

**TO:** Corporate Policy Overview & Scrutiny Committee –  
3<sup>rd</sup> November 2011

**BY:** Paul Carter, Leader  
Alex King, Deputy Leader  
John Simmonds, Cabinet Member for Finance and  
Business Support  
Roger Gough, Cabinet Member for Business Strategy,  
Performance and Health Reform  
Katherine Kerswell, Group Managing Director

**SUBJECT:** Financial Monitoring 2011/12

**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 17<sup>th</sup> October 2011.

**FOR INFORMATION**

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**1. Introduction**

1.1 This is a regular report to this Committee on the forecast outturn for Business Strategy & Support Directorate 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 2011-12 was presented to Cabinet in September. The position for the Business Strategy & Support Directorate and Financing Items was reported to this POSC at its last meeting. This report is based on the exception report to Cabinet on 17<sup>th</sup> October.

### **3. Revenue**

#### **3.1 Finance & Business Support portfolio:**

The forecast underspend for this portfolio has reduced by £0.187m this month to £4.165m. This is due to:

- Financing Items: +£0.307m as a result of the virement from the debt charges underspending to the Contact Centre within the Communities, Customer Services & Improvement portfolio as approved by Cabinet at the meeting on 19 September. The virement was to fund additional capacity to cope with increased call volumes within the specified call answering time.
- Finance & Procurement: -£0.120m reduction in the pressure on the Unit following the confirmation that, in advance of the implementation of the new structure on 1 April 2012, 12 voluntary redundancies have been agreed with effect from 1 December 2011.

#### **3.2 Business Strategy, Performance & Health Reform portfolio:**

The forecast underspend for this portfolio has increased by £0.050m this month to £0.225m. This is due to the Legal Services Unit increasing their forecast over-recovery of income resulting from additional work that the function has taken on, over and above that budgeted for.

#### **3.3 Deputy Leader portfolio:**

The forecast for this portfolio has moved by -£0.063m to a breakeven position this month. This is wholly due to a reduction in the Democratic & Member Services Unit forecast pressure, largely due to additional income being raised through admission appeals work for Academies.

### **4. Capital**

#### **4.1 Business Strategy, Performance & Health Reform portfolio:**

The forecast has moved by -£4.538m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Workplace Transformation (-£3.070m, re-phasing): the significant re-profiling has resulted from the need to revise strategic priorities to

include pressures such as the Children's Services improvement plan and the shaping of One Council/Bold Steps for Kent.

- Sustaining Kent – Maintaining the Infrastructure (-£1.174m, re-phasing): there have been delays in implementing Unified Communications due to the supplier having to redesign their delivery programme, in order to comply with revisions to the mandatory 'Code of Connections' security requirements laid down by Government Connects.
- Property Asset Management System (-£0.254m, re-phasing): work is being undertaken with South East 7 (SE7) partners to see if an Asset Management System can be procured for better value for money. Analysis work will begin in 2011-12 but the majority of the 2011-12 budget of £0.274m will not be spent until 2012-13.

Overall there is a residual balance of -£0.040m on minor projects.

## **5. Recommendations**

- 5.1 Members of the POSC are asked to note the forecast budget variances for the Business Strategy & Support Directorate and Financing Items budget for 2011/12 based on the August exception monitoring report to Cabinet.

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### **Background Documents:**

Cabinet 17<sup>th</sup> October 2011; Revenue & Capital Budget Monitoring Exception Report