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AGENDA

CABINET

Monday, 25 September, 2017, at 10.00 am	Ask for:	**Louise Whitaker**
Darent Room, Sessions House, County Hall, Maidstone	Telephone:	**Tel:03000416824, louise.whitaker@kent.gov.uk**

Tea/Coffee will be available 15 minutes before the meeting.

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UNRESTRICTED ITEMS
(During these items the meeting is likely to be open to the public)

1. Introduction/Webcasting
2. Apologies and Substitutions
3. Declaration of Interests by Member in Items on the Agenda for this meeting
4. Minutes of the Meeting held on 26 June 2017 (Pages 3 - 10)
5. Revenue and Capital Budget Monitoring - July 2017-18 (Pages 11 - 102)
6. Quarterly Performance Report, Quarter 1, 2017/18 (Pages 103 - 154)

John Lynch,
Head of Democratic Services
03000 410466
Friday, 15 September 2017

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

CABINET

MINUTES of a meeting of the Cabinet held in the Darent Room, Sessions House, County Hall, Maidstone on Monday, 26 June 2017.

PRESENT: Mr P B Carter, CBE (Chairman), Miss S J Carey, Mr M C Dance, Mr R W Gough, Mr P M Hill, OBE, Mr E Hotson, Ms D Marsh, Mr P J Oakford, Mr M Payne and Mr J D Simmonds, MBE

IN ATTENDANCE: Mrs A Beer (Corporate Director Engagement, Organisation Design and Development), Mrs B Cooper (Corporate Director Growth, Environment and Transport), Mr A Ireland (Corporate Director Social Care, Health and Wellbeing), Mr P Leeson (Corporate Director Children, Young People and Education), Mr J Lynch (Head of Democratic Services), Mr A Scott-Clark (Director of Public Health), Mr B Watts (General Counsel) and Mr A Wood (Corporate Director of Finance)

UNRESTRICTED ITEMS

1 Apologies

Mr Balfour and Mr Gibbens submitted apologies and Mr Payne and Ms Marsh would be substituting respectively. Mr D Cockburn (Corporate Director Strategic and Corporate Services) also submitted his apologies

2 Declarations of interest

No declarations of interest were received.

3 Minutes of the Meeting held on 27 March 2017

(Item 3)

The minutes of the meeting held on 27 March 2017 were agreed and signed as a correct record by the Chairman accordingly.

4 Revenue and Capital Budget Outturn 2016-17

(Item 4 – report of Mr John Simmonds, Cabinet Member for Finance and Andy Wood, Corporate Director of Finance

Cabinet received a report which provided the provisional revenue and capital budget outturn position for 2016-17, including a final update on key activity for the highest risk budgets.

Mr J Simmonds, MBE, Cabinet Member for Finance, introduced the report. In particular he referred to the following information:

- This was the 17th consecutive year the Council had set a balanced budget. The provisional outturn showed an underspend of £3.77m

- Despite the SEN transport budget overspending by £2.6m, the directorate managed to offset a significant proportion of this pressure and ended the financial year with a net overspend of just over £1m.
- The overall outturn position of Specialist Children's Services was an overspend of £5,465k of which £966k related to Asylum. This pressure had been reduced from earlier forecasts partly due to management action in reducing accommodation costs but also reflected a settlement from the Home office of £766k towards the shortfall in funding.
- There was a small underspend of £241k for Adult Social Care. This was a substantial achievement considering the significant pressures for direct Services.
- The overall position for Public Health was a £3m underspend which had been transferred into the Public Health reserve leaving a small movement of -£0.2k relating to roll forward commitments.
- The GET Directorates outturn position after roll forward requirements was a commendable net underspend of -£255k. This underspend was delivered despite in year pressures of £3m arising from activity led pressures including Waste, Young Persons Travel Pass, Coroners and Highways Asset Management. It was also noted that the cost of disposing of each tonne of waste material was now less than it was five years ago, as well KCC achieving one of the lowest waste to landfill % in the country.
- Strategic and Corporate Services outturn was an underspend of -£1,453k
- The Schools delegated budget had overspent by £23m which was due to £2.219m as a result of 21 schools converting to academy status and taking their accumulated reserves with them, £4.003m use of school unallocated reserves to offset pressures on High Needs and Early Years education, £10.303m use of unallocated reserves to fund in year schools related pressures, particularly growth in both mainstream and high needs pupil numbers, £7.120m use of schools reserves for the remaining Kent schools. As a result schools reserves had reduced from £46.361m to £22.716m
- There was a shortfall in the dividend from Commercial Services of £1.227m which was primarily due to a significant decline in market conditions and a slower growth than anticipated in Connect2staff.
- There was a reported variance with the capital programme of £81m, £77m which related to rephrasing.
- Mr Simmonds paid credit to Directors and their staff for all their continued hard work and stated that budget savings were getting increasing difficult to manage each year.

The Leader, Mr P Carter CBE, also thanked all the staff for their hard work in managing their budgets to enable the council to get to a balanced position overall.

It was RESOLVED

CABINET **Revenue and Capital Budget Outturn 2016- 2017**	
1.	That the report including the provisional outturn position for 2016-17 for both the revenue and capital budgets be noted.
2.	£589.4k of the 2016-17 revenue underspending is rolled forward to fund existing commitments, as detailed in section 2 of Appendix 1.

3.	£2,066.1k of the 2016-17 revenue underspending is rolled forward to fund re-phasing of existing initiatives, as detailed in section 3 of Appendix 1.
4.	£518.5k of the revenue underspending is rolled forward to fund the bids detailed in section 4 of Appendix 1.
5.	£597.6k remainder of the 2016-17 revenue underspending is transferred to the earmarked reserve to support future years' budgets to help balance the 2018-19 budget gap.
6.	£44.389m of capital re-phasing from 2016-17 outturn be added into the 2017-18 and later years capital budgets, as detailed in Appendix 2.
7.	The proposed capital cash limit changes outlined in Appendix 3 be agreed.
8.	The contributions to and from reserves as reflected in Appendix 6, which includes all appropriate and previously agreed transfers to and from reserves be agreed.
REASON	
1.	In order that Cabinet an effectively carry out monitoring requirements.
2.	In order that the budget accurately reflects the real time position, is fit for purpose enabling necessary actions to be taken.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

5. Revenue and Capital Budget Monitoring Report 2017-18

(Item 5 – report of Mr John Simmonds, Cabinet Member for Finance and Andy Wood, Corporate Director of Finance)

Cabinet received a report which reflected the position for each of the Directorates based on the major issues arising from the 2016-17 outturn.

Mr J Simmonds, MBE, Cabinet Member for Finance introduced the report and advised that the early forecast revenue pressure of over £8m was clearly a concern and needed to be managed down. It was not unusual for the first forecast of the year to be on the pessimistic side and for comparison the initial forecast for the same period last year was £7.9m. However it was getting increasingly difficult year on year to balance the budget.

The majority of the £73m of savings were on track. When the 2017/18 budget was set it was planned to increase the General Reserves by £3.9m to reflect the growing risk environment. However since then a number of risks had reduced and it was proposed that the additional £3.9m contribution to the reserves budgeted for in 2017/18 was not now necessary and instead be earmarked for further pot hole repairs across the county, with the remaining £0.9m being declared as an underspend in the current year to partly offset reported pressures elsewhere.

