

Direct Dial/Ext: 01622 694269
Fax:
e-mail: denise.fitch@kent.gov.uk
Ask for: Denise Fitch
Your Ref:
Our Ref:
Date: 20 March 2009

Dear Member

COMMUNITIES POLICY OVERVIEW COMMITTEE - WEDNESDAY, 25 MARCH 2009

I am now able to enclose, for consideration at next Wednesday, 25 March 2009 meeting of the Communities Policy Overview Committee, the following reports that were unavailable when the agenda was printed.

Agenda No Item

B2 Financial Monitoring Report : Community Services 2008/09 (Pages 1 - 16)

C1 Select Committees - update (Appendix) (Pages 17 - 28)

Yours sincerely



Peter Sass
Head of Democratic Services & Local Leadership

This page is intentionally left blank

To: Communities Policy Overview Committee – 25th March 2009

From: Mike Hill, Cabinet Member and Amanda Honey, Managing Director

Subject: **Financial Monitoring 2008/09**

Classification: Unrestricted

Recommendation:- Members of the POC are asked to note the projected outturn figures for the directorate for 2008/09 based on the third quarterly monitoring report to Cabinet.

FOR INFORMATION

1. Introduction

- 1.1 This is a regular report to this Committee on the forecast outturn against budget for the Communities portfolio.

2. Background

- 2.1 Policy Overview Committees consider the draft Medium Term Financial Plan at their November and January meetings. To enable a more informed discussion, three reports are presented to the Committee on a regular basis:

a) Budget Monitoring reports

A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. A report for each directorate is annexed to the summary report, and the annex for the Communities directorate is presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POC about current trends, pressures and management actions in advance of the next year's budget setting.

We are trying to address the gaps between these quarterly reports to Cabinet and the timing of POC meetings but this has to be treated as a corporate issue and cannot be easily be resolved by individual POCs. The third quarter's budget monitoring is being reported to Cabinet on 30th March 2009. Clearly it would not make sense to delay reporting this until the next meeting of this POC on 7th July and it has been agreed that POC papers on the third quarter's budget monitoring will be circulated after the Cabinet papers have been dispatched, even where (as is the case with Communities) the POC will meet before Cabinet.

b) Performance Monitoring reports

These are reported to this Committee twice a year in January and July

c) Outturn report

Effectively an amalgam of the above two, the outturn report summarises financial and performance information for the whole of the preceding year. The outturn report

for 2007/08 was reported to the September 2008 POC meeting, we are planning to report the Outturn report for 2008/09 to the meeting of this Committee on 7th July 2009.

- 2.2 Armed with the above, the POCs will be in a stronger position to question and comment on the future budget and medium term proposals, as they will be asked to do at the November and January meetings.

3 Quarterly monitoring report

- 3.1 Attached is the monitoring report for the third quarter in 2008/09 for the Communities directorate. Table 1 has been amended to show net variance as an amount and percentage as requested by the POC.

3.2 Revenue

The latest forecast outturn is an over spend of £338k before management action to bring the portfolio budget back into balance. The main issues including details of the £338k are set out below. This represents an improvement of £256k since the previous quarter's report as a result of management action and we are confident that further management action to limit expenditure on non essential non staffing budgets will ensure that the portfolio is in a break even position by the end of the year.

Youth Service

- a. The Youth Service has secured substantial additional income and expenditure during the year through the extension of the contract with Connexions, funding from Children Families and Education on Positive Activities for Young People, and Youth Opportunity Fund allocations by young people towards projects in KCC youth centres. Overall there is a forecast net £75k under spend on Youth Service to offset overspends in other budgets as part of management action agreed within the directorate, mainly as a result of difficulties in recruiting qualified youth workers

Libraries, Museums, and Archives

- b. Overall there is a forecast £151k under spend on Libraries, Museums and Archives to offset overspends in other budgets as part of management action agreed within the directorate. The under spends mainly relate to staff vacancies and rebates on rates bills. We have also had approval to capitalise project management and start-up costs for the Envision programme to replace library IT systems. Development costs have been incurred this year which enable significant savings to be made from Libraries IT systems budgets in future years.

Sports, Leisure and Olympics

- c. The Sports, Leisure and Olympics unit has successfully raised over £2m of external income during the year e.g. Regional Sports Board, Sport England, New Opportunities Fund, Pfizer, Kent Reliance Building Society, etc., to support sports activities. The unit has also attracted sponsorship deals. The unit has delayed £50k of externally funded activities until 2009/10 to contribute to management action and has other forecast under spends of £38k to deliver a net under spend of £88k.

Community Safety

- d. We are forecasting a small under spend on Community Safety of £32k due to slippage in recruiting staff to vacancies and to cover maternity leave and additional income from Kent Police for training.

Coroners

- e. The Coroners service continues to forecast an overspend although this has further reduced by the previous report down to £214k following revisions to forecasts for venue hire, specialist fees and internal recharges.

Emergency Planning

- f. We are forecasting a small over spend in Emergency Planning as a result of increased focus on training and business continuity, and recruitment to a full staff complement. We have provided additional funding in 2009/10 budget to provide additional investment in the emergency planning function.

Trading Standards

- g. Trading Standards has delayed recruiting to a number of posts during the year to hold positions for staff currently on training programmes as they qualify

Central Budgets

- h. There are a number of costs which are incurred and held centrally rather than charged to individual services for which inadequate budget provision was made. We have been developing protocols to manage these arrangements consistently across the directorate and need to transfer the appropriate funding from individual services. This includes some assumptions on income necessary to fund the central Policy and Resources unit which have proved unrealistic. The overall impact is a net overspend of £612k on central costs.

3.3 The Senior Management Team has been involved in budget monitoring throughout the year and been informed of progress on managing staff vacancies. Unit heads have been urged throughout the latter part of the year to limit non staffing expenditure to essential elements. The senior management team are confident that by the end of the year the substantial over spends on Coroners and central budgets will be offset by under spends in other services.

3.4 Capital

The Ramsgate Library betterment is forecast to overspend by £235k as a result of construction difficulties, design changes and additional fees. We have been able to earn a higher than expected capital receipt from the development of the former Newington Library which mostly offsets the over spending. The Library was officially reopened last month following a £3m+ refurbishment to restore the building following the fire in 2004. Costs should be finalised by the end of the year.

We are reporting a revised profile of spending on Turner Contemporary based on the latest estimates from quantity surveyors taking account of a slightly delayed start on site compared to previous plans. Nonetheless, the project remains on schedule to be completed in 2010 with an official opening in 2011 and remains within the £17.4m budget for the design, construction and fitting out of the gallery building. We have had the first Key

Stage review meeting with the Arts Council England and South East England Development Agency and both organisations are pleased with the progress we have made.

