

To: CABINET – 16 July 2007

By: Nick Chard, Cabinet Member – Finance

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ROLL FORWARD OF 2006-07 REVENUE UNDERSPEND

1. ROLL FORWARD OF 2006-07 REVENUE UNDERSPEND

- 1.1 As reported to Cabinet on 18 June, the provisional revenue budget underspend for 2006-07, excluding schools, was £7.740m. The draft accounts were presented to Governance & Audit Committee on 29 June, however the final outturn position could still change during the final stages of the external audit, which is due to complete with the final accounts being signed off by the external auditors on 23 July.
- 1.2 Directorates have submitted proposals for the roll forward of the £7.740m underspend into 2007-08, which Cabinet is asked to agree. These proposals are detailed in Appendix 1 and have been split between projects which have been re-scheduled and are committed – this is simply a matter of rolling budgets forward in line with expected delivery, and bids that focus upon achieving key priorities and service improvements, together with the roll forward of overspends from 2006-07 (the majority of which is in respect of Adult Social Services, which was anticipated and allowed for at the time of setting the 2007-08 budget).

2. RECOMMENDATIONS

- 2.2 Cabinet Members are asked to approve the requests for roll forward from 2006-07 as detailed in Appendix 1.

2006-07 REVENUE ROLL FORWARD PROPOSALS**1. Summary of revenue roll forwards:**

	Provisional Outturn Variance	Committed/ re-phasing	Overspends	Bids	transfers to/from	TOTAL
	£k	£k	£k	£k	£k	£k
Children, Families & Education (excluding schools delegated)	-1,132	748		384		0
Adult Social Services	1,001		-1,001			0
Environment, Highways & Waste	-2,386	760		1,526	100	0
Regeneration & Supporting Independence	-498	558		40	-100	0
Communities	627	259	-367	85	-604	0
Corporate Support & Health	-65	-389		416	38	0
Policy & Performance	199	-145	-25		-29	0
Finance	-5,486	855		845	595	-3,191
	-7,740	2,646	-1,393	3,296	0	-3,191
Highways bid				3,191		3,191
	-7,740	2,646	-1,393	6,487	0	0

2. Children Families & Education:

		£k
Provisional outturn:	ES&I portfolio	-2,342
	C&FS portfolio	-600
	unallocated schools budget	-622
	DSG shortfall	2,432
		-1,132

Committed roll forwards:

E&SI	Re-phasing of ICT Broadband connectivity project - this is funded 50% from Standards Fund. This roll forward represents the 50% match funding element. The Standards Fund grant is approved for the period April 06 to August 07, therefore this project must complete by 31 Aug 07 or we will lose the grant.	748
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748

Bids:

Childrens Workforce Development training	384
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Both the Children's Act and Every Child Matters requires a range of staff to undertake specific training on Children's Workforce Development. This is a critical issue for the Directorate, particularly with the forthcoming JAR.

This relates to Core Competency Training required under the Children's Act which we were not able to fund in the MTFP.

The directorate has a desperate need for this money for the work they need to do to support:

a) Early Years:

We have over 800 EY settings and 1800 childminders. We have been given a target to get the qualification standards of the people working in these roles up to a much higher standard over the next 2-3 years. There is a requirement to have at least one person of graduate level qualification in each of the settings...that alone will have huge cost but we also need to raise the level for the remaining staff to at least level 2. On initial analysis Kent is very much behind other LAs who have developed their EY provision and staff qualifications over many years

b) Multi Agency Training:

In order to move to trust-like arrangements across the county there is a huge need for joint multi agency training across the county so that everyone is working together to meet the Every Child matters outcomes. This involves several thousand staff in KCC alone, but also requires us to support Health Service colleagues at the same time

384

TOTAL Committed and Bids

1,132

3. Kent Adult Social Services:

Provisional outturn:

£k

1,001

This overspending position is consistent with what was assumed would roll forward into 2007-08 when the 2007-10 MTFP was set.