The forecast for Specialist Children Services was showing a budget pressure of £0.3m

The current predicted pressure on the Asylum Service was £4.2m and this was based on a number of assumptions. The 2017-18 Unaccompanied Asylum Seeker Children (UASC) and Care leavers grant rates had not yet been confirmed by the Home Office and therefore it had been assumed that they would continue to be paid at the rates agreed for 2016-17. Discussions were continuing with the Home Office but until there was written agreement from the Home office we were forecasting this pressure.

In relation to Education and Young People, the Education part of the Directorate was forecasting a balanced budget at this stage. However the Dedicated Schools Grant (DSG) reserve ended the 2016-17 financial year in deficit for the first time and this was now an area of concern for the Council. The main reasons for this were in relation to the higher pupil growth than expected, particularly in relation to pupils with Special Educational Needs.

The authority had agreed with the Schools Funding Forum to retain a reserve of £5m for in year growth. It was noted we now had to meet the costs for students in the age range 19-25 but without any additional DSG funding from Government.

The initial forecast for Adult Social Care and Health Directorate indicated an overall pressure of £3.349m which related wholly to the slippage of some savings in the 2017-18 budget, mainly relating to transformation. It was anticipated that this pressure would reduce over the next few weeks as decisions could be implemented and alternative savings could be found to offset any remaining slippage.

The capital programme 2017-18 had an approved budget of £261.303m (excluding schools and PFI0. This did not yet include roll forwards reported as part of the 2016-17 outturn report but to date there were no known variances to report on.

Mr Andy Wood, Corporate Director of Finance reported that over half of the overspend related to Asylum Service. The UASC grant paid by the Home office reduced once a child turned 16 therefore leading to an increasing pressure as the child got older if the cost of support was not reduced, which was not always possible. The shortfall in the grant rate to support for Care Leavers was not dissimilar to previous years but the overall pressure was greater due to higher numbers of young people.

The overall position was not sustainable and we cannot keep being in this situation at the start of each year. Discussions were ongoing with the Home Office and officers would continue to press for every penny the council was entitled to.

The Leader, Mr P Carter, CBE stated that the Government had a new Minister in charge with Brandon Lewis along with a new team of civil servants. He welcomed the new money that was being put into fixing pot holes across the country during the summer so that repairs could be completed to a high standard by the end of Sept.

Mr Roger Gough , Cabinet Member for Children, Young People and Education reiterated the point about the fall in reserves for DSG. The growth in High Needs pupil numbers was likely to continue into 2017-18 along with other known commitments. The Directorate had embarked on a fundamental review of its DSG High Needs budget with the aim of making amendments to the various processes so that in future the annual commitments could not exceed the annual funding that the council received from the Department for Education. In addition the review was looking to establish a realistic repayment plan so that the reserve returned to a surplus as soon as possible. This review would need to be agreed with the Schools' Funding Forum in due course.

It was RESOLVED

CABINET Revenue and Capital Budget Monitoring Report 2017- 2018	
1.	That the initial forecast revenue and capital budget monitoring position for 2017-18, and the revenue forecast pressure needs to be eliminated by year end be noted.
2.	That the proposal to no longer make a contribution of £3.9m to reserves but to use £3m to fund further pot hole repairs and the remaining £0.9m to be declared as an underspend in 2017-18 to offset reported pressure be agreed.
ALTERNATIVE OPTIONS CONSIDERED	None.
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

6. Quarterly Performance Report, Quarter 4, 2016/17

(Item 6 – report of Miss Susan Carey, Cabinet Member for Customers, Communications and Performance and Mr David Cockburn, Corporate Director, Strategic and Corporate Services)

Cabinet received a report containing the latest quarterly performance information relating to key areas of performance for the authority.

Mr Richard Fitzgerald, Business Intelligence Manager- Performance was in attendance and introduced the item for members. Of the 39 key performance indicators 23 were rated green – target achieved or exceeded and 14 were rated amber – below target but above the floor standard so the direction of travel in the quarter was positive.

Miss Susan Carey, Cabinet Member for Customers, Communications and Performance highlighted the following:

- Customer Centre – Good performance was maintained for call answering and caller satisfaction. Phone calls volumes to the contact centre had reduced over the year with improved transaction processing automated direction of calls and improved digital content on the website.
- Economic Development and Communities – Jobs created and safeguarded from regional growth fund loan schemes were nearly 4,000 jobs which was close to target. The No use Empty programme continued to deliver ahead of target. Library usage had been above expectations in the last year.

- Environment and Transport - core service delivery for highways and waste was on or above target for all indicators. Performance for diversion of waste from landfill had been particularly strong in the year, exceeding EU Directive targets set for the year 2020.
- Education and Young People – Ofsted inspection results for Schools and Early Years were on or above target.
- Specialist Children Services – Ofsted inspected in March and the outcome was that the service was good. The total number of children in care had now reduced below the national average, with previous unaccompanied asylum seeker children arriving in 2015 now starting to move into the care leavers service. Case file audits were judged as good or outstanding and children returning to child protection plan were both ahead of target.
- Adult Social Care – Contacts resolved at first point of contact fell in the quarter but remained ahead of target. Clients referred to enablement increased but remained behind target. The number of adults with learning disability in residential care continues to reduce with more clients now supported in the community with increased independence.
- Public Health – Health checks completions showed further improvements and met target. Access to the GUM services remained ahead of target continuing to achieve at the 100% level.

The Leader, Mr P Carter, CBE stated that the council needed to set up monitoring for delayed transfers out of hospitals as this was having a big impact and we needed to work with our health care partners to improve this. The Ofsted outcome would be discussed at County Council in July. He thanked Andrew Ireland and all his staff for their hard work in achieving this result.

It was RESOLVED that the report be noted.

7. Special Educational Needs and Disability (SEND) Strategy 2017- 2019

(Item 7 – report of Mr Roger Gough, Cabinet Member for Children, Young People and Education and Mr Patrick Leeson, Corporate Director for Children, Young People and Education)

Cabinet received a report which set out how the County Council was delivering its policy for children and young people with special educational needs and fulfilling its statutory duty towards them.

Mr Roger Gough, Cabinet Member for Children, Young People and Education introduced the report and said that this built on the 2013 Strategy. The following points were highlighted:

- The number of children and young people with Education, Health and Care Plan and SEN statements has increased from 6272 in 2013 to 7043 in 2016. At the same time we had increased the number of maintained specialist places so that more Kent children and young people with SEND could attend a good local school that could meet their needs.
- By February 2016 15,000 more children were attending good or better Kent schools when compared to the position in 2014.

- Through a partnership with 12 lead Special Schools we had steadily increased the expertise in mainstream schools with 97% reporting the Local Inclusion Forum team had a positive impact.
- The new 20 week statutory assessment for Education and Health Care Plans had been firmly embedded.
- A key part of the commissioning strategy had been to meet a wider range of special educational needs in mainstream schools and as a result we had increased support and places for children in mainstream with Autism Spectrum Disorder, Behavioural, Emotional and Social Needs and Speech language and communication Needs. Through a substantial building programme additional places had been delivered in our Special Schools and satellite provision located in mainstream schools.
- It was anticipated that the demand for specialist places would continue to grow. Despite the introduction of high needs funding to provide specialist support without the need for an EHCP, we had yet to see a reduction in the requests for statutory assessment.

Mr Patrick Leeson, Corporate Director for Children, Young People advised that as we continued to see high needs funding increase, and indications were that the National Funding formula would cap this, the aim was to work in partnership with schools to develop more effective ways to use high needs funding in mainstream schools.

