

To: CABINET – 14 May 2012

By: John Simmonds, Cabinet Member for Finance & Business Support
Andy Wood, Corporate Director of Finance & Procurement

REVENUE & CAPITAL BUDGET MONITORING EXCEPTION REPORT 2011-12

1. Introduction

1.1 This exception report is based on the monitoring returns for March and highlights the main movements since the February monitoring exception report presented to Cabinet on 16 April 2012.

2. REVENUE

2.1 The current underlying net revenue position by portfolio, compared with the net position reported last month, is shown in **table 1** below.

Table 1: Net Revenue Position

Portfolio	Variance		Movement £m
	This Month £m	Last Month £m	
Education, Learning & Skills	-2.812	-1.702	-1.110
Specialist Children's Services	+15.591	+14.926	+0.665
Adult Social Care & Public Health	-5.014	-5.231	+0.217
Environment, Highways & Waste	-6.216	-5.504	-0.712
Customer & Communities	-5.514	-5.046	-0.468
Regeneration & Enterprise	-	-	-
Finance & Business Support	-10.187	-9.283	-0.904
Business Strategy, Performance & Health Reform	-2.402	-2.241	-0.161
Democracy & Partnerships	-0.334	-0.252	-0.082
Total (excl Schools)	-16.888	-14.333	-2.555
<i>Schools (ELS portfolio)</i>	+3.126	+3.126	-
<i>Schools (SCS portfolio)</i>	-	-	-
Schools (TOTAL)	+3.126	+3.126	-
TOTAL	-13.762	-11.207	-2.555

2.2 The forecast net revenue underspend (excluding schools) is currently £16.888m as shown in table 1 above. The approved 2012-13 budget assumes rolled forward underspending from 2011-12 of £3.512m as follows:

- £1.200m Early Years underspending as reported in the quarter 2 monitoring report and approved by Cabinet on 5 December,
- £1.879m underspending from within the overall £3.476m underspend reported to Cabinet in the last exception report on 25 January,
- £0.433m within Customer & Communities portfolio.

Following approval of the 2012-13 budget at County Council on 9 February, items a) and b) above have been transferred to an earmarked reserve to support next year's budget and are therefore no longer reported in the £16.888m underspend forecast in this report. It is recommended that item c) is also transferred to the earmarked reserve to support next year's budget and **Cabinet is asked to approve this transfer.**

In addition, the position reported in table 1 above includes some underspending related to projects which are re-phasing into 2012-13, such as the Big Society, and are committed and therefore will require roll forward. There are also some known bids which have the support of the relevant Corporate Director and Cabinet Member. The adjusted position is therefore:

Total forecast underspend (excl Schools) per table 1	£m
	-16.888
Required to roll forward to 2012-13 per approved 2012-15 MTFP (item c above)	0.433
Other committed roll forwards/re-phased projects	5.512
	<hr/>
	-10.943
Supported bids	0.639
Adjusted position after supported bids	<hr/>
	-10.304

Details of the committed roll forwards, re-phased projects and supported bids were provided in sections 1.1.6 and 1.1.7 of the annex reports of the third full monitoring report presented to Cabinet on 19 March and the exception report presented to Cabinet on 16 April. It is recommended that the £4m relating to the re-phasing of Big Society is transferred to the rolling budget reserve to be drawn down as the spend is incurred in 2012-13 and 2013-14. **Cabinet is asked to approve this transfer.** It is likely that much of this uncommitted balance will be held in reserves pending future decisions on its use. Further details will be provided in the outturn report to Cabinet in July.

Table 2 below shows the revised position by portfolio assuming that these transfers to reserves are approved:

Table 2: Revised Net Revenue Position after transfer to reserves

Portfolio	Variance		
	Per table 1 above £m	Transfer to reserves £m	Revised position £m
Education, Learning & Skills	-2.812	-	-2.812
Specialist Children's Services	+15.591	-	+15.591
Adult Social Care & Public Health	-5.014	-	-5.014
Environment, Highways & Waste	-6.216	-	-6.216
Customer & Communities	-5.514	4.433	-1.081
Regeneration & Enterprise	-	-	-
Finance & Business Support	-10.187	-	-10.187
Business Strategy, Performance & Health Reform	-2.402	-	-2.402
Democracy & Partnerships	-0.334	-	-0.334
Total (excl Schools)	-16.888	+4.433	-12.455
<i>Schools (ELS portfolio)</i>	+3.126	-	+3.126
<i>Schools (SCS portfolio)</i>	-	-	-
Schools (TOTAL)	+3.126	-	+3.126
TOTAL	-13.762	+4.433	-9.329

2.3 In the context of a savings requirement of £95m, increasing demands for services and the need to deliver the Children's Services Improvement Plan, an overall forecast underspending position is a considerable achievement.