Committed roll forwards:

Roll forward of pressure from 2006-07 as assumed in the 2007-10 MTFP

-1,001

-1,001

4. Environment, Highways & Waste:

	£k
Provisional outturn:	
EH&W portfolio	-2,386
transfer to R&SI portfolio	100
	-2,286
Committed roll forwards:	
▪ Tour de France	400
▪ Waste Minimisation planned savings to support 2007-08 2007-08 budget predicated on this planned underspend rolling forward	200
▪ Civic Amenity Site Drainage Work Re-phasing of revenue contribution to capital. Environment Agency requirement	50
▪ Pollution Control Works Re-phasing of revenue contribution to capital. Environment Agency requirement. Chilmington, North Farm, Church Marshes	110
	760
Bids:	
▪ Road Safety Activity £150k for PSA Targets and £150k for Interactive Signs	300
▪ Congestion Reducing Measures Brought forward works in Canterbury	419
▪ Replacement of missing & damaged Road Signs & Markings Includes maintenance of road signs & markings, with associated data capture	200
▪ WPEG Grant unused in 2006-07 Support to Districts for collecting more materials, and to the development of a Kent wide procurement strategy for delivering sustainable waste management solutions.	100
▪ Drainage & safety works at Dartford Heath CA site KCC tenancy is expected to run for a further two years. EA requirement.	50
▪ Whitfield Transfer Station - Improvements to operation Provision of bulk-bays to replace freighter provision. Increased operational efficiency.	50
▪ Staff support for Bio fuels project Needed to support delivery of a T2010 Target	30
▪ CTRL (Domestic Services) Impact Study Work with SE Railway to gauge transport impacts of new services starting in Dec 2009. Gaps include potential effects on business and commercial development location preferences which this study will address	100
▪ Promote Green Initiatives (reduce carbon foot-print) A competition to be established	50
▪ Project Management for replacement of Midas Financial Monitoring System Re-phasing. Software now 17 years old. Technical support ceases during 2008. A key financial monitoring system for the Directorate.	40
▪ Free Transport: 11 -16 year olds - pilots Take up in experimental areas has exceeded anticipated volume.	187
	1,526
TOTAL Committed and Bids	2,286

5. Regeneration & Supporting Independence:

		£k
Provisional outturn:	R&SI portfolio	-498
	transfer from EH&W portfolio	-100
		-598
Committed roll forwards:		
▪ Support to Smithsonian Festival		100
Further development of the Virginia 400th celebration		
▪ Land restoration works at Shaw Grange		270
Re-phasing due to planning decision impact. Legal obligation.		
▪ External support to enable completion of Waste Local Development Framework		60
Re-phasing as vacant post has led to some delay in delivery of the Framework		
▪ Legal and consultancy costs for planning appeal cases		128
Unavoidable costs to defend against planning appeals which are not budgeted for		
		558
Bids:		
▪ Household (New Communities) Study		40
An appraisal of the degree to which new communities in Kent achieve objectives for sustainable development.		
		40
TOTAL Committed and Bids		598

6. Communities:

	£k
Provisional outturn:	
Communities portfolio	627
transfer from Finance portfolio for final settlement costs of original Turner Contemporary project	-604
	23
Committed roll forwards:	
▪ Re-phasing of revenue contribution to Margate Library capital project funded from the 2005-06 second homes money	139
▪ Re-phasing of revenue contribution to Herne Bay Youth & Community centre capital project funded from the 2005-06 second homes money	120
▪ Adult Education roll forward of overspend	-146
▪ Coroners Roll forward of overspend. Since this is a quasi judicial service that is not controlled by KCC, previously significant overspends have been met from corporate reserves	-133
▪ Policy & Resources Roll forward of overspend in respect of the change in accounting treatment for the Service Development Team, which can no longer be charged to capital	-88
	-108
Bids:	
▪ Contact Centre £85k underspend on the contract with Trading Standards South East Ltd (TSSEL) for Consumer Direct South East to be paid into reserve to cover future deficits. Under the terms of the contract KCC could initially claim actual costs incurred including the notional rent for the building. In 2005/06 the rent was paid into a reserve to cover future deficits when the contract changed where TSSEL would pay KCC an amount per call. In 2006/07 the amount received per call has exceeded the cost of running the service. We would like to add this surplus to the reserve by agreeing rollover (payment into the reserve is not possible without rollover as it would add to overspend). The contract with TSSEL is for five years and has no provision for inflation or protection if call number decline. The reserve would cover these eventualities.	85
	85
TOTAL Committed and Bids	-23

