

TO: Economic Development Cabinet Committee – 5th July 2012

**BY: Mark Dance, Cabinet Member for Regeneration and Economic Development
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**SUBJECT: Regeneration and Economic Development Portfolio
Financial Outturn 2011/12**

Classification: Unrestricted

Summary:

This report summarises the 2011/12 financial outturn for each of the A-Z budget lines within the Regeneration and Economic Development Portfolio.

FOR INFORMATION

1. Introduction:

- 1.1 This is the first round of financial performance reports to the new Cabinet Committees following the introduction of the new governance arrangements with effect from 1 April 2012.
- 1.2 It is important that committees receive timely information on actual costs in advance of considering options for future years' budgets during the autumn. This report therefore includes the final outturn for 2011/12 for each of the A-Z budget lines within the Regeneration and Economic Development Portfolio in the same format as reported throughout the year in monitoring reports, together with an explanation of significant variances from the final cash limit.

2. Regeneration and Economic Development Portfolio 2011/12 Financial Outturn- Revenue

- 2.1 The provisional revenue outturn is to be reported to Cabinet on 9th July together with recommendations on rollover for committed projects and contributions to reserves for uncommitted under spends. The overall position for the Regeneration and Economic Development Portfolio was a tiny over spend of £818.12.
- 2.2 Table 1 sets out the original budget, final approved cash limit and spending for each A-Z budget line within the Regeneration and Economic Development Portfolio. The changes between the original budget and final approved cash limit are all within KCC's "virement" rules as set out in Financial Regulations.

Table 1 A-Z Budget Line	Original Budget £000s	Approved Cash Limit £000s	Final Outturn £000s	Variance from cash limit £000s
Environment & Enterprise:				
Development Staff and Projects				
Gross	1,311,000.00	1,311,000.00	1,708,568.25	397,568.25
Income	-1,311,000.00	-1,311,000.00	-1,708,568.25	-397,568.25
Net	0.00	0.00	0.00	0.00
Business Strategy & Support:				
Development Staff and Projects				
Gross	3,965,000.00	4,585,600.00	4,588,133.79	2,533.79
Income	-275,000.00	-275,000.00	-271,950.68	3,049.32
Net	3,690,000.00	4,310,600.00	4,316,183.11	5,583.11
Directorate Management & Support				
Gross	447,000.00	419,000.00	414,235.01	-4,764.99
Income	0.00	0.00	0.00	0.00
Net	447,000.00	419,000.00	414,235.01	-4,764.99
Total Gross	5,723,000.00	6,315,600.00	6,710,937.05	395,337.05
Total Income	-1,586,000.00	-1,586,000.00	-1,980,518.93	-394,518.93
TOTAL NET	4,137,000.00	4,729,600.00	4,730,418.12	818.12

- 2.3 The gross and income variations from the approved cash limits are as a result of additional project work on existing projects, funded by additional income and new projects started within year e.g. the TRADE project, Employ Thanet and the Queenborough Castle project, again funded by new income.
- 2.4 The approved budget for 2012/13 was set on the basis of known/forecast activity as at December 2011. All of the above variations from the 2011/12 approved cash limit, relate to one-off issues for 2011/12 and should not impact on the 2012/13 budget. The impact of any ongoing variations into 2012/13 will be reported as part of the in-year budget monitoring together with progress on delivering the savings needed to balance the budget.
- 2.5 The first exception report for 2012/13 budget monitoring is also being reported to Cabinet on 9th July. That report shows that there are no revenue or capital issues coming out of the 2011/12 outturn which are expected to impact in 2012/13 and hence no variance is currently reported for the Regeneration and Economic Development Portfolio.
- 2.6 The full monitoring as at the first quarter is scheduled to be reported to Cabinet on 17th September. The timing of this Cabinet means reports to the September round of Cabinet Committees may have to be dispatched late in

order to include the latest position considered by Cabinet, in a similar way to the papers for this July round of Cabinet Committee meetings have had to be (in some cases).

