

Agenda Item No.4

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - ECONOMIC DEVELOPMENT AND
REGENERATION

7 November 2019

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

BUDGET MONITORING 2019-20 – PERIOD 5

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2019-20, up to the end of 31 August 2019 – Period 5.

(2) **Information and Analysis**

Forecast Summary

The net controllable budget for the Economic Development and Regeneration Portfolio is £0.701m.

The Revenue Budget Monitoring Statement, prepared at Period 5, indicates there is a projected year-end underspend of £0.152m.

The significant areas which make up this current projection are shown in the table below:

	Controllable Budget £m	Projected Outturn 2018-19 £m	Projected Over/(Under) Spend for year £m
Economic Development	0.629	0.444	(0.185)
Employment and Skills	0.000	0.075	0.075
Markham Vale	0.072	0.029	(0.043)
Coalite	0.000	0.001	0.001
Total	0.701	0.549	(0.152)

Key Variances

Economic Development underspend £0.185m

To ensure best use of public monies, all efforts are made to secure match funding where available and deliver interventions in partnership where possible to maximise value and impact. This has been particularly successful

in recent years with the leveraging of EU funding (notably European Regional Development Fund) which has been matched since 2015 with earmarked reserves, and reduced the burden on the revenue budget.

In addition, implementation of the revised 'enterprise and investment' function is continuing and recruitment has not been completed, resulting in some staffing underspends within the financial year. Also, business support interventions and investment/ trade promotion continue to be developed – as these are finalised and rolled out to businesses, the level of underspend will decrease.

Employment and Skills overspend £0.075m

The overspend is due to incurring salary costs that are not currently budgeted for and are pending rationalisation of the whole Economy and Regeneration Service structure.

Markham Vale Underspend £0.043m

The underspend is mainly due to a reduction in salary spend as relevant salaries are being charged to capital.

Budget Savings

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

Risks

The impact of Brexit on the demand for services from the Economy and Regeneration portfolio is not yet known. Partnership working to support Brexit preparedness is well under way but it is possible that a departure from the EU could increase demand for business support, business relief, export/ trade support over the short to medium term. This could potentially have a significant impact on staffing and other resources, not just for the Council, but is partners also. The impact, therefore, on the portfolio's forecast outturn position reported in the Forecast Summary is not yet known.

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £0.832m, are currently held to support future, planned expenditure. Details of these reserves are shown below:

Economic Development and Regeneration	Amount £m
DEP D2 Inward Investment	0.033
Skills Training	0.101
Markham Vale Economic Impact Assessment	0.100
D2N2 Demand Stimulation	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	0.023
D2N2 Digital Growth	0.041
Total Earmarked Reserves	0.832

(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.

Mike Ashworth
Executive Director – Economy,
Transport and Environment

Peter Handford
Director of Finance
& ICT