It was RESOLVED

CABINET **Special Educational Needs and Disability (SEND) Strategy 2017-2019**	
1.	That the revised SEND Strategy 2017-2019 be endorsed.
REASON	
1.	In order that the council can set out its policy and fulfil its statutory duty towards children and young people with special educational needs.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

8. Draft Cultural Strategy

(Item 8 – report of Mr Mike Hill, Cabinet Member for Community and Regulatory Services and Mrs Barbara Cooper, Corporate Director, Growth, Environment and Transport)

Cabinet received a report which set out the shared ambition of all creative partners in Kent. The Strategy would provide a framework for collaborative working and greater *focus on innovation, growth, skills and sustainability in Kent's creative industries over the next ten years.*

Mr Mike Hill, OBE Cabinet Member for Community and Regulatory Services stated that the Strategy had been developed by the sector itself following extensive consultation. The Strategy for the period 2017 to 2027 aimed to support the continued growth of the creative and cultural sector by making effective use of public and partner investment.

It was RESOLVED

CABINET **Draft Cultural Strategy**	
1.	That the strategy document be endorsed and would be submitted to County Council in July to adopt
REASON	
1.	In order that the council can set out its cultural strategy policy.
ALTERNATIVE OPTIONS CONSIDERED	None
CONFLICTS OF INTEREST	None.
DISPENSATIONS GRANTED	None.

9. Leaders Announcement on Fire Risk Assessments

The Leader, Mr P Carter, CBE announced that following the dreadful fire last week in Kensington and Chelsea he had immediately asked for a full risk assessment to be carried out on approximately 500 public buildings in Kent. The initial report identified that 155 of these buildings had some form of cladding on them.

DCLG were advising authorities to focus on buildings of 10 storeys or more. However the Leader stated that he wanted all buildings with cladding on to be looked at in Kent. This included schools, libraries, care homes as well as residential premises.

He would like to work closely with Kent Fire and Rescue and its Chief Officer Ann Millington to find out what tests have been conducted on what buildings and materials and which products had failed so we could use the information when looking at our buildings.

London Fire Brigade needed to share the test information they had with other authorities so that they could all learn from this.

He had also asked officers to risk assess where the most vulnerable residents were housed in these building in Kent. He would keep Members informed as to progress.

By: Cabinet Member for Finance, John Simmonds
Corporate Director of Finance, Andy Wood
Corporate Directors

To: Corporate Board – 11 September 2017
CABINET – 25 September 2017

Subject: **REVENUE & CAPITAL BUDGET MONITORING – JULY 2017-18**

Classification: Unrestricted

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1. SUMMARY

1.1 This report provides the budget monitoring position up to 31 July 2017-18 for both revenue and capital budgets, including an update on key activity data for our highest risk budgets.

1.2 The format of this report is:

- This covering summary report which provides a high level financial summary and highlights only the most significant issues, as determined by Corporate Directors.
- Appendix 1 – a high level breakdown of the directorate monitoring positions;
- Appendix 2 – activity information for our highest risk budgets;
- Appendix 3 – details of the Asylum service forecast and key activity information including grant rates compared to actual forecast unit costs;
- Appendix 4 – Capital Receipts – key activity indicators and budget risk assessment monitoring;
- Appendix 5 – quarterly monitoring of prudential indicators;
- Appendix 6 – details of realignment of revenue budgets **for approval.**

1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. In the light of further government funding reductions in the short to medium term, it is essential that a balanced revenue position is achieved in 2017-18, as any residual pressures rolled forward into 2018-19 will only compound an already extremely challenging 2018-19 budget position. This forecast revenue pressure is £10.993m (after Corporate Director adjustments) and needs to be managed down to at least a balanced position.

1.4 However, managing the pressure down will not be easy. After years of grant cuts leading to budget savings, the historic routes to in-year savings are severely eroded. For example, staff budgets are not generally set at 100%, so there is already an assumption that there will be staff turnover and therefore vacancies which will be held for as long as possible without impacting on service delivery. Discretionary budgets held by budget managers have been all but removed. The consequence is that any in-year action will almost certainly impact on service levels and / or quality. There are of course 'taps' that can be turned, but those could have longer-term cost implications, and with no end to austerity in local government in sight, that could well be a false economy. The Finance team is working with the corporate directors to identify opportunities to reduce in-year spend, whilst also identifying the service impact and potential longer-term cost of short-term decision making. This will inform discussions with Cabinet Members about how this forecast overspend is managed, in order to avoid going in to 2018/19 in an overspend position. The outcome of those discussions will be included in the next monitoring report.

1.5 The forecast revenue pressure (before Corporate Director adjustments) is £18.885m, which is an increase of +£4.693m from the previous reported position. The predominate reasons for the increase are due to Education and Young People, Specialist Children's Services and Adult Social Care and Health. The Corporate Director adjustments totalling -£7.892m have brought the forecast position down to £10.993m. However, these Corporate Director adjustments need to be realised and should not be assumed to be 'in the bag'.

2. RECOMMENDATIONS

Cabinet is asked to:

i) **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

ii) **Agree** the revenue budget realignment set out in Appendix 6.

iii) **Agree** the changes to the capital programme as detailed in section 5.4.

3. SUMMARISED REVENUE MONITORING POSITION

3.1 Overall the net projected revenue variance for the Council as reported by budget managers is a pressure of £18.885m. Corporate Directors have adjusted this position by -£7.892m, leaving a residual pressure of £10.993m. Details of the Corporate Director adjustments are provided below in sections 3.4. This forecast position represents a movement of -£0.280m (excluding Schools) from the May position. The main reasons for this movement are provided in section 3.3 below. In 2017-18, we have £73m of savings to deliver and to achieve this we need to urgently identify options to eliminate the residual £11m forecast pressure. At this early stage of the financial year there have been no requests for roll forwards. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1: Directorate **revenue** position

Directorate		Budget	Net Forecast Variance *	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
		£m	£m	£m	£m	£m	£m
Children, Young People & Education - Education & Young People		58.792	3.319	-0.873	2.446	1.002	1.443
Children, Young People & Education - Specialist Children's Services		112.732	2.362	-0.755	1.607	0.891	0.716
Children, Young People & Education - Asylum		0.550	3.908		3.908	4.220	-0.312
Sub Total Children, Young People & Education		*172.074*	*9.589*	*-1.628*	*7.961*	*6.113*	*1.848*
Adult Social Care & Health - Disabled Children Services		20.754	1.092	-0.464	0.628	0.518	0.110
Adult Social Care & Health - Adults		396.298	7.835	-5.300	2.535	4.483	-1.947
Adult Social Care & Health - Public Health		-0.011	0.000		0.000	0.000	0.000
Sub Total Adult Social Care & Health		*417.041*	*8.928*	*-5.764*	*3.164*	*5.001*	*-1.837*
Growth, Environment & Transport		166.756	1.602	-0.500	1.102	0.520	0.581
Strategic & Corporate Services		70.198	0.223		0.223	0.652	-0.429
Financing Items		111.986	-1.455		-1.455	-1.013	-0.443
TOTAL (excl Schools)		**938.054**	**18.885**	**-7.892**	**10.993**	**11.273**	**-0.280**
Schools (CYP&E Directorate)		*0.000*	*0.625*	*1.483*	*2.108*	*1.291*	*0.817*
TOTAL		**938.054**	**19.511**	**-6.409**	**13.102**	**12.564**	**0.537**
Variance from above (excl schools)					**10.993**	**11.273**	**-0.280**
Roll forwards	- committed				0.000		0.000
	- re-phased				0.000		0.000
	- bids				0.000		0.000
Total roll forward requirements					0.000	0.000	0.000
(-ve Uncommitted balance / (+ve) Deficit					**10.993**	**11.273**	**-0.280**

* the variances reflected in appendix 1 & 2 will feature in this column

3.3 The main reasons for the movement of -£0.280m (after Corporate Director adjustments) since the last report are:

3.3.1 Children, Young People and Education – Education & Young People's Services:

The movement in the forecast variance (excluding schools but after Corporate Director adjustments) shows an increase of £1.443m since the May monitoring position. The Corporate Director adjustment has been made to reflect more up to date information received after the submission of manager forecasts -£0.773m along with an expectation there will be a general reduction in forecast over the coming months of an additional -£0.100m. The main reasons for movement are:

- -£0.199m Early Years Education & Childcare: there has been an increase in the expected amount of income generated from nurseries (this was anticipated and formed part of the £0.6m Corporate Director Adjustment in May).
- +£0.177m Early Years Education & Childcare: increasing pressures resulting from further shortfalls in income against service targets along with increasing costs partially due to use of agency staff.

