

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET MEMBER MEETING – INFRASTRUCTURE AND ENVIRONMENT

30 September 2021

Joint Report of the Executive Director of Place and the Director of Finance & ICT

Performance and Budget Monitoring/Forecast Outturn 2021-22 as at Quarter 1

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is not a Key Decision.

3. Purpose

3.1 To provide the Cabinet Member with an update of the Council Plan performance position and the revenue budget position of the Infrastructure and Environment portfolio for 2021-22 up to the end of June 2021 (Quarter 1).

4. Information and Analysis

4.1 Integrated Reporting

This report presents both financial and Council Plan performance data. The performance summary sets out progress on the Council Plan deliverables and measures led by the Infrastructure and Environment portfolio. The remainder of the report gives a summary and detail on the revenue budget position for the portfolio.

4.2 As an overview, the report shows that progress is “good” for the majority of the Council Plan deliverables led by the portfolio, however, the

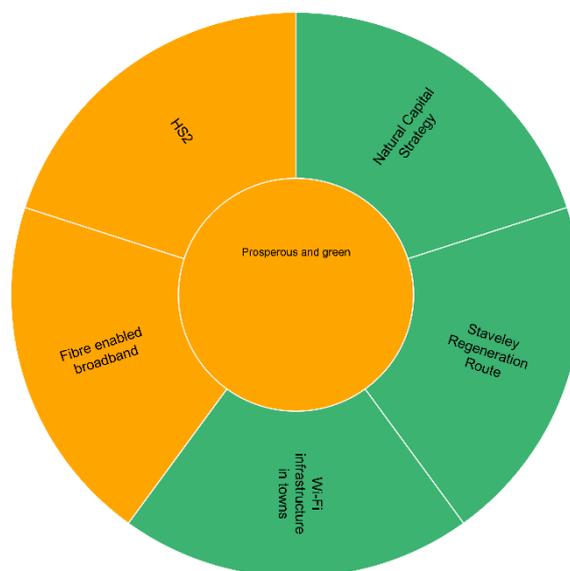
deliverables “Prepared a countywide response to the Integrated Rail Plan in relation to HS2, minimising any potential disruption and taking full advantage of the economic growth opportunities linked to the proposals” and “Implemented the gigabit top up voucher scheme and increased take-up of fibre enabled broadband across Derbyshire, particularly in rural areas, to improve access, speed and reliability for homes and businesses” have been flagged as “requiring review”.

After the use of additional Covid-19 funding, the budget forecast position for 2021-22 is an overspend of £0.495m. It is forecast that £0.844m of savings will have been achieved by the year end. This compares to target savings of £2.916m and the value of savings initiatives, which have been identified for implementation in the current year, of £1.074m.

4.3 Performance Summary

The following shows an overview for Quarter 1 of progress on the Council Plan deliverables and measures relating directly to Infrastructure and Environment. There are no key measures relating to this portfolio.

Deliverable Progress



Key ★ Strong ✓ Good ○ Review 📧 Action ■ Data not available/Target not set

4.4 Progress is “good” for the majority of the Council Plan deliverables led by the portfolio.

4.5 Key areas of success are:

- An updated value for money assessment of the Chesterfield to Staveley Regeneration Route has been carried out, with the project creating new homes and jobs for the area.
- Tender responses were received for the Natural Capital Strategy and for a consultant to be appointed in July 2021.

4.6 Key areas for consideration are:

- Fibre enabled broadband - Openreach has commenced work to deliver Full Fibre connectivity to an additional 300 premises under Contract 2. The change request to support this additional work is still going through the Department of Digital, Culture, Media and Sport (DCMS) assurance process. It is anticipated that this work will be completed by the end of Quarter 2. DCMS experienced delays with the launch of the new Gigabit Voucher Scheme and there has been a period of three months where suppliers were unable to register new voucher applications for community fibre projects in Derbyshire. It is expected that registration will commence during Quarter 2 but, as a result of this delay, there is no Top Up Voucher activity to report during Quarter 1.
- HS2 - There has been a further delay to the publication of the Integrated Rail Plan and it is now not expected to be released until September 2021. In the meantime, lobbying by the HS2 East group continues with stakeholders to support the completion of the project including the eastern leg. The alternative proposal study was completed in June 2021 and proposed that if the whole project was not completed, HS2 services should use Erewash Valley and Barrowhill lines to provide services in Derbyshire.