- 2.7 The under spend for 2011/12 includes a number of areas of committed expenditure which Cabinet are asked to agree to roll forward into 2012/13, however none relate to the Regeneration and Economic Development Portfolio.
- 2.8 The balance of the uncommitted under spend (£5.316m) for the County Council will be transferred to the Economic Downturn reserve in accordance with the recommendation to be agreed by Cabinet on 9 July 2012.

3. Regeneration and Economic Development Portfolio 2011/12 Financial Outturn – Capital

- 3.1 Table 3 identifies the planned and actual spend on all capital projects in 2011/12 and the total approved and forecast spending over the lifetime of these projects.

Regeneration & Economic Development Capital Programme

Table 3	2011/12 Expenditure				Total Scheme Cost		
	Original Budget £000	Approved Cash Limit £000	Final Outturn £000	Variance from Cash Limit £000	Approved Cash Limit £000	Forecast Expenditure £000	Variance from Cash Limit £000
<u>Schemes with Approval to Spend</u>							
Old Town Hall Operating Costs Capital	0.0	0.0	5.6	5.6	0.0	150.0	150.0
East Kent Empty Property Initiative	1,500.0	1,580.0	1,580.5	0.5	6,624.5	6,624.5	0.0
Euro Kent	660.0	25.0	25.0	0.0	6,398.0	6,397.8	-0.2
Dover Priory Station Approach Road	0.0	36.0	6.8	-29.2	1,604.0	1,603.6	-0.4
Gravesend Community Project - Old Town Hall	0.0	1.0	14.3	13.3	2,297.0	2,310.3	13.3
Margate-eastern sea front	0.0	355.0	354.7	-0.3	1,235.0	1,234.7	-0.3
Tontine Street Public Realm Improvements	0.0	0.0	6.1	6.1	0.0	100.1	100.1
Rendevouz Site - Margate	0.0	85.0	56.0	-29.0	160.0	131.0	-29.0
Rural Broadband Demonstration Project	580.0	0.0	0.0	0.0	1,584.0	1,584.0	0.0
Dover Sea Change	0.0	31.0	37.9	6.9	2,247.0	2,254.0	7.0
Swale Parklands	249.0	359.0	362.1	3.1	999.0	998.1	-0.9
Subtotal	2,989.0	2,472.0	2,449.0	-23.0	23,148.5	23,388.1	239.5
<u>Schemes with Approval to Plan</u>							
Capital Regeneration Fund	1,420.0	11.0	0.0	-11.0	12,100.0	11,850.0	-250.0
Margate Housing	5,000.0	0.0	0.0	0.0	10,000.0	10,000.0	0.0
Subtotal	6,420.0	11.0	0.0	-11.0	12,100.0	11,850.0	-250.0
TOTAL - Regeneration & Economic Development	9,409.0	2,483.0	2,449.0	-34.0	35,248.5	35,238.1	-10.5

3.2 The movements from the original budget and the approved cash limit have been reported in monitoring during the year and the cash limits were changed when the capital programme in the 2012/15 Medium Term Financial Plan was approved in February. The variance from approved cash limit represents the final actual spending for 2011/12 (and forecast spending for future years) since the capital programme was published and includes the following issues:

1. New schemes have come forward for Old Town Hall Operating Costs +£150k and Tontine Street Public Realm Improvements +£100k. Both of these new projects have been authorised to be funded from the Capital Regeneration Fund -£250k. Cash limits will be adjusted following agreement at Cabinet on 9th July 2012. There are therefore no significant funding issues within the Regeneration and Economic Development Portfolio.

3.3 Re-phrasings from 2011/12 will be included in the budget monitoring reports to Cabinet in July and September together with any other issues affecting capital projects which have arisen during 2012/13 so far.

4. Recommendations

- 4.1 Members of the Economic Development Cabinet Committee are asked to note the revenue and capital financial outturn for 2011/12.

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