- +£0.207m Other Services for Young People & School Related Services: the Inclusion Support Service Kent (ISSK) is currently awaiting the outcome of the consultation to restructure their service. A pressure on this service is forecast until the outcome of the consultation and final structure is approved.
- +£0.460m Other Services for Young People & School Related Services: Standards and School Improvement are expecting a shortfall against their income targets of approximately +£0.750m based on current trends, however this is partially offset by a greater level of savings from the restructure than originally expected.
- +£0.421m: Other Schools Related Costs: forecast has been increased to reflect the high level of expenditure in the first three months on payments to schools for excepted items (such as maternity leave).
- +£0.440m relates to the former EYPS directorates share of savings (both spans and layers and tactical procurement) that were initially parked and have recently been allocated to directorates. At this stage the directorate is exploring ways in which these savings can be realised and thought it prudent to show initially as a pressure.

3.3.2 Children, Young People and Education – Specialist Children's Services:

The current forecast variance represents an increase of +£0.716m (after the Corporate Director adjustment) since the May exception report. The Corporate Director adjustment has been made to reflect more up to date information received after the submission of manager forecasts. The movement from the May exception report is mainly due to an increasing pressure on assessment staffing to deal with rises in demand following the OFSTED review, along with an increasing use of independent foster care placements.

3.3.3 Children, Young People and Education – Asylum Services:

The current forecast variance represents a reduction of -£0.312m (after the Corporate Director adjustment) since the May exception report. This movement is due to reduction in forecast costs for eligible unaccompanied asylum seeker children (UASC): both 16-17 year olds and care leavers.

3.3.4 Adult Social Care and Health – Disabled Children Services:

The pressure on Disabled Children Service has increased by +£0.110m since the May exception report. The Corporate Director adjustment has been made to reflect more up to date information received after the submission of manager's forecasts. An increase in the assessment staffing service of +£0.272k resulting from the recruitment to all remaining vacancies to support current demand has been partially offset by additional income for placements at the children's residential respite units and other efficiencies across commissioned services.

3.3.5 Adult Social Care and Health – Adults:

The pressure on 'Adults Social Care & Health – Adults' has increased since May by +£1.693m. The main movements in the variance relates to an overall net increase in Nursing and Residential Care across all client groups of +£8.808m, an increase in Adult's Assessment and Safeguarding of +£0.791m and an increase in Other

Adults of +£0.204m predominately due to savings relating to tiers and spans across the authority that are not currently forecast to be achieved. This is offset by a reduction in Supported Living for Learning Disability and Mental Health of -£5.668m, a reduction in Direct Payments for Learning Disability, Older People and Physical Disability of -£0.780m and a reduction in Adoptive and Assistive Technology of -£0.795m partly due to increased standardisation of catalogue items being purchased alongside improved recycled equipment. There are also smaller movements in Day Care – Learning Disability of +£0.121m, Domiciliary – Older People and Physical Disability of -£0.282m, Non-residential Charging Income – Older People and Physical Disability of -£0.422m and Social Support – Carers – Commissioned service of -£0.160m.

In addition to this, a review of the forecast with the Directors has been undertaken and it is now felt that some of the overall pressure submitted in July can be reduced by management action and other strategies that are already in place. As a result the Corporate Director adjustment has been increased by £3.64m.

Overall this gives a net movement of -£1.947m.

3.3.6 Adult Social Care and Health – Public Health:

There is an overall movement of -£1.3m since the last reported position but this will be met by a change to the net drawdown from the Public Health reserve, and therefore no movement is reflected in Table 1. The proposed realignment of cash limits to reflect current spending plans detailed in Appendix 6 will remove the majority of the variances reported previously.

The changes since the May monitoring report comprise a number of movements and the most significant ones are highlighted below:

- Public Health - Integrated Health & Lifestyle Service -£0.8m cash limit adjustment to fund additional payments for specialist weight management from the Public Health reserve, to reflect more closely the spending plans for the year.
- Public Health - Other Children's Public Health Programmes -£0.3m cash limit adjustment to fund infancy feeding support from the Public Health reserve.
- Public Health - Sexual Health Services -£0.2m predominately due to an underspend on core contracts
- Public Health - Drug & Alcohol services +£0.3m due to increased spend being forecast for prison drug & alcohol services.
- Public Health - Targeting Health Inequalities -£0.1m due to a number of minor movements

3.3.7 Growth, Environment and Transport:

The current forecast outturn is a +£1.102m pressure after Corporate Director adjustment of -£0.500m set out below; this is an increase of +£0.581m since last month. The increased pressure primarily results from the impact of the Tiers and Spans and Tactical Procurement savings allocated by CMT. Although the Directorate is working with the Procurement Team to identify how to realise the tactical procurement savings, and is looking at what actions can be taken to mitigate Tiers and Spans, for now almost the entire value of the combined saving is being shown as a pressure; the majority (+£0.450m) sits within the GE&T Management & Support Services budget.

There has been a net +£0.253m movement in Other Highways Maintenance & Management made up of increases in Streetlight Energy +£0.305m, inspections and barrier re-tensioning in Bridges & Other Structures +£0.206m, reduced income as a result of fewer Driver Diversion Courses +£0.136m, which have in part been offset by additional Kent Permit Scheme income and a one off write back to revenue of old balance sheet balances following review -£0.339m and several smaller movements totaling -£0.055m.

The underspend against Waste Processing has reduced +£0.113m. There have been reductions in Concessionary Fares -£0.203m and Subsidised Bus Services -£0.108m as well as other smaller movements

Other small movements make up the remaining balance +£0.055m.

3.3.8 Strategic and Corporate Services:

The directorate forecast has moved by -£0.429m since the May monitoring report. The main movements are -£0.147m reduction in Asset Utilisation, -£0.093m for Finance and there is a movement of -£0.151m for Business Strategy. These are explained in more detail in the variance explanation section (paragraphs 3.4.9.1 to 3.4.9.2)

3.3.8 Financing Items:

- There is a £0.442m increase in the underspend this month, £1.9m on Minimum Revenue Provision (MRP) due to fewer assets becoming operational in 2016-17 and the impact of re-phasing of the capital programme in the current year, a £0.128m underspend on Carbon Reduction Commitment and a higher than expected Inshore Fisheries Conservation Authorities grant of £0.014m. This is partially offset by a further £1.1m reduction in the forecast contribution from Commercial Services and a £0.5m unallocated saving, related to the amalgamation of business support within the old SCH&W directorate, which is now unachievable in the current year following the decision to create the new Strategic Commissioning Division in the S&CS directorate.

