

**DERBYSHIRE COUNTY COUNCIL**

**MEETING OF CABINET MEMBER – INFRASTRUCTURE AND ENVIRONMENT**

**15 July 2021**

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

**PERFORMANCE AND REVENUE OUTTURN 2020-21 – QUARTER 4**

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Council Plan performance and the revenue outturn position of the former Highways, Transport and Infrastructure portfolio for 2020-21. This report does contain elements that will be contained under different portfolios following the Council's Annual General Meeting on 26 May.

(2) **Information and Analysis**

**1.1 Integrated Reporting**

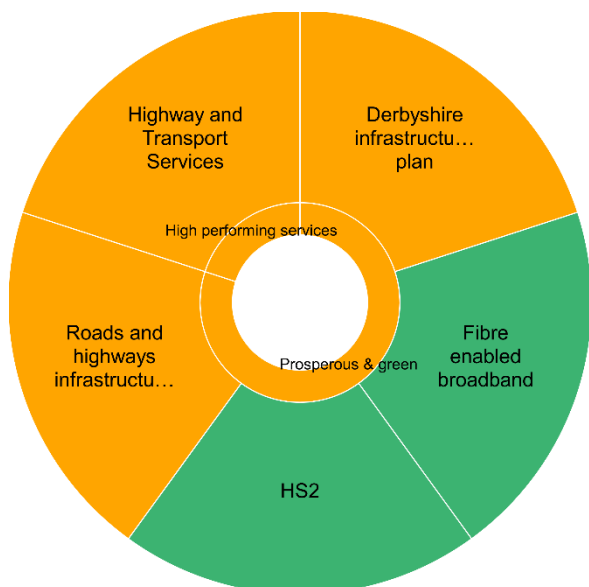
This report presents both financial and Council Plan performance data. The performance summary sets out progress on the Council Plan deliverables and measures led by the Highways, Transport and Infrastructure portfolio. The remainder of the report gives a summary and detail on the revenue outturn position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

As an overview, the report shows that progress is "good" for 2 out of the 5 Council Plan deliverables led by the portfolio, however, the deliverables "Roads and highways infrastructure", "Derbyshire infrastructure plan" and "Highway and Transport Services" have been flagged as "requiring review". After the use of additional Covid-19 funding, the outturn position for 2020-21 is an overspend of £0.137m. It is calculated that £2.346m of savings have been achieved by the year end. This compares to target savings of £6.660m and the value of savings initiatives, which have been identified for implementation in the current year, of £2.976m.

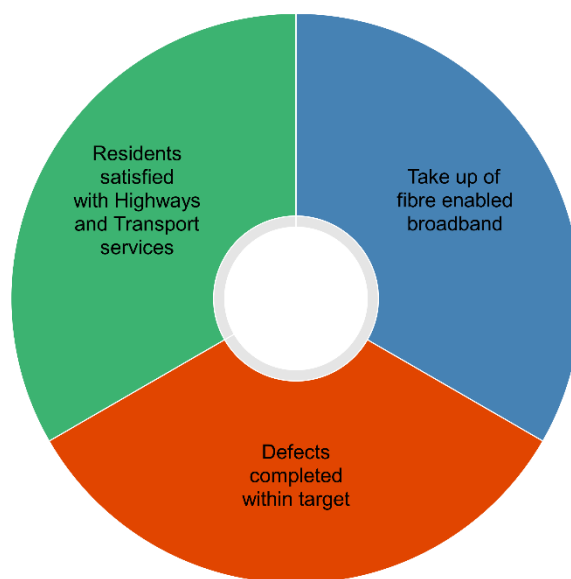
## 1.2 Performance Summary

The following shows an overview of progress on the Council Plan deliverables and measures relating directly to Highways, Transport and Infrastructure.

