

From: Mike Hill, Cabinet Member for Communities
Amanda Honey, Corporate Director for Customer & Communities

To: Customer & Communities Cabinet Committee –
17 December 2013

Subject: Customer & Communities Directorate/Portfolio Financial Monitoring 2013/14

Classification: Unrestricted

Summary:

The Cabinet Committee is asked to note the second quarter's full budget monitoring report for 2013/14, as reported to Cabinet on 2 December 2013.

Recommendation(s):

The Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2013/14 for the Customer & Communities Directorate/Communities Portfolio, based on the second quarter's full monitoring to Cabinet.

1. Introduction:

- 1.1 This is a regular report to this Committee on the forecast outturn for Customer & Communities Directorate & Portfolio.
- 1.2 The financial monitoring report presented at the September Cabinet Committee declared a net underspend of -£140k, primarily due to:
- -£592k under allocation of awards granted by the Kent Support & Assistance Service (KSAS) from available DWP funding.
 - +£573k delay in Contact Centre savings that have been realigned with the timetable for digital by default, the web platform replacement and customer service strategy.
- 1.3 The latest financial monitoring, as presented to Cabinet on 2 December 2013, shows that the net underspend has increased to -£2,395k. This variation of -£2,255k can be largely attributed to three areas:
- -£409k of further under-allocations of KSAS awards (total variance now -£1,001k) compared to available DWP funding;
 - -£1,385k of contract variations within Supporting People
 - -£182k variance for the Libraries, Registration and Archive service, which is primarily due to a -£120k increase in the anticipated level of registration income (total variance -£154k)
 - The remaining -£279k of variance consists of smaller movements across a number of A-Z lines.

- 1.4 An interesting development for KSAS (see graph 1) is that the number of individual awards now exceeds the number of applications. This is partly due to the number of inappropriate applications reducing in comparison to the awards granted, which has steadily increased month on month, as well as multiple awards being made where appropriate.

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. The second quarter's monitoring report for 2013/14 is attached.

- 2.2 The attached relevant annex from the Cabinet report is presented in the pre-election portfolio structure. Given the inevitable changes that are coming from "Facing the Challenge", the Cabinet Member for Finance & Procurement has agreed that in terms of competing priorities, value added and risk, the work involved in mapping the pre-election portfolios to the post-election portfolio structure exceeds the benefits to be had, given the relatively short period that these new portfolios will be in existence before a further major change takes effect. Therefore, reporting for the remainder of this financial year will continue in the pre-election portfolio structure.

3. **Recommendation(s):**

The Communities Cabinet Committee is asked to note the revenue and capital forecast variances from budget for 2013/14 for the Customer & Communities Directorate/Communities Portfolio, based on the second quarter's full monitoring to Cabinet.

4. **Contact details**

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