3.4 Revenue budget monitoring headlines (please refer to Appendix 1)

3.4.1 <u>Children, Young People and Education – Education & Young People's Services:</u>

3.4.1.1 The forecast variance of +£2.4m after the Corporate Director adjustment (excluding schools and before roll forward requirements) is made up of a number of service lines the most significant as follows:

3.4.1.2 There is a forecast underspend of -£0.4m on Early Help & Prevention for Children and Families. An underspend on externally commissioned services -£0.5m due to delays in the start of new wellbeing contract along with higher than expected troubled families grant, partially offset by +£0.1m pressure made up of a number of small variances across all 12 district hubs.

3.4.1.3 There is a forecast pressure of +£0.5m within Early Years Education & Childcare which predominately relates to a shortfall on their general service income target. The EY&C unit are aiming to generate income from private, voluntary and independent nurseries through their Threads to Success scheme. It is hoped that a review of the product pricing will lead to increased demand and an increase in income generation.

3.4.1.4 There is a minor forecast pressure of +£0.1m on SEN and Psychology Services due to number of small variances in both services.

3.4.1.5 There is a forecast pressure of +£0.5m on Other Services for Young People & School Related Services, relating to:

- +£0.2m ISSK pressure. The target saving of £0.2m is yet to be secured against this service and will depend on the outcome of the recent consultation on the restructure of this service, current vacancies are helping to deliver this saving but this is offset by an expected shortfall income from schools based on current activity.
- +£0.5m pressure on School Improvement Service. There is an expected shortfall against the income targets of approximately +£0.750m based on current trends, however this is partially offset by a greater levels of savings from the restructure than originally expected.
- Underspends across other services including -£0.1m Governor Support Services mainly due to overachievement of their income targets and -£0.1m Business Support Services from current staffing vacancies.

3.4.1.6 There is a forecast pressure of £1.3m on Other Schools' Related, after a corporate director adjustment of -£0.6m to update forecast. +£0.7m of this relates to revenue maintenance costs that are in excess of the grant available. These costs, which are administered by colleagues within GEN2 on behalf of the Directorate, cover both planned maintenance agreements and subsequent resultant work and fall under the TFM contracts. Further work will be required to fully understand these contract pressures to see whether there are opportunities to reduce this overspend. The Directorate is also considering options for introducing greater controls to prevent further/future pressure on this budget. The balance of +£0.5m is mainly due to the expectation the higher than budgeted demand from schools for the payment of excepted items (such as maternity leave) will continue for the remainder of the financial year.

3.4.1.7 There is a minor forecast underspend of -£0.1m on Youth and Offending Services due to -£0.2m underspend on commissioning of external youth services following recent retender exercise which is partially offset by +0.1m shortfall in income generated from outdoor education facilities.

3.4.1.8 There is a forecast pressure of £0.2m on Adult Education and Employment Services for Vulnerable Adults. The pressure is all within Community, Learning & Skills (CLS) and has arisen due to changes resulting from the National Apprenticeship reform process. As part of the process KCC has chosen not to continue to use CLS as the training provider of choice for Business Administration apprenticeships for internal KCC apprentices. This was a significant income stream which ceased from May 2017 and now creates a risk in CLS achieving its budgeted surplus target of £1.3m. Other options are being considered within the service to address this.

3.4.1.9 Finally there is a forecast pressure of +£0.7m on EYPS Management & Support Services, this is formed from a number of distinct variances:

- +£0.6m pressure relating to Edukent Services. EduKent provide the single point of contact for all traded services with schools and academies and have in the past been funded from the DSG reserve. This is no longer possible and other options are being investigated to provide a long term solution to the funding of this unit. EduKent has funded the billing admin costs for other KCC school traded services such as Invicta Law, GEN2 and Schools Personnel Services (SPS) & Education Information Systems (EIS) within the Business Services Centre. These costs will have to be allocated to the other KCC companies. At present all these costs are held within CYPE Directorate.
- +£0.4m pressure resulting from former EYPS directorates share of savings for both spans and layers and tactical procurement. At this stage the directorate is exploring ways in which these savings could be realised.
- +£0.1m pressure for one-off security costs at the former Chaucer School site.
- -£0.4m underspend on Education Pension costs based on current activity.
- Other minor variances including reduction in academy legal fees -£0.1m and shortfall in academy team income +£0.1m.

3.4.2 <u>Children, Young People and Education – Specialist Children's Services</u>

3.4.2.1 The overall forecast position for Specialist Children's Services (excluding Asylum) is a pressure of +£1.6m after the Corporate Director adjustment and is due to:

3.4.2.2 Within Children's Assessment Staffing, a net +£1.2m pressure is forecast as the service continues to have a number of vacant posts filled by agency workers along with some additional supernumerary agency workers above establishment to cope with a post Ofsted rise in workload demand. This increased number of referrals has also led to a pressure on the Central Referral Unit. There are concerns this forecast may raise further in future months if the increased demand continues and longer term social work support is required.

3.4.2.3 The pressure on Family Support & Other Children Services +£0.3m is primarily due to the ongoing pressure on Care Leaver Services from 2016-17 +£0.3m.

3.4.2.4 There is a forecast underspend on Adoption & Other Permanent Children's Arrangements -£0.1m: pressures arising from current number of special guardianship orders +£0.3m is offset by the current number adoption payments -£0.2m along with the estimated impact of the new financial mean-testing process -£0.2m. There is also a pressure of +£0.2m on management support services mainly resulting from Specialist Children's Services share of savings (both spans and layers and tactical procurement) that were initially parked and have recently been allocated to services. There are no immediate plans to deliver this saving this year therefore a pressure is being reported.

3.4.2.5 There is a minor variance for Children in Care (looked after) services +£0.1m but this is formed from a number of compensating variances across the various services including fostering arising from the recent increase in the number of independent fostering placements +£0.4m; residential care -£0.1m and supported accommodation for 16-17 year olds -£0.2m.

3.4.3 <u>Children, Young People and Education – Specialist Children's Services - Asylum</u>

3.4.3.1 The current predicted pressure on the Asylum Service is £3.9m and is based on a number of assumptions. The 2017-18 Unaccompanied Asylum Seeker Children

(UASC) and Care Leavers grant rates have not yet been confirmed by the Home Office, therefore we have assumed that for young people who arrived before the National Transfer Scheme (NTS) commenced in July 2016 will continue to be paid at the rates agreed for 2016-17.

3.4.3.2 This position therefore assumes that we will have a shortfall on eligible UASC's (aged under 18) of approximately +£0.7m, Care Leavers (aged 18+) of +£1.9m, and ineligible costs of +£0.3m, the remaining +£1m pressure relates to the hosting of the reception centre and duty process for the NTS.

3.4.3.3 The forecast pressure on the Asylum Service for 2017-18 is greater than 2016-17 due to the age of the children being supported. The UASC grant rate paid by the Home Office reduces once the child turns 16 years old therefore leading to an increasing pressure as the child gets older if the cost of support is not reduced, which is not always possible for the current UASC. Most of the current UASC (irrespective of age) are in higher cost placements due to the fact that they arrived before the age of 16, so had to be placed in fostering placements, which is where they have chosen to remain. In addition, fostering placements made from 2015 onwards were with independent fostering providers with the higher costs that this entails and that attempts to move any individual who is settled in this placement is likely to result in legal challenge. However, where possible, UASC are being moved to lower cost shared accommodation when turning 16 and this is reflected in a reduction in costs for this month's forecast.