Deliverable Progress



Performance Measures Against Target



Performance Measures Against Target

	2018/2019	2019/2020	2020/2021	Target	Performance
Percentage of homes and businesses with fibre enabled broadband	54.8%	62.6%	69.1%	61.0%	★
Percentage of defects completed within target	71.5%	77.2%	71.0%	90.0%	🚧
Percentage of residents satisfied overall with Highways and Transportation services	55.0%	55.0%	54.0%	55.0%	✅

**Key**   ★ Strong   ✅ Good   🟡 Review   🚧 Action   🟡 Data not available/Target not set

Key area of success is:

Completion of Contract 2 for fibre enabled broadband was essentially achieved in December 2020, which has resulted in 21,000 additional properties being connected; this is in addition to the 86,000 connected during Contract 1. BT has connected an additional 90,000 premises as part of commercial roll out (Fibre to Premise). Connection will continue to 64 communities from Quarter 4 onwards as part of completing the work with BT on Contract 2.

Key areas for consideration are:

During the year, a total of 71% of all highway defects were completed within target which compared with 77.2% for the previous year. The adverse weather conditions during Quarters 3 and 4 and the impact of COVID-19 pandemic, together with the back log of work from previous years, has had a significant impact on performance which has resulted in work being behind programme. To address these issues, additional resources have been applied to bring the situation back to a satisfactory position.

In addition, a significant amount of the £40m programme of highway improvement schemes will be targeted at repairs to the network resulting from the floods which occurred towards the end of 2019 and the beginning of 2020. These floods damaged carriageways and structures, and resulted in two major landslips that washed away roads

A programme to tackle drainage and surface deterioration and prevent potholes in the future is also underway which will help with improving customer satisfaction levels with the condition of the County's highway network.

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

### 1.3 Outturn Summary

The net controllable budget for the Highways, Transport and Infrastructure portfolio is £80.632m.

The Revenue Outturn Statement for 2020-21 indicates there is a year-end overspend of £0.137m.

Outturn against target budget

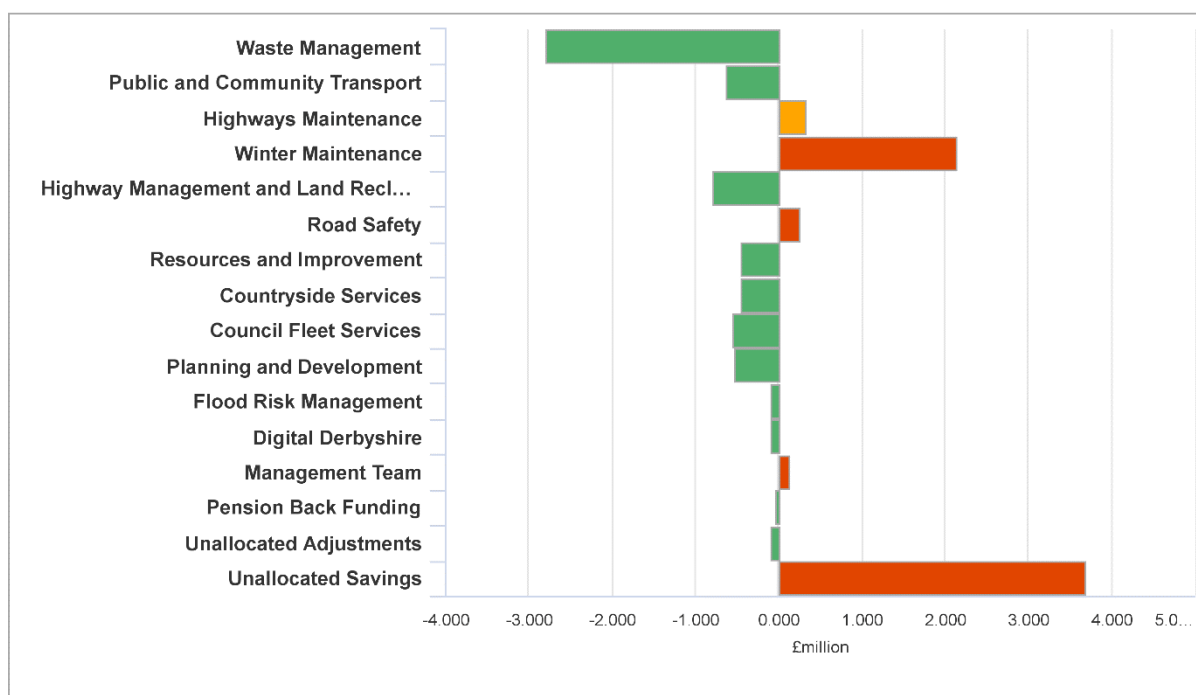


The areas which make up the outturn are shown in the following table and graph below:

