

Agenda Item No.3

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER - ECONOMIC DEVELOPMENT AND
REGENERATION

14 February 2019

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

BUDGET MONITORING 2018-19 – PERIOD 9

(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 December 2018 – Period 9.

(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 9, indicates that there is a projected year end underspend of £0.010m.

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

| | Controllable Budget £m | Projected Outturn 2018-19 £m | Projected Over/(Under) Spend for year £m |
|--|---------------------------|---------------------------------------|---|
| Economic Development | 0.713 | 0.528 | (0.185) |
| Employment and Skills* | 0.035 | 0.105 | 0.070 |
| Markham Vale Enterprise Growth Zone | 0.066 | 0.168 | 0.102 |
| Coalite | 0.000 | 0.004 | 0.004 |
| Total | 0.814 | 0.805 | (0.009) |

*£0.035m was allocated from Economy, Transport and Environment underspends in 2017-18 to fund a Careers and Enterprise Company Co-ordinator post within D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) for two years.

Variances**Economic Development underspend £0.185m**

The underspend is due to reduced expenditure on projects. To ensure best use of public monies, all efforts are made to secure match funding where available, keeping the revenue budget available for other projects where possible.

Employment and Skills overspend £0.070m

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

Markham Vale Enterprise Growth Zone overspend £0.102m

This relates to an under recovery of capital salaries within the project and budget savings in the current and previous financial years.

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 Strategy | £0.073 | 4 |

(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. Officers contact details – Emma Hickman, extension 38913 and Frank Horsley, extension 38348.

(7) **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 9 2018-19

Appendix 1

| Forecast by Service Area | Budget £ | Period 9 Actual Costs £ | Rest of Year Estimate £ | Year End Forecast £ | (Under)/ Over £ |
|---------------------------------|---------------------|--|--|------------------------------------|--------------------------------|
| Economic Development | 712,844 | 277,638 | 250,090 | 527,728 | (185,116) |
| Employment and Skills | 35,000 | 86,906 | 17,866 | 104,771 | 69,771 |
| Markham Vale | 66,141 | 93,417 | 74,251 | 167,668 | 101,527 |
| Coalite | 0 | 4,251 | 0 | 4,251 | 4,251 |
| Total | 813,985 | 462,211 | 342,207 | 804,418 | (9,567) |