3.4.3.4 The shortfall in the grant rate to support Care Leavers is not dissimilar to previous years, but the overall pressure is greater due to higher numbers of young people. However, it is anticipated the overall pressure on Care Leavers should reduce in future months as the Home Office have, as promised, now processed the 100+ outstanding claims on the 18+ UASC care leavers. Going forward this will have a positive impact as it will reduce the number of cases where we have to fully fund accommodation costs and subsistence. An initial estimate has been made contributing to a reduction in the forecast this month but further work is being completed to validate this and this will be reported in future months.

3.4.3.5 As we have no agreement on the funding of the hosting of the NTS and reception centre, we can only assume at this stage that we will receive the daily grant rate for those young people we are supporting for a few weeks leading up to their dispersal.

3.4.3.6 Although the overall position has improved slightly this month, it is still not sustainable and discussions are ongoing with the Home Office regarding Kent's financial position.

3.4.4 <u>Adult Social Care and Health</u>

3.4.4.1 The overall forecast variance for the Directorate is an overspend of £8.9m; +£7.8m of which relates to 'Adult Social Care & Health – Adults' and +£1.1m of which relates to 'Adult Social Care & Health – Disabled Children Services (0-18)'. A Corporate Director adjustment of -£5.3m against the 'Adult Social Care & Health – Adults' and -£0.5m against 'Disabled Children Services' has been proposed, which would take the Directorate overspend down to £3.1m (£2.5m relating to Adults and £0.6m relating to Disabled Children Services).

3.4.5 Adult Social Care and Health – Disabled Children Services

3.4.5.1 Disabled Children Services are forecasting a net pressure of +£0.6m, the most significant variances being:

- The +£0.7m variance for Children in Care (looked after) services is due to a pressure on residential care commissioned from external providers +£1.1m offset by underspends on fostering services -£0.2m and -£0.1m in-house residential respite services.
- The -£0.3m variance for Family Support & Other Children Services is mainly due to underspends on both direct payments -£0.1m and day care services -£0.1m, along with other minor variances.
- The +£0.2m pressure on assessment staffing resulting from the service being fully recruited with no expected vacancies at this time, partially offset by underspends on the sensory and equipment services.

3.4.6 Adult Social Care and Health – Adults

3.4.6.1 The forecast variance for Adults & Public Health is +£7.8m, however a Corporate Director adjustment of -£5.3m is proposed, which takes the forecast variance to +£2.5m. The Corporate Director adjustment comprises of:

- -£2.4m application of sustainability funding to elements already contained within the forecast
- -£1.9m release of pricing funding and other centrally held funds to cover costs already recognised in the forecast position less known additional pressures in these areas
- -£1.0m managing cost pressures within Adults Social Care staffing

3.4.6.2 Within the overall variance of +£7.8m there are pressures of +£8.0m resulting from direct provision of services to clients across adult social care, and pressures of +£0.4m against adult and older people preventative and other services. These pressures are increased further by anticipated staffing overspends and variances on management and support services of +£0.9m.

3.4.6.3 This forecast does not take into account any impact of the investment from the new Adult Social Care allocation of £26.1m in 2017-18, and no variance is being reported against this additional £26.1m at the current time. It is hoped that as the year progresses the impact of this investment will reduce the remaining variance of +£2.5m further. In addition, the forecast still assumes that the Winter Pressures money will be fully spent during the Winter months.

3.4.6.4 This overspend position reflects activity data to date in the 2017-18 financial year and we will continue to refine the forecast alongside activity trends over the coming months.

3.4.6.5 Learning Disability services are forecasting a net pressure of +£2.5m, which includes a number of offsetting variances. The most significant variances relate to:

- Nursing & Residential Care - Learning Disability (aged 18+) +£2.4m overspend (more information on which is provided in appendix 2.1).

- Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements +£1.4m (more information on which is provided in appendix 2.2).
- Supported Living - Learning Disability (aged 18+) - Shared Lives Scheme -£0.9m. This underspend is due to activity being less than budgeted.
- Direct Payments - Learning Disability (aged 18+) -£0.4m (more information on which is provided in appendix 2.3).

3.4.6.6 Mental Health services are forecasting a net pressure of +£1.7m, which comprises of a number of offsetting variances. The most significant of which relate to:

- Supported Living - Mental Health (aged 18+) - Commissioned service underspend -£0.2m which is due to -£0.6m relating to delays in commencing the Your Life Your Home scheme, reflecting £0.4m of red rated savings when netted against increase on Residential Care and +£0.4m which is due to activity being higher than budgeted.
- Nursing & Residential Care - Mental Health (aged 18+) +£1.9m. This variance is predominantly due to +£1.0m relating to delays in commencing the Your Life Your Home, reflecting £0.4m of red savings when netted against reduction on Supported Living and +£0.9m which is due to activity being higher than budgeted.

3.4.6.7 Older People and Physical Disability services are forecasting a net pressure of +£2.7m, which include a number of offsetting variances. The most significant variances relate to:

- Nursing and residential care +£4.0m overspend which is due to +£2.1m which relates to Older People Commissioned Residential services (more information on which is provided in appendix 2.4), a +£1.3m which relates to Older People nursing (more information on which is provided in appendix 2.5), +£0.3m which relates to Older People In-house Residential services and +£0.3m relates to Physical Disability nursing and residential care services.
- There is a forecast over recovery of non-residential charging income of -£1.3m, based on the year-to-date income received, which is linked to services on the following community service lines; Domiciliary care services +£1.0m pressure, +£0.4m of which relates to Older People Commissioned Services and links with appendix 2.6, Direct Payments -£1.0m, Supported Living +£0.5m and Day Care -£0.4m.

The Older People and Physical Disability forecast assumes that some funding is set aside for the remaining winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures.

3.4.6.8 Within 'Adult & Older People Preventative & Other Services' there is a forecast net overspend of +£0.4m, comprising a number of offsetting variances. Because of slippage on some of the transformation savings, at this stage it is felt prudent to reflect +£1.7m as a pressure. It is hoped that management action will reduce this pressure as we continue through the year. A further pressure of +£0.7m relates to slippage on Housing Related Support savings. In addition, there is a +£0.4m pressure on Other Adult Services due to: +£0.2m for savings relating to a recently allocated tiers and spans saving across the authority which is not forecast to be achieved, and +£0.2m on other minor variances. These pressures are offset by: forecast underspends of -£1.1m in social support services, such as for carers, information & early intervention, social isolation, and commissioned services; -

£0.9m underspend on equipment against the adaptive & assistive technology budget; -£0.2m underspend on meals against the Other Adult Services budget; and -£0.2m for the Social Fund.

3.4.7 Adult Social Care and Health – Public Health:

3.4.7.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast reduced drawdown of -£0.2m, of which the most significant variance relates to -£0.2m an underspend on core sexual health services contracts.

3.4.8 Growth, Environment and Transport

3.4.8.1 The overall position for the Directorate, before Corporate Director Adjustments, is a forecast pressure of +£1.6m (+£1.1m last month), with forecast pressures of +£1.8m being partially offset by forecast underspends of -£0.2m.

3.4.8.2 As stated in paragraph 3.3.7 there is now a pressure reported against the GE&T Management & Support Services budget +£0.4m. In addition the main pressures previously reported to Cabinet remain: General Highways Maintenance & Emergency Response and Other Highways Maintenance & Management budgets are showing +£0.1m and +£0.7m respectively. Within the latter is a +£0.3m pressure resulting from increased Streetlight Energy costs. In addition there continues to be a pressure resulting from an increased levy on all Driver Diversion courses from 1st September 2017 and a significant forecast reduction in the number of course attendees against budget; this is currently +£0.3m.

