

Environment, Development and Transport Committee

Item No.

Report title:	Finance monitoring
Date of meeting:	19 January 2018
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact This report provides the Committee with information on the budget position for services reporting to Environment, Development and Transport Committee for 2017-18. It provides information on the revenue budget including any forecast over or underspends and any identified budget risks. It also provides an update on the forecast use of reserves and the details of the capital programme.	

Executive summary

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

The 2017-18 net revenue budget for this committee is £98.448m and this report reflects the forecast out-turn as at period 8, November 2017. The report also highlights the current risks being managed by the department.

The total capital programme relating to this committee is £142.533m, with £136.183m currently profiled to be spent in 2017-18. Details of the capital programme are shown in section 3 of this report.

The balance of Communities Committee reserves as of 1 April 2017 was £26.837m and the forecast balance for March 2018 is £25.233m

Recommendations:

Members are recommended to note:

- a) **The Forecast out-turn position for the Environment, Development and Transport Committee revenue budget and note the current budget risks being managed by the department.**
- b) **The Capital programme for this Committee.**
- c) **The current planned use of the reserves and the forecast balance of reserves as at the end of March 2018.**

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 budget are set and monitored on an annual basis it is important that the ongoing position is understood and the previous year's position are considered.
- 1.2. This report reflects the budgets and forecast out-turn position at the end of Period 8

2. Evidence

- 2.1. The services reporting to this Committee are delivered by Community and Environmental Services.
- 2.2. The 2017-18 NET revenue budget for this committee is £98.448m, we are currently forecasting a balanced budget.

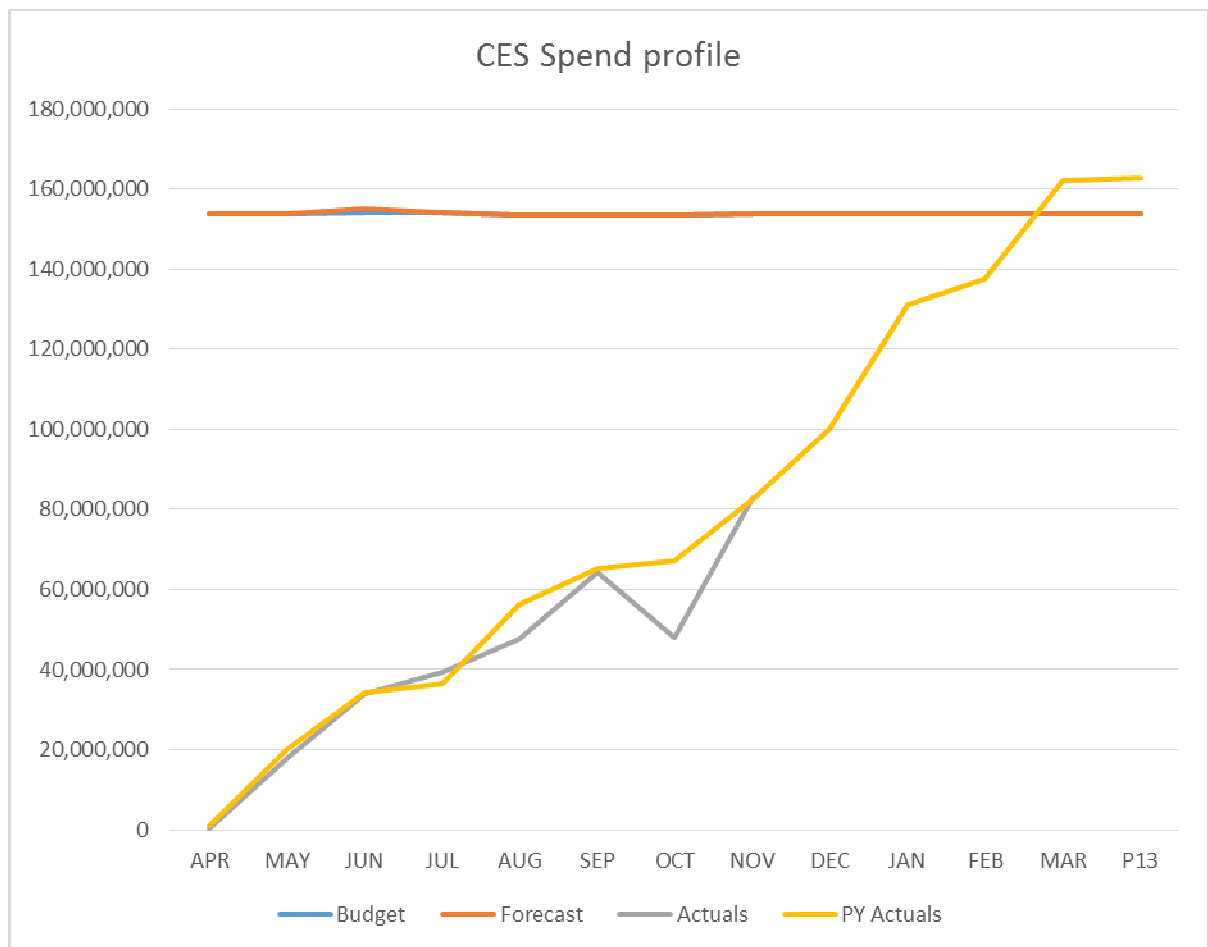
Table 1: Environment, Development & Transport NET revenue budget 2017-18