We are reporting a rephrasing of KCC's contribution towards the redevelopment of the Marlowe Theatre in Canterbury in line with revised timetable from Canterbury City Council.

4 Recommendations

- 4.1 Members of the POC are asked to note the projected outturn figures for the directorate for 2008/09 based on the second quarterly monitoring report to Cabinet.

Amanda Honey
Managing Director

Contact

Dave Shipton
Head of Finance & Asset Management
Tel: 01622 696136

Appendix: Communities Directorate Summary January 2008-09 Full Monitoring Report

COMMUNITIES DIRECTORATE SUMMARY JANUARY 2008-09 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the last full monitoring report. These are detailed in Appendix 2 to the executive summary.
- Cash limits have also been adjusted since the last full monitoring report to reflect a number of technical adjustments to budgets, including the consolidation of the Kent Public Services Network budget from directorates to Corporate IS in the Corporate Support & External Affairs portfolio.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Table 1

Budget Book Heading	Cash Limit			Variance			Net Variance as % of Gross	Comment
	G	I	N	G	I	N		
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s		
Communities portfolio								
Turner Contemporary	1,003	-200	803	54	-54	0	0%	
Kent Drug & Alcohol Action Team	15,399	-13,238	2,161	252	-252	0	0%	Additional investment from PCTs for alcohol services for adults, and prevention services for young people. Young peoples grant now reflected in cash limit. Reduced spend and income for other young peoples services
Youth Offending Service	6,376	-2,639	3,737	285	-285	0	0%	Additional costs and income for seconded officer to prison service, secondment from probation and East Kent Safer Schools initiative
Youth Services	12,724	-5,380	7,344	1154	-1229	-75	-1%	Unbudgeted expenditure & income for connexions, PAYP and allocations from Youth Opportunities Fund
Adult Education	13,472	-13,845	-373	-198	198	0	0%	Fewer than anticipated enrolments; reduced sessional staff & other costs
Key Training	4,125	-3,987	138	8	0	8	0%	

Table 1

Budget Book Heading	Cash Limit			Variance			Net Variance as % of Gross	Comment
	G	I	N	G	I	N		
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s		
Arts Development	1,303	-15	1,288	94	-80	14	1%	Additional spend and income for Light-up Dover campaign. Folkestone Triennial
Libraries, Information & Archives	25,097	-3,320	21,777	-185	34	-151	-1%	Underspends on staff and premises offset by overspends on other expenditure budgets
Sports, Leisure & Olympics	3,263	-2,183	1,080	33	-121	-88	-3%	
Kent Community Safety Partnership	4,362	-271	4,091	-20	-12	-32	-1%	
Coroners	2,394	-384	2,010	218	-4	214	9%	Long inquests, pathology fees and mortuary attendants
Emergency Planning	707	-142	565	59	6	65	9%	Training, AWARE project & business continuity
Kent Scientific Services	1,628	-1,655	-27	44	-3	41	3%	
Registration	4,268	-2,855	1,413	-137	132	-5	0%	Shortfall in income from ceremonies offset by staff underspends
Trading Standards	4,313	-375	3,938	-301	58	-243	-6%	Staff vacancies
Policy & Resources	1,359	-77	1,282	-14	-42	-56	-4%	
Business Development Team	207	0	207	10	-1	9	4%	
Business Support	223	0	223	61	-92	-31	-14%	Income from Regional Training Fund and Trading Standards South East Ltd
Strategic Management	985	0	985	56	0	56	6%	
Centrally Managed directorate budgets	260	-951	-691	342	270	612	235%	Directorate costs with inadequate budget provision
Total Communities controllable	103,468	-51,517	51,951	1,815	-1,477	338	0%	
Assumed Management Action				-338		-338		
Forecast after Mgmt Action				1,477	-1,477	0		

1.1.3 Major Reasons for Variance: *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

1.1.3.1 Adult Education

The adult education service has made significant progress to address the deficits it has incurred in previous years arising from a combination of Page 6
 reductions in funding from the Learning and Skills Council in 2005/06 and 2006/07, and lower than anticipated enrolments in 2007/08. The service

has now agreed a budget plan to ensure expenditure does not exceed income in 2008/09 and to repay the £373k in year deficit made during 2007/08. To achieve this, the AE service will capitalise expenditure on the Education Business System which will be funded from a capital receipt from the sale of a redundant AE centre. This position is after the £750k virement from Finance portfolio to reflect the agreed recovery plan.

Enrolments for fee earning courses have improved since the last report but are still 6% less than the previous year. The impact on tuition fees is a reduction of 2% on the anticipated level (£198k). As a result the service has had to make compensatory savings on sessional staff and other expenditure headings to ensure targets on group sizes and a balanced budget can be achieved. Overall enrolments including non fee earning courses for family learning and literacy & numeracy are 5% up on the previous year and 2% ahead of target (see section 2.1).

The decline in fee earning enrolments is predominantly Adult Community Learning (ACL) courses where enrolments are down by 9%. Enrolments for fee paying FE courses have remained at the same level as last year. The biggest reductions are in ACL courses for leisure, travel and tourism and arts, media and publishing. ACL enrolments for languages, literature and culture have remained at the previous levels although FE enrolments in this curriculum area have reduced. There has been an increase in enrolments for FE courses covering preparation for life and work and information and communications technology.

1.1.3.2 Youth Service

The budget assumed that that the contract with Connexions to provide information, support and advisory services to young people would come to an end at the end of 2007/08. We have negotiated an extension with Connexions until the end of March 2009 with additional income and expenditure amounting to £475k. This contract may be extended further. The Youth Service has also received a contribution of £352k from CFE to support Positive Activities for Young People (PAYP). As with Connexions, PAYP has matching additional income and expenditure. Youth centres have succeeded in securing £350k from the Youth Opportunity Fund managed by young people through the Youth County Council, this is being spent on projects managed through local centre bank accounts.

1.1.3.3 Coroners

Despite providing an additional £200k into the budget in 2008/09 the Coroner's service continues to be overspent. The demands placed on Coroners to investigate deaths are increasingly more complex resulting in more long inquests and thus additional expenses for the Coroners and other costs associated with conducting inquests, currently forecast at an overspend of £129k. Coroners are also incurring additional expense for pathology fees (both as a consequence of investigating more cases and due to higher charges from hospital trusts) and for mortuary attendants totalling £89k. KCC has very little influence over the work of the Coroners and therefore little control over expenditure which is governed by the claims from Coroners themselves.

A Coroners Bill was announced in the Queen's speech and we are awaiting further details of the scope this will provide to make structural changes to make Coroners expenditure less unpredictable.

