

MAIDSTONE BOROUGH COUNCIL

**STRATEGIC LEADERSHIP AND CORPORATE SERVICES
OVERVIEW AND SCRUTINY COMMITTEE**

MONDAY 7 JULY 2014

REPORT OF HEAD OF FINANCE AND RESOURCES

Report prepared by Paul Riley

1. THE USE OF REVENUE UNDER SPEND - UPDATE

1.1 Issue for Decision

1.1.1 This report provides an update on the progress of schemes that received funding from the revenue under spend in 2011/12 and 2012/13. The report is provided at the request of the then Corporate Services Overview and Scrutiny Committee who, when considering the proposed schemes prior to approval, included the update as a recommendation.

1.2 Recommendation of the Head of Finance and Resources

1.2.1 That the Committee consider the current progress on the schemes detailed in Appendices C and D and make any recommendations that are considered necessary.

1.3 Reasons for Recommendation

1.3.1 In both 2011/12 and 2012/13 the Council's revenue outturn reported a significant under spend. Cabinet considered options to use the under spend and proposed a bidding process in order to bring forward scheme to utilise the money that delivered on the Council's objectives.

1.3.2 In both years the schemes put forward were considered by the then Corporate Services Overview and Scrutiny Committee. The recommendations of the Committee were submitted to the Leader of the Council along with a report on the proposals and the Leader of the Council agreed, from the proposals, those schemes he was satisfied offered the greatest benefit to the Council after considering the recommendations of the Committee and the Council's objectives.

- 1.3.3 The decisions were taken by the Leader of the Council on 9th February 2013 and 29th August 2013 respectively. Due to the delay in reaching a decision on the 2011/12 under spend schemes the funding from 2011/12 and 2012/13 was offered to officers in either 2013/14 or 2014/15 depending on the scheme and the length of effect.
- 1.3.4 At the time of considering both sets of schemes, the then Corporate Services Overview and Scrutiny Committee requested a report back on the status of all schemes at the end of the financial year. This report is intended to provide that feedback.
- 1.3.5 To assist Members, attached at **Appendix A** is the final report to the Leader of the Council on the proposals relating to the 2011/12 under spend and attached at **Appendix B** is the final report to the Leader of the Council on the proposals relating to the 2012/13 under spend.
- 1.3.6 The table attached at **Appendix C** provides a list of schemes as approved from the 2011/12 under spend and the table attached at **Appendix D** provides a list of schemes as approved from the 2012/13 under spend.
- 1.3.7 The two tables are formatted in an identical way and show:
- Responsible Head of Service;
 - A brief scheme title;
 - The approved value;
 - A split over the two years as initially proposed by the manager;
 - The amount of 2013/14 funding not used (and therefore brought forward into 2014/15);
 - An update by the service manager on the scheme.
- 1.3.8 The appendices show that a total of £1,383,700 was awarded over the two years and officers' initial plans were to spend £973,130 in 2013/14 and £410,570 in 2014/15. Following discussions with officers during this year-end review it was confirmed that £415,400 from 21 projects will slip from 2013/14 into 2014/15.
- 1.3.9 Of the schemes approved only one scheme has been amended due to uncertainty about the proposal. This scheme is at item 15 on Appendix C and relates to the development of business opportunities. The uncertainty arose due to changes to the Local Plan. In consultation with the Cabinet Member for Economic and Commercial Development the funding is now being utilised to commission consultants to support the development of a new Economic Development Strategy.

1.3.10 The resources now allocated to 2014/15 total £825,970 and cover the values previously set aside for 2014/15 plus the amount carried forward from 2013/14.

1.4 Alternative Action and why not Recommended

1.4.1 It is possible for the Committee to leave the monitoring of these schemes to the normal quarterly budget monitoring reports provided to Cabinet. That report is not formally presented to this Committee and members would not have the same level of opportunity to consider the progress made.

1.5 Impact on Corporate Objectives

1.5.1 The selection and approval process for all schemes included the effect of the proposal on the criteria set by Cabinet. The criteria were selected from the strategic priorities and all schemes are expected to have a direct impact on one or more of the corporate objectives.

1.6 Other Implications

1. Financial	X
2. Staffing	X
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

1.6.1 FINANCIAL - The resources available for these schemes come from year end under spend against the revenue account resources for 2011/12 and 2012/13. The major impact of £1.113m occurred in 2011/12 and was, in the main, a consequence of the early delivery of the budget strategy plans for 2012/13. The under spend reported in the 2012/13 outturn report to Cabinet was £0.275 and arose largely

from effective management of budgets following high profile work across the organisation regarding future financial risks.

1.6.2 The amount utilised is reported in paragraph 1.3.8 above as £1.383m and the resource available as given in paragraph 1.6.1 above was £1.388m therefore only a minor balance from the under spend in those two years is held in balances

1.6.3 STAFFING – some of the schemes included funding for staff and or consultants to complete one off tasks. Where such roles have been filled through direct recruitment fixed term contracts have been used to appoint the staff concerned.

1.7 Relevant Documents

1.7.1 Appendices

Appendix A – Report to the Leader of the Council on the use of the revenue under spend 2011/12;

Appendix B – Report to the Leader of the Council on the use of the revenue under spend 2012/13;

Appendix C – Table of schemes approved from 2011/12 revenue under spend;

Appendix D – Table of schemes approved from 2012/13 revenue under spend.

1.7.2 Background Documents

None

IS THIS A KEY DECISION REPORT?

THIS BOX MUST BE COMPLETED

Yes

No

If yes, this is a Key Decision because:

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Wards/Parishes affected:

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