

To: Communities Policy Overview and Scrutiny Committee

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

Date: 16th September 2010

Subject: Financial Monitoring 2010/11

Classification: Unrestricted

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 and Scrutiny Committees (POSCs) consider priorities for the Medium Term Plan (MTP) at their November meetings and the draft MTP and annual budget at their January meetings. To inform discussion, three reports are presented to the Committee on a regular basis:

a) Budget Monitoring reports

A quarterly budget monitoring report is presented to Cabinet, usually in September, December and March and the Communities' annex to those reports is on the agenda of this Committee at the next available meeting. This keeps Members informed about current trends, pressures and management actions in advance of the next year's budget setting.

b) Performance reports

Reports are also brought to POSCs throughout the year advising Members of performance against national indicators, the Local Area Agreement and Towards 2010 targets, operational business activity and any external inspection reports.

c) Outturn report

The outturn report in July summarises financial and performance information for the preceding year.

3 Quarterly monitoring report

3.1 Attached is the monitoring report for the first quarter in 2010/11 for the Communities portfolio. The main points are highlighted below.

3.2 Revenue

The latest forecast outturn for Communities, based on June's outturn, is a forecast underspend of £0.055m, as reported in September's monitoring report to Cabinet.

At our previous POSC we had forecast a balanced position. The main components of the movement to this net £0.055m underspend position are set out below:

3.2.1 Coroners: + £0.095m

The main pressures prevalent in prior years have continued into the current year, with further pressures on long inquests and mortuary costs due to an increase in the number of deaths that require investigation.

As reported to previous POSCs, it is becoming increasingly difficult to influence or control expenditure in the Coroner service. The current situation is being further exacerbated by the reluctance of one coroner – for Quarter 1 of 2010/11 – to use the in-house Kent Scientific Services for its tissue testing, instead choosing to employ the services of an external provider.

3.2.2 Community Safety Partnership: - £0.046m

The service is forecasting an underspend with regard to staffing costs as a small number of Community Wardens left their post in-year and the service is not expecting to recruit for the remainder of the year given the financial pressures that are being faced. Normal service will continue however as "floating support" wardens, as an interim measure, will take on the duties of the departed wardens.

3.2.3 Trading Standards: - £0.052m

A forecast underspend is being reported by the unit, due to the anticipation that vacancies will be held for the remainder of the year.

3.2.4 Registration: - £0.028m

An underspend is being forecast in respect of reduced spend on staff pay and premises costs as part of the recent management restructure.

3.2.5 Kent Scientific Services: + £0.018m

The pressure is in relation to the service's prediction of its inability to meet the income targets established in the previous MTP, given the current outlook in the economy. This is being offset by reduced spend on staff and premises costs.

3.2.6 Youth Service - £0.022m

The forecast underspend can be attributed, in the main, to reduced staff costs which have been achieved by bringing forward a small restructuring programme.

3.3 **Capital**

3.3.1 The portfolio forecasts an underlying budget variance of nil. There are, however, a few variances of note:

3.3.2 Modernisation of Assets: +£24k (2010-2011)

An overspend is predicted but this had been fully funded from revenue contributions and is therefore more of a revision to the programme of expenditure as opposed to spending beyond the budget's means.

3.3.3 Edenbridge Centre: + £830k (2011-2012)

The increase in gross expenditure from that previously included within the capital programme is due to a revision and enhancement of the project specifications.

These variations are as a result of more partner agencies becoming involved with the project and the additional costs are fully funded by these partners. They are derived from a variety of sources including developer and partner contributions, as well as contributions from Libraries and Youth Service units.

3.3.4 The remaining projects underway, such as Ashford Gateway Plus, Turner Contemporary, Kent History & Library Centre and Gravesend Library are all progressing well and are on budget.

4 **Recommendations**

4.1 Members of the POSC are asked to note the projected outturn figures for the directorate for 2010/11 based on the first quarterly monitoring report to Cabinet.

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Appendix:

The Communities annex to the 2010/11 quarter one budget monitoring report to Cabinet on 13 September 2010