1.1.3.4 Libraries, Information and Archives

Income from the rental of audio visual materials in libraries has declined in recent years in line with changes in the market and despite the fact that action taken has slowed the decline the service has been unable to meet its income budgets. The service has explored other merchandising opportunities and this year is forecasting that it can make some additional income e.g. the sale of jute bags and Kent on Canvas, but overall will still fall short of income targets in the budget by £129k. (The graph in section 2.2 shows the shortfall on AV income as part of overall shortfall of £129k on all trading activities). However, there are additional costs of £117k associated with merchandising new products. In order to compensate for this, the service has had to make savings on staff and premises costs (mainly rate rebates).

The capital programme now includes the project management costs for the Envision programme to replace library IT systems and this is reflected in reduced revenue spending of £125k. The service has also received funding from Children Families and Education towards the National Year of Reading programme.

Overall the service is forecasting an underspend of £151k.

The Library Service has agreed to waive the fee for business information enquiries due to the current economic climate, this will have a very small impact on the income the service receives.

1.1.3.5 Trading Standards

Trading Standards have delayed recruiting to a number of posts during the year in order to retain/hold positions for trainees as they qualify, which has resulted in a saving of £235k. The service continues to experience severe difficulties in attracting qualified staff to Kent mainly due to a national skills shortage, for example recent advertising produced no suitable applicants and hence the continued reliance on appointing trainees and using their well established career grade scheme.

1.1.3.6 Registration Service

The Registration Service has not been able to achieve all the increased income target set in the budget. Although there was a significant increase in fee levels as we move towards covering the full cost of ceremonial services in KCC run establishments it was not possible to charge the increase to all customers as a significant number had already booked ceremonies prior to the fee increase being agreed. There is also evidence that as a result of the higher fees more couples are choosing the statutory service (where the fee is set by Government) or are choosing ceremonies in smaller rooms. The service has been able to offset the impact through using more full time staff to conduct ceremonies and from savings on pay and pension contributions for sessional staff.

1.1.3.7 Kent Drug and Alcohol Action Team

KDAAT has secured an additional £206k from East Kent Primary Care Trust to increase adult alcohol service provision in East Kent and an additional £291k from both Kent PCTs to provide targeted prevention services for young people and commission healthy schools programmes. Both of these have a net nil effect as spend is increased in line with the additional income. KDAAT has decided to not proceed with a number of planned programmes this financial year in light of anticipated commitments in the new financial year to support the Dual Diagnosis Service for Young People, this has resulted in a reduction in spend and income contributions of £142k.

1.1.3.8 Youth Offending Service

YOS has agreed to the secondment of a YOS officer to HMYOI Cookham Wood with the Prison Service. The Prison Service has agreed to provide £47k to back-fill the post.

Due to staff vacancies in posts in the Probation Service which would support the joint working arrangements between YOS and Probation Services, Probation has agreed to fund YOS £70k to cover the cost of agency staff to back fill these posts.

1.1.3.9 Central Budgets

There are a number of budgets which are managed centrally on behalf of the directorate rather than devolved to individual services. This includes expenditure on emergency building maintenance, directorate wide activities and projects, service level agreements and a range of specific projects that do not relate to individual services. Income from overhead recharges to Adult Education is also held centrally. The budget set for directorate wide activities and projects is unrealistic as it was based on activities before the new directorate was fully established. The income budget included unrealistic assumptions about the amount that could be raised by services within Communities to meet the full cost of the Policy and Resources Unit.

The central budget has also had to meet a number of unexpected costs which have arisen during the year including unforeseen redundancy costs for posts which were externally funded and therefore not eligible for funding from the Corporate Workforce Reduction Fund and the external funding has now ceased; backdated revaluations of rent and rates on Communities premises; Margate Big Event, and staff costs for key projects.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure/saving has an offsetting entry which is directly related)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CMY	Youth expenditure on connexions covered by increased income	+475	CMY	Youth external contributions for Connexions	-475
CMY	AE rolled forward deficit from 2007-08 due to lower than expected enrolments and restructure costs	+373	CMY	Transfer of expenditure for Education Business System within AE to capital programme	-373
CMY	Youth expenditure on Positive Activities for Youth People covered by contribution from CFE	+352	CMY	Youth - contribution from CFE for Positive Activities for Young People	-352
CMY	Youth centre projects funded from Youth Opportunities Fund	+350	CMY	Additional funding for youth centres from Youth Opportunities Fund	-350
CMY	KDAAT prevention and other young peoples services (funded by PCTs)	+291	CMY	KDAAT income from PCT for young peoples prevention and other services	-291
CMY	Central Budgets - Unrealistic income assumptions to meet the full cost of the Policy & Resources unit.	+290	CMY	Trading Standards staff underspends	-235
CMY	KDAAT Tier 2 alcohol services for adults (funded by PCTs)	+206	CMY	KDAAT income from PCT s for alcohol services	-206
CMY	Loss of tuition fee income due to lower than anticipated Adult Education enrolments on fee paying courses	+198	CMY	Reduced expenditure within AE on sessional staff and other budget headings in response to lower than anticipated enrolments	-198
CMY	Central Budgets: Unrealistic budgets set for directorate wide activities & projects	+189	CMY	Library rate rebates	-149
CMY	KDAAT reduction in income for other agencies for young peoples services	+142	CMY	KDAAT reduced spend on young peoples services in line with reduced contributions	-142
CMY	Registration shortfall in income	+137	CMY	Registration sessional staffing	-128
CMY	Coroners long inquests payments	+129	CMY	Libraries capitalisation of Envision project management	-125
CMY	Libraries shortfall in trading income from AV material, merchandising products and other income	+129	CMY	YOS additional income from Probation & Prison Service	-117
CMY	YOS additional spending to back-fill posts funded by Probation & Prison Service	+117			
CMY	Libraries merchandising purchases	+117			
		+3,495			-3,141

1.1.4 Actions required to achieve this position:

1.1.4.1 The Adult Education Service has developed a financial recovery plan to address previous years' deficits and to ensure that in future it can respond more quickly to changes in income. Particular actions include:

- a review of terms and conditions for sessional lecturers so that their hours can be reduced without the individual having the right to redundancy benefits
- a reduction in fixed overheads through staff savings on management and administration
- significant progress in setting local managers increased targets for student numbers on individual courses to make courses financially viable
- review of course fees, freezing fees at 2007/08 levels for existing courses, and introducing a wider range of premium courses where the fees paid by students cover the full cost of courses
- transfer expenditure on Education Business System to the capital programme, to be funded by a combination of revenue contribution and proceeds from sale of redundant AE centre

These actions will resolve the deficit accrued in 2007/08 due to lower than expected enrolments and restructure costs.