2.4 Table 1 shows that there has been a movement of -£2.555m in the overall position since the last report to Cabinet. The main movements, by portfolio, are detailed below:

2.5 Education, Learning & Skills (ELS) portfolio:

The underspend for this portfolio (excluding schools) has increased by £1.110m this month to -£2.812m. This is due to:

2.5.1 -£0.500m Strategic Management & Directorate Support – a reduction in the pressure from +£0.356m to an underspend of -£0.144m. Following the Government reduction of Early Intervention Grant in the 2011-12 budget, a one-off contingency of over £3m was held within the ELS portfolio to smooth the effects of this reduction in the short term. Over £1m has been utilised during 2011-12 and, as we were successful in achieving the efficiencies required earlier than anticipated, £1.5m of this contingency was transferred to the Financing Items budget within the Finance & Business Support portfolio and reported as an underspend in the November monitoring presented to Cabinet on 9 January. A further £0.5m continued to be held within the ELS portfolio to fund any further in year contingencies, but this has not been required.

2.5.2 -£0.300m 14 – 19 Year Olds Unit – an increase in the underspend from -£0.328m to -£0.628m. This is largely due to an increase in the underspend of the Expanding Vocational Training budgets. One of the main aims of the budget was to set up the Maidstone Skills Studio but there have been ongoing delays in setting up the project and some of this spend will now be incurred in the next financial year and £0.085m will be required to roll forward to fund this re-phasing.

- 2.5.3 -£0.090m Education Psychology Service – an increase in the underspend from -£0.108m to -£0.198m due to staff vacancies continuing to be held pending the ELS restructure.
- 2.5.4 -£0.220m Mainstream Home to School Transport – an increase in the underspend from -£1.000m to -£1.220m largely due to the actual percentage increase in rail fares being less than had been expected.

2.6 Specialist Children's Services (SCS) portfolio:

The pressure on this portfolio has increased by £0.665m this month to £15.591m. The movements above £0.1m are:

- 2.6.1 +£0.309m Fostering – an increase in the pressure from £8.459m to £8.768m, mainly as a result of a £0.233m increase in the legal forecast, where charges continue to increase. It is likely that this is due to late notification of court fees, but this is yet to be verified. The remainder of the increase is due to several minor movements.
- 2.6.2 -£0.146m Children's Residential Services – a reduction in the pressure from £2.345m to £2.199m, which is mainly due to a reduction in the rates payable by the Windchimes centre, backdated to the opening of the centre, following a successful appeal (-£0.129m).
- 2.6.3 +£0.515m Asylum – an increase in the pressure from £2.071m to £2.586m. This increase in the forecast is due to a number of 'pressures' including:
- +£0.130m as a result of properties not closing as quickly as previously expected, such as Appledore, the residential reception unit for newly arrived Unaccompanied Asylum Seeking Children (UASC);
 - +£0.135m increased cost of Independent Fostering Agencies, partly due to an increased unit cost and partly due to changes in end dates for clients;
 - +£0.170m as a result of late and backdated invoicing for interpreting and agency staff;
 - the remaining +£0.080m is due to several other factors, not related to activity.

2.7 Adult Social Care & Public Health portfolio:

The forecast underspend on this portfolio has reduced by £0.217m this month from £5.231m to £5.014m. The main movements this month are:

- 2.7.1 +£0.168m Learning Disability Supported Accommodation – a reduction in the underspend from -£0.729m to -£0.561m. £0.104m of this movement is as a result of late notification regarding the start dates of 5 Ordinary Residence clients. The remaining £0.064m relates to an additional 6 new clients in recent weeks.
- 2.7.2 +£0.104m Learning Disability Day Care – a reduction in the underspend from -£0.166m to -£0.062m. £0.061m of this movement has been based on more up-to-date expenditure commitments, with the remaining £0.043m due to an unexpected backdated lease cost for one of our premises.
- 2.7.3 -£0.032m Public Health – an increase in the underspend from -£0.005m to -£0.037m. £0.022m of this will be required to roll forward to complete the health inequalities work in the Dartford community.

