



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

REPORT TO CABINET MEMBER FOR INFRASTRUCTURE AND ENVIRONMENT

17 March 2023

Report of the Executive Director - Place and Interim Director of Finance and ICT

Performance and Budget Monitoring/Forecast Outturn 2022-23 as at Quarter 3 (I&E)

(Cabinet Member for Infrastructure and Environment)

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 December 2022 (Quarter 3).

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 all of the Council Plan deliverables led by the portfolio.
- 4.3 The forecast outturn position as at Q3 for 2022-23 is an overspend of £4.234m. It is forecast that all of the £0.100m in-year savings and £0.214m of the £2.981m prior year savings will have been achieved by the year-end.

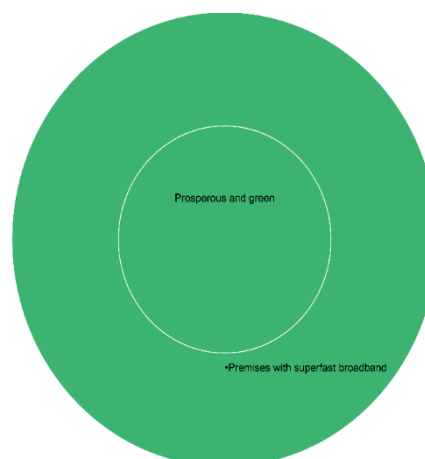
Performance Summary

- 4.4 The following shows an overview for Quarter 3 of progress on the Council Plan deliverables and key measures relating directly to Infrastructure and Environment.

Deliverable Progress



Performance Measure Progress



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 strategy is being refined ready for circulation.
- Prepared a countywide 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

Additional work on the HS2 Growth Strategy has been commissioned by the East Midlands Development Corporation and is progressing in accordance with the timescales. Confirmation still awaited from Dept for Transport and Network Rail on other aspects of the IRP.

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

The Digital Derbyshire Team will continue to work with Department for Digital, Culture, Media and Sport (DCMS) and telecoms suppliers to maximise the positive outcomes for Derbyshire.

✔ Percentage of premises with Superfast Broadband

97.3% of premises across the county can access a Superfast broadband service (>30 bps) and 46.8% of premises can access a Gigabit capable service

4.7 There are no key areas of concern for Quarter 3.

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

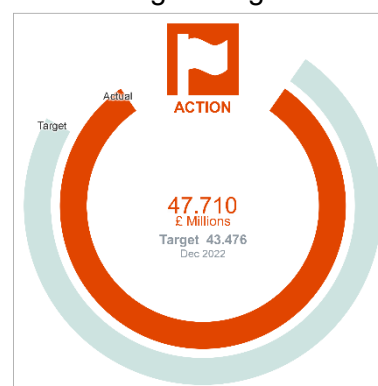
4.9 The net controllable budget for the Infrastructure and Environment portfolio is £43.476m.

4.10 The Revenue Budget Monitoring Statement prepared for Quarter 3 indicates there is a forecast year-end overspend of £4.234m.

4.11 This overspend will be supported by the use of £2.767m of earmarked reserves.

4.12 Additional costs in relation to inflation are reported within the overspend above and total £1.467m. (as detailed in 4.20 below).

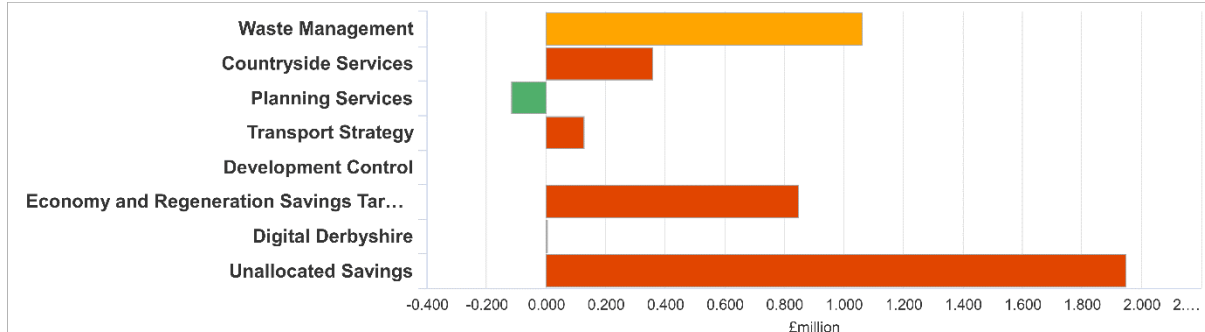
Forecast outturn against target budget



4.13 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	43.232	44.295	1.063	2.5%	🟡
Countryside Services	1.966	2.325	0.359	18.3%	🔴
Planning Services	1.207	1.092	-0.115	-9.5%	🟢
Transport Strategy	0.141	0.268	0.127	90.1%	🔴
Development Control	-0.274	-0.274	0.000	0.0%	🟢
Economy and Regeneration Savings Target Not Yet Allocated	-0.848	0.000	0.848	100.0%	🔴
Digital Derbyshire	0.000	0.004	0.004	100.0%	🔴
Unallocated Savings	-1.948	0.000	1.948	100.0%	🔴
Total	43.476	47.710	4.234	9.7%	🔴
Covid-19 Funding	0.000				
Total after use of additional funding	43.476	47.710	4.234	9.7%	🔴



Key Variances

4.14 Waste Management, £1.062m overspend

This Service area has seen an increase of inflation totalling £2.00m, along with a tonnage decrease in the region of 6%.

