

From: **Paul Carter, Leader and Cabinet Member for Business Strategy, Audit and Transformation**  
**John Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement**  
**Gary Cooke, Cabinet Member for Corporate and Democratic Services**  
**Bryan Sweetland, Cabinet Member for Commercial and Traded Services**  
**David Cockburn, Corporate Director Strategic and Corporate Services**

To: **Policy and Resources Cabinet Committee – 23 April 2014**

Subject: **Financial Monitoring 2013/14**

Classification: **Unrestricted**

Past Pathway: **Cabinet 24 March 2014**

**Summary:**

The Cabinet Committee is asked to note the third quarter's full budget monitoring report for 2013-14 reported to Cabinet on 24 March 2014.

**Recommendation(s):**

**The Policy and Resources Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2013-14 that are within the remit of this Cabinet Committee, based on the third quarter's full monitoring to Cabinet.

**1. Introduction:**

1.1 This is a regular report to this Committee on the forecast outturn.

**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 together with key activity indicators and will be reported to Cabinet Committees after they have been considered by Cabinet. These quarterly reports also include financial health indicators, prudential indicators, the impact on revenue reserves of the current monitoring position and staffing numbers by directorate. In the intervening months a mini report is made to Cabinet outlining the financial position for each portfolio. A link to the third quarter's monitoring report for 2013-14 is provided below:

<https://democracy.kent.gov.uk/documents/s45556/Item%207%20-%20Revenue%20Capital%20Q3%20monitoring.pdf>

2.2 Although the full Cabinet report is provided, this Cabinet Committee only needs to consider the items that are within its remit, as per Appendix 1 of Item 8 on the 27 March 2014 County Council agenda: Transformation – Cabinet Committee Reform. A link to this report is provided below:

<https://democracy.kent.gov.uk/documents/s45622/Transformation%20-%20Cabinet%20Committee%20reform.pdf>

- 2.3 The attached annex is the Business Strategy & Support Directorate Summary for which this Committee has had on-going responsibility and is therefore the focus for this third quarter financial monitoring report. The Directorate is forecasting an underspend of -£735k of which -£486k has been identified as contractually committed roll-forwards to 2014-15, leaving a net contribution to the Council of an underspend of -£249k.

Most units within the Directorate have variances +/- £200k with the exception of Property Group and Human Resources. HR are underspending by -£1.1m, most significantly -£581k against the Corporate training budget as a result of directorates making late revisions to their workforce development plans. Property Group are overspending by £1.4m, primarily as a result of the revised New Ways of Working programme plan responding to the requirements of front line services, which changed the assumed timelines for moving out of our larger leasehold buildings, hence creating a pressure within the Corporate Landlord estate in the current year. The new timelines together with revised savings and pressures have been addressed for 2014-15 through the Medium Term Financial Plan.

- 2.4 As explained in the December Cabinet Committee report, the annexes to the Cabinet report are presented in the pre-election portfolio structure.

- 2.5 The major units which will be included in the reporting to this committee for the 2014-15 financial year include External Communications, Contact Centre, Gateways and Commercial Services. As at Quarter 3, these units are breaking even or have small underspends, with the exception of the Contact Centre. Contact Centre has re-phased its 13-14 savings to align with the replacement of the Web Platform and the implementation of the Customer Service Strategy and is now expected to deliver in 2014-15. Offsetting savings within the Communities Directorate have been identified to mitigate the impact of this in the current year.

### 3. Recommendation(s):

**The Policy and Resources Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2013-14 that are within the remit of this Cabinet Committee based on the third quarter's full monitoring to Cabinet.

### 4. Contact details

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