Highways, Transport & Infrastructure Budget Items

	Controllable Budget £m	Actual Expenditure £m	Under (-)/Over Spend £m	Percentage Under (-)/Over Spend	Budget Performance
Waste Management	47.074	44.279	-2.795	-5.9%	✓
Public and Community Transport	14.016	13.391	-0.625	-4.5%	✓
Highways Maintenance	11.965	12.303	0.338	2.8%	⚠
Winter Maintenance	1.473	3.612	2.139	145.2%	⚠
Highway Management and Land Reclamation	3.026	2.253	-0.773	-25.5%	✓
Road Safety	0.106	0.367	0.261	246.2%	⚠
Resources and Improvement	2.536	2.096	-0.440	-17.4%	✓
Countryside Services	2.646	2.197	-0.449	-17.0%	✓
Council Fleet Services	-0.769	-1.305	-0.536	-69.7%	✓
Planning and Development	0.761	0.243	-0.518	-68.1%	✓
Flood Risk Management	0.321	0.238	-0.083	-25.9%	✓
Digital Derbyshire	0.154	0.069	-0.085	-55.2%	✓
Management Team	0.613	0.752	0.139	22.7%	⚠
Pension Back Funding	0.329	0.294	-0.035	-10.6%	✓
Unallocated Adjustments	0.065	-0.020	-0.085	-130.8%	✓
Unallocated Savings	-3.684	0.000	3.684	100.0%	⚠
Total	80.632	80.769	0.137	0.2%	⚠

Under (-)/Over Spend



## **1.4 Key Variances**

### **1.4.1 Waste Management, underspend £2.795m**

The underspend is due to short-term savings under the service continuity arrangements and variable tonnages.

### **1.4.2 Public and Community Transport, underspend £0.625m**

The main area of underspend is within Gold Card. Due to Covid-19 guidance restricting travel, the operators have not been paid the full amount that they would usually have been.

### **1.4.3 Winter Maintenance, overspend £2.139m**

The budget for winter maintenance is £1.473m and spend this year was £3.612m. Much of the cost for an average winter is paid in advance of any severe weather. Grit salt is a major item of expenditure and stocks are maintained in accordance with Department for Transport recommendations. Fleet is the other major cost and sufficient vehicles are an unavoidable cost. The overspend is due to these costs in addition to some spells of severe weather during this winter.

### **1.4.4 Highway Management and Land Reclamation, underspend £0.773m**

The underspend is due to having a high number of vacancies, with delays in recruitment due to the impact of Covid-19.

### **1.4.5 Council Fleet Services, underspend £0.536m**

The underspend results from additional income for vehicle maintenance.

### **1.4.6 Planning and Development, underspend £0.518m**

An increase in income from Section 38 and 278 (Highways Act 1980) agreements are the main contributors to this underspend.

### **1.4.7 Unallocated Savings, overspend £3.684m**

This overspend is an accumulation of unallocated savings targets. More information is included in the Budget Savings Section later in the report.

### 1.5 Covid-19 Funding

The above figures include all additional costs incurred due to Covid-19 and the funding provided to cover those costs. The table below details these areas of expenditure.