4.7 Further information on the portfolio's Council Plan performance are included at Appendix 2.

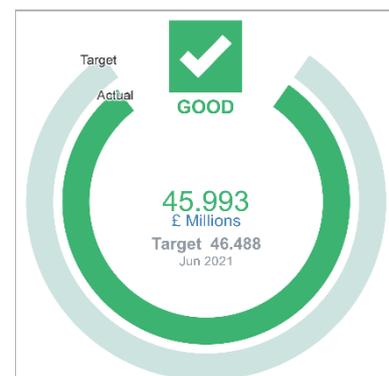
4.8 **Budget Forecast Summary**

The net controllable budget for Infrastructure and Environment portfolio is £43.508m. An additional £2.980m Covid-19 funding will be added to the budget to give a total of £46.488m.

4.9 The Revenue Budget Monitoring Statement prepared for Quarter 1 indicates there will be a forecast year-end overspend of £2.485m without Covid-19 funding.

4.10 As this overspend will be supported by the use of £2.980m of additional Covid-19 funding, which has been allocated to the

Forecast outturn against target budget



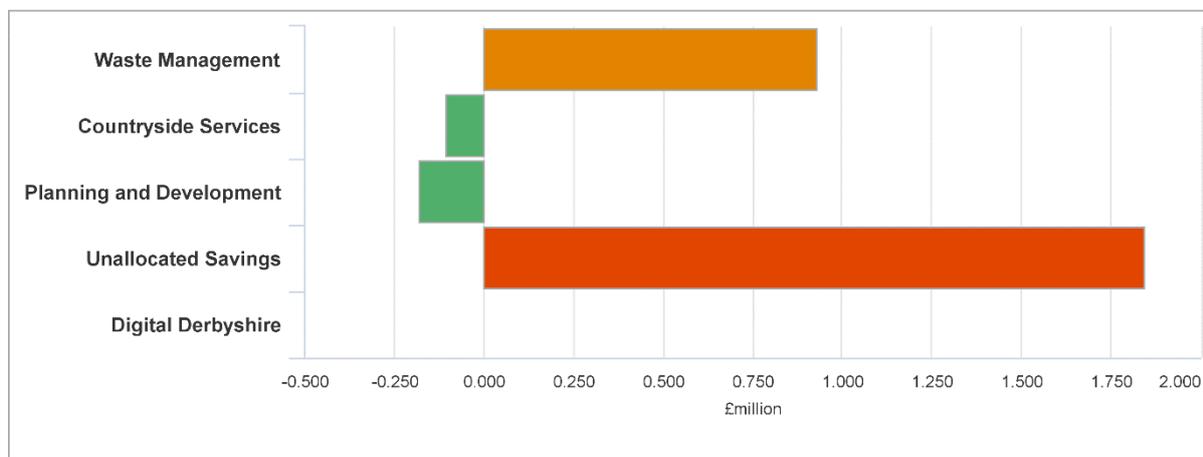
Council to support the costs incurred as a result of the pandemic, the forecast position is an underspend of £0.495m.

4.11 The areas which make up this forecast are shown in the following table and graph below:

Infrastructure and Environment Budget Items

| | Controllable Budget £m | Full Year Forecast £m | Forecast Under (-)/Over Spend £m | Percentage Under (-)/Over Spend | Budget Performance |
|---------------------------------------|------------------------|-----------------------|----------------------------------|---------------------------------|--------------------|
| Waste Management | 43.260 | 44.190 | 0.930 | 2.1% | ☐ |
| Countryside Services | 2.390 | 2.285 | -0.105 | -4.4% | ☑ |
| Planning and Development | -0.304 | -0.486 | -0.182 | -59.9% | ☑ |
| Unallocated Savings | -1.842 | 0.000 | 1.842 | 100.0% | ☐ |
| Digital Derbyshire | 0.004 | 0.004 | 0.000 | 0.0% | ☑ |
| Total | 43.508 | 45.993 | 2.485 | 5.7% | ☐ |
| Covid-19 Funding | 2.980 | | | | |
| Total after use of additional funding | 46.488 | 45.993 | -0.495 | -1.1% | ☑ |

Forecast Under (-)/Over Spend



4.12 Key Variances

Waste Management, overspend £0.930m

Increase in household waste tonnages due to Covid-19 (increase in people working from home).

4.13 Unallocated Savings, overspend £1.842m

The portfolio is carrying unallocated savings cuts from previous years that need to be addressed.

4.14 Budget Savings

Budget reduction targets totalling £1.074m were allocated for the year. Further reductions allocated in previous years, totalling £1.842m, had not been achieved and were brought forward to the current year. This

has resulted in total reduction targets to be achieved of £2.916m at the start of the year.

4.15 The value of the savings initiatives which have been identified for implementation in the current year is £0.444m. In addition, there are £0.630m of savings initiatives identified in previous years which had not been achieved at the start of the year, but that are still expected to be achieved within the year.

4.16 The shortfall between the total targets and the identified savings initiatives is £1.842m.



4.17 The £0.630m of unachieved savings from last financial year relate to Countryside and Waste. A brought forward figure of £1.842m is also allocated to this portfolio.