3.4.8.3 Public Protection and Enforcement is forecasting a net pressure of +£0.2m due to a number of minor variances, primarily around the under-recovery of income.

3.4.8.4 Waste is forecasting a small overall pressure of +£0.1m. Treatment and Disposal of Residual Waste is forecasting a small pressure +£0.1m with a price pressure being largely offset by an underspend in waste tonnage and additional trade waste income (as can be seen in Appendix 2.14). Waste Processing is forecasting a small underspend of -£0.1m. Savings within the soil and hard-core budget and Materials Recycling Facilities budgets offset a pressure within Payments to Waste Collection Authorities (see Appendix 2.15).

3.4.8.5 Due to the significant forecast pressure a Corporate Director adjustment of -£0.5m has been reflected, which reduces the forecast pressure of +£1.6m down to +£1.1m. Further management action is currently being identified, including how the recently allocated savings by CMT will be realised. This will be reflected through the monitoring report in subsequent months, with a view to achieving a balanced position overall by the end of the year.

3.4.9 Strategic and Corporate Services

3.4.9.1 The overall variance reflected in appendix 1 against the directorate is an overspend of +£0.2m which is made up of an underspend of -£0.1m for the S&CS Directorate itself, increased by +£0.3m relating to the corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings. It should be noted that this in-year overspend is due to the delayed implementation of some plans, resulting in the £0.4m delivery slipping to 2018-19. Work is now on-going on the 2018-19 savings target of an additional -

£0.65m saving which, to be deliverable from 1st April 2018, requires early identification of plans.

3.4.9.2 The directorate underspend includes variances of +£0.2m for the Contact Centre & Digital Web Services budget set in 2015 using a transformation plan suggested by Agilisys, predicting that the number of calls and average call duration would fall significantly. Although the call volumes and times have reduced, this is not in line with the original budgeted plan, hence resulting in a budget pressure. The commissioners of this service, together with Agilisys, are working with directorate services to get these figures reduced further; -£0.2m on Engagement, Organisation Design & Development relating primarily to staffing vacancies; -£0.1m for Finance arising from lower salaries and higher income than budgeted; -£0.2m for Business Strategy dues to staffing vacancies being held vacant pending restructure; +£0.2m Infrastructure controllable budgets, arising mostly from backdated Kier costs and minor variances across all areas of Property and ICT commissioning budgets.

3.4.10 <u>Financing Items</u>

The Financing Items budgets are currently forecast to underspend by £1.5m, which is due to:

3.4.10.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relief relating to Dover Enterprise Zone for 2015-16 and 2016-17, result in a forecast underspend of £0.8m.

3.4.10.2 The Cabinet decision in June not to make the budgeted £3.9m contribution to General Reserves in light of our reduced level of risk following our success in delivering an underspend in 2016-17, and the announcement in the Chancellor's Spring Budget of the additional social care funding. Instead £3m is being spent on pothole repairs and the remaining £0.9m is declared as an underspend to go towards offsetting the pressures reported elsewhere in this report.

3.4.10.3 A £1.9m deferment of Minimum Revenue Provision (MRP) due to re-phasing of the 2016-17 capital programme, resulting in fewer assets becoming operational last year, as well as the estimated impact of re-phasing in the current year. As we have adopted the asset life method of calculating MRP, MRP does not become payable until assets become operational, therefore resulting in an "MRP holiday" this year. We would usually transfer this to reserves to cover the potential impact in future years but in light of the forecast outturn position of the authority; this has been released to offset the current pressures.

3.4.10.4 A £0.1m underspend on Carbon Reduction Commitment reflecting finalisation of our carbon emissions for 2016-17 and our estimated carbon emissions for the current year.

3.4.10.5 However, these underspends are partially offset by the following:

- A forecast shortfall of £1.8m in the contribution from Commercial Services based on initial trading results for the year; and
- £0.5m unallocated saving relating to the anticipated amalgamation of business support in the old SCHW directorate is unachievable in the current year following the decision to create the new Strategic Commissioning Division within S&CS directorate. Some of the services that were due to be amalgamated are now in different directorates. However, it is expected that

savings will be delivered from the creation of the new Strategic Commissioning Division but these will not be realised until 2018-19.

3.5 **Schools delegated budgets:**
The schools delegated budget is currently forecast to overspend by £2.108m which is due to:

- +£0.413m as a result of an estimated 17 schools converting to academy status and taking their accumulated reserves with them;
- +£1.695m as a result of a combination of overspends against a number of central budgets.

As a result, schools reserves are forecast to reduce from £26.486m to £24.378m.

3.6 Table 2: **Performance of our wholly owned companies**

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	6.800	5.000	5.000	
GEN2	0.620	0.620	0.620	
Invicta Law	1.057	1.057	1.057	

4. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

4.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” i.e. where there is no change in policy, including the allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

4.2 In addition, in line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation of savings and pressures between A-Z service lines in light of the 2015-16 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier. Further details are provided in appendix 6. **Cabinet is asked to agree these changes to the cash limits as set out in Appendix 6**. The variances reflected in this report assume that these cash limit changes are approved.

5. SUMMARISED CAPITAL MONITORING POSITION

5.1 There is a reported variance of -£16.195m on the 2017-18 capital budget (excluding schools and PFI). Of this, -£4.261m relates to real variances and -£11.934m is rephasing. Headline variances are detailed below by Directorate.

5.2 Table 4: Directorate **capital** position

Directorate	2017-18 Budget per Budget Book	2017-18 Working Budget (post outturn changes)	2017-18 Forecast	2017-18 Variance from Working Budget	Real variance	Re-phasing variance
	£m		£m	£m	£m	£m
Children, Young People & Education	118.179	115.919	112.182	-3.737	-3.612	-0.125
Adult, Social Care & Health	7.390	8.383	7.238	-1.145	-0.145	-1.000
Growth, Environment & Transport	105.022	130.806	122.151	-8.655	-2.442	-6.213
Strategic & Corporate Services	17.412	21.446	18.788	-2.658	1.938	-4.596
TOTAL	**248.003**	**276.554**	**260.359**	**-16.195**	**-4.261**	**-11.934**

5.3 **Capital budget monitoring headlines**

The real variances over £0.100m and rephasing variances over £1.000m are as follows:

Children, Young People and Education

- Special Schools Review Phase 2: +£0.587m real variance. This relates to costs associated with providing additional places at the Five Acre Wood satellite site. This is proposed to be funded from basic need and a cash limit adjustment is requested.
- Basic Need: -£0.587 real variance. To fund additional places within the Special Schools Review Programme. A cash limit change is requested.
- Early Years Capital Fund: -£3.604m real variance. Four of the six projects are not now progressing. Of the reduction, £2.703m is specific EFSA funding that will need to be returned. A cash limit change is to be actioned to reduce the budget.

Adult, Social Care and Health

- OP Strategy: -£1.000m rephasing. The £1m allocated for the OP Strategy is in relation to securing a nursing care home on the Isle of Sheppey. A site needs to be identified for both a nursing home and an extra care scheme and it is unlikely that this will progress significantly further in 2017-18 due to the necessary procurement process following identification of a site and subsequent analysis of the best 'deal' to procure.

