
Meeting: Sustainable Communities Overview and Scrutiny Committee
Date: 12 December 2013
Subject: Regeneration and Business Support Revenue Report for the Quarter ended 30 September, 2013
Report of: Cllr Nigel Young– Executive Member for Regeneration and Business Support
Summary: Forecast outturn of £8,505k resulting in under spend of £97k after the use of reserves.

Contact Officer: Sue Templeman, Senior Finance Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities. In particular the Regeneration and Business Support budget had direct impact on the stated Council priorities of:

- Creating Safer Communities, and
- Managing Growth effectively.

Financial:

1. The financial implications are set out in the report.

Legal:

2. All expenditure is in accordance with the Constitution of the Council and Public Procurement Regulations.

Risk Management:

3. All of services have been risk rated, and actions agreed with managers to work within budget tolerances.

Staffing (including Trades Unions):

4. A number of minor staffing changes are being implemented in line with resourcing proposals approved in the 2013/14 budgets.

Equalities/Human Rights:

5. None

Public Health

6. None

Community Safety:

7. None

Sustainability:

8. Regeneration and Business Support is one of the lead Directorates with regards to making Central Bedfordshire a more sustainable place to live and work.

Procurement:

9. Not applicable.

RECOMMENDATION(S):**The Executive is asked to:**

1. **Note the projected net expenditure outturn of £8,505k.**
2. **Note the proposed use of specific reserves of £547k.**
3. **Note the projected under spend of £97k after the use of specific reserves.**

Reason for Recommendation(s): To monitor revenue spending.

Executive Summary

Regeneration and Business Support's overall financial position was £97k under budget after the use of earmarked reserves of £547k for one-off specific projects.

Introduction

10. Regeneration and Business Support directorate manages a gross expenditure budget of £17,218k and income budget of £9,163k leaving a net expenditure budget of £8,055k.

Overall Position

11. Regeneration and Business Support's overall financial position was £97k under budget after the use of earmarked reserves of £547k for one-off specific projects.

The Directorate had an annual savings target of £367k. At the end of September, the savings delivered totalled £176k.

The main financial performance changes of each group are described in the following paragraphs.

Appendices A1 to A3 provide further tables showing estimates and movements by services.

12. Summary Table A

Table A shows the full year variance by budget group.

Table A – Directorate Overall Position

Division	Approved Budget	Forecast outturn for year	Forecast variance for year (- under) / over spend	Forecast variance after use of earmarked reserves (- under) / over spend
	£'000	£'000	£'000	£'000
Service Development	536	512	-24	-24
Economic Growth and Skills	1,163	1,535	372	24
Planning	6,356	6,458	102	-97
Regeneration & Business Support	8,055	8,505	450	-97

Service Development

13. Service Development is forecasting an under spend of £24k due to salary savings.

Economic Growth Skills and Regeneration

14. The Economic Growth Skills & Regeneration has projected an outturn of £24k overspend.

The ASCL service is currently showing a full year overspend of £73k – this is a interim position and is subject to continuing budget re-alignment that is seeking to deliver a balanced position by the end of the year. The forecast will be adjusted as progress is made towards this.

Planning

15. The Planning Division is forecasting an under spend of £97k.

The major elements of this are :

This is forecast under spend on salaries of £240k due to vacancies, maternity leave and take up of pensions offset by temporary staff. There is a forecast underspend of £100k in development plan and strategic housing of professional fees, and a forecast overspend of £200K in development management due to old section 38 invoices . There is a forecast overspend of £130K relating to the flood defence grant which has previously been advised.

Efficiencies

16. Regeneration and Business Support was set an efficiency target of £367k. There were savings initiatives being implemented across the Directorate.

At the end of September, the Directorate had achieved efficiency savings of £176k which is £1k below profile.

Reserves

17. It is proposed that £547k of earmarked reserves are used to fund specific one-off projects. A breakdown is provided in Appendix C.

Debt Management

18. The total debt at the end of September was £2463k. Invoices relating to developers legal contributions to deliver planning requirements associated with new developments account for 80% of debt. About 71% of debt is less than three months old. All debt recovery is in accordance with Council policy.

18.1 Table B – Debt Outstanding

Debt profile	>£100K	>=£50K	>=£10K	>=£1K	<£1K	Total	Age Ratio
No of debtors	8	3	20	22	32	85	
Current	£1003	£54	£142	£27	£2	£1229	49.9%
1 month	£53	£0	£9	£16	£1	£79	3.2%
2 months	£13	£9	-£2	£6	£0	£26	1.1%
3 months	£194	£75	£89	£64	£1	£423	17.2%
3-12 months	£348	£0	£117	£8	£0	£473	19.2%
> 12 months	£103	£74	£56	£0	£1	£233	9.4%
Total Debt	£1714	£212	£412	£120	£5	£2463	100.0%

Appendices:

Appendix A1 – Revenue Summary Position by Division

Appendix A2 – Revenue Summary Position by Service

Appendix A3 – Movement in variance

Appendix B – Efficiencies

Appendix C – Earmarked Reserves

Appendix D – Debt Analysis

Background Papers: None