The Adult Education service has also launched the TALENT programme which includes a review of terms and conditions for staff including a rationalisation of contracts, a review and clarification of staff structures and the implementation of a talent management process to ensure professional development of staff and succession planning.

- 1.1.4.2 The Youth Offending Service has taken further management action through vacancies and better use of joint funding arrangements to stay within its net budget. The County Youth Justice Board did not accept a recommendation that we should approach partners for additional funds to address budget pressures and that the service would have to agree a strategy to balance the budget. This has now been achieved and the consequences reported to the board.
- 1.1.4.3 The Arts Development Unit has completed a major staff restructuring to deliver the efficiency saving and staffing reductions assumed in the budget.
- 1.1.4.4 The Registration Service has increased charges for non statutory services by an average of approximately 45% in order to deliver the increased income agreed through medium term financial plan. The latest evidence is that this has started to have an impact on customer choice and we are carrying out an investigation.
- 1.1.4.5 Community Safety has ceased grants to Crime and Disorder Reduction Partnerships for community safety projects. This was taken as a saving in the 2008-11 MTP. This has not been well received by some partnerships although KCC remains committed that our priority for supporting crime and disorder reductions is through the warden service.

1.1.5 Implications for MTP:

The ongoing pressures faced by the Coroners Service and the full year impact of the recent fuel and electricity price rises remain the main additional medium term financial pressures for the portfolio. These have been reflected in the 2009/10 budget and 2009/12 medium term financial plan agreed by County Council on 19th February.

The shortfalls in the central budgets for directorate wide activities and projects and income have been addressed in setting the 2009/10 budget by reviewing the recharges to individual services.

1.1.6 Details of re-phasing of revenue projects:

N/A

1.1.7 Details of proposals for residual variance:

Compensatory savings elsewhere within the Coroners and central budgets are unlikely unless demands on services reduce. We are working with the individual Coroners to identify the underlying reasons for different patterns of investigations but this is unlikely to result in significant savings. We are working with other local authorities to lobby the Local Government Association for additional government funding to resolve the situation but in the meantime we will be looking to identify savings in other services to offset the Coroners overspend.

To balance the overall portfolio budget we have made further savings on staffing budgets through holding posts vacant for the remainder of the year wherever possible. There is still a reasonable level of staff turnover and we will look to manage vacancies through covering work with existing staff rather than recruiting new staff. Nonetheless, we have not been able to resist filling all posts and do not want to introduce a mandatory vacancy freeze. We have agreed with heads of service that they reduce spending on non essential non staffing budgets along the same lines as those achieved in 2007/08 to balance the portfolio budget this year. We are confident that a balanced outturn position will be achieved.

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The capital cash limits have been adjusted to reflect the position reflected in the 2009-12 MTP as agreed by County Council on 19 February 2009. However, these differ from the cash limits shown in 2009-10 Budget Book, as the cash limits reflected in this report only include those projects starting in the current or previous years, whereas the cash limits in the 2009-10 Budget Book also include projects due to start in future years of the 2009-12 MTP.

In addition, there has been a further change since the budget was agreed:

	2008-09	2009-10
	£000s	£000s
▪ Capitalisation of ISG staff costs directly attributable to the Renewal of Libraries ICT project to be funded from prudential borrowing	100	25

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position.

	Prev Yrs Exp £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	Future Yrs £000s	TOTAL £000s
Communities Portfolio						
Budget approved at Cty Council	17,627	11,175	23,575	5,912	8,202	66,491
Adjustments:						
- Renewal of Libraries ICT system		100	25			125
-						0
Revised Budget	17,627	11,275	23,600	5,912	8,202	66,616
Variance		-2,475	+528	+2,120	-44	+129
split:						
- real variance		+129	0	0	0	+129
- re-phasing		-2,604	+528	+2,120	-44	0
Real Variance		+129	0	0	0	+129
Re-phasing		-2,604	+528	+2,120	-44	0

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2008-09 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£'000s	£'000s	£'000s	£'000s
Overspends/Projects ahead of schedule						
CMY	Ramsgate Library - insurance betterment	Real Phasing		+235 +200		
CMY	Modernisation of assets	Phasing Real	+216 +80			
			+296	+435	-0	0
Underspends/Projects behind schedule						
CMY	Turner Contemporary	Phasing		-1,619		
CMY	Contribution to The Marlowe Theatre	Phasing			-1,000	
			0	-1,619	-1,000	0
			+296	-1,184	-1,000	0

1.2.4 Projects re-phasing by over £1m:

1.2.4.1 Turner Contemporary – slippage £1.619 million

The previous forecast was based on the estimated schedule of payments for the main building contract produced by the architect's quantity surveyors. This assumed that work would commence on site at the end of October/early November. In the end the contract was not concluded until the end of November and work commenced on site in December. £1.619m slippage represents 9.3% of the total value of the scheme however, despite this slippage the project is still on schedule to be completed in 2010 with an official opening in spring 2011. Revised phasing of the scheme is now as follows:

Project: Turner Contemporary

	Prior Years	2008-09	2009-10	2010-11	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
BUDGET & FORECAST						
Budget	1,329	3,289	10,512	2,048	222	17,400
Forecast	1,329	1,670	9,951	4,272	178	17,400
Variance	0	-1,619	-561	+2,224	-44	0
FUNDING						
Budget:						
prudential	1,079	3,289	7,962	-3,812	-2,118	6,400
other external	250		2,550	5,860	2,340	11,000
TOTAL	1,329	3,289	10,512	2,048	222	17,400
Forecast:						
prudential	1,079	1,670	7,401	-1,588	-2,162	6,400
other external	250		2,550	5,860	2,340	11,000
TOTAL	1,329	1,670	9,951	4,272	178	17,400
Variance	0	-1,619	-561	+2,224	-44	0

1.2.4.2 Contribution to the Marlowe Theatre – slippage £1.0 million

This contribution will support the redevelopment of the Marlowe Theatre by Canterbury City Council. This is purely a timing issue regarding when our contribution to the project is required. The main contractors are due to be appointed shortly and construction is to commence in April 2009. There are no financial implications for KCC because it is a City Council project.

