

Agenda Item No.3

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - ECONOMIC DEVELOPMENT AND
REGENERATION

13 December 2018

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

BUDGET MONITORING 2018-19 – PERIOD 7

(1) **Purpose of Report** To provide the Cabinet Member with an update of the Revenue Budget position for 2018-19, up to the end of October 2018 – Period 7.

(2) **Information and Analysis** The net controllable budget for the Economic Development and Regeneration Portfolio is £0.814m. The Revenue Budget Monitoring Statement, prepared at Period 7, indicates that there is a projected year end underspend of £0.305m.

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

| | Controllable Budget £m | Projected Outturn 2018-19 £m | Projected (Under)/ Over Spend for year £m |
|-------------------------------------|---------------------------|---------------------------------------|--|
| Economic Development | 0.713 | 0.326 | (0.387) |
| Employment and Skills* | 0.035 | 0.108 | 0.073 |
| Markham Vale Enterprise Growth Zone | 0.066 | 0.071 | 0.005 |
| Coalite | 0.000 | 0.004 | 0.004 |
| Total | 0.814 | 0.509 | (0.305) |

*£0.035m was allocated from Environment Transport and Economy's (ETE's) underspends in 2017/18 to fund a Careers and Enterprise Company Co-ordinator post within D2N2 for two years.

Variances**Economic Development underspend £0.387m**

The underspend is due to reduced expenditure on projects.

Employment and Skills overspend £0.073m

The overspend is due to incurring salary costs that are not currently budgeted for and are pending review.

Earmarked Reserves

Earmarked Reserves relating to this portfolio, totalling £0.885m, are currently held to support future 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 |
| D2 Growth Fund | 0.200 |
| D2EE Low Carbon Project | 0.130 |
| D2 Business Development | 0.052 |
| LEADER Project | 0.014 |
| Markham Vale Environment Centre Extension | 0.114 |
| D2N2 Digital Growth | 0.041 |
| Total Earmarked Reserves | 0.885 |

Budget Savings

Budget savings totalling £0.325m were allocated for the year 2018-19.

The table below shows expected performance against the savings identified:

| Savings Target | Target 2018-19 £m | Expected to be Achieved by end of 2018-19 £m | Balance to be Achieved £m |
|-----------------------|----------------------------------|---|--|
| Markham Growth Zone | 0.325 | 0.325 | 0.000 |
| Total | 0.325 | 0.325 | 0.000 |

Impact on the Future

The main risks that could impact upon the portfolio's outturn position are:

| Service | Risk | Sensitivity £m | Likelihood (1 = Low, 5 = High) |
|-----------------------|--|---------------------------|---|
| Employment and Skills | Budget to fund service is not found within current resources. Resulting in a negative impact on the ability to achieve the Council's Employment and Skills Commitments in the Council Plan and Employment and Skills Strategy. | £0.073 | 3 |

- (4) **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.

- (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 Economy, Transport and Environment Department. Officer contact details – Emma Hickman, extension 38913.

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

Mike Ashworth
Strategic Director – Economy,
Transport and Environment

Peter Handford
Director of Finance
& ICT

**Economic Development and Regeneration Portfolio - Period 7
2018-19**

Appendix 1

| Forecast by Service Area | Budget £ | Period 7 Actual Costs £ | Rest of Year Estimate £ | Year End Forecast £ | (Under)/ Over £ |
|---------------------------------|---------------------|--|--|------------------------------------|--------------------------------|
| Economic Development | 712,844 | 341,561 | (15,642) | 325,919 | (386,925) |
| Employment and Skills | 35,000 | 76,211 | 31,629 | 107,840 | 72,840 |
| Markham Vale | 66,141 | 108,930 | (38,428) | 70,502 | 4,361 |
| Coalite | 0 | 4,251 | 0 | 4,251 | 4,251 |
| TOTAL | 813,985 | 530,953 | (22,441) | 508,512 | (305,473) |