2.8 Environment, Highways & Waste portfolio:

The forecast underspend for this portfolio has increased by £0.712m this month from -£5.504m to -£6.216m. This movement is due to:

- 2.8.1 -£0.099m E&E Strategic Management & Directorate Support: an reduction in the pressure from £0.299m to £0.200m which is due to the removal of the worst case scenario reported last month relating to negotiations surrounding energy charges for the Gypsy and Traveller unit. The dispute relating to these charges has now been resolved. This movement relates to the Planning & Environment Division.

2.8.2 Waste Management & Waste Disposal:

The budgeted waste tonnage for 2011-12 is 760,000 tonnes. Actual waste tonnage for the period April to March will be approximately 45,000 tonnes less than budgeted.

There is a further increase in the underspend of **£0.613m** this month, bringing the forecast underspend on the waste budgets to £5.069m. A detailed analysis of this movement follows:

- a. -£0.178m Household Waste Recycling Centres: an increase in the underspend from -£0.866m to -£1.044m. This is due to -£0.155m reduction in forecast payments to contractors for contractual recycling bonus payments and reduced running costs, however this reduction is offset by additional haulage costs of £0.012m (approximately +1,000 tonnes), together with an additional £0.036m income from the sale of recyclable materials (approximately +1,000 tonnes).
- b. -£0.015m Partnership & Behaviour Change: an increase in the underspend from -£0.204m to -£0.219m as a result of additional income from the contractor for managing the WEEE (Waste Electrical and Electronic Equipment) Contract.
- c. -£0.046m Payments to Waste Collection Authorities (WCA) (DC's): an increase in the underspend from -£0.133m to -£0.179m as a result of a reduction in forecast payments to WCA's under the recycling credit scheme of £0.115m offset by £0.073m of additional tipping away payments to the WCA's due to changes in the end destination of waste, i.e. diverting waste from Allington to Landfill. Also, a further £0.004m of income is expected to be received through the East Kent Contract.
- d. -£0.061m Recycling Contracts and Composting: an increase in the underspend from -£0.593m to -£0.654m has been identified this month as a result of revising forecast payments to the contractors managing waste together with additional income from the sale of recyclable materials (approximately +1,000 tonnes).
- e. -£0.015m Closed Landfill Sites & Abandoned Vehicles: a reduction in the pressure from £0.034m to £0.019m. A reduction in contract payments of £0.110m is forecast for closed landfill sites and abandoned vehicle services, however this is largely offset by a £0.095m under-recovery of income this financial year from the auctioning of abandoned/un-taxed vehicles under the new "Operation Cubit" contract. The income from auctioned vehicles will be realised from May 2012.
- f. -£0.338m Disposal Contracts: an increase in the underspend from -£4.329m to -£4.667m which is mainly as a result of:
 - -£0.016m price reduction for new landfill contracts;
 - -£0.357m resulting from reduced volumes of residual waste being sent to Allington Waste to Energy plant (-4,000 tonnes);
 - -£0.048m from reduced payments for managing hazardous household waste, offset by
 - A further +£0.065m will be incurred for landfilling approximately an extra 2,000 tonnes than forecast.
- g. +£0.111m Landfill Tax: an increase in the pressure from £1.576m to £1.687m as a result of more waste being sent to landfill (approx 2,000 tonnes).
- h. -£0.071m Transfer Stations: a reduction in the pressure from £0.059m to an underspend of -£0.012m due to the impact of the reduction in forecast contract payments.

2.9 **Customer & Communities portfolio:**

The forecast underspend for this portfolio has increased by £0.468m this month from -£5.046m to -£5.514m. The main movements are:

- 2.9.1 -£0.172m Registration Service: there are two primary reasons for this movement. The first is with regard to ceremonial income. The unit provides a number of ceremonial services and as such receives payment for, amongst other things, notice of marriage, ceremonies performed and deposits for ceremonies in future financial years. Throughout the year, income is matched to the year in which the ceremony is performed and any monies that relate to future years are held on the balance sheet as a receipt in advance in line with accounting convention. As part of the year end closure of accounts procedures the income held on the balance sheet is reviewed to ensure that income is recorded in the correct financial year. This review is almost complete and to date, it has come to the unit's attention that certain monies held for release in future years actually relates to 2011-12. This includes non-refundable deposits taken in 2011-12 but where the ceremony is due to occur in 2012-

13 or beyond. This income has now been reflected in the 2011-12 monitoring position and the final position will be reported in the outturn. This significant movement in the income forecast is partially offset by a revenue contribution of £0.250m to Regeneration to part-fund some of their ongoing capital projects which the Customer & Communities directorate has an interest in.