Covid-19 Funding

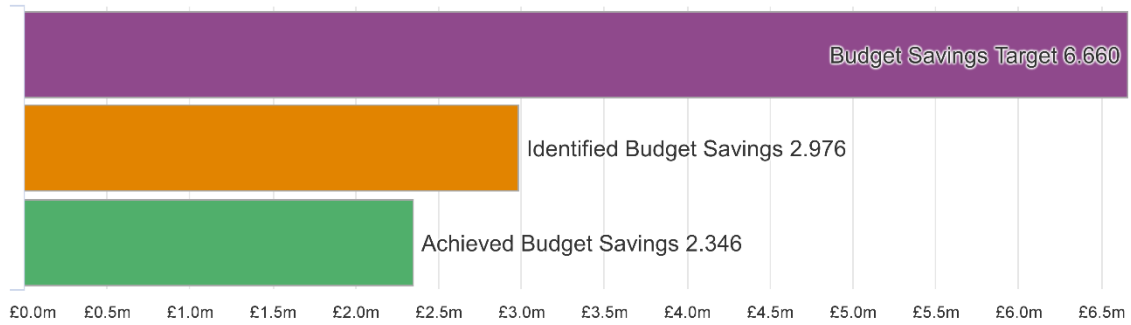
Description	Additional Costs £m	Savings Slippage £m	Loss of Income £m	Offsetting Income £m	Total Funded by Corporate Covid-19 Grant £m
Waste Management	3.563	0.230	0.015	0.000	3.808
Public & Community Transport	0.011	0.000	0.004	0.000	0.015
Highway Maintenance	0.691	0.000	0.000	(0.443)	0.248
Highway Management & Land Reclamation	0.221	0.000	0.499	0.000	0.720
Resources & Improvement	0.001	0.000	0.063	0.000	0.064
Countryside Services	0.037	0.400	0.000	0.000	0.437
Council Fleet Services	0.156	0.000	0.002	0.000	0.158
Planning & Development	0.000	0.000	0.590	0.000	0.590
<b>Total</b>	<b>4.680</b>	<b>0.630</b>	<b>1.173</b>	<b>(0.443)</b>	<b>6.040</b>

### 1.6 Budget Savings

Budget reduction targets totalling £1.426m were allocated for the year. Further reductions allocated in prior years, totalling £5.234m, had not been achieved and were brought forward to 2020-21. This resulted in the total reduction targets to be achieved at the start of the year of £6.660m.

Savings of £2.976m were identified in the year meaning that £3.684m will be carried forward to 2021-22. Of the £2.976m identified, £2.346m was achieved; £0.630m was not achieved.

### Budget Savings



### 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	0.000	-0.400	❌
Highways Staffing	0.258	0.258	0.000	✅
Waste - HWRC	0.230	0.000	-0.230	❌
Public Transport	0.450	0.450	0.000	✅
B_Line (allocated to Gold Card)	0.088	0.000	-0.088	❌
Budget Challenge 2020-21	0.150	0.150	0.000	✅
Development Control S38/278 Income	0.600	0.600	0.000	✅
Gold Card	0.300	0.388	0.088	✅
Waste	0.500	0.500	0.000	✅
Total Position	2.976	2.346	-0.630	❌
Shortfall/(Surplus) of Identified Savings	3.684	0.000	-3.684	

	Budget Reduction Amount £m
Prior Year B/f	5.234
Current Year	1.426
Budget Savings Target	6.660

## **1.7 Growth Items and One-Off Funding**

The portfolio received the following additional budget allocations in 2020-21:

### **1.7.1 Ash Dieback - £0.270m one-off**

Ash Dieback will lead to the decline and death of the majority of ash trees in Britain. The Countryside Service is leading a corporate-level response with relevant departments, developing a corporate Ash Dieback Action Plan, initiating a programme of inspection to quantify the scale of the problem on the Council's estate including the surveying, felling and replanting of trees on Council land. It is considered likely that this funding will turn into a multi-year commitment once evaluation work has been performed.

Outcome of 2020-21: £0.025m of the growth bid was spent in 2020-21. This was due to a delay in recruiting the Project Officer due to Covid-19 restrictions. The remaining £0.245m remains committed, and will be requested to be carried forward into 2021-22 as part of the summary Cabinet report.

### **1.7.2 Elvaston Castle Masterplan - £0.200m one-off**

Cabinet approved the Elvaston Castle Masterplan on 20 December 2018, following a public consultation exercise. A delivery programme and business case was prepared to identify the capital investment required and income generation opportunities involved in delivering the Masterplan which was approved in principle by Cabinet in September 2020. This one-off funding is being spent on the preparatory and design work associated mainly with the construction of the access drive and car park elements of the programme.

