

**From:** John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement  
Gary Cooke, Cabinet Member for Corporate & Democratic Services  
Susan Carey, Cabinet Member for Commercial and Traded Services  
David Cockburn, Corporate Director for Strategic & Corporate Services

**To:** Policy & Resources Cabinet Committee – 8 September 2016

**Subject:** Financial Monitoring 2016-17

**Classification:** Unrestricted

**Summary:**

The Policy & Resources Cabinet Committee is asked to note the July 2016-17 budget monitoring position for the Strategic & Corporate Services Directorate which will be reported to Cabinet on 26 September 2016

**Recommendation(s):**

**The Policy & Resources Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2016-17 for the Strategic & Corporate Services Directorate based on the July monitoring to Cabinet.

**1. Introduction:**

1.1 Although this is a regular report to this Committee on the forecast outturn, it is the first budget monitoring report for 2016-17 in the new format. In this instance, the timing of this Cabinet Committee has meant that the report only contains a summary of the forecast for the Strategic and Corporate Services Directorate. Future reports will contain a link to the full monitoring report for the whole Council position.

**2. Background:**

2.1 Cabinet recently agreed a revised format for the regular budget monitoring reports. The Policy & Resources Cabinet Committee noted and commented on the revised format at its meeting on the 22 July 2016, endorsing that in future a short commentary report for the Strategic & Corporate Services Directorate would be written and presented in a more timely manner than had previously been possible.

2.2 Table 1

Budget Book Heading	Net Budget	Net Forecast Variance	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Strategic &amp; Corporate Services Directorate</b>						
- Contact Centre, Digital Web Services & Gateways	5,174.0	19.5	0.0	19.5	0.0	19.5
- Local Democracy	5,314.5	-893.1	890.0	-3.1	0.0	-3.1
- Strategic Business Development & Intelligence	1,332.1	-72.0	0.0	-72.0	0.0	-72.0
- Strategy, Policy, Relationships & Corporate Assurance	2,024.1	-235.9	0.0	-235.9	0.0	-235.9
- Democratic & Members	3,699.4	-22.3	0.0	-22.3	0.0	-22.3
- Finance & Procurement	10,830.8	-349.7	0.0	-349.7	0.0	-349.7
- Engagement, Organisation Design & Development (HR, Comms & Engagement)	9,607.9	-251.6	0.0	-251.6	0.0	-251.6
- Legal Services & Information Governance	-2,042.8	49.8	0.0	49.8	0.0	49.8
- S&CS Strategic Management & Directorate Support Budgets	-2,373.5	0.0	0.0	0.0	0.0	0.0
- Infrastructure (Property, ICT & Business Services Centre)	36,830.6	512.6	0.0	512.6	412.0	100.6
<b>Total S&amp;CS</b>	<b>70,397.1</b>	<b>-1,242.7</b>	<b>890.0</b>	<b>-352.7</b>	<b>412.0</b>	<b>-764.7</b>

2.3 The Strategic & Corporate Services figures in Table 1 above contain both the forecast for the Directorate itself and the Corporate aspirational savings target of -£1,038k for the Asset Utilisation programme, held against the Corporate Landlord budgets within the Infrastructure Division. The movement in the forecast variance for the Directorate (excluding the Asset Utilisation target) is a positive move from a break-even position to an underspend of -£865k, following the Corporate Director adjustment set out below. The Asset Utilisation programme was reporting a pressure of +£412k and this has moved by £101k to +£513k. The movement is due to the rejection of a specific Asset Utilisation proposal.

Directorate Variance of -£865k.

Finance & Procurement are reporting an underspend of -£349.7k most of which is coming from unbudgeted income opportunities which have arisen in Procurement from work with the West Kent CCG and Revenue Finance for hosting the Better Care Fund.

Strategy, Policy, Relationships & Corporate Assurance are reporting an underspend of -£235.9k resulting from staff maternity and secondments together with unbudgeted project income from the NHS.

Engagement, Organisation Design & Development are reporting an underspend of -£251.7k primarily due to staffing vacancies.

Asset Utilisation Variance of +£513k.

Property Group manages the Corporate Landlord estate which is occupied by front line services and has a savings target attached to it relating to the exiting of some buildings through the Asset Utilisation programme. It is not within Property's control to exit these operational buildings as these depend on operational service requirements and Member decisions reflecting the complex and challenging nature of this target. However, Property Group is working closely with service directorates and Members to identify potential buildings which could deliver the savings requirement. At present there is circa £513k of savings to be delivered from the closure of buildings, which are yet to be agreed.

Corporate Director Adjustment of +£890k.

This adjustment to the Collaborative Planning forecast relates to Member Grants. As at August 2016, the spend to date and contractually committed spend for the Combined Member Grant scheme is £2.1m. This leaves £890k which is at present uncommitted. The CD adjustment has been made to this forecast following discussions with both Highways & Community Liaison Officers who have reported that conversations with Members indicate that Members, at this stage, fully intend to commit the entire budget by the end of this financial year. Given that there is a Kent County Council decision that there would be no roll forward of this grant in to an election year, there will need to be an early cut-off date, probably January 2017, for remaining commitments to be made.

- 2.4 The Strategic & Corporate Services capital budget is £20.497m. There are currently no forecast variances to cash limit.

### 3. Recommendation(s):

**The Policy & Resources Cabinet Committee** is asked to note the revenue and capital forecast variances from budget for 2016-17 for the Strategic & Corporate Services Directorate based on the July monitoring to Cabinet.

### 4. Contact details

Report Author

- Jackie Hansen, Strategic & Corporate Services Directorate Finance Business Partner
- Telephone number: 03000 416198
- Email address : [jackie.hansen@kent.gov.uk](mailto:jackie.hansen@kent.gov.uk)

Relevant Director

- David Cockburn, Corporate Director Strategic & Corporate Services
- Telephone number: 03000 410001
- Email address : [david.cockburn@kent.gov.uk](mailto:david.cockburn@kent.gov.uk)