4.18 It is forecast that £0.844m of savings will have been achieved by the year-end. The table below shows performance against the target.

Budget Savings Initiatives

| | Budget Reduction Amount £m | Forecast to be Achieved by the end of 2020/21 £m | Shortfall (-)/ Additional Savings Achieved £m | |
|---|-----------------------------------|--|---|----------|
| Countryside | 0.400 | 0.400 | 0.000 | ✓ |
| Waste - HWRC | 0.460 | 0.230 | -0.230 | ✗ |
| Environment Staffing | 0.064 | 0.064 | 0.000 | ✓ |
| Digital Derbyshire | 0.150 | 0.150 | 0.000 | ✓ |
| Total Position | 1.074 | 0.844 | -0.230 | ✗ |
| Shortfall/(surplus) of Identified Savings | 1.842 | 0.000 | -1.842 | |
| | Budget Reduction Amount £m | | | |
| Prior Year B/f | 1.842 | | | |
| Current Year | 1.074 | | | |
| Budget Savings Target | 2.916 | | | |

4.19 Growth Items and One-Off Funding

The portfolio received the following additional budget allocations in 2021-22:

4.20 Elvaston Masterplan - £0.550m one-off

Cabinet approved the masterplan in December 2018. This one off funding will allow preliminary studies, assessments and design work to be undertaken prior to the capital investment.

4.21 Budget Support (Countryside Service) - £0.230m one-off

A total of £0.230m was allocated to Place Department from Corporate Earmarked Reserves to cover the shortfall in savings due to timing.

4.22 Financial Risks

There is a risk that the following issues could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary above:

| Service | Risk | Sensitivity* £m | Likelihood 1 = Low, 5 = High |
|------------------|--|--------------------|------------------------------------|
| Waste Management | Uncertainty in future of the Waste Treatment Plant | 1.000 | 3 |

*Sensitivity represents the potential negative impact on the outturn position should the event occur.

4.23 Earmarked Reserves

Earmarked reserves totalling £1.191m are currently held to support future expenditure. Details of these reserves are as follows:

| Reserves | | £m |
|---|---|--------------|
| Waste Recycling Initiatives | = | 0.598 |
| Committed Liabilities – Revenue | | 0.370 |
| Grants | | 0.144 |
| Committed Liabilities – Capital | | 0.076 |
| Money Held on behalf of Other Councils and Partnerships | | 0.003 |
| Total Reserves | | 1.191 |

Key

- ↑ Reserve has increased over the quarter
- = Reserve is unchanged over the quarter
- ↓ Reserve has decreased over the quarter

4.24 Partially Traded Areas

'Partially traded' trading areas do not have a net controllable budget of £0, but they do receive income from external entities which contributes to funding some of the discretionary services they provide. The financial performance of these areas within the portfolio is as follows:

| Service Area | Trading Area | Budgeted Income Target £m | Projected Actual Income £m | Forecast Excess/ Shortfall(-) compared to Target £m | Performance |
|----------------|---------------------|------------------------------|-------------------------------|---|---|
| Fleet Services | Vehicle Maintenance | 1.300 | 1.500 | 0.200 |  |
| Countryside | Shops | 0.219 | 0.205 | -0.014 |  |
| Countryside | Cycle Hire | 0.019 | 0.014 | -0.005 |  |

5. Consultation

5.1 Not required.

6. Alternative Options Considered

6.1 N/A.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 None identified.

9. Appendices

9.1 Appendix 1- Implications.

9.2 Appendix 2 – Infrastructure and Environment Performance Report
Quarter 1, 2021-22

10. Recommendations

That the Cabinet Member:

a) Notes the report.

- b) Considers whether there are any further actions that should be undertaken to address performance, where it has not met the desired level.

11. Reasons for Recommendations

11.1 To inform Members of Performance, Financial and Risk information relating to their Portfolio.

11.2 To determine whether further action is required to address areas of under/over performance.

12. Is it necessary to waive the call in period?

12.1 No.

Report Author: Emma Hickman and David Massey

Contact details:

This report has been approved by the following officers:

| | |
|--|--|
| <p>On behalf of:</p> <p>Director of Legal Services and Monitoring Officer Director of Finance and ICT Managing Executive Director Executive Director(s)</p> | |
|--|--|

Implications

Financial

1.1 As detailed in the report.

Legal

2.1 The Council has a duty to prepare a balanced budget and providing regular updates on income and expenditure together with the associated levels of performance and risk helps demonstrate that the Council has sound financial systems in place.

Human Resources

3.1 None.

Information Technology

4.1 None.

Equalities Impact

5.1 None.

Corporate objectives and priorities for change

6.1 None.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None.