Project: Contribution to the Marlowe Theatre

	Prior Years	2008-09	2009-10	2010-11	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
BUDGET & FORECAST						
Budget		1,000	1,000			2,000
Forecast		0	2,000			2,000
Variance	0	-1,000	+1,000	0	0	0
FUNDING						
Budget:						
capital receipts		1,000	1,000			2,000
TOTAL	0	1,000	1,000	0	0	2,000
Forecast:						
capital receipts			2,000			2,000
TOTAL	0	0	2,000	0	0	2,000
Variance	0	-1,000	+1,000	0	0	0

1.2.5 Projects with real variances, including resourcing implications:

- Modernisation of Assets – ‘overspend’ of £80k for the Dover Big Screen project. This will be funded £75k from revenue and £5k external funding.
- Adult Education Purpose built accommodation at Canterbury High School – final account cost apportionment now being agreed with the school will result in an estimated £210k underspend this year. However, £160k of this needs to be written off against previous external funding from the school as otherwise it will be double counted in KCC’s consolidated accounts. The net effect on resources therefore will be some £50k saving this year, some of which is being used to offset a pressure on Ramsgate Library (see (e) below), leaving a £32k saving which will reduce our prudential borrowing requirement.
- Archives Development costs – overspend in 2008-09 of £78k as a result of site investigation and legal costs incurred to develop the detailed 2009-10 Kent History Centre project proposals. This overspend will be rolled forward and netted off against the Kent History centre budget (as it is a 2009-10 start it is not included in the current programme).
- Herne Bay Youth & Children’s Centre – under spend of £54k. The project is complete and the final cost will be £860k some £54k under budget which will offset a reduction in developer contribution receipts.
- Ramsgate Library betterment – overspend in 2008-09 of an estimated £235k as a result of delays during construction, some design changes and additional fees as a result of higher overall cost. The full costs will be incurred in 2008-09 and none are now expected to fall in 2009-10. KASS acquired the former Newington library site from Communities at a valuation of £340k provided by an independent valuer. This is providing £217k additional funding to offset against this overspend, with the balance to be found from the savings arising from the Canterbury High School project.

After allowing for these funding issues the true underlying variance is -£32k.

1.2.6 General Overview of capital programme:

(a) Risks

- Ashford Gateway Plus
 - Outstanding planning/design issues may delay project and/or increase costs.
- Gravesend Library
 - There are outstanding issues to resolve with design/listed building consent as this is a Grade II listed building. Planning issues and listed building consent delays may increase project costs, which will have to be accommodated within the overall project budget.
- Turner Contemporary
 - External funding from ACE and SEEDA will not be provided pro rata to spend as had been expected. This requires upfront funding by KCC in advance of receipt of these funds which is now reflected in the revised budget. The impact of the latest slippage is to reduce from £5.93m the upfront funding to the current estimate of £3.75m over 2 years.

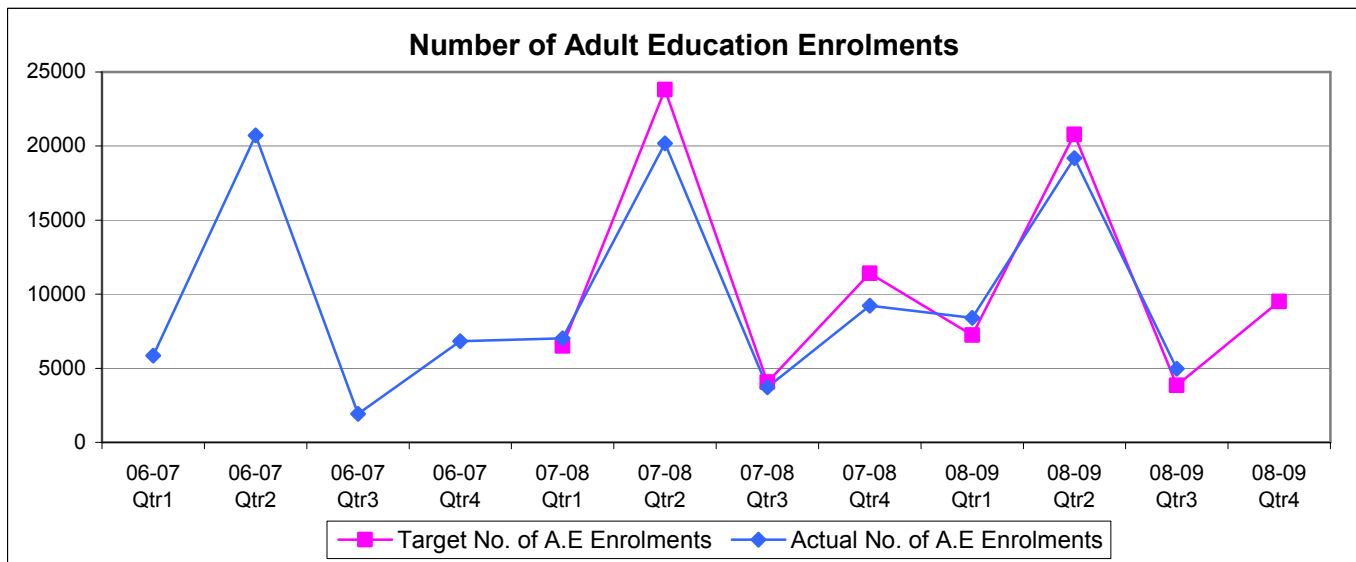
(b) Details of action being taken to alleviate risks

- Ashford Gateway Plus
 - Urgent detailed discussions continue with all parties, including the design team. Agreement has been reached with ABC but further work is being undertaken with CABE (Commission for Architecture in the Built Environment), prior to the planning application being submitted.
 - A continuing dialogue with the Chief Executive of Ashford's Future and English Partnerships is in place to ensure that, as far as possible any necessary support is secured.
- Gravesend Library
 - A planning consultant has been appointed to support the project and to resolve outstanding concerns with Gravesham BC and an employers agent will now see the project through from the planning stage to completion on the basis of design and build.
- Turner Contemporary
 - ACE and SEEDA funding agreements due to be signed imminently. Both ACE and SEEDA will provide £525k six months after construction starts (planned May 2009) and a further £750k half way through construction (planned October 2009). They will pay a further £1,480k on completion of construction (planned May 2010) and the balance (£1,095k ACE and £1,245k SEEDA) 6 months after opening (planned April 2011). We are expecting to claim the remaining £2.9m of external funding required for the project from the Turner Contemporary Arts Trust during 2010-11.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of Adult Education Enrolments:

	Financial Year				
	2006-07		2007-08		2008-09
	A.E Enrolments	Target	A.E Enrolments	Target	A.E Enrolments
Q1 07-08	5,849	6,501	7,030	7,241	8,416
Q2 07-08	20,713	23,803	20,183	20,788	19,179
Q3 07-08	1,925	4,071	3,727	3,839	4,961
Q4 07-08	6,829	11,416	9,230	9,507	
TOTAL	35,316	45,791	40,173	41,375	32,556