Outcome of 2020-21: Of the £0.200m growth bid, £0.106m was spent in 2020-21. The remaining £0.094m has been put into a reserve to cover future costs, as agreed previously. Due to the timescales for the planning application, this will be spent in 2021-22.



### 1.8 Earmarked Reserves

Earmarked reserves totalling £18.931m are currently held to support future expenditure. Details of these reserves are as follows:

Reserves		£m
ETE Underspend reserve (to assist with managing the department's savings programme)	▼	7.519
ETE underspend reserve (committed to specific projects)	↑	3.782
Committed Liabilities - Revenue	↑	2.218
Winter Maintenance	=	2.000
Committed Liabilities - Capital	↑	1.082
Grants	▼	1.039
Waste Recycling Initiatives	=	0.598
Money held on behalf of other Councils and Partnerships	↑	0.454
Derby and Derbyshire Road Safety Partnership	▼	0.202
Renewals funds regarding Lab and Fleet equipment	=	0.037
<b>Total Reserves</b>	<b>↑</b>	<b>18.931</b>

#### Key

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

Exts: 38730/38111

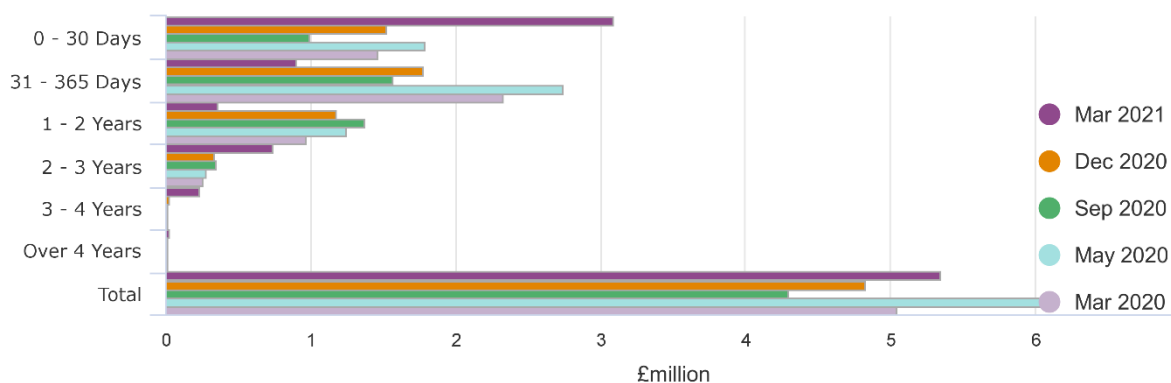
### 1.9 Debt Position

The profile of the debt raised, relating to income receivable by services within the Economy, Transport and Environment department, is as follows:

Debt Position

0 - 30 Days £m	31 - 365 Days £m	1 - 2 Years £m	2 - 3 Years £m	3 - 4 Years £m	Over 4 Years £m	Total £m
3.087	0.902	0.362	0.740	0.232	0.022	5.345
↑	↓	↓	↑	↑	↑	↑
57.8%	16.9%	6.8%	13.8%	4.3%	0.4%	100.0%

Aged Debt over Time



In the year up to 31 March 2021 the value of debt that has been written off totals £0.026m.

(3) **Financial Considerations** As detailed in the report.

(4) **Other Considerations**

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, social value and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** Held on file within the Place Department.

(8) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member notes the report.