7. Corporate Support & Health portfolio:

	£k
Provisional outturn:	
CS&H portfolio	-65
transfer to Finance portfolio	9
transfer to P&P portfolio	29
	-27
Committed roll forwards:	
<ul style="list-style-type: none"> ▪ Home Computing Initiative -560 <p style="margin-left: 2em;">This is a technical adjustment requiring the roll forward of an overspend resulting from the net cost of the revenue contribution to meet the capital costs of equipment purchased for employees under the Home Computing Initiative. The costs are being met by employee contributions (salary sacrifice payments) but these are being made over a 3 years period, hence the need to roll forward the balance as an overspend to be met from future years' contributions.</p> ▪ Pay Management System (PMS) 60 <p style="margin-left: 2em;">Linked to the 3 year project for Reward Strategy, this will fund the further developments in the PMS. This is a critical stage in the project to further enhance the TCP process, which will enable efficiencies in terms of reducing administration and management time in the delivery of TCP.</p> ▪ E-Government European grant funding 71 <p style="margin-left: 2em;">re-phasing of the match funding for the Interreg 3 Cross Border one-stop shops project, which is part funded by Interreg European Grant. If the project is not completed, we would need to repay some of the grant funding.</p> ▪ Strategic Development Unit - Kent Film Office 40 <p style="margin-left: 2em;">In 2006-07 the Kent Film Office was awarded £80k by the Kent Regeneration Fund to support the development of Kent as major venue and location for film and television to benefit the Kent economy. The £40k represents the unspent balance of the award that will be used to continue the development into 2007-08.</p> 	
	-389
Bids:	
<ul style="list-style-type: none"> ▪ Members Development Programme 50 <p style="margin-left: 2em;">Re-phasing. The development framework has not yet been finalised. When completed there should be a clearer idea of the role of members, development needs and commitment to the IDeA charter. The development of members pervades the KLOE for the Corporate CPA assessment so evidence of investment is crucial</p> ▪ Oracle Learning Management System 25 <p style="margin-left: 2em;">To support further systems development on the Oracle Learning Management system providing the opportunity to bring in employee/manager self service.</p> 	

- Payroll 27

£18K would be used for the digital scanning of the back-log of employee documents onto the Electronic Data Management System. This will allow access to personnel documents on-line, making it available to specified users and reducing the burden of document retrieval. This will also reduce the on-going storage issue, restricting further spend on archiving for those files that could be stored on-line.

£9K would be utilised to achieve further enhancements in the second stages of implementing the Recruitment Management System. Managers will benefit from system (Oracle) access to talent pools, interview scheduling, short-listing features, electronic interview packs, all within a workflow environment.
- Comprehensive Performance Assessment 100

KCC's corporate assessment inspection will be undertaken from 28 Jan to 8 Feb 2008. The score will be critical in determining whether KCC retain's its Four Star status in 2008/09 (the last year of CPA). The £100k is a provision to cover i) temporary increase in staff to manage the self evaluation and inspection planning and preparation processes, ii) the use of various forms of communication to inform staff, members and partners of the corporate assessment process as well as holding various seminars and forums, iii) the potential engaging of an external view to independently check our assessment of areas of strengths and risks/weaknesses against the KLOE and help us to address any areas of weakness.
- Public Health 150

This will be used to fund additional support and promotional activity within the Kent Department of Public Health. This will enhance the role of the new department to ensure the successful promotion of public health among Kent's residents to encourage healthy living and healthy lives.
- Computerised Committee Management System 25

To invest in a computerised Committee Management system for the Democratic Services Unit. This has many applications including streamlining the way in which agenda, reports and minutes are produced and published (both on the website and in print), a work management system to assist with efficient production of reports, and email alerts to enable Members, officers and the public to receive relevant information speedily.

The Committee Management System will facilitate the delivery of targeted savings within Democratic Services, including savings in paper, printing and postage costs plus savings in officer time (not only in Democratic Services Unit but also across the Directorates who all have staff) who support the democratic process. There will also be significant improvements to the way that Members and officers receive information to support them in the decision making processes, ensuring that it is digestible relevant and timely.

The proposal for the Committee Management System was reported to the ICT Board chaired by the Chief Executive on 30 January and received the Board's, and the Chief Executive's, full support.