In addition, the service has made savings from reduced staff and running costs as activity slows in the 4th quarter and previous “commitments” have been released. However this has been offset by a shortfall in expected income due to a delay in the commencement of the contract with Bexley Borough Council, which was initially thought to come on line during 2011-12.

- 2.9.2 -£0.051m Youth Offending Service: this movement is primarily due to the de-commissioning of certain contracts which had not previously been removed from the forecast, as well as a continued reduction in the level of remand costs as preventative measures taken in the year have resulted in reduced activity.
- 2.9.3 The remaining -£0.245m movement is due to:
- -£0.445m due to a number of minor movements across all services within the Customer & Communities directorate, primarily relating to additional staff vacancies at year end, as well as commitments that were forecast but were unable to be spent by 31 March now being released.
 - +£0.200m due to a one-off revenue contribution to the modernisation of assets capital budget to ease pressures that face this budget in the immediate future.
- 2.9.4 Overall the portfolio is forecasting to underspend by £5.514m, of which a £4.783m roll forward requirement was flagged in the quarter 3 report (*Big Society £4m, rolled forward underspend assumed in the 2012-13 MTFP £0.433m, backlog of inquests within Coroners service £0.150m and dedicated central campaign budget within Communication & Engagement division £0.2m*). However, the roll forward requirement for the dedicated central campaign budget has increased from £0.2m to £0.4m, as it is now considered necessary to establish both a central staffing and activity budget for 2012-13, whereas the previous £0.2m estimate only allowed for a central staffing budget. It is anticipated that the budget for future years will be created from a review of existing communications spend. As a result, the roll forward requirement for the portfolio has increased to £4.983m, leaving £0.531m unallocated.

2.10 Finance & Business Support portfolio:

The forecast underspend for this portfolio has increased by £0.904m this month from -£9.283m to -£10.187m. This is mainly due to:

- 2.10.1 -£0.772m Net Debt Charges (including Investment Income) – an increase in the underspend from -£6.615m to -£7.387m, which is mainly due to further interest on cash balances as a result of interest received within the first dividend from Glitnir Bank and in the second dividend from Landsbanki, together with relaxing the counterparty policy at the end of February to include UK banks, which has bolstered interest returns.
- 2.10.2 +£0.857m Insurance Fund – an increase in the pressure on the Insurance Fund from £1.590m to £2.447m due to an increase in the provision for liability claims.
- 2.10.3 -£0.857m Contributions to/from Reserves – a reduction in the pressure from £2.375m to £1.518m reflecting an increase in the drawdown from the Insurance Reserve to offset the pressure on the Insurance Fund.
- 2.10.4 -£0.094m Finance & Procurement – a reduction in the pressure from +£0.484m to +£0.390m, mainly resulting from vacancies being held in the Ex KASS Exchequer and Procurement Teams due to the Finance restructure programme, leading to lower than anticipated salary and employee start-up costs.
- 2.10.5 The remaining -£0.038m relates to a reduction in the pressure within HR Business Operations from +£0.238m to +£0.200m.

2.11 Business Strategy, Performance & Health Reform portfolio:

The forecast underspend for this portfolio has increased by £0.162m this month from -£2.241m to -£2.403m. This is due to a number of small movements across many units, two of which will require roll forward to 2012-13 in order to complete the re-phasing of projects as follows:

- -£0.060m increase in the underspend on Health Reform due to further re-phasing of the implementation of the corporate activities that this money was identified to deliver.
- -£0.092m within Human Resources due to re-phasing of the East Kent Partnership Payroll Project. This funding is required to fund a Project Manager but the project timeline has moved into 2012-13 due to delays from the East Kent Partnership; KCC had no control over these delays.

2.12 Democracy & Partnerships portfolio:

The forecast underspend for this portfolio has increased by -£0.082m this month from -£0.252m to -£0.334m. The majority of this movement (-£0.060m) relates to reduced costs for external consultants within Audit and Risk but this will be required to roll forward to 2012-13 in order to fund the remainder of the contract with them for delivering the work in 2011-12 audit plan, which has re-phased into 2012-13.

