

**TO: Policy and Resources Cabinet Committee – 22 November 2012**

**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  
David Cockburn, Corporate Director of Business Strategy and Support**

**SUBJECT: Business Strategy and Support Directorate and Commercial Services (Environment, Highways & Waste Portfolio) Financial Monitoring 2012/13**

**Classification: Unrestricted**

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**Summary:**

Members of the Cabinet Committee are asked to note that the first quarter's full budget monitoring report for 2012/13 was reported to Cabinet on 17 September 2012. Members of the Cabinet Committee are also asked to note the subsequent update to this position which was reported in the monitoring exception report to Cabinet on 15 October 2012.

**FOR INFORMATION**

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**1. Introduction:**

1.1 This is a regular report to this Committee on the forecast outturn for the Business Strategy and Support Directorate and Commercial Services (Environment, Highways Waste Portfolio).

**2. Background:**

2.1 A detailed quarterly monitoring report is presented to Cabinet, usually in September, December and March and a draft final outturn report in either June or July. These reports outline the full financial position for each portfolio and will be reported to Cabinet Committees 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. The first quarter's monitoring report for 2012/13 was reported to Cabinet Committees in September. An update to this position was reported in the monitoring exception report to Cabinet on 15 October. The relevant extracts from this exception report are included in the revenue and capital sections below.

### 3. Business Strategy and Support Directorate and Commercial Services (Environment, Highways & Waste Portfolio) 2012/13 Financial Forecast - Revenue

3.1 **Table 1** shows the movements reported in the exception report following the quarter 1 report provided to Cabinet Committees in September.

Portfolio	Forecast Variance £m	Movement from Qtr 1 report (before management action) £m
Finance and Business Support Portfolio	-0.100	+0.050
Business Strategy, Performance & Health Reform	+1.050	+0.030
Democracy and Partnerships Portfolio	-0.146	-0.072
<b>Directorate Total</b>	<b>+0.804</b>	<b>+0.008</b>
Environment Highways & Waste Portfolio (Commercial Services)	<b>0.000</b>	<b>0.000</b>

The main reasons for this movement are detailed below:

#### 3.2 Finance and Business Support Portfolio:

- The underspend for this portfolio has reduced by +£0.050m this month to -£0.100m. This is due to more analysis on the Finance underspend highlighting that £0.050m related to Internal Audit and has therefore moved to the Democracy and Partnerships portfolio.

#### 3.3 Business Strategy, Performance and Health Reform:

The projected pressure for this portfolio has increased by +£0.030m this month to +£1.050m. There were several small movements, none over £0.1m included within this +£0.030m. The management action reported in the first quarter for Property and Infrastructure, relating to the re-phasing of savings due to necessary extensions to leasehold payments, is on-going. Likewise, HR continues to look for efficiencies within all areas of its business, to compensate for the pressures within the Business Centre.

#### 3.4 Democracy and Partnerships Portfolio:

The underspend for this portfolio has increased by -£0.072m this month to -£0.146m. -£0.050m of this is due to the transfer from the Finance and Procurement portfolio. The remaining -£0.022m relates to a staffing underspend in the Partnerships area.

#### 4. Business Strategy and Support Directorate and Commercial Services (Environment, Highways & Waste Portfolio) 2012/13 Financial Forecast - Capital

4.1 **Table 2** shows the movements reported in the exception report following the quarter 1 report provided to Cabinet Committees in September.

Portfolio	Total Amount £m	Business Strategy, Performance & Health Reform Amount £m	Environment, Highways & Waste (Commercial Services) Amount £m
<b>Unfunded variance</b>			
Funded variance			
Variance to be funded from revenue			
Project underspend	-0.700	-0.700	
<b>Rephasing (to/from beyond 2012-15)</b>			
Total variance	<b>-0.700</b>	<b>-0.700</b>	<b>0.000</b>

There have been no movements since the quarter 1 report.

#### 5. Recommendations

5.1 Members of the Policy and Resources Cabinet Committee are asked to note the revenue and capital forecast variances from budget for 2012/13 for the Finance and Business Support, Business Strategy Performance and Health Reform, Democracy and Partnerships and Environment, Highways & Waste Portfolios based on the first quarter's full monitoring to Cabinet and the subsequent exception report.

Jackie Hansen  
Finance Business Partner - Business Strategy and Support  
Tel 01622 69(4054)  
Email [jackie.hansen@kent.gov.uk](mailto:jackie.hansen@kent.gov.uk)