

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY JANUARY 2011-12 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

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 in the 2012-15 MTFP as agreed by County Council on 9 February 2012, any further adjustments are detailed in section 4.1.

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

	Prev Yrs Exp £m	2011-12 £m	2012-13 £m	2013-14 £m	Future Yrs £m	TOTAL £m
Adults Social Care & Public Health Portfolio						
Budget	4.381	5.633	10.198	6.586	3.573	30.371
Adjustments:						
Rephasing as per December monitoring		-0.150	0.150			0.000
Folkestone ARRCC		-0.023				-0.023
						0.000
Revised Budget	4.381	5.460	10.348	6.586	3.573	30.348
Variance		-1.996	1.982	0.014	0.000	0.000
split:						
- real variance						0.000
- re-phasing		-1.996	1.982	0.014		0.000

1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2011-12 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	Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£m	£m	£m	£m
Overspends/Projects ahead of schedule						
			0.000	0.000	0.000	0.000
Underspends/Projects behind schedule						
ASC&PH	LD Good Day Programme	phasing			-0.373	
ASC&PH	Transforming Social Care	phasing		-0.297		
ASC&PH	Mental Health SCP	phasing		-0.290		
ASC&PH	Modernisation of Assets	phasing	-0.269			
			0.269	0.587	0.373	0.000
			-0.269	0.587	-0.373	0.000

1.2.4 Projects re-phasing by over £1m:

N/A

1.2.5 Projects with real variances, including resourcing implications:

N/A

1.2.6 General Overview of capital programme:

(a) Risks

The risks linked to the Families and Social Care Directorate must be similar to those felt throughout the Authority in this current financially suppressed climate. As a Directorate that works alongside many partners such as District Councils, Private/Voluntary Organisations and Primary Care Trusts (PCT) in order to provide the most comprehensive service delivery to our users, the risks to FSC are potentially compounded.

(b) Details of action being taken to alleviate risks

The Directorate continues to closely monitor those risks associated with our partnership working arrangements on a regular basis through Divisional Management Teams which run alongside its over-arching capital strategy. However, the Directorate may not always be able to influence/control the final outcome.

1.2.7 PFI projects-

Excellent Homes for All (EHFA)

A Value for Money review by the Homes and Communities Agency (HCA) and Department for Communities and Local Government (DCLG) for all Housing PFI projects has reduced the PFI credit allocation from £70.42m to £66.8m, a reduction of 11%. A number of other changes have been imposed such as a reduced contract length, from 30 years to 25 years, and a requirement for the Authority to make a contribution to the cost of the project of up to £175k per annum for the

contract period. No decision has been made by KCC to pay the contribution and how this contribution, if paid, will be shared by district council partners is still under discussion.

The £66.8m revised PFI credit for 'Excellent Homes for All' PFI project also represents investment by a third party. The figures are not final and are subject to change until we reach financial close. No payment will be made by KCC for the new/refurbished assets until they are ready for use. Any payment will be by way of an annual charge to the revenue budget.

	Previous years	2011-12	2012-13	2013-14	2014-15	2015-16	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Budget				35.210	35.210		70.420
Forecast					33.400	33.400	66.800
Variance				-35.210	-1.810	33.400	-3.620

(a) **Progress and details of whether costings are still as planned (for the 3rd party)**

The above table shows the revised costings.

(b) **Implications for KCC of details reported in (a) i.e. could an increase in the cost result in a change to the unitary charge?**

The unitary charge will not be subject to indexation as the contractor has been asked to bid a fixed price for the duration of the contract. Deductions will be made during the contract period if performance falls below the standards agreed or if the facilities are unavailable for use.

During the contract if one of the partners proposes a change that either results in increased costs or a change in the balance of risk, this must be taken to the Project Board for agreement. Each partner has a vote and any decision resulting in a change to the costs or risks would need unanimous approval. Such costs would be shared on the basis of a pre-arrangement.

1.2.8 Project Re-Phasing

Cash limits are changed for projects that have re-phased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m will be reported and the full extent of the re-phasing will be shown. The possible re-phasing is detailed in the table below.

	2011-12	2012-13	2013-14	Future Years	Total
	£m	£m	£m	£m	£m
Modernisation of Assets (ASC&PH)					
Amended total cash limits	0.366	0.015	0.000	0.000	0.381
re-phasing	-0.269	0.255	0.014	0.000	0.000
Revised project phasing	0.097	0.270	0.014	0.000	0.381
Mental Health SCE (ASC&PH)					
Amended total cash limits	0.196	0.000	0.000	0.000	0.196
re-phasing	-0.179	0.179	0.000	0.000	0.000
Revised project phasing	0.017	0.179	0.000	0.000	0.196
Public Access - Approval to Spend (ASC&PH)					
Amended total cash limits	0.295	0.000	0.000	0.000	0.295
re-phasing	-0.222	0.222	0.000	0.000	0.000
Revised project phasing	0.073	0.222	0.000	0.000	0.295
Mental Health SCP (ASC&PH)					
Amended total cash limits	0.292	0.000	0.000	0.000	0.292
re-phasing	-0.290	0.290	0.000	0.000	0.000
Revised project phasing	0.002	0.290	0.000	0.000	0.292
IT Infrastructure (ASC&PH)					
Amended total cash limits	0.284	0.610	0.000	0.000	0.894
re-phasing	-0.197	0.197	0.000	0.000	0.000
Revised project phasing	0.087	0.807	0.000	0.000	0.894
LD Good Day Programme (ASC&PH)					
Amended total cash limits	1.019	3.777	0.093	1.002	5.891
re-phasing	-0.373	0.373	0.000	0.000	0.000
Revised project phasing	0.646	4.150	0.093	1.002	5.891
Transforming Social Care - Approval to Spend (ASC&PH)					
Amended total cash limits	0.320	0.000	0.000	0.000	0.320
re-phasing	-0.297	0.297	0.000	0.000	0.000
Revised project phasing	0.023	0.297	0.000	0.000	0.320

	2011-12	2012-13	2013-14	Future Years	Total
	£m	£m	£m	£m	£m
Public Access - Approval to Plan (ASC&PH)					
Amended total cash limits	0.150	0.150	0.300	0.300	0.900
re-phasing	-0.130	0.130	0.000	0.000	0.000
Revised project phasing	0.020	0.280	0.300	0.300	0.900
Total re-phasing >£100k	-1.957	1.943	0.014	0.000	0.000
Other re-phased Projects below £100k	-0.039	0.039	0.000	0.000	0.000
TOTAL RE-PHASING	-1.996	1.982	0.014	0.000	0.000