3. CAPITAL

3.1 There have been no cash limit adjustments this month. Therefore the cash limits are the same as those reported to Cabinet on 16th April, as shown in table 3 below:

Table 3: Cash Limit Changes

	2011-12	2012-13
	£m	£m
1 Cash Limits as reported to Cabinet on 16th April	272.426	296.486
	272.426	296.486

3.2 The current forecast capital position by portfolio, is shown in **table 4** below.

Table 4: Capital Position

	Real and	Real	Movement
	Re-phasing	Variance	This month
	Variance	Last month	
	This month		
Portfolio			
	£m	£m	£m
Education, Learning & Skills	-4.019	-3.898	-0.121
Specialist Children's Services	0.762	0.540	0.222
Adult Social Care & Public Health	-0.502	-0.395	-0.107
Environment, Highways and Waste	0.691	0.380	0.311
Customer & Communities	-0.808	0.090	-0.898
Regeneration & Enterprise	-1.175	0.000	-1.175
Business Strategy, Performance & Public Health	-0.302	0.005	-0.307
Total (excl Schools)	-5.353	-3.278	-2.075
Schools	0.000	0.000	0.000
Total	-5.353	-3.278	-2.075

Since last month's report, the forecast outturn has reduced by £2.075m as detailed below:

3.3 Education, Learning & Skills portfolio:

The forecast has moved by -£0.121m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Wyvern School Special School Review (-£0.284m, rephasing): further rephasing caused by delays in progressing the brickwork due to a period of particularly cold weather.
- Westminster PS (+£0.130m, rephasing): monitoring error by external consultants who were reporting March contractors costs in April.
- Richmond PS (-£0.116m, rephasing): the rephasing has been caused by drainage issues causing the need for additional works.
- Archbishop Courtenay (+£0.069m, rephasing): delays in the completion of highway works has resulted in the need to rephrase into 2012-13.

There is also expected rephasing of -£4.827m on the Academies and BSF programmes, the details of which will be reported at outturn.

Overall this leaves a residual balance of +£0.080m on a number of minor projects.

3.4 Specialist Children's Services portfolio:

The forecast has moved by +£0.222m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Multi Agency Service Hubs (+£0.323m, real): more accurate information is becoming available relating to contractor claims against projects within this programme. Funding of the overspend is in the process of being resolved.
- Early Years Children Centres (-£0.093m, rephasing): the rephasing mainly related to the Sunshines Children Centre which is unlikely to proceed but there is a possibility that the funding can be redirected elsewhere.
- School Self Funded Projects – Quarryfields (-£0.066m, rephasing): This project required agreement over a revenue contribution, made from additional income received, resulting in a delay to the contract start date.

Overall this leaves a residual balance of +£0.058m on a number of minor projects.

3.5 Adult Social Care and Public Health portfolio:

The forecast has moved by -£0.107m. This movement is on a number of minor projects.

3.6 Environment, Highways and Waste portfolio:

The forecast has moved by +£0.311m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- A228 Leybourne & West Malling Bypass (-£0.856m, real): McAlpine Option land plot settled at a lower amount than anticipated.
- Ashford Drivers Roundabout (+£1.468m, real): This latest forecast reflects best estimates on negotiations and settlements of claims relating to the final account, with the contractor. Funding of the overspend is in the process of being resolved.
- Victoria Way (-£0.250m, rephasing): Final utility accounts are now to be settled in 2012-13 and rephasing of some of the landscape work to future years.

Overall this leaves a residual balance of -£0.051m on a number of minor projects.

3.7 Customer and Communities portfolio:

The forecast has moved by -£0.898m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Country Park Access & Development (-£0.269m, rephasing): This rephasing is works moved from quarter four in 2011-12 to quarter one in 2012-13, and is a result of delays to the toilet block works at Lullingstone, contractor delays to the start of works at both Grove Ferry and Shorne due to liaison with the Environment Agency.
- Modernisation of Assets (-£0.502m rephasing and +£0.004m real): Rephasing from quarter four in 2011-12 to quarter one in 2012-13 as a result of the year end review commitments. Overall the position on the programme is an overspend of £0.315m. There is an additional revenue contribution this year of £0.200m (£0.115m previously reported) to fund this.

