

# Environment, Development and Transport Committee

Item No.

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| <b>Report title:</b>  | <b>Finance monitoring</b>  |
| <b>Date of meeting:</b>   | <b>6 July 2018</b>   |
| <b>Responsible Chief Officer:</b>   | <b>Tom McCabe – Executive Director, Community and Environmental Services</b> |
| <b>Strategic impact</b><br>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 £103.429m

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.

### 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.**
- c) **The balance of reserves brought forward to 2018-19.**

## 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 year's position are considered.
- 1.2. This report reflects the budgets for 2018-19 budget and forecast outturn position as at the end of May 2018.

## 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 £103.429m.

| <b>Table 1: Environment, Development &amp; Transport NET revenue budget 2018-19</b> |                |                          |                   |                          |
|---|----------------|--------------------------|-------------------|--------------------------|
|   | 2018-19 Budget | 2018-19 forecast Outturn | Forecast Variance | Actual spend to period 2 |
|   | £m             | £m                       | £m                | £m                       |
| Business Support and development  | 2.096          | 2.096                    | 0.000             | 0.359                    |
| Culture and Heritage – Environment  | 1.116          | 1.116                    | 0.000             | 0.126                    |
| Culture and Heritage – Historic Environment   | 0.250          | 0.250                    | 0.000             | 0.122                    |
| Culture and Heritage – Planning   | 0.440          | 0.440                    | 0.000             | 0.079                    |
| <b>Highways and Waste</b>   |                |                          |                   |                          |
| Flood and Water management  | 0.419          | 0.419                    | 0.000             | 0.063                    |
| Highways Operations   | 16.134         | 16.134                   | 0.000             | 2.654                    |
| Major projects  | 0.392          | 0.392                    | 0.000             | 0.150                    |
| Highways Network  | 0.636          | 0.636                    | 0.000             | (0.005)                  |
| Highways depreciation   | 26.248         | 26.248                   | 0.000             | 0.000                    |
| Travel and Transport Services   | 14.327         | 14.327                   | 0.000             | 5.451                    |
| Residual Waste  | 23.591         | 23.591                   | 0.000             | 2.367                    |
| Recycling and Closed landfill sites   | 17.235         | 17.235                   | 0.000             | 0.235                    |
| <b>Total highways and Waste</b>   | <b>98.982</b>  | <b>98.982</b>            | <b>0.000</b>      | <b>10.915</b>            |
| Infrastructure and Economic Growth  | 0.545          | 0.545                    | 0.000             | 0.102                    |
| <b>Total for Committee</b>  | <b>103.429</b> | <b>103.429</b>           | <b>0.000</b>      | <b>11.703</b>            |

- 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.

| <b>Table 2 – Gross Budgets</b> |                     |                     |            |
|--------------------------------|---------------------|---------------------|------------|
|                                | Current year budget | Actuals to period 2 |            |
|                                | £m                  | £m                  |            |
| Expenditure                    | 189.325             | 18.045              | 9%         |
| Income                         | (85.896)            | (6.342)             | 7%         |
| <b>Net</b>                     | <b>103.429</b>      | <b>11.703</b>       | <b>11%</b> |

- 2.4. We are very early in the financial year and at this stage we are not forecasting any variances to budget. As budget risks emerge in the year they will be reported to member at the earliest opportunity.

### 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           |
| Theftford 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           |
|   |               |               |                 |
| <b>Integrated transport</b>                               | <b>22.939</b> | <b>25.961</b> | <b>48.900</b>   |
|   |               |               |                 |
| Structural Maintenance                                    | 31.885        | 32.465        | 64.350          |
|   |               |               |                 |
| <b>Total Highways programme</b>                           | <b>46.479</b> | <b>45.22</b>  | <b>91.699</b>   |
|   |               |               |                 |
| <b>Other capital schemes</b>                              |               |               |                 |
| 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           |
|   | <b>4.399</b>  | <b>0.075</b>  | <b>4.474</b>    |
|   |               |               |                 |
| <b>Total Programme</b>                                    | <b>50.878</b> | <b>45.295</b> | <b>96.173</b>   |

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.

3.3. The highways 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.

## 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 1<sup>st</sup> April 2018 stood at £26.725m
- 4.5. Table 4 below shows the balance of reserves held and the current actual usage for 2018-19

4.6. Table 4: Environment, Development and Transport reserves

|                                    | Balance at 1 April 2018 | Forecast Balance 31 March 2019 | Forecast Net change |  |
|------------------------------------|-------------------------|--------------------------------|---------------------|--|
|                                    | £m                      | £m                             | £m                  |  |
| Culture and Heritage - Environment | 0.299                   | 0.299                          |                     |  |
| Support and Development            | 0.180                   | 0.180                          |                     |  |
| Highways and Waste                 | 26.852                  | 26.852                         |                     |  |
| Economic Development               | 0.104                   | 0.104                          |                     |  |
| <b>Total</b>                       | <b>27.434</b>           | <b>27.434</b>                  | <b>0.000</b>        |  |

- 4.7. The department is currently reviewing the planned use of reserves and this will be updated to member as part of future monitoring reports.
- 4.8. Significant reserves balances

|                            | Balance 1 April 2018 £m | Reason for holding   |
|----------------------------|-------------------------|--|
| <b>Highways and Waste</b>  |                         |  |
| Closed land fill Provision | 12.357                  | Provision for the long term impairment costs arising from Closed Landfill sites. This is required to cover the legal requirements, but there is currently no specific call on the provision. |
| Street lighting PFI        | 5.081                   | Reflects receipt of the government PFI grant for the Street Lighting contract, which will be needed to meet the future financial years to meet contract payments.                            |
| Highways Commuted Sums     | 3.972                   | Committed sums contributions from Developers to cover the additional maintenance work arising from   |

