



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

REPORT TO THE CABINET MEMBER – INFRASTRUCTURE AND ENVIRONMENT

1 December 2022

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

Performance and Budget Monitoring/Forecast Outturn 2022-23 as at Quarter 2

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 2022-23 up to the end of September 2022 (Quarter 2).

4. Information and Analysis

Integrated Reporting

4.1 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.

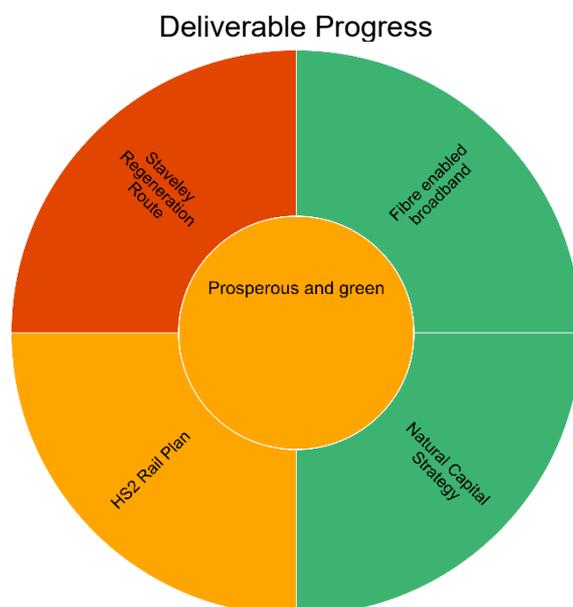
4.2 As an overview, the report shows that progress is “good” for 2 out of the 4 Council Plan deliverables led by the portfolio, however, the deliverable

“Completed Outline Business Case and prepared a planning application to progress the Chesterfield to Staveley Regeneration Route, which will create new homes and jobs for the area” has been flagged as “requiring action”.

- 4.3 The budget forecast position for 2022-23 is an overspend of £4.894m of which £2.767m relates to slippage in achieving savings targets and as such will be supported by use of the Place Department Underspend Reserve. It is forecast that the £0.100m in-year saving and £0.064m of the £2.981m prior year savings will have been achieved by the year-end.

Performance Summary

- 4.4 The following shows an overview for Quarter 2 of progress on the Council Plan deliverables relating directly to Infrastructure and Environment. There are no key measures relating to this portfolio.



Key Strong Good Review Action Data not available/Target not set

- 4.5 Progress is “good” for 2 out of the 4 Council Plan deliverables led by the portfolio.

- 4.6 Key areas of success are:



Developed the Natural Capital Strategy, identifying areas where the natural environment can be further enhanced whilst also supporting the green economy

The final draft of the strategy is being reviewed with findings to be provided in Quarter 3.



Increased take-up of fibre enabled broadband across Derbyshire, particularly in rural areas, to improve access, speed and reliability for homes and businesses

The Gigabit Voucher scheme has supported 30 community projects, is facilitating up to 1,547 premises to receive a Gigabit capable broadband service. Project Gigabit, the next phase, is nearing final design stage.

4.7 Key areas for consideration are:



Prepared a County-wide response to the Integrated Rail Plan for the Midlands and the North in relation to HS2 to minimise any potential disruption and take full advantage of the economic growth opportunities

Issue: This action is delayed whilst Government confirmation on the HS2 development is awaited.

Response: Whilst there is still no confirmation from the Department for Transport (DfT) on the northern leg of HS2. A review and refresh of the HS2 Growth Strategy is now underway, supported by additional funding from DfT. Consultation on the electrification of the Midland Mainline is taking place with both Network Rail and the DfT.



Completed Outline Business Case and prepared a planning application to progress the Chesterfield to Staveley Regeneration Route, which will create new homes and jobs for the area

Issue: Scheme cost remains the main issue, with both Government and local contributions needing to be finalised.

Action: Active discussions are underway with both Government and private sector stakeholders over project funding, including securing letters of confirmation on contributions from developers which will be used as a basis for Collaboration Agreements. A report is due to Cabinet in December to request approval to formally submit the Outline Business Case to Government which will secure the level of grant funding.