Overall this leaves a residual balance of -£0.131m on a number of minor projects.

3.8 Regeneration and Enterprise portfolio:

The forecast has moved by -£1.175m. Projects subject to re-phasing and overall variances affecting 2011-12 are:

- Capital Regeneration Fund (-£0.864m, rephasing): The whole of the rephased amount has been allocated to projects in 2011-12, but spend will actually occur in 2012-13 and beyond. Included in the allocation of the Capital Regeneration Fund, is £1.000m to the No Use Empty Affordable Homes scheme.
- No Use Empty Initiative (-£0.220m, rephasing): Many of the projects identified require consent from the 1st lender to register a 2nd charge in favour of KCC. Until we have this in place the loan cannot be secured hence the rephasing into 2012-13.

Overall this leaves a residual balance of -£0.091m on a number of minor projects.

3.9 Business Strategy, Performance and Health Reform portfolio:

The forecast has moved by -£0.307m. The main reason for this movement is:

- Modernisation of Assets (-£0.319m, rephasing): Due to tender complications with the Sessions House roof works to ensure the Authority would achieve best value, there has been a delay in the work starting and £0.319m of spend has slipped into 2012-13.

Overall this leaves a residual balance of +£0.012m on a number of minor projects.

3.10 Capital Project Re-phasing

Normally, 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 is reported and the full extent of the re-phasing will be shown. The table overleaf summarises the proposed re-phasing. This includes re-phasing from both this month and that previously reported to Cabinet on 16th April.

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

Portfolio	2011-12	2012-13	2013-14	Future Years	Total
	£m	£m	£m	£m	£m
Education, Learning & Skills					
Amended total cash limits	103.682	139.066	87.550	64.049	394.347
Re-phasing	-3.126	3.130	-0.004	0.000	0.000
Revised cash limits	100.556	142.196	87.546	64.049	394.347
Specialist Children's Services					
Amended total cash limits	14.408	0.750	0.000	0.000	15.158
Re-phasing	0.000	0.000	0.000	0.000	0.000
Revised cash limits	14.408	0.750	0.000	0.000	15.158
Adult Social Care & Public Health					
Amended total cash limits	3.493	12.291	6.600	70.373	92.757
Re-phasing	-0.239	-3.245	3.559	-0.075	0.000
Revised cash limits	3.254	9.046	10.159	70.298	92.757
Enterprise & Environment					
Amended total cash limits	97.249	62.235	62.903	341.885	564.272
Re-phasing	-0.666	1.307	-0.437	-0.204	0.000
Revised cash limits	96.583	63.542	62.466	341.681	564.272
Customer & Communities					
Amended total cash limits	17.418	7.586	5.006	10.199	40.209
Re-phasing	-0.583	0.583	0.000	0.000	0.000
Revised cash limits	16.835	8.169	5.006	10.199	40.209
Regen & Enterprise					
Amended total cash limits	3.617	43.409	36.000	28.000	111.026
Re-phasing	-1.084	1.084	0.000	0.000	0.000
Revised cash limits	2.533	44.493	36.000	28.000	111.026
Business Strategy & support					
Amended total cash limits	7.839	17.233	6.701	4.245	36.018
Re-phasing	-0.319	0.319	0.000	0.000	0.000
Revised cash limits	7.520	17.552	6.701	4.245	36.018
TOTAL RE-PHASING >£100k	-6.017	3.178	3.118	-0.279	0.000
Other re-phased Projects below £100k	-0.987	0.809	0.178	0.000	0.000
TOTAL RE-PHASING	-7.004	3.987	3.296	-0.279	0.000

4. RECOMMENDATIONS

Cabinet is asked to:

- 4.1 **Note** the latest forecast revenue and capital budget monitoring position for 2011-12.
- 4.2 **Agree** the transfer of £0.433m underspend within the Customer & Communities portfolio to the earmarked reserve to support next year's budget, as assumed in the approved 2012-15 MTFP.
- 4.3 **Agree** the transfer of £4m relating to the Big Society re-phasing, to the rolling budget reserve to be drawn down as the spend is incurred in 2012-13 and 2013-14.

- 4.4 **Note** the changes to the capital programme.
- 4.5 **Agree** that £6.017m of re-phasing on the capital programme is moved from 2011-12 capital cash limits to future years.