

TO: Economic Development Cabinet Committee – 6 March 2013

BY: Mark Dance, Cabinet Member for Regeneration and Economic Development
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SUBJECT: Regeneration and Economic Development Portfolio Financial Monitoring 2012/13

Classification: Unrestricted

Summary:

Members of the Cabinet Committee are asked to note that the second quarter's full budget monitoring report for 2012/13 was reported to Cabinet on 3 December 2012. Members of the Cabinet Committee are also asked to note the subsequent update to this position which was reported in the monitoring exception report to Cabinet on 23 January 2013.

FOR INFORMATION

1. Introduction:

- 1.1 This is a regular report to this Committee on the forecast outturn for the Economic Development Portfolio.

2. Background:

- 2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each portfolio and will be reported to Cabinet Committees after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report. The relevant extracts from the last exception report presented to Cabinet on 23 January are included in the revenue and capital sections below.

3. Regeneration and Economic Development Portfolio 2012/13 Financial Forecast - Revenue

- 3.1 The forecast remains at a nil variance with no movements reported in the exception report following the quarter 2 report provided to Cabinet Committees in January.

4. Regeneration and Economic Development Portfolio 2012/13 Financial Forecast - Capital

4.1 **Table 1** shows the revised approved budget in the exception report following the quarter 2 report provided to Cabinet Committees in January.

	Regeneration & Enterprise £m
Approved budget last reported to Cabinet	104.392
Approvals made since last Cabinet meeting	-0.165
Revised approved budget	104.227

Table 2 shows a summary of the variance.

	Forecast Variance £m	Movement from Qtr 2 report £m
Unfunded variance	0.000	0.000
Funded Variance	0.000	0.000
Variance to be funded from revenue	0.000	0.000
Project underspend	-0.282	+0.002
Rephasing (to/from beyond 2012-15)	-22.083	-5.773
Total Variance	-22.365	-5.771

Within the forecast movement, the main projects subject to re-phasing and overall variances are detailed below:

4.2 **Movements in unfunded variance**

There have been no movements in unfunded variance since the quarter 2 report.

4.3 **Movements in re-phasing (to/from beyond 2012-15)**

Movements since the quarter 2 report are detailed below:

Regional Growth Fund (REG) -£5.724m: The forecast has now been realigned to show actual payments to be made rather than committed funds.

The other -£0.049 movement on re-phasing is a result of small movements less than £0.100m.

4.4 **Other movements**

Eurokent (REG) -£0.284m: There is a forecast underspend on Eurokent due to a reduction in the forecast of compensation claims which are payable under the Land Compensation Act Part 1.

4.5 **Key Issues & Risks**

Rural Broadband (REG): is re-phasing within the three year period (2012-15), mainly due to further rounds of the grant schemes having been temporarily placed on hold, pending the outcome of the Kent and Medway BDUK procurement and until the DEFRA bidding rounds have concluded (to reduce the risk of displacing the draw-down of national funding). BDUK are also advising local authorities that they should consider holding a contingency for the BDUK - particularly to address any differences between budgeted tender provision and final procured costings. A view will be taken as to whether the rural community funding should be used as a contingency once the outcome of the BDUK procurement, surveys and delivery plan are known or to fund delivery to areas not currently included in the procurement.

There are no other new key issues and risks to report since those previously reported to Cabinet.

5. Recommendations

- 5.1 Members of the Economic Development Cabinet Committee are asked to note the revenue and capital forecast variances from budget for 2012/13 based on the last exception report.

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