
- 2.2. The 2018-19 NET revenue budget for this committee is £103.521m.

	2018-19 Budget	2018-19 forecast Outturn	Forecast Variance	Actual spend to period 10
	£m	£m	£m	£m
Business Support and development	2.757	2.627	(0.130)	2.030
Culture and Heritage – Environment	1.113	1.113	0.000	0.954
Culture and Heritage – Historic Environment	0.250	0.250	0.000	0.235
Culture and Heritage – Planning	0.438	0.438	0.000	0.240
Highways and Waste				
Flood and Water management	0.419	0.419	0.000	0.287
Highways Operations	5.813	5.813	0.000	4.298
Major projects	0.360	0.360	0.000	0.277
Highways Network	0.827	0.827	0.000	0.719
Electrical services	9.397	9.397	0.000	8.151
Highways depreciation	26.248	26.248	0.000	32.152*
Travel and Transport Services	14.450	14.450	0.000	17.549
Residual Waste	23.591	23.191	(0.400)	18.412
Recycling and Closed landfill sites	17.172	16.852	(0.320)	12.025
Total highways and Waste	98.839	98.619	(0.720)	94.897
Infrastructure and Economic Growth	0.686	0.686	0.000	1.027
Total for Committee	103.521	102.671	(0.850)	99.383

*Note: Highways depreciation reflects the statutory accounting entries and are cost neutral to the service. The budget will be adjusted to match actuals.

2.3. Forecast Variances:

We are currently forecasting £0.130m underspend in Business support and development due to the management of staff costs. When the budget is set we

assume there will be some turnover of staff, where we are able to manage vacancies we will hold posts that don't require them to be filled immediately.

As previously reported to committee we are anticipating an underspend in the Household waste recycling centres budget, which is now reflected in the forecasts, we will continue to monitor activity throughout the rest of the year.

- 2.4. Based on the current view of waste tonnages we are forecasting an underspend on residual waste and payments in recycling credits.

Residual waste is reducing in year, the projection has dropped from the budgeted allowance of 214,133 tonnes to a forecast worst case of 213,358 tonnes, There is also a one off in year benefit of an over accrual for expected tonnages at the end of 21017/18 that did not arise, equivalent to 3,600 tonnes.

Also, recycling credits the claims for garden waste have dropped in year, due to the weather, to date we have seen a drop of around 1,400 tonnes.

- 2.5. Due to the relatively mild winter we have seen a low number of winter gritting actions so far this year and at this stage we are anticipating there will be an underspend on winter maintenance budget, although given the uncertainty of this budget we are not able to provide a robust forecast. We would recommend that committee agree in principle that any underspend on the winter maintenance budget be transferred to the winter maintenance reserve.

3. Capital Programme

- 3.1. The total capital budget for the services reporting to this committee is £96.173m, with £50.878m profiled for delivery in 2018-19.

Table 3 Capital Programme			
	2018-19	2019-20	Total Programme
	£m	£m	£m
Major Schemes	8.345	13.206	21.551
Bus Infrastructure Schemes	0.160	0.070	0.230
Bus Priority Schemes	0.500		0.500
Public Transport Interchanges	0.140	0.090	0.230
Cycling schemes (County)	0.575	1.855	2.430
Cycling schemes (Norwich "City Cycle Ambition 2")	0.460		0.460
Walking schemes	0.794	0.756	1.550
Road Crossings	0.245	0.261	0.506
Local Road Schemes	4.034	6.229	10.263
Great Yarmouth sustainable transport package (LGF Funded)	2.798	0.900	3.698
Attleborough Sustainable transport package (LGF Funded)	1.950	1.100	3.050
Thetford Sustainable Transport package (LGF Funded)	1.200	0.675	1.875
Traffic management and calming	0.929	0.010	0.939
Local Safety Schemes	0.250	0.250	0.500
Other Schemes, Future fees and Carry over costs	0.559	0.559	1.118
Integrated transport	22.939	25.961	48.900
Structural Maintenance	31.885	32.465	64.350

Total Highways programme	46.479	45.22	91.699
Other capital schemes			
Transport related budget - clean bus technology	0.036		0.036
Public Access - related projects	0.350		0.350
Waste management	4.013	0.075	4.088
	4.399	0.075	4.474
Total Programme	50.878	45.295	96.173

- 3.2. The highways programme reflects the current known funding. The service has a strong track record of securing additional external funding which will be added to the programme as this gets confirmed. There are no variances to the budget
- 3.3. The programme is actively managed throughout the year to aim for full delivery within the allocated budget. Schemes are planned at the start of the year but may be delayed for a variety of reasons e.g. planning consent or public consultation. When it is identified that a scheme may be delayed then other schemes will be planned and progressed to ensure delivery of the programme and the original schemes will be included at a later date. Over /(under)spends and slippage will be carried forward and delivered in future years.