4.8 Further information on the portfolio's Council Plan performance is included at Appendix 2. Appendix 3 provides additional information on a number of Service Plan Key Performance Indicators that fall within the remit of the Portfolio Holder

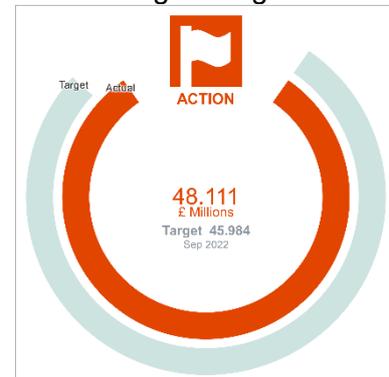
Budget Forecast Summary

4.9 The net controllable budget for the Infrastructure and Environment portfolio is £43.217m. An additional £2.767m from Place Departments earmarked reserves will be added to the budget to give a total of £45.984m.

4.10 The Revenue Budget Monitoring Statement prepared for Quarter 2 indicates there is a forecast year-end overspend of £4.894m, this will be supported by the use of Place Departments Underspend Reserve.

4.11 Additional costs in relation to inflation are reported within the overspend above and total £1.485m (as detailed in 4.13 below).

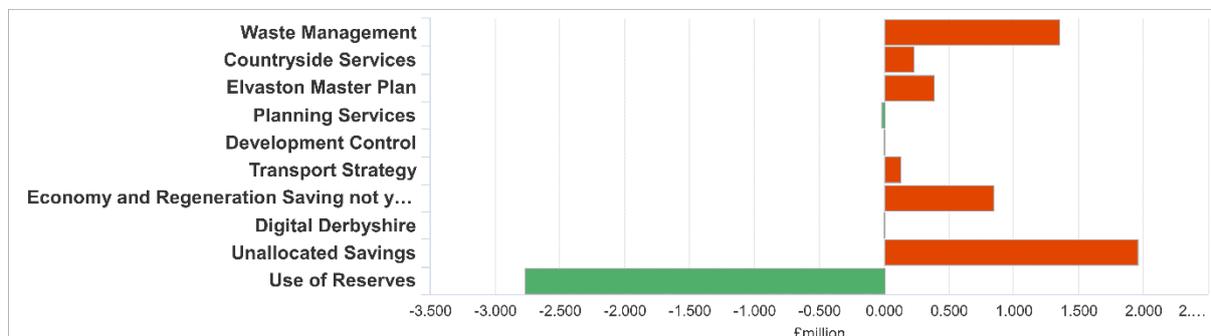
Forecast outturn against target budget



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

Infrastructure and Environment Budget Items
Forecast Under (-)/Over Spend

	Controllable Budget £m	Full Year Forecast £m	Forecast Under (-)/Over Spend £m	Percentage Under (-)/Over Spend	Budget Performance
Waste Management	43.237	44.593	1.356	3.1%	🚩
Countryside Services	1.870	2.106	0.236	12.6%	🚩
Elvaston Master Plan	0.000	0.385	0.385	100.0%	🚩
Planning Services	1.112	1.097	-0.015	-1.3%	✅
Development Control	-0.342	-0.342	0.000	0.0%	✅
Transport Strategy	0.141	0.268	0.127	90.1%	🚩
Economy and Regeneration Saving not yet achieved	-0.848	0.000	0.848	100.0%	🚩
Digital Derbyshire	0.004	0.004	0.000	0.0%	✅
Unallocated Savings	-1.957	0.000	1.957	100.0%	🚩
Use of Reserves	2.767	0.000	-2.767	-100.0%	✅
Total	45.984	48.111	2.127	4.6%	🚩
Covid-19 Funding	0.000				
Total after use of additional funding	45.984	48.111	2.127	4.6%	🚩



Key Variances

4.13 Waste Management, £1.357m overspend

This overspend relates to inflation and tonnage increases. There is, on average, a 0.95% increase in waste arisings each year. The contracts that are in place for waste disposal and treatment contain binding indexation mechanisms which pass the impact of inflation over to the Council.

The Department has not received budget growth for this area for the last two years despite flagging this as a budget pressure.

4.14 Countryside Service, £0.236m overspend

This relates to a savings cut of £0.450m which was allocated to the service for increased income in 2021, of which only £0.150m has been achieved to date. The additional income secured is in accordance with a reprofiled saving target over the next three years.

