

To: CABINET – 12 October 2009

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REVENUE & CAPITAL BUDGET MONITORING EXCEPTION REPORT

1. Introduction

1.1 The first full monitoring report for 2009-10 was presented to Cabinet in September. This exception report, based on the monitoring returns for August, highlights the main movements since that report.

2. REVENUE

2.1 There are a number of significant pressures that will need to be managed during the year if we are to have a balanced revenue position by year end. The current underlying net revenue position by portfolio after the implementation of assumed management action, compared with the net position reported last month, is shown in **table 1** below.

Table 1: Net Revenue Position after Proposed Management Action

Portfolio	Gross Position £m	Proposed Management Action £m	Net Position after mgmt action £m		Movement £m
			This month	Last month	
Kent Adult Social Services	+0.582	-0.582	-	-	-

2.2 **Table 2** shows the forecast underlying gross position **before** the implementation of proposed management action, compared with the gross position reported last month.

Table 2: Gross Revenue Position before Management Action

Portfolio	Variance		Movement £m
	This Month £m	Last Month £m	
Kent Adult Social Services	+0.582	+0.496	+0.086

2.8 Kent Adult Social Services portfolio:

The latest forecast indicates a pressure of £0.582m, which is a small increase of £0.086m since last month. The forecast assumes that all savings identified in the MTP will be achieved, and the KASS directorate remains confident that this will happen. The KASS directorate is wholly committed to delivering a balanced outturn position by the end of the financial year and a range of 'Guidelines for Good Management Practice' is in place across all teams in order to help manage demand on an equitable basis consistent with policy and legislation. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and, where necessary, challenged. Through these arrangements, the KASS directorate expects to balance the £0.582m residual pressure by the end of the financial year.

The movements over £0.1m this month are:

2.8.1 **+£0.194m Physical Disability Residential Care** – an increase in the pressure from £0.652m to £0.846m this month. The number of clients in permanent residential care has increased by 6 to 219, a number of whom are suffering from early on-set dementia. The increase in clients, together with revisions to start dates for clients who are expected to go into residential care and the forecast for non-permanent/respite weeks, has added 144 weeks of care to the position. Part of the net increase also relates to revised estimates of income.

3. CAPITAL

3.1 There have been a number of cash limit adjustments this month as detailed in **table 3** below:

Table 3: Capital Cash Limit Adjustments

Cash Limit Changes

	£000s 2009-10	£000s 2010-11
2 Re-phasing as agreed at Cabinet on 14th September Kent Adult Social Services	-4,962	2,652
3 Bearsted Dementia Services - additional external funding - KASS portfolio		25

3.2 The current forecast capital position by portfolio, compared with the position reported last month is shown in **table 4** below.

Table 4: Capital Position

Portfolio	Variance This month £m	Variance Last month exc re-phasing £m	Movement This month £m
Kent Adult Social Services	-0.606	-0.025	-0.581

3.4 Kent Adult Social Services portfolio:

Excluding PFI, the current budget for KASS is £6.531m; this is following the budget adjustments of £4.962m, agreed as part of the last Cabinet Report. The forecast presented here, based on the budget excluding PFI, is a variance of -£0.581m from last month; the movements in variance since last month are detailed below:

	£'m
Beaney Centre (rephase)	-0.300
Crispe House (rephase)	-0.199
Thanet DOS Roof (rephase)	-0.082
Revised Variance, reported this month	-0.581

Further detail behind the variances in excess of £0.100m:

- The Beaney Centre
This scheme is a Communities directorate led project, which has not yet commenced. It is anticipated that the project will commence in February/March 2010, but, as a precaution, the Directorate have chosen to rephase 100% of the project.
- Crispe House
The original intention included a Joint Housing project, discussions have slightly deteriorated between all partners and this element will be re-phased pending further review.

3.8 Capital Project Re-phasing

Cash Limits are changed for projects that have re-phased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m will be

reported and the full extent of the re-phasing will be shown. The table below summarises the proposed re-phasing this month.

Table 5 – re-phasing of projects >£0.100m

Virements for re-phasing

Portfolio	2009-10	2010-11	2011-12	Future Years	Total
	£k	£k	£k	£k	£k
KASS					
Amended total cash limits	6,531	19,832	16,080	12,651	55,094
Re-phasing	-499	499	0	0	0
Revised cash limits	6,032	20,331	16,080	12,651	55,094