3.4. **Broadland Northway**

- 3.5. We have agreed the final account with the main scheme contractor Balfour Beatty. There are elements of the scheme that remain outstanding at this stage, i.e. final land costs still in negotiation and other landscaping works but we are forecasting that the project will be delivered within the £205m budget. The scheme has now been adopted into the Highway network.

4. **Reserves 2017-18**

- 4.1. The Council holds both reserves and provisions.
- 4.2. Provisions are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates which they will arise. The Council complies with the definition of provisions as contained within the CIPFA Accounting Code of Practice.
- 4.3. Reserves are either reserves for special purposes or to fund expenditure that has been delayed and in many cases relate to external Grants and Contributions. They can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which can help smooth the impact of funding.
- 4.4. Or reserves can be held as General balances, these are not earmarked for a specific purpose. General balance reserves would be held to help the Council to manage unplanned or unforeseen events. This committee doesn't hold any general balances.
- 4.5. The reserves relating to this committee are held for special purposes or to fund expenditure that has been delayed, and in many cases relate to external grants and contributions.
- 4.6. A number of the reserve balances relate to external funding where the conditions of the grant are not limited to one financial year and often are for projects where the costs fall in more than one financial year.

- 4.7. Services continue to review the use of reserves to ensure that the original reasons for holding the reserves are still valid.
- 4.8. The balance of unspent grants and reserves as at 1st April 2018 stood at £27.434m
- 4.9. Table 4 below shows the balance of reserves held and the current forecast usage for 2018-19.

4.10.

	Balance at 1 April 2018 £m	Forecast balance 31 March 2019 £m	Forecast Net Change £m
Table 4: EDT Committee reserves			
Culture, Heritage and Planning			
Historic Buildings	(0.079)	(0.048)	0.031
Income Reserve	(0.080)	(0.084)	(0.004)
R and R Fund	(0.079)	(0.054)	0.025
Unspent Grants and Contributions Reserve	(0.060)	(0.016)	0.044
Culture, Heritage and Planning Total	(0.299)	(0.202)	0.096
Highways, Transport and Waste			
Bus Service De-registration reserve	(0.031)	(0.031)	0.000
Demand Responsive Transport	(0.004)	(0.004)	0.000
Highways Maintenance	(5.796)	(5.457)	0.339
Information Technology	(0.005)	(0.005)	0.000
Landfill Provision	(12.357)	(12.278)	0.079
Park and Ride Refurb Reserve	(0.012)	(0.012)	0.000
Provision for Bad Debts	(0.037)	(0.037)	0.000
Public Transport Commuted Sums	(0.389)	(0.389)	0.000
R and R Fund	(0.237)	(0.172)	0.065
Street Light PFI Sink Fund	(5.051)	(3.863)	1.188
Unspent Grants and Contributions Reserve	(2.065)	(2.059)	0.005
Waste Management Partnership	(0.869)	(0.818)	0.051
Highways, Transport and Waste Total	(26.852)	(25.124)	1.727
Head of Support and Development	(0.180)	(0.180)	0.000
Economic Development			
Economic Dev and Tourism	(0.104)	(0.104)	0.000
Grand Total	(27.434)	(25.610)	1.823

- 4.11. The department will continue to review the planned use of reserves through to the end of the financial year. The planned drawdown on the Historic Buildings reserve is to cover contributions to planned projects.

The £1.188m draw down on the Street lighting reserve is in part to support the current implementation of the LED upgrades being delivered and the planned support of the PFI Contract payments.

- 4.12. Significant reserves balances

	Balance 1 April 2018 £m	Reason for holding
Highways and Waste		
Closed Landfill Provision	12.357	Provision for the long term impairment costs arising from Closed Landfill sites.

		We have a legal duty to hold a provision for the future maintenance of Council owned closed landfill sites
Street lighting PFI	5.081	Reflects receipt of the government PFI grant for the Street Lighting contract, which will be needed in future financial years to meet contract payments.

5. Financial Implications

- 5.1. There are no decisions arising from this report and all relevant financial implications are set out in this report.

6. Issues, risks and innovation

- 6.1. This report provides financial performance information on a wide range of services in respect of this committee.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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1. Delegated decisions

1.1. Below is an update on any delegated decisions within the Terms of Reference of this Committee that are reported by the Executive Director as being of public interest, financially material or contentious. There are four relevant delegated decisions to report for this meeting.