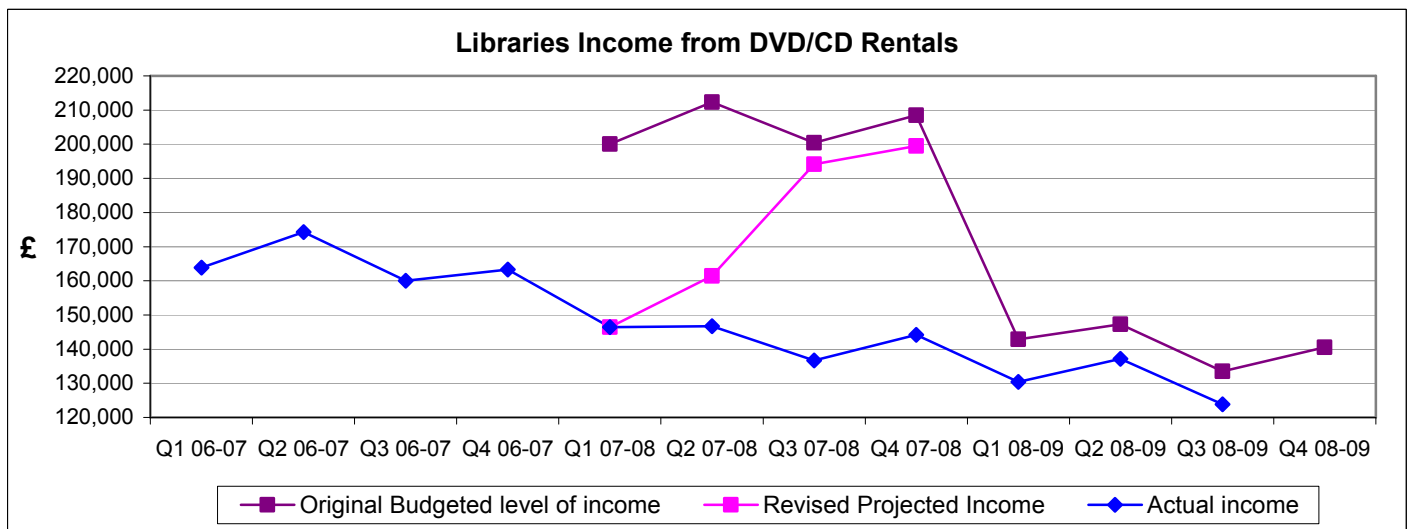
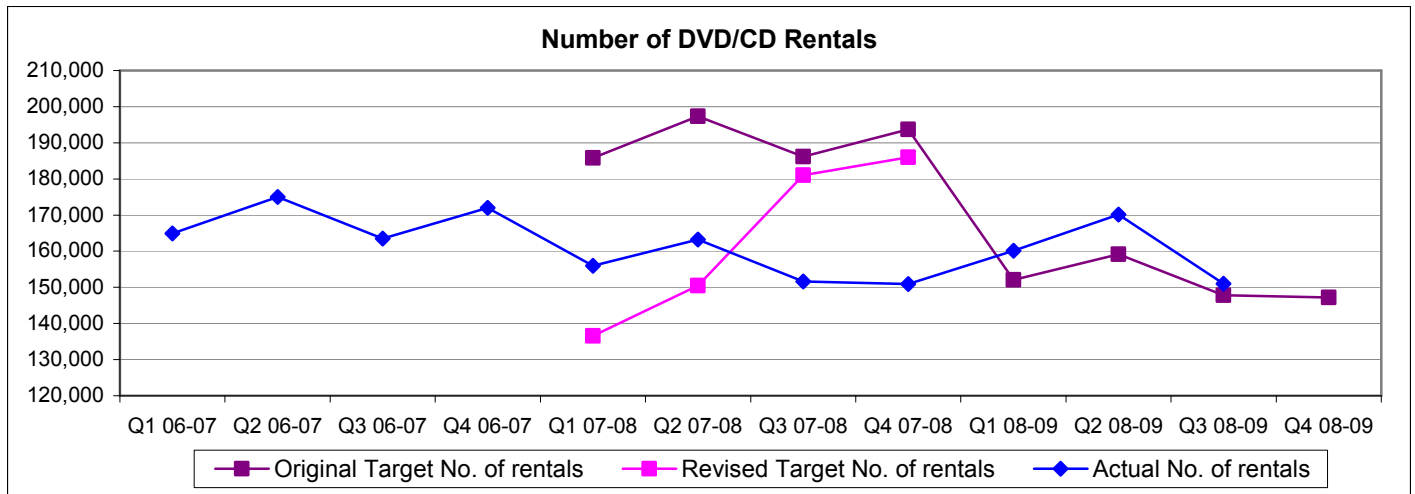


Comments:

- The LSC grants depend partly on enrolments to courses and are subject to a contract agreement with LSC. Students taking courses leading to a qualification are funded via Further Education (FE) grant based upon the course type and qualification. However, students taking non-vocational courses not leading to a formal qualification are funded via a block allocation not related to enrolments, referred to as Adult and Community Learning Grant (ACL) grant.
- Students pay a fee to contribute towards costs of tuition and examinations. There is a concession on ACL tuition fees for those aged under 19, those in receipt of benefits and those over 60. FE courses are free for those aged under 19 or in receipt of benefits undertaking Basic Skills or Skills for Life Courses.
- The AE service reduced expenditure on course provision in 2007-08 as a result of lower than anticipated enrolments, however a residual pressure remained on the AE budget which was largely as a result of a reduction in tuition fee income due to the reduced enrolments, hence a rolled forward overspend of £0.373m into 2008-09.
- The target numbers of enrolments for 2008-09 reported in the outturn report to Cabinet on 16 June were indicative as they still needed to be negotiated and agreed with the LSC. The indicative figures were based on estimates used for curriculum plans to set the 2008-09 budget. The target numbers now reflect the figures agreed with the LSC, the overall total remains the same as previously reported but the profile across the four quarters has changed.
- The target enrolments relate to courses starting in the stated periods i.e. April to June, July to September, October to December, January to March. The actual enrolments similarly relate to courses starting in those periods. In some instances students enrol for courses after the course has started. This means that the actual enrolments may be different from those previously reported. This is especially the case in the autumn when significant numbers may enrol in October or November for courses that started in September.

