

**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.

	<b>Controllable Budget £m</b>	<b>Projected Outturn 2020-21 £m</b>	<b>Projected Over/(Under) Spend for year £m</b>
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)
<b>Total</b>	<b>0.695</b>	<b>1.316</b>	<b>0.621</b>
Corporate funding for COVID-19 costs	0.531	0.000	(0.531)
<b>Total after corporate funding</b>	<b>1.226</b>	<b>1.316</b>	<b>0.090</b>

## 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:

<b>Economic Development and Regeneration</b>	<b>Amount £m</b>
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
<b>Total Earmarked Reserves</b>	<b>0.695</b>

(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**