**Chris Henning**  
Executive Director- Place

**Peter Handford**  
Director of Finance & ICT

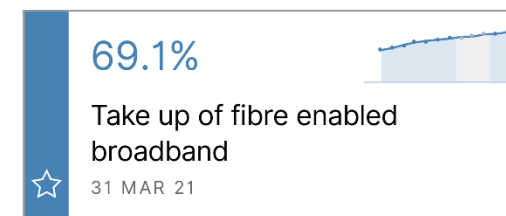
## Highways, Transport and Infrastructure End of Year Council Plan Performance Report 2020-21

### Progress on Council Plan deliverables and key measures

## A prosperous and green Derbyshire

### ✔ Increased the fibre enabled broadband coverage across Derbyshire for homes and businesses

Contract 2 for Digital Derbyshire has now been successfully completed at March 2021 with overall take up levels confirmed as 69%, although additional take up will still come forward up to the end of June 2021. The Top up Voucher scheme was launched in September 2020 and £258k of investment so far has facilitated 15 community projects covering 1066 premises with a combined total project value of £1.27m. The Gigabit Voucher scheme closed on the 31 March 2021 and a new scheme has now been launched. Our remaining Top Up fund of £242k will be applied to this new scheme until the fund is fully utilised. Reassessment of digital white spots (where there is no existing or limited coverage) is being undertaken.

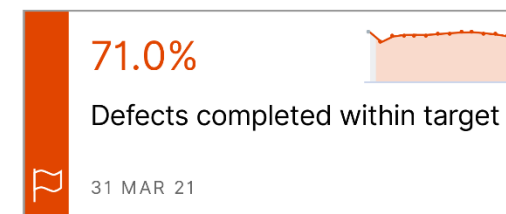


### 🟡 Invested in well maintained roads and highways infrastructure

The delivery of the capital programme involves a significant increase in resources from previous years. Arrangements are now in place with two national contractors to deliver key packages of the programme such as resurfacing and surface dressing roads. Similar measures are under way to provide the design capacity for the maintenance and improvement schemes in the works programme.

A dedicated drainage team, including the flood risk team, has been established to tackle recent and historic drainage and flooding issues as part of the capital programme.

- A total of 71% of all highway defects were completed within the appropriate target timescale (this will range from 2 hours, 32 hours, 9 or 28 days and will be determined by the severity of the defect reported) during 2020/21 compared with 77.2% for the previous year. It should be acknowledged that due to adverse weather conditions within this quarter, the Covid-19 pandemic and the impact of previous years back log, work is behind programme. To address these issues additional resources have been applied, and we are currently repairing on average 700 potholes a day. The increased resources will continue until the situation is back to a satisfactory level.



### ✔ Worked to maximise growth opportunities arising from HS2 and to mitigate impact

The National Infrastructure Commission report was issued late December 2020 recommending that HS2 East is not implemented in full. Active lobbying has taken place with Government Ministers to ensure the full growth opportunities from the HS2 proposals are realised. The Integrated Rail Plan (IRP) was due to be published in Quarter 4 but is now not expected until after the local government elections; the IRP will confirm whether HS2 East goes ahead or not. In the meantime, alternative strategies are being developed to identify other transport and growth opportunities.

Work includes coming forward with an alternative proposal to the completion of the whole HS2 eastern leg which would negate many of the impacts of the initial HS2 proposal in Derbyshire. This alternative arrangement would involve routeing the high speed services via existing rail lines in the county which would be upgraded to cope with the new services rather than building completely new links. A study into these alternative proposals will be completed in June 2021.

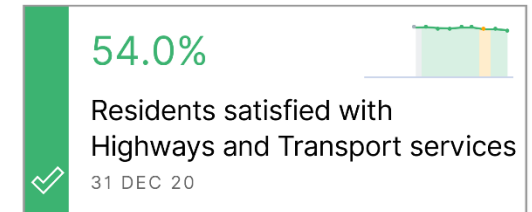
**Completed the development and started the implementation of The Derbyshire Infrastructure Investment Plan to support good growth**

The Derbyshire Infrastructure Investment Plan is now referred to as the "Strategic Growth Infrastructure Framework" which a final draft has been completed. It is the intention to report the final version to the next Joint Economic Prosperity Committee for approval.

## High performing council services

**Continued to maintain high levels of customer satisfaction in the Council’s Highway and Transport Services**

Additional resources have been directed at repairing highway defects as this is the area of greatest concern with the public. The capital programme for 2021/22 is also focused on priority areas such as drainage improvements, carriageway and footway surfacing and surface dressing which should improve levels of customer satisfaction.



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