2.2 Number of Library DVD/CD rentals together with income raised:

	2006-07		2007-08						2008-09			
	No of rentals	Income (£)	No of rentals			Income (£)			No of rentals		Income (£)	
	actual	actual	Budgeted target	revised target	actual	budget	revised projected income	actual	Budgeted target	actual	Budget	actual
April–Jun	164,943	163,872	185,800	136,556	155,958	200,000	146,437	146,437	152,059	160,162	142,865	130,379
July–Sep	174,975	174,247	197,300	150,500	163,230	212,300	161,390	146,690	159,149	170,180	147,232	137,132
Oct–Dec	163,470	160,027	186,200	181,000	151,650	200,400	194,096	136,698	147,859	150,968	133,505	123,812
Jan–Mar	171,979	163,269	193,700	186,000	150,929	208,500	199,458	144,136	147,156		140,533	
TOTAL	675,367	661,415	763,000	654,056	621,767	821,200	701,381	573,961	606,223	481,310	564,135	391,323



Comments:

- Target figures for 2006/07 have not been shown as this data was not presented in previous monitoring reports
- Rentals of audio visual materials (especially videos and CDs) continue to decline as videos become more obsolete and alternative sources for music become more widely available. Demand for DVDs has remained reasonably stable. Demand for spoken word materials has increased but these do not attract a loan charge as they replace the core service (the printed word) for people with a visual impairment, hence why rentals are above target but income is below.
- Targets and income budgets set for 2008-09 are based on a continued decline. The service has increased income from other merchandising to offset the loss of income from AV issues which is not included in these figures.
- The actual number of rentals includes those from visits to lending libraries, postal loans and reference materials

APPENDIX

Select Committee – Provision of Activities for Young People (Somewhere to Go , Someone to be)

March 2009

I Executive Summary

Committee membership

The Select Committee consisted of six Members of the County Council, five Conservative and one Liberal Democrat. The committee also had the assistance of labour representative Mr Terry Birkett.

Kent County Council Members (County Councillors):



Alan Chell



Jeff Curwood



Godfrey Horne



Michael Northey



Geoff Rowe



Elizabeth Tweed

The Terms of Reference

1. To explore national and local policies and strategies in relation to the provision of (leisure-time) activities for young people.
2. To examine recent consultations and consult with young people during the review, with an emphasis on young people who may not currently engage with services, and motivational aspects.
3. To explore how the range of activities available to young people is communicated to them and whether there are opportunities to make this communication more effective
4. To examine collaborative and partnership work taking place between KCC and other organisations particularly through Youth Advisory Groups, and any opportunities to develop this further.
5. To examine whether existing funding streams for provision of activities for young people could be used more creatively to benefit young people and communities.

Evidence gathering

The Select Committee gathered evidence through desk research and received evidence in person and in writing from a range of stakeholders including young people, the Youth Service, the Youth Offending Service, Environment & Regeneration, Children, Families and Education Extended Services, District Councils and the voluntary sector. The original aim to include an in-depth look at Youth Advisory Groups was scaled down due to the appointment of an independent consultant to carry out a simultaneous review.

A list of the witnesses who attended Select Committee hearings is at Appendix 1. A list of those submitting written or supplementary evidence is at Appendix 2. Details of visits carried out are at Appendix 3.

Reasons for establishment of the Select Committee

The Select Committee was formed in response to concerns that young people are increasingly being acted against rather than provided for and that information about activities provision could be made more inclusive.

The review has looked at:-

- activities on offer to young people and how this is communicated
- barriers to access
- motivational aspects
- multi-agency work and funding

Introduction

This is the first select committee to have been appointed by the Communities Policy Overview Committee. 'Communities' is the Kent County Council Directorate in which Kent Youth Services and KDAAT 'sit'. In many other council areas youth services are under the same management as Children, Families and Education but in Kent this is a very large directorate, covering all of education and children's social services and it was felt that keeping them separate would help the council to focus on many of the issues that affect young people and their communities as they grow up.

At the same time, having Integrated Youth Support Services means that all the people involved in youth provision will in future meet, talk and work closely together to make things better for young people and one aspect of this is the provision of positive activities.

There have been other Kent select committees which have looked at the topic of activities such as 'Transition' in April 2007, as well as those which have looked at other important issues affecting people (including young people) such as the Alcohol Misuse Select Committee in 2008. This work was carried out because there were serious concerns about the damage alcohol can cause to people's health and wellbeing and its terms of reference included looking at vulnerable groups (people who are often badly affected), one of which was young people. The report said that one of the reasons for alcohol misuse among young people was having 'nothing else to do'. Some of the report's recommendations and those of other recent KCC select committees are given at the end of this report in Appendix 4.

Members of this committee decided not to focus just on the work of the Kent Youth Service (KYS) since independent consultants BMG carried out detailed research and published a report in 2008 and Ofsted¹ also inspected and reported on KYS in June 2008. It was decided instead to look at what kinds of activities are on offer in Kent, where they are, how young people find out about what's on and what might be stopping them from taking part.

¹ Office for Standards and Education

Kent has a variety of leisure opportunities provided by all sorts of organisations: this ranges from activities anyone could take part in, to those aimed specifically at young people or particular groups of young people. It is not too surprising to find out that young people from less well-off backgrounds and those who are no longer at school, are less likely to participate in positive activities². Apart from that, there are many young people who would like to take part in more leisure activities but can't because of their family situation, or other obstacles such as being disabled or having caring responsibilities, a lack of things to do locally, the cost of taking part, and the availability and cost of transport. Sometimes it's as simple as just not knowing what is around. Therefore we have looked at ways of communicating with young people about what is on offer and how young people with different needs and wants can be encouraged and enabled to participate.

Statistics about the population in different parts of the county can be useful in helping to decide where services should be and people from different organisations can put their knowledge together to help managers to identify where the gaps are, and plan services for the future. It also helps when different organisations put their money together to provide something that young people really want and need – and they only find out what this is by listening to experts, and of course this includes young people themselves. The most important thing is that, because all young people are individuals, there need to be plenty of different things to do. This means that the County Council, district and borough councils, the voluntary and community sector, and private organisations must all work together, and must communicate with young people all the time.

Many youth projects are now funded through the Youth Capital Fund and Youth Opportunity Fund and this gives young people lots of control and choice since they are involved in projects from start to finish.

Another thing which concerned the members of this committee was that many people seem to have a poor opinion about young people because of the kinds of negative stories and images that are always in the news. There is a lot of evidence to suggest that this view is not at all fair or balanced and that there are far more young people acting positively and doing constructive things for themselves, and to

² Policy review of children and young people – A discussion paper, HM Treasury, 2007

contribute to their communities. We therefore also looked at actions that could be taken to bring back some balance and to give people (including young people themselves) a more realistic view. A list of the recommendations that are made in the report is shown on the next few pages.

Recommendations

Recommendations are numbered according to their sequence in the report but the ten which select committee members believe to be most important are shown first, in bold print. The Chairman will also be consulting with young people to find out which recommendations they feel will make the most significant difference in Kent, given the financial constraints which currently prevail.

R2 That KCC particularly through the Kent Youth Service and Extended Services continue to encourage and support schools in their efforts to develop extended services that compliment and supplement those already available in their local communities as an essential part of Integrated Youth Support in Kent.