▪ Localism Agenda	19
<p>The Localism Agenda in Kent is currently being developed in line with the needs of the Kent Commitment, Lyons Review and Local Government Bill, and firm decisions on the way forward will be taken by Kent Leaders and KCC Cabinet later in Summer 2007. In view of the continuing development work on Joint Local Boards and Neighbourhood Forums and the work of the KCC Informal Member Group the use of the 2006/07 Local Boards underspend of £19k would help to resource the anticipated additional work.</p>	
▪ Strategic Development Unit Initiatives	20
<p>A roll forward of the underspend on SDU's 2006-07 initiatives budget is requested to provide additional resources in 2007-08 to support its key role in establishing new and innovative ways of communicating with the public.</p>	
	416
TOTAL Committed and Bids	27

8. **Policy & Performance portfolio:**

		£k
Provisional outturn:	P&P portfolio	199
	transfer from CS&H portfolio	-29
		170
Committed roll forwards:		
▪ Kent Works		-150
<p>Higher than expected set-up costs in 2006-07 to be rolled forward to met from the 2007-08 budget allocation</p>		
▪ International Affairs Unit		-25
<p>Roll forward of overspend</p>		
▪ Performance Management Software		5
<p>To allow for the installation of the Corporate Performance Management Software to be completed and to provide some training to users within directorates</p>		
		-170

9. Finance portfolio:

	£k
Provisional outturn:	
Finance portfolio	-5,486
transfer to Communities portfolio in respect of the final settlement costs of the original Turner Contemporary project	604
transfer from Corporate Support & Health portfolio	-9
	-4,891
Committed roll forwards:	
▪ Communications	350
▪ Member Community Grants	38
Grants which have been committed in 06-07 for projects internal to KCC, but the work was not completed by 31 March	
▪ Second Homes	300
Projects internal to KCC, agreed by Local Boards to be funded by 2005-06 second homes money, which were not complete by 31 March plus a Thanet project which has only recently obtained formal approval.	
▪ Local Priorities	95
Grants to District Councils for Local Priorities from 2006-07 second homes money, which have been requested to roll forward to 2007-08	
▪ Local Scheme spending recommended by Local Boards	24
Grants which have been committed in 06-07 for projects internal to KCC, but the work was not completed by 31 March	
▪ IT Audit	48
£40k is the balance of a rolling programme of IT audits, providing bought-in resources to cover the current absence of in-house expertise. IT audits are a necessary tool to provide a level of assurance around the risks of our increased use and dependence on IT.	
£8k will be used to complete the improvement and implementation of the audit tool "TeamMate", which is a necessary ingredient in the modernisation of the Internal Audit service.	
	855
Bids:	
▪ Museum of Kent Life	50
▪ Second Homes	40
residual funding yet to be allocated to specific projects (£37k for Maidstone highways projects and £3k for projects in Thanet)	
▪ Neighbourhood Learning Programme	100
▪ Teenage Pregnancy Project	90
▪ Sponsorship of the Lieutenancy of Kent Celebration of Youth Achievement event	5
▪ Contribution to "Margate's Big Event" - land and air festival, a major tourist event for East Kent	10
▪ De-dualling of Fort Hill Road, Margate	550
	845
TOTAL Committed and Bids	1,700
UNALLOCATED	-3,191

10. Highways Maintenance & Other Needs:

The following represents a bid for the unallocated roll forward within the Finance portfolio.

	£k
Bids:	
▪ Pothole Filling programme (including raising sunken manhole covers), Patching, and Road Edge Repairs, where appropriate. Improve public perception of the quality of Kent roads. Will assist reducing number of highway related insurance claims [1,398 in 2006-07] and % of minor roads in need of maintenance (BVPI 224b - currently 19%, compared to the national average of 15%).	1,900
▪ Repairs to Damaged Pavements in Residential Areas Damage caused by tree roots, vehicle parking or over-running [in addition to the £2m budget specifically for high use footways]	600
▪ Improve Response Times to Reported Highway Defects Objective is to find and fix reported highway defects faster, thereby improving customer satisfaction and reducing repeat calls to Contact Centre. To be achieved by increased deployment of Response Units.	691
	3,191