

To: Communities Policy Overview Committee

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

Subject: **Communities Budget Monitoring 2007/08**

Classification: Unrestricted

FOR INFORMATION

1. Introduction

- 1.1 This report is the first of what will be a regular report to this Committee on the forecast outturn against budget for the Communities portfolio.

2. Background

- 2.1 Policy Overview Committees consider the draft Medium Term Financial Plan at their November and January meetings. To enable a more informed discussion, three reports will be presented to the Committee on a regular basis:

a) Budget Monitoring reports

A detailed quarterly budget monitoring report is presented to Cabinet, usually in September, December and March, and a draft final outturn report in June. A report for each directorate is annexed to the summary report, and the annex for the Communities directorate will be presented to this Committee at the meetings following those Cabinet meetings. This will help inform this POC about current trends, pressures and management actions in advance of the next year's budget setting

b) Performance data

This will be reported to this Committee twice a year in January and July, the first report being in January 2008

c) Outturn report

Effectively an amalgam of the above two, the outturn report will summarise both the financial and performance information for the whole of the preceding year

- 2.2 Armed with the above, the POCs will be in a stronger position to question and comment on the future budget and medium term proposals, as they will be asked to do at the November and January meetings.

3 Quarterly monitoring report

3.1 Attached is the monitoring report for the first quarter for Communities directorate. The main points to highlight are:

- Adult Education has addressed its budget difficulties of the last two years and has brought in year expenditure in line with in year income. There is still an issue with repaying the loan that was made available in 2006/07 to cover the in year deficit. We will be submitting a detailed action plan on how this loan can be repaid as part of second quarterly report. The service is currently reviewing budget plans in light of enrolments for courses in the current round.
- The budget for the Coroners continues to show an over spend due to increased number of post mortems and increased costs for use of mortuaries from hospital trusts. As yet this year's pay award for Coroners has not been agreed by Government which if settled above the amount included in the budget would add to the pressure and the service is always vulnerable to the effects of any long inquests.
- We have embarked on a restructuring of the Cultural Development Unit. This restructuring is being driven by KCC's needs to make the unit more strategic rather than in response to budget issues and will not address the potential overspend this year which arises from a number of factors unrelated to the staffing structure.

4 Recommendations

4.1 Members of the POC are asked to note the projected outturn figures for the directorate as at the first quarter

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Appendix: Communities Directorate Summary July 07-08 Full Monitoring Report