To facilitate this, the Extended Services Team should explore how available funding could be utilised to ensure that schools are supported in their efforts to develop up to and beyond the core level of extended services by, for example:

- making extended school co-ordinators or community youth tutors available in more schools**
- with colleagues in the Youth Service, developing expertise among School Governors and Head Teachers by providing training/presentations on extended service development and community engagement**
- ensuring that information about extended services within Local Children's Services Partnerships (LCSPs) is gathered, recorded and made available to the public through various media (as outlined elsewhere in this report) and taken into account as an integral part of the Youth Strategy in every district**
- with Youth Service Colleagues, encouraging and assisting schools to ensure there is effective and ongoing consultation with local communities (beyond the immediate school population) about the development of extended services**
- ensuring that the allocation and distribution of funding for extended services (routed LCSPs) is clearly recorded and made available to assist with planning for service provision within local communities.**

R3 That KCC together with district and borough councils should:

a. proactively engage with rail travel providers in Kent to determine the feasibility, cost and business benefits of incorporating off-peak rail travel into the Freedom Pass to enable more young people to make use of existing activities and facilities.

b. proactively engage with bus travel providers to determine the feasibility, cost and business benefits of adding integrated (perhaps specific nights of the week) later bus services to enable more young people to make use of existing activities and facilities.

c. consider the benefits and potential cost savings of combining the Freedom Pass with any (future planned) Leisure Card and for example, Library card. This should be considered alongside the concept of rewards for positive activities (e.g. encouraging use of healthy activities). (p53)

R4. a. That to fully utilise available transport KCC directorates should co-operate to produce a register of passenger carrying vehicles (minibuses) that could potentially be shared with the youth service and/or voluntary sector organisations for individual trips or on a more regular basis and that guidelines be produced for the use of such vehicles.

b. That the Youth Service liaise with the Rural Regeneration Officer to determine whether links could be made to existing community transport schemes to provide assistance with transporting young people to leisure activities, or to investigate whether any joint funding arrangements could be of benefit.

c. That there be a drive to recruit certified PC V drivers employed by KCC and partner organisations in Kent to register for occasional voluntary driving duties (subject to satisfactory CRB disclosure being in place) to assist the Youth Service's provision of sports/leisure activities to young people. Once established the Youth Service should assess the viability of extending the scheme to include affiliated and non-affiliated voluntary organisations. (p55)

R6 That KCC (Youth Service and others) should work with district partners including those in the voluntary and community sector to build upon the success of events such as Gifted Young Gravesham, those organised by Blade and Youth of Generation and explore opportunities to hold similar events elsewhere in the county. (p73)

R7 That KCC adopts a policy of promoting positive language, perceptions and expectations of young people in all KCC publications and communications and encourages and engages with partners and the media to further this aim. (p77)

R8 a. That meetings which are to involve young people are planned and structured in a young person-friendly format.

b. That Youth Advisory Groups focus on strategic planning in their districts and extend invitations to, and renews efforts to engage, private and voluntary sector facility and activity providers as well as potential funders, in

order to create opportunities for mutually beneficial discussions at YAG meetings.

c. That KCC Members be encouraged to contribute towards local young people's transport funds from Members' Community Grants (and other available sources) to finance organised trips for young people from their local area, focusing on those who attend youth groups and projects. (p90)

R12 a. Development of Togogo could include:

- Clear links to leisure listings for specific areas of interest such as cycling, parks, sports
- Times dates of meetings/venue contacts
- How to contact local Kent Youth County Councillor and Local Members of the County Council (by postcode look-up)
- The facility to vote on youth-related proposals
- Continually providing the opportunity for and proactively seeking out private and voluntary providers to invite listing
- Interactive local maps showing private/voluntary/LA provision
- Requesting that schools signpost Togogo on pupil VLEs (virtual learning environments screensaver and enabled in favourite sites) thus reaching every schoolchild
- Advertising Togogo on the Freedom Pass/Kent Travel Card/Library Card
- Allowing additional and selected advertising on the website (directly leisure related) to generate revenue and show discount offers.
- Liaising with the Children's Disability Register co-ordinator to ensure that views and experience of disabled young people and their families help to make the site informative and relevant.

b. Following an initial reluctance by young people to engage with Togogo its effectiveness in reaching a range of young people from different areas and backgrounds should be measured before and after development of the site by using Mosaic to analyse users registering on the site with a postcode. (p104)

R13 That KCC Innovations Team works with young people, supported by professional advisers to produce a policy and guidelines for the safe use of social networking sites (Facebook, Bebo etc) by young people, and that KCC work towards developing protocols for effective and appropriate use of social networking sites by youth work practitioners, other KCC staff and Members as well as members of Kent Youth County Council. (p106)

R15 That KCC should consider providing support to Oi! (provided there is a sustainable business plan) to enable more young people to benefit from the work experience and personal development it offers and for the magazine to reach and involve a greater number of young people across the county. This support might take the form of a regular advertising slot paid for by the Kent Youth Service and other directorates/service (particularly CFE Extended Services) to: publicise activities and the availability of other local youth provision, and get across important messages e.g. links to advice on internet safety. (p108)

R16 That the Youth Service increases its engagement with the diverse range of services provided by the voluntary and community sector to ensure that the contribution of this sector can be fully acknowledged, mapped and taken into account in planning positive activities within an area. (p114)

R1 That, as part of the comprehensive review of community library services, Libraries and Archives consider the role of mobile libraries as a means of engaging more young people in positive activities, and whether a change of timetable is a practical way of facilitating this. (p40)

R5 That the Youth Service and in particular the Diversity Team should liaise with the Analysis and Information Team to determine how Mosaic could enhance their work in terms of community profiling and targeting information. That the Analysis and Information Team determine whether Mosaic could incorporate data on Traveller communities. (p58)

R9 a. That projects with an intergenerational theme should receive a high priority in decisions about funding in Kent in order to break down barriers and build community cohesion.

b. That KCC should consider how intergenerational activity could be supported in other ways such as through the Staff Club and Staff Discount schemes. (p92)

R10 That there should be increased opportunities for well motivated young people to shadow community leaders in order for them to gain experience of political life and leadership and that Members of Kent County Council should take a lead in facilitating this. (p93)

R11 That Kent TV continues to provide young people with the opportunity to broadcast their interests and concerns and gain experience of TV and film production through the apprenticeship programme and the development of a dedicated broadcasting unit. (p99)

R14 That KCC should investigate the implementation of an SMS texting service to notify young people of discounts and offers of free access to leisure activities. (p107)

R17 That KCC, with its partners, considers how to increase the proportion of activities, as well as information advice and guidance, provided to young people in young-person centred surroundings, in locations accessible during evenings/weekends.(p116)

This page is intentionally left blank