

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 12 January 2012

AUTHOR/S: Executive Director (Corporate Services)

REVENUE AND CAPITAL ESTIMATES FOR THE ECONOMIC DEVELOPMENT PORTFOLIO

Purpose

1. To consider the Revenue Estimates up to the year 2012/13 and to outline progress on related Council Actions (October – December).
2. This is not a key decision. However, the report presents the relevant 2011/12 revised and 2012/13 estimates for endorsement by Cabinet, prior to being included as part of the overall estimates to be presented to the Cabinet on the 9 February 2012 and confirmed by Council on 23 February 2012.

Recommendations

3. Cabinet is requested to:
 - (a) endorse the Revenue Estimates for the Economic Development Portfolio as shown at **Appendix A** and recommend them for inclusion in the overall estimates to be considered by Cabinet in February, and
 - (b) note the progress made on the Council's actions for the third quarter of the year.

Background

4. The estimates for the Economic Development Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:

Economic Development
Transport Initiatives and Policy
Tourism Initiatives

The details are attached at **Appendix A(ii)**.

5. Usually the estimates are initially considered by each Portfolio Holder who then recommends them to Cabinet. The Economic Development Portfolio holder is not holding a meeting and, as a consequence, these estimates are being brought to the Cabinet.
6. The Finance and Staffing Portfolio Holder approved the Staffing and Central Overhead Estimates on 20 December 2011. The recharges approved at that meeting are shown as "Central, Departmental and Support Services" in the detailed estimates attached and the analysis reflects the current service structure. It should be noted that, as all the recharges have already been approved, individual portfolio holders cannot amend them.

7. These estimates will be summarised in a report for examination by the Scrutiny and Overview Committee on 6 February 2012, consideration by the Cabinet on 9 February, and finally, presentation to the Council on the 23 February for confirmation of the estimates and levels of the Council Tax and Rents.
8. The revenue estimates are set out in **Appendix A**.
9. Provisions for inflation have been applied to individual estimates only in cases where price increases can be justified. No automatic inflation allowance has been applied, but the 2.5% overall assumption of non-pay inflation in the Medium Term Financial Strategy remains as the overriding level of provision.
10. Where applicable, the estimates of each portfolio take account of any rollover of budget from the previous year and virements made during the year; they also incorporate expenditure approvals by Cabinet and Council up to November 2011.
11. All the estimates exclude the small number of "Precautionary Items" that are listed at the back of the current estimate book. These are specific, exceptional items of expenditure that may or may not occur during the budget period, but if they did the Council would be required to meet them. An updated list will be presented to the Cabinet on 9 February 2012. However, none has been identified within this Portfolio.

Considerations

REVENUE ESTIMATES: REVISED 2011/12 AND ESTIMATES 2012/13 AND COUNCIL ACTIONS

12. A summary of the revenue estimates for the Economic Development Portfolio is shown at **Appendix A**. The total estimates have been analysed between direct costs, rollovers and recharges, so that the direct costs can be identified for comparison. This is considered appropriate because the direct costs are specifically within the control of the relevant cost centre manager. By contrast, the Staffing and Overhead Estimates determine the recharges. Compared with the 2011/12 original estimates, the net direct costs increased in the Revised Estimates by £9,980 and increased by £58,550 in the 2012/13 Estimates.
13. **Appendix A** also shows a net direct costs comparison for both years, between the expected target expenditure and the new estimates that have been compiled for this meeting; the target was arrived at by taking the total direct costs in the original 2011/12 estimates and adjusting for rollovers, any approved additional expenditure and, for next year, inflation. The result is that the Revised 2011/12 and 2012/13 Estimates show that the target has been achieved. However, the 2012/12 target is subject to identifying funding for the overall increase in expenditure of £56,260 as shown on **Appendix A**.
14. At the September 2011 Cabinet, it was agreed that Officers would review the existing resources to ensure that they would deliver the Council's priorities and emerging actions for 2012/13 and £70,500 of additional expenditure has been provisionally included in the 2012/13 Estimates for consequential new initiatives, £14,240 can be met from within the approved target leaving £56,260 for which funding will still need to be identified which will be addressed in the Cabinet report in February 2012.

Comments on the individual estimate headings are given in the following paragraphs which relate to the priorities and actions outlined in the September Cabinet report.

Economic Development and Tourism

Business Engagement & Economic Development Business Strategy:

15. The budget is used to support existing, developing and new businesses including skills and apprenticeships. This will include business workshops which will be commissioned from external agencies following the closure of Business Link, continuing to develop the tourism offer to support hospitality and leisure sectors to achieve the objectives of the Economic Development Strategy as well as working closely with other agencies including the Local Enterprise Partnership which has recently appointed a Skills and Business growth lead officer.

Promoting Inward Investment:

16. The budget is used to promote inward investment to South Cambridgeshire and economic growth and in particular to develop a Business website launching in the spring/summer of 2012, and to revive the Economic news publication in 2012/13 (2 issues).

Improve the Digital Infrastructure:

17. The Portfolio Holder is recommended to endorse the allocation of £50,000 (£25,000 in 2012/13) to support a broadband rollout in partnership with Cambridgeshire County Council. A County Project Manager has recently been appointed and a program of work is being developed. The funding for this item has yet to be identified as explained in paragraph 14.

