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PUBLIC

To: Members of Cabinet Member meeting - Clean Growth and Regeneration

Wednesday, 2 September 2020

Dear Councillor

Please attend a meeting of the **Cabinet Member meeting - Clean Growth and Regeneration** to be held at **9.30 am** on **Thursday, 10 September 2020** virtually; the agenda for which is set out below.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light blue horizontal line.

Simon Hobbs
Director of Legal and Democratic Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Declarations of Interest - to receive declarations of interests (if any)
2. Minutes - to confirm the non-exempt minutes of the meeting of the Cabinet Member - Economic Development and Regeneration held on 30 July 2020 (Pages 1 - 2)
3. To consider the non-exempt joint report of the Director of Economy, Transport and Environment and the Director of Finance and ICT on Budget Monitoring 2020/21 Period 2 (Pages 3 - 6)

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PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR CLEAN GROWTH AND REGENERATION** held virtually on MS Teams on 30 July 2020

PRESENT

Cabinet Member – Councillor T King

Also in attendance – Councillors G Hickton and R Mihaly

08/20 **MINUTES RESOLVED** that the minutes of the meeting held on 9 July 2020 be confirmed as a correct record and signed by the Cabinet Member.

09/20 **REVENUE OUTTURN 2019-20** The Cabinet Member was presented with the final revenue controllable outturn position for 2019-2020 for the Clean Growth and Regeneration portfolio which identified significant variations in expenditure from the budget and the impact of the 2019-20 outturn on future years and any action proposed.

The final controllable outturn position for the portfolio for 2019-20 showed net expenditure was £5.615m, against a budget of £5.580m. These were distorted by the receipt of £4.836m Business Rates meaning that the proper figures for the portfolio would have been net expenditure of £0.779m against a budget of £0.744m resulting in a controllable overspend of £0.035m.

There was an economic development underspend £0.035m: matched funding had been successful with the leveraging of EU funding (notably European Regional Development Fund) since 2015. The implementation of the revised 'enterprise and investment' function was continuing with yet to be completed. Business support interventions and investment/trade promotion continued to be developed and rolled out to businesses.

There had been an employment and skills overspend of £0.074m due to incurring salary costs that were not budgeted for and were pending rationalisation of the whole Economy and Regeneration Service structure. Markham Vale had an underspend £0.010m mainly due to a reduction in salary spend as relevant salaries were being charged to capital. Earmarked Reserves of £0.695m, were being held to support future expenditure.

RESOLVED that the Cabinet Member note the report.

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DERBYSHIRE COUNTY COUNCIL
MEETING OF CABINET MEMBER – CLEAN GROWTH AND
REGENERATION

10 September 2020

Joint Report of the Director - Economy, Transport and Environment and the
Director of Finance & ICT

BUDGET MONITORING 2020-21 – PERIOD 2

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2020-21, up to 31 May 2020 – Period 2.

(2) **Information and Analysis** It should be noted that although Period 2 sits within the Coronavirus (COVID-19) lockdown period, the full immediate effects of the pandemic on service delivery and finances had not been felt, and similarly the long term implications were not fully understood. Also, areas of additional Government funding to help cover the costs of COVID-19 had not been confirmed and, even at the time of writing, this remains a moving picture. Therefore, the projected outturns and year end forecast presented in this Period 2 report are unlikely to accurately reflect the final position; budget reports presented over the remainder of this financial year will provide a more up to date picture of the likely outturn.

Forecast Summary

The net controllable budget for the Portfolio is £0.695m.

The Revenue Budget Monitoring Statement, prepared at Period 2, indicates there is a potential projected year-end overspend of £0.621m. The figures include the predicted additional costs of COVID-19 – and loss of income in some areas - up to the end of June 2020. These total £0.531m and are expected to be met corporately, with the final balance being resolved at year end. Without COVID-19 costs, the Portfolio is projected to be overspent by £0.090m.

	Controllable Budget £m	Projected Outturn 2020-21 £m	Projected Over/(Under) Spend for year £m
Economic Development	0.594	1.176	0.582
Employment and Skills	0.050	0.126	0.076

Markham Vale	0.051	0.014	(0.037)
Total	0.695	1.316	0.621
Corporate funding for COVID-19 costs	0.531	0.000	(0.531)
Total after corporate funding	1.226	1.316	0.090

Key Variances

Economic Development Overspend £0.582m

The reason for the projected overspend on this budget area is due to the additional costs of supporting businesses and administering grants over the period April, May and June 2020 as a result of the COVID-19 pandemic. The Business Hardship Fund required a staff team of 21, seven of whom were from outside the core economic development team, to process 1,794 applications.

Employment and Skills Overspend £0.076m

The projected overspend in this budget area is due to incurring salary costs that are not currently budgeted for and are pending the restructure of the wider Economy and Regeneration Service structure.

Markham Vale Underspend £0.037m

The projected underspend is mainly due to a reduction in salary spend as relevant salaries are being charged to capital. However, continuing loss of income for conferencing, loss of rents from empty units, slowing down of contract work and increase in material/labour costs, as a result of COVID-19, will present financial challenges for this service area over the coming months. A more up to date picture will be available in the next budget report.

Budget Savings

Over and above staffing budget reductions, there were no additional reductions allocated to this portfolio for the year.

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £0.695m, are currently held to support future, planned expenditure. Much of the reserves are provided by external funding organisations and are ring fenced for spend against specific projects, including the Derby and Derbyshire, Nottingham and Nottinghamshire (D2N2) LEP, European Rural Development Fund (ERDF) and Rural Payments Agency. All reserves are being actively managed and have planned spend over the course of this year.

Details of the reserves are shown below:

Economic Development and Regeneration	Amount £m
DEP D2 Inward Investment	0.033
Skills Training	0.092
Markham Vale Economic Impact Assessment	0.100
Markham Vale Environment Centre Extension	0.114
D2 Growth Fund	0.200
D2EE Low Carbon Project	0.067
D2 Business Development	0.053
LEADER Project	0.036
Total Earmarked Reserves	0.695

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

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.

(4) **Key Decision** No.

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

(6) **Background Papers** Held on file within the Economy, Transport and Environment Department.

(7) **OFFICER'S RECOMMENDATION** That the Cabinet Member notes the report.

Tim Gregory
Director – Economy,
Transport and Environment

Peter Handford
Director of Finance
& ICT

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