1.2. **Subject: Ministry of Housing, Communities and Local Government's Technical Consultation on Reforming Developer Contributions**

Decision: To respond to the consultation. The response provided comments on proposed amendments to the Community Infrastructure (CIL) Regulations in respect of S106 agreements (Planning Obligations). As the County Council is not a CIL Charging Authority, the detailed proposals in the consultation relating to CIL were not considered in detail.

A copy of the full consultation response can be provided to Members, on request.

Note that this decision was made under the urgent decision process.

Taken by: Executive Director, in consultation with the EDT Committee Chair and Vice Chair

Taken on: 24 January 2019

Contact for further information: Stephen Faulkner – Principal Planner
Email stephen.faulkner@norfolk.gov.uk
Phone 0344 800 8020

1.3. **Subject: Petition : request to improve pedestrian travel to and from Garrick Green Infant School – Garrick Green and St Faiths Lane, Old Catton**

Decision: To agree the response to the lead petitioner. The response said that the locations have not been a high priority for installation of new crossings when previously considered. However, meetings will be organised with the petition organisers to discuss in more detail.

Taken by: Executive Director, in consultation with the EDT Committee Chair and Vice Chair, and Local Member (Cllr Vincent)

Taken on: 8 January 2019

Contact for further information: Ben Rayner – Highway Engineer
Email ben.rayner@norfolk.gov.uk
Phone 0344 800 8020

1.4. **Subject: Petition : Requesting action over illegal parking of vehicles on paths with double yellow lines at the**

junction of Three Mile Lane and Rowan Court

Decision: To agree the response to the lead petitioner. The response acknowledged the difficulties being experienced, and offered advice about how to report issues as they arise, including to South Norfolk District Council's Civil Parking Enforcement team so that illegally parked vehicles can be ticketed. The response also said that changes to the waiting restrictions would not be considered at this stage, and would need to be part of consideration under a wider parking strategy for the area.

Taken by: Executive Director, in consultation with the EDT Committee Chair and Vice Chair, and Local Member (Cllr East)

Taken on: 3 January 2019

Contact for further information: Robert West – Highway Engineer
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Phone 0344 800 8020

1.5. **Subject: Petition : Request First Bus restore route of 38A (Harleston-Norwich) to the original route along Ipswich Road (past City College) not Hall Road**

Decision: To agree the response to the lead petitioner. The response acknowledged that the route had changed, but highlighted that feedback from the commercial operator (First) was that it was working well and they have no plans to make changes. Norwich City College, which is served by the route, have indicated support for the new service. This is a commercial route and is not subsidised by the County Council.

Taken by: Executive Director, in consultation with the EDT Committee Chair (who is also the Local Member) and Vice Chair

Taken on: 5 December 2018

Contact for further information: Sean Asplin – Passenger Transport Manager
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Phone 0344 800 8020

1.6. **Subject: Petition : request for maintenance works to be undertaken to unsurfaced roads on Bush Estate, Eccles on Sea**

Decision: To agree the response to the lead petitioner. The response explained that this is an unadopted road and therefore the highway authority is not responsible for its maintenance, and it is the property owners who have the responsibility.

Taken by: Executive Director, in consultation with the EDT Committee Chair, Vice Chair and the Local Member (Cllr Price)

Taken on: 15 February 2019

Contact for further information: Jon Winnett – Highway Engineer
Email jon.winnett@norfolk.gov.uk
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1.7. **Subject:** **Petition : request for a reduction in the speed limit and introduction of a 7.5ton weight on Norwich Road, Salhouse.**

Decision: To agree the response to the lead petitioner. The response explained that the existing speed limit complies with the County Council's policy, but also supported some further specific monitoring to verify the volume of different traffic types along with their average speed in this location to either confirm or allay the concerns raised.

In respect of use of the route by HGVs, the response said that we are not looking to proceed with any changes because this is an important distributor route between Norwich and the wider rural community. In addition, also because any restriction would not prohibit vehicles who need to access to/from anywhere in that area, then there would be unlikely to see a significant reduction in large vehicles, and would place pressure on the surrounding network.

Taken by: Executive Director, in consultation with the EDT Committee Chair, Vice Chair and the Local Member (Cllr Garrod)

Taken on: 15 February 2019

Contact for further information: Jon Winnett – Highway Engineer
Email jon.winnett@norfolk.gov.uk
Phone 0344 800 8020

2. Financial Implications

2.1. There are no financial implications arising from this report.

3. Issues, risks and innovation

3.1. There are no other relevant implications to be considered by Members.

4. Background

4.1. N/A

Officer Contact for Appendix A

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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