	2017-18 Budget	Actuals YTD	Forecast Out-turn	Forecast Variance
	£m	£m	£m	£m
Business Support and development	1.641	1.434	1.641	0.000
Culture and Heritage – Countryside management	1.142	0.664	1.142	0.000
Highways				
Flood and Water management	0.435	0.211	0.435	0.000
Highways Operations	14.669	12.815	14.669	0.000
ITS management	0.049	0.006	0.049	0.000
Major projects	0.357	(0.012)	0.357	0.000
Highways depreciation	23.538	0.000	23.538	0.000
Total highways	39.916	13.772	39.916	0.000
Planning and Economy				
Residual Waste	23.162	14.480	23.162	0.000
Waste and Energy	17.174	10.433	17.174	0.000
Infrastructure and Economic Growth	0.564	0.337	0.564	0.000
Travel and Transport Services	14.440	15.971	14.440	0.000
Planning Service	0.410	0.266	0.410	0.000
Total Planning and Economy	55.749	41.487	55.749	0.000
	98.448	57.357	98.448	0.000

- 2.3. Table 1 above reflects the services net revenue budget and therefore the actuals to date are affected by patterns of income and expenditure.

Table 2 – Gross Budgets					
	Current year budget	Actuals Year to Date		Prior Year Budget	Prior Year Actuals to period 8
	£m	£m		£m	£m
Expenditure	184.872	95.349		190.006	95.682
Income	(86.424)	(37.992)		(84.255)	(38.245)
Net	98.448	57.357		105.751	57.437

- 2.4. The forecast out-turn presented is based on the work that RBOs undertake on a monthly basis, supported by the finance teams to predict their budgets year end position. RBO's review and actively manage their budgets throughout the year and there are a number of risks that are being monitored and managed by the services but at this stage of the year we are expecting a balanced position.



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| <p>2.5. Planning and Economy – Residual waste</p> | <p>There is a risk that the amount of residual waste increase. Each tonne of residual waste above projected tonnages would lead to additional costs of around £110 per tonne, meaning a 1% increase in tonnages would be a pressure of over £230,000. Increases could be caused by a combination of a number of factors e.g. increases in household numbers (above those previously assumed), changes in legislation, economic growth, weather patterns. The forecast tonnages are monitored closely throughout the year and based on a combination of current year actuals and historic trend data. Based on the current tonnages to date we are expecting a balanced position.</p> |
| <p>Highway – Winter Gritting</p> | <p>The budget for winter Gritting is set based on historic trends of the number of winter Gritting actions. We have seen a slightly more harsh winter so far this season and we have undertaken 45 actions, compared to 60 for the previous financial year. At this stage we are not anticipating a cost pressures but we will continue to monitor this and report to members if the position changes.</p> |

3. Capital budget

- 3.1. The total capital budget for the services reporting to this committee is £142.533m, with £136.183m currently being profiled to be delivered in 2017-18.

Table 3: Communities Capital programme						
	2017-18 Budget £m	2018-19 Budget £m	2019-20+ Budget £m	Total Programme £m	Forecast 2017-18 £m	Actuals to period 8
Highways	135.120	1.900	1.700	138.720	135.120	68.198
Waste management	1.001	2.750		3.751	1.001	0.128
Other programmes	0.062			0.062	0.062	0.000
Total Programme	136.183	4.650	1.700	142.533	136.183	68.326

4. Reserves 2017-18

- 4.1. The reserves relating to this committee are generally held 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 help smooth the impact of funding.
- 4.2. 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.
- 4.3. Services continue to review the use of reserves to ensure that the original reasons for holding the reserves are still valid.
- 4.4. The balance of unspent grants and reserves as at 1st April 2017 stood at £26.846m
- 4.5. Table 4 below shows the balance of reserves held and the current planned usage for 2017-18.

4.6.

Table 4: Environment, Development and Transport reserves			
	Balance at 1 April 2017	Forecast balance 31 March 2018	Forecast change
	£m	£m	£m
Business Support and Development	0.075	0.075	0.000
Highways	11.602	10.574	1.034
Planning and Economy	15.159	14.584	0.570
Total	26.837	25.233	1.604

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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