4.15 The contracts that are in place for waste disposal and treatment contain binding indexation mechanisms which pass the impact of inflation to the Council.

4.16 The Department has not received any budget growth for this area despite flagging this budget pressure.

4.17 Countryside Services, £0.360m 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, with a further £0.100m relating to inflation across the countryside assets.

4.18 Economy and Regeneration Department Savings Target, £0.848m overspend

A saving allocation of £0.848m was allocated to the Economy and Regeneration Service back in 2018. Whilst the budget has been cut, to date, the substantive saving has not been achieved but wholesale restructures are progressing across the Service January 2023 to September 2023.. 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. Unallocated Savings, £1.957m overspend.

4.19 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 being carried forward for use in next financial year. Year. To date, the Council has received £1.996m Section 38 and £1.504m Section 278 income.

4.20 Inflation

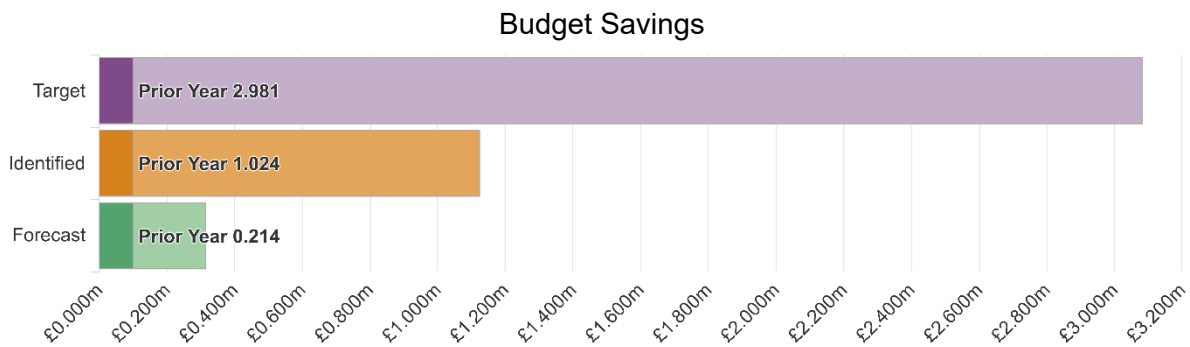
Included within the above is inflation totaling £2.100m this is made up of Waste Contract costs of £2m and Countryside Assets of £0.100m.

Budget Savings

4.21 Budget reduction targets totalling £0.100m were allocated for the year. Further cuts allocated in prior years, totalling £2.981m, had not been achieved and were brought forward to the current year £1.948m the Department does not currently have plans in place as to how they will be met.

4.22 The value of the savings initiatives which have been identified for implementation in the current year is £0.314m.

4.23 The shortfall between the total targets and the identified savings initiatives is £2.767m. Work is currently being undertaken to address the shortfall and find alternate savings or other mitigation measures.



Growth Items and One-Off Funding

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

Waterbodies Officer - £0.038m ongoing

4.25 To fund a new post to manage waterbody assets on behalf of the Countryside Service.

Million Trees - £0.113m ongoing

4.26 To assist the Department in meeting the Manifesto pledge to facilitate the planting of 1 million trees by 2030.

Ash Die Back - £0.270m ongoing

4.27 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

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

Financial Risks

4.29 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 going through our waste treatment facilities.	1.900	4

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

Earmarked Reserves

4.30 Earmarked reserves totalling £4.612m are currently held to support future expenditure. Details of these reserves are as follows:




Reserves		£m
Kick Start Fund	=	3.612
Waste Initiatives	=	0.598
Elvaston Maintenance	=	0.271
Planning Delivery Gr	=	0.078
EM Rev Rsv - New Bur	=	0.028
Planning Uplift Inco	=	0.025
Total Reserves		4.612

Key

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

Partially Traded Areas

4.31 'Partially traded' trading areas 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	0.329	0.110	
Countryside	Cycle Hire	0.019	0.023	0.004	
Countryside	Car Parking	0.397	0.468	0.071	

5. Consultation

5.1 Not required.

6. Alternative Options Considered

- 6.1 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 3, 2022-23.
- 9.3 Appendix 3 - Key Service Plan Performance Indicators.

10. Recommendation

That the Cabinet Member

- a) Notes the update of the Council Plan performance and the Revenue Budget position/forecast outturn for 2022-23 as at 31 December 2022.

11. Reasons for Recommendations

- 11.1 The forecast outturn report provides a summary of the expected financial performance and use of resources against the Council's approved budget for the financial year 2022-23. The outturn position supports the development of budgets in both the short and medium term.

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

- 12.1 No.

Report Author: Emma Hickman,
Joanna Jackson

Contact details: Emma.Hickman@derbyshire.gov.uk,
David.Massey@derbyshire.gov.uk

Implications

Financial

- 1.1 The Portfolio is predicted a forecast overspend for 2022-23 of £4.234m of which £2.767m will be met from Place Departments Earmarked Reserves, with a further £2.100m being in relation to inflation and funded from Corporate Inflation Reserves.
- 1.2 The Portfolio is on target to meet £0.314m of its allocated £3.081m savings targets in year.

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.