

**TO: Corporate Policy Overview & Scrutiny Committee –  
12<sup>th</sup> November 2010**

**BY: Paul Carter, Leader  
Alex King, Deputy Leader  
John Simmonds, Cabinet Member for Finance  
Roger Gough, Cabinet Member for Corporate Support  
Services & Performance Management  
Alan Marsh, Cabinet Member for Public Health &  
Innovation  
Katherine Kerswell, Group Managing Director**

**SUBJECT: Financial Monitoring 2010/11**

**Classification: Unrestricted**

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**Summary:**

Members of the POSC are asked to note the budget monitoring exception report, based on the monitoring returns for August, as reported to Cabinet on 11<sup>th</sup> October 2010.

**FOR INFORMATION**

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**1. Introduction**

- 1.1 This is a regular report to this Committee on the forecast outturn for Chief Executive's Department and Financing Items budgets within the Corporate Services portfolios

**2. Background**

- 2.1 A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. These reports outline the full financial position for each portfolio and are reported to POSCs after they have been considered by Cabinet. In the intervening months an exception report is made to Cabinet outlining any significant variations from the quarterly report.

2.2 The first full monitoring report for 2010-11 was presented to Cabinet in September. The position for the Chief Executive's Department and Financing Items was reported to this POSC at its last meeting. This report is based on the exception report to Cabinet on 11<sup>th</sup> October.

### **3. Revenue**

#### **3.1 Finance portfolio:**

A £152k underspend is forecast this month on leasing costs. However, we have received an application from Contemporary Coast, the working title for the Creative Foundation and Turner Contemporary partnership, for funding to develop their joint marketing plan to position East Kent as an exciting destination and maximise opportunities to attract new contemporary art audiences to Margate and Folkestone. Cabinet has approved that £75k of the underspend within the Finance portfolio is vired to the Arts Unit within the Communities portfolio to contribute towards the Contemporary Coast marketing campaign.

3.2 At this stage, no new variances have been identified within CED revenue budgets since the last report to this POSC on 24<sup>th</sup> September 2010.

### **4. Capital**

#### **4.1 Corporate Support & Performance Management portfolio:**

The forecast for the portfolio has moved by -£1.458m since last month. The main variances are detailed below:

- Sustaining Kent – Maintaining the Infrastructure (-£1.076m rephasing): Unified Communications contract will be let later this year. The capital expenditure will not be made until 2011-12 as the solution requires extensive set-up and testing by the contractor prior to our acceptance of the solution and delivery of the hardware.
- Oracle Self Service (-£0.125m rephasing): the delivery timescales for continued development of manager self service and additional employee self service functions have had to be re-profiled as a result of all available resources being used for the Oracle Release 12 implementation.
- Oracle Release 12 (-£0.300m rephasing): the 'go live' date for the upgrade of Oracle (Financials/HR/Payroll) to Version 12 is still scheduled for the end of October/beginning of November 2010 but because of issues with the delivered software upgrade provided by Oracle it has been necessary to reschedule some of the associated work. This work is to ensure that KCC derives the full benefit of the improved functionality of the upgraded system and reduce maintenance costs associated with current bespokeing of some of the modules.

- Workplace Transformation (formerly Better Workplaces) (+£0.106m rephasing): At this stage, it appears that additional capital spend will be needed in 2010-11 in order to relocate displaced staff from 17 Kings Hill Avenue.

Overall this leaves a residual balance of -£0.063m.

## **5. Recommendations**

- 5.1 Members of the POSC are asked to note the forecast budget variances for the Chief Executive's Department for 2010/11 based on the August exception monitoring report to Cabinet.

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### **Background Documents:**

Cabinet 11<sup>th</sup> October 2010; Revenue & Capital Budget Monitoring Exception Report