4.15 Elvaston Master Plan, £0.385m overspend

On-going costs including the salary for the project manager, alongside early design, feasibility studies, masterplan preparation and planning documents to support the application process for which the department has no revenue budget. A pressure bid has been submitted to address budget shortfalls for core activity in 203-24

4.16 Development Control

The department is showing a breakeven position as at year end, this is due to excess income received in relation to Section 278 and Section 38 payments which will be carried forward into next financial year. Year to date, the Council has received £1.788m Section 38 and £1.104m Section 278 income.

4.17 Economy and Regeneration Saving Cut £0.848m overspend

It was agreed that a saving allocation of £0.848m be allocated to the Economy and Regeneration Department back in 2018. Whilst the budget has been cut, to date, the substantive saving has not been achieved. Whilst it is allocated to the Infrastructure and Environment portfolio, savings will be achieved from across the Clean Growth and Regeneration and Strategic Leadership, Culture, Tourism and Climate Change portfolios also.

4.18 Unallocated Savings, £1.957m overspend

Cuts allocated to the portfolio but not yet allocated to specific areas.

Budget Savings

4.19 Budget reduction targets totalling £0.100m were allocated for the year. Further reductions allocated in prior years, totalling £2.981m, had not been achieved and were brought forward to the current year. From this total it is expected that £0.164m will be achieved in year.

Growth Items and One-Off Funding

4.20 The portfolio received the following additional budget allocations in 2022-23:

Waterbodies Officer - £0.038m ongoing

4.21 New post to manage waterbody assets on behalf of the Countryside Service.

Million Trees - £0.113m ongoing

- 4.22 To allow the department to meet the Manifesto pledge to plant 1 million trees by 2030.

Ash Die Back - £0.270m ongoing

- 4.23 To allow the Countryside Service to lead a strategic corporate response to develop and implement an Ash Die Back Action Plan.

Kick Start/Major Schemes - £2.850m one-off

- 4.24 To cover costs such as economic and transport modeling and preliminary design etc in relation to major infrastructure projects prior to them becoming a capital project.

Financial Risks

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

Financial Risks

Service	Risk	Sensitivity* £m	Likelihood 1 = Low, 5 = High
Waste	Further increase in inflation or tonnages being processed at waste treatment facilities.	1.900	4

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

Earmarked Reserves

- 4.26 Earmarked reserves totalling £4.662m are currently held to support future expenditure. Details of these reserves are as follows:

Reserves

Key

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

		£m
Kick Start Fund	↑	3.612
Waste Initiatives	=	0.598

Partially Traded Areas

4.27 '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 is as follows:

Service Area	Trading Area	Budgeted Income Target £m	Projected Actual Income £m	Forecast Excess/ Shortfall(-) compared to Target £m	Performance
Countryside	Shops	0.219	0.294	0.075	✓
Countryside	Cycle Hire	0.019	0.019	0.000	✓
Countryside	Car Parking	0.397	0.463	0.066	✓

5. Consultation

5.1 Not required.

6. Alternative Options Considered

6.1 Information on Performance and Finance is provided to ensure the Cabinet Member is aware of progress against the Council's strategic objectives outlined in the Council Plan.

6.2 Not providing this information would prevent the Cabinet Members from being aware of current performance and budgetary information.

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 2, 2022-23.

9.3 Appendix 3 - Key Service Plan Performance Indicators

10. Recommendation

That the Cabinet Member:

- a) Notes the report and 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 Recommendation

- 11.1 To inform Members of Performance and Financial 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.

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Appendix 1

Implications

Financial

- 1.1 That the Cabinet Member note the current predicted outturn position for the Portfolio which is currently showing an overspend of £2.127m after use of the Place Department General Underspend Reserve.
- 1.2 That the Cabinet Member note the achievement of Savings Targets issued to the portfolio. This is currently indicating that a total of £0.164m will be achieved against the £3.081m allocated savings target.

Legal

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

Human Resources

- 3.1 None.

Information Technology

4.1 None.

Equalities Impact

5.1 Not applicable.

Corporate objectives and priorities for change

6.1 The monitoring of performance and the revenue outturn position helps to deliver the following Council Plan priorities: High Performing and Value for Money and Resident-Focused Services.

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

7.1 None.