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To: Corporate Policy Overview Committee – 14 January 2009

Subject: Financial Monitoring Report: Corporate Services 2008/09

Classification: Unrestricted

For Information

1. Introduction

- 1.1 This is the third report to this Committee on the forecast outturn against budget for the Chief Executive's Directorate and the Financing Items budget for the year 2008/09.

2 Forecast Outturn

- 2.1 The detailed monitoring reports for the second quarter for the Chief Executive's Directorate and the Financing Items budget were presented to Cabinet on 1 December, and are attached to this report. Since then, and as reported to Cabinet on 12 January, the position has improved, particularly on the Financing items budget.

2.2 Chief Executive's Directorate (Revenue)

- 2.2.1 The forecast variance at year-end showing in the attached detailed reports is an underspend of £0.620m. This position has since improved to a projected underspend of £0.786m. The main reasons for the forecast underspend, after the implementation of management action, can be summarized as:

Unit	£'000	Reason
Legal Services	-632	Additional internal and external legal work
Kent TV	-208	Reflects the anticipated re-phasing of second year spend as the pilot 'cycle' runs from September to August rather than April to March
ISG	+164	Demand has not reduced in line with budgeted savings. Negotiations to resolve this continue with Resource Directors
Kent Health Watch	-78	Delayed start to the project
Other	-32	
Total	-786	

2.3 Financing Items (Revenue)

The latest reported forecast for the Financing Items budgets is a net underspend of £2.387m. This reflects:

Unit	£'000	Reason
Debt charges and interest on cash balances	-3,986	Lower levels of borrowing in 07/08 and 08/09 and better rates for new borrowing than assumed, given recent reductions in the bank base rate
Commercial Services	300	Shortfall on income from roundabout sponsorship
LABGI	1,349	Reduction in estimated LABGI grant
Other	-50	
Total	-2,387	

- 2.4 The implications of these projected variances have been fully considered as part of the 2009/10 budget process, and are reflected in the budget proposals as appropriate.
- 2.5 The forecast outturn for the capital programme is detailed in the attached reports. There are no variances on the delivery of projects to report; the variances shown are largely due to changing funding streams or classification of the expenditure.

3 Recommendations

- 3.1 Members of the Corporate POC are asked to note the projected outturn figures for the directorate.

Background Documents:

- 1) Cabinet 15 September 2008 and Corporate Policy Overview Committee 26 September 2008 – Revenue and Capital Budgets, Key Activity and Risk Monitoring
- 2) Cabinet 13 October 2008 and Corporate Policy Overview Committee 14 November 2008– Revenue Monitoring Exception report
- 3) Cabinet 1 December 2008 - Revenue and Capital Budgets, Key Activity and Risk Monitoring
- 4) Cabinet 12 January 2009 - Revenue and Capital Budget Monitoring Exception report

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