Meeting Business Needs:

18. The 2012/13 estimate of £37,000 is for an additional officer to provide project support for smarter working across services, linked to implementing the recommendations of the Enforcement and Regulation Review reporting in early 2012. Also, to support stronger corporate co-ordination to provide a focus for business contact, and deliver a 'case management' approach joining up business support, planning, rates and regulation. The funding for this item has yet to be identified as explained in paragraph 14.

Council Actions:

19. Four Council Actions lie within this Portfolio demonstrating the importance of business and economic development to the Council. Good progress has been made during Quarter 3; details are summarised in **Appendix B**.

Transport Initiatives & Policy

20. The Council has proposed the following aim in 2012/13: "We will make sure that South Cambridgeshire continues to offer outstanding and sustainable quality of life for our residents". As part of this, the proposed Community Transport Action for 2012/13 is to 'develop solutions to deliver integrated community transport'.
21. In order to deliver this we will be re-drafting the Community Transport Strategy for 2012-14. A small budget of £8,500 has been requested for 2012/13 to undertake the

delivery element of Community Transport related actions, for example: research (e.g. surveys at Parish level into local need amongst older and younger people); pump priming funding for locally delivered projects (e.g. social car scheme set ups, community/volunteer led transport by mini-bus for young people); publicity and promotion; forums and meeting costs to bring key partners and deliverers together. The funding for this item has yet to be identified as explained in paragraph 13.

Implications

22.	Financial	The estimates for the General Fund services of the Economic Development Portfolio will be included in the General Fund Summary together with the expenditure of other Portfolios.
	Legal	No additional implications. The estimates show the financial effect of decisions that have already been made.
	Staffing	It is proposed to create an additional post to provide business support, see para 18 above.
	Risk Management	No specific risks have been identified within the Economic Development budget
	Equality and Diversity	No specific implications have been identified
	Equality Impact Assessment completed	No
	Climate Change	None identified

Consultations

24. The relevant cost centre managers, who are responsible for setting the level of their respective budgets and controlling the expenditure within them, have been consulted in the compilation of the estimate figures.

Consultation with Children and Young People

25. Children and Young People are being consulted on the development of the Council's Vision, Aims, Approaches and Actions.

Effect on Strategic Aims

25. To determine detailed Economic Development Portfolio budgets to provide the resources for the Council to continue its corporate objectives as far as possible within the current financial constraints.

Conclusions/Summary

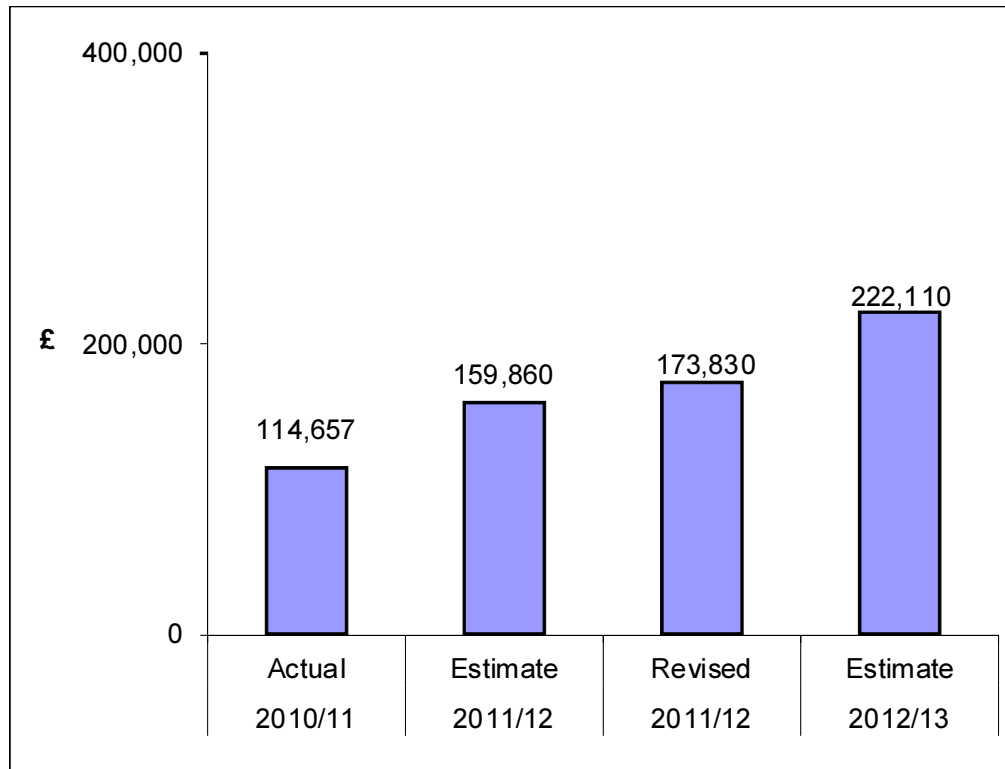
26. The total net expenditure as shown at **Appendix A** is reproduced below to show the percentage changes between budgets.

Year	Amount £	£	Increase %
2010-11 Actual	114,657		

		+45,203	+39.4%
2011-12 Estimate	159,860		
		+13,970	+8.7%
2011-12 Revised	173,830		
		+48,280	+27.8%
2012-13 Estimate	222,110		

These comparisons are shown diagrammatically below:

ECONOMIC DEVELOPMENT PORTFOLIO



27. **Appendix B** details the corporate Actions and actions taken or planned, with comments for this Portfolio provided by the Head of New Communities.

Background Papers: the following background papers were used in the preparation of this report:

Estimate files within Accountancy Services
Council Actions update to Quarter 3 from the New Communities Department

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