Growth, Environment & Transport

Highways, Transportation & Waste

- North Farm Transfer Station: +£0.383m real variance. Rebuilding works necessitated by a fire, which will be funded from insurance.
- North Farm Betterment Works: +£0.523m real variance. Additional works to progress the enhancement works to the concrete floor and to upgrade the drainage system. This element will be funded from banked grant and will be progressed alongside the insurance works (see above).

- Maidstone Gyratory Bypass: +£0.310m real variance to be funded from banked developer contributions and external funding. Additional works have been carried out to the towpath on the River Medway.

- M20 Junction 4 Eastern Over Bridge: Real variance of +£0.105m due to additional works to the Western Overbridge and Castle Way, to be funded by underspends elsewhere on grant.

- Integrated Transport Schemes: +£1.685m real variance. Additional schemes to be funded from developer contributions, external funding and a revenue contribution.

- National Productivity Investment Fund (NPIF): Real variance of -£5.399m. This funding is now proposed to be used for the Westwood Relief Strategy Scheme, which was unsuccessful in its bid for LGF funding.

- Westwood Relief Road: Real variance of -£1.000m in 2017-18 and +£0.499m in 2018-19, meaning an overall reduction of -£0.501m in the cost of the scheme. Due to an unsuccessful LGF funding bid (£4.9m), the project is now proposed to be funded from the National Productivity Investment Fund grant (£5.4m), the latter of which has increased to part-offset the shortfall of developer contribution funding (-£1.000m). The variances reflect the revised costs, phasing and funding attributable to the scheme.

- Tonbridge Wells Junction Improvements: Rephasing variance of -£1.057m. The revised business case for Phase 2 of this scheme will go to the SELEP in September for approval, and therefore the forecast spend has been reprofiled to match the business case.

- LGF3 Schemes: Real variance of -£1.801m in 2017-18 across four schemes (Duke of York Roundabout, Paddock Wood Junction Improvement, Ashford Town Centre and Woodsgate Corner). The LGF 3 bids for funding of these schemes was unsuccessful therefore these schemes will be removed from the capital programme.

- Highway Major Enhancement: Real variance of +£2.820m. A £3m injection from reserves to rectify pot holes and patching across the county has been agreed by County Council and £2.700m reflects the anticipated capital expenditure. £0.110m relates to a revenue contribution from Kent Lane Rental towards resurfacing schemes and the remaining £0.010m is additional grant for a scheme in Dover.

<u>Environment, Planning and Enforcement and Libraries, Registration and Archives</u>

There are no variances other than roll forwards which exceed the reporting limits.

<u>Economic Development</u>

- Innovation Investment Initiative: +£1.000m rephasing. An amount of £1.000m grant is to be brought forward from 2018-19 which is to be committed in the current financial year.

- Kent & Medway Business Fund: -£4.109m rephasing. This is to reflect the current projections for the level of loans approved in 2017-18.

- Kent Empty Property Initiative: +£0.300m real variance. Additional external funding is expected from a District to contribute to loans.

- Workspace Kent: -£0.295m real variance. It was envisaged that these funds would be recycled, but now they will be paid back to Essex County Council.

Strategic & Corporate Services

- New Ways of Working: +£2.127m real variance in 17-18. This is due to increased construction costs and additional works associated with incorporation of Case Conference facilities at hub locations across the County, and in order to complete the planned upgrade works, particularly in the East Kent Area. This is proposed to be funded from Modernisation of Assets (£0.483m), capital receipts (£1.5m), external funding (£0.084m) and Salix funding (£0.060m). There is also a pressure forecast in future years of £0.510m which is requested to be funded from Modernisation of Assets.

- Modernisation of Assets: -£0.483m real variance in 17-18. In 18-19 and 19-20 there is an additional -£0.510m real variance. This and the -£0.483m in 17-18 is requested to be used for the pressure on NWOW.

- Property Investment & Acquisition Fund (PIF): +£0.215m real variance. This is due to the balance of the sale of a property to be recycled into PIF.

- Dover Discovery Centre: -£4.006m rephasing. There will only be design and procurement in this financial year, construction is due to commence in April 2018.

5.4 **Cash Limit Adjustments**

For information

Directorate	Project	Amount £m	Year	Funding	Reason
CYPE	Early Years Capital Fund	-£3.604	17-18	Grant	4 of the 6 projects are not now progressing
GET	Highway Major Enhancement	+£0.110	17-18	Revenue	Contribution from Kent Lane Rental for resurfacing schemes.
GET	Duke of York Roundabout	-£0.312 -£0.965 -£2.494	17-18 18-19 19-20	Grant	LGF3 funding unsuccessful, hence removing from cash limits.
GET	Paddock Wood Junction Improvement	-£0.100 -£0.240 -£0.100 -£0.312 -£2.800 -£0.146	17-18 17-18 18-19 18-19 19-20 19-20	Grant Dev Conts Grant Dev Conts Grant Dev Conts	LGF3 funding unsuccessful, hence removing from cash limits.
GET	Ashford Town Centre	-£0.965 -£0.969	17-18 18-19	Dev Conts Grant	LGF3 funding unsuccessful, hence

	Transformation				removing from cash limits.
GET	Woodsgate Corner	-£0.184 -£0.448 -£1.857	17-18 18-19 19-20	Grant Grant Grant	LGF3 funding unsuccessful, hence removing from cash limits.
GET	Public Rights of Way	+£0.037	17-18	Dev Conts	To reflect additional funding.
GET	Workspace Kent	-£0.295	17-18	Cap rec loan repayments	Funds no longer being recycled.
GET	Empty Property Initiative	+£0.300	17-18	External	Additional funding received from a District Council.

For approval:

Directorate	Project	Amount £m	Year	Funding	Reason
CYPE	Basic Need	-£0.587	17-18	Grant	To vire to SSR Phase2.
CYPE	SSR Phase 2	+£0.587	17-18	Grant	To vire from Basic Need.
GET	Highway Major Enhancement	+£0.010	17-18	Grant	To be vired from Integrated Transport.
GET	Integrated Transport	-£0.010	17-18	Grant	To be vired to Highway Major Enhancement.
SCS	Modernisation of Assets	-£0.483 -£0.200 -£0.310	17-18 18-19 19-20	Cap rec Prudential Prudential	To be vired to NWOW to fund pressures.
SCS	NWOW	+£0.510 +£0.483	18-19 19-20	Prudential Cap rec	To be vired from Modernisation of Assets to cover pressures.

6. CONCLUSIONS

6.1 It is not unusual at this point in the financial year for the revenue position to show an overspend. In 2017-18, we have £73m of savings to deliver and to achieve this we need to urgently identify options to eliminate the residual £11m forecast pressure. Paragraph 1.4 highlights the seriousness of the situation, and our collective next steps in identifying a solution.

7. RECOMMENDATIONS

Cabinet is asked to:

7.1 **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

7.2 **Agree** the revenue budget realignment set out in Appendix 6

7.3 **Agree** the changes to the capital programme as detailed in section 5.4.

8. CONTACT DETAILS

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Appendix 1

Breakdown of Directorate Monitoring Position

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Children, Young People & Education					
Specialist Children's Services					
Children in Care (Looked After) Services - Non-Disabled Children**	52.9	-4.7	48.2	-0.2	-0.2
Adoption & Other Permanent Children's Care Arrangements	13.8	-0.1	13.7	0.2	0.1
Family Support & Other Children Services - Non-Disabled Children	14.5	-4.5	10.1	0.7	0.3
Asylum Seekers**	23.6	-23.1	0.6	3.9	-0.3
Children's Assessment Staffing - Non-Disabled Children**	40.7	-3.1	37.6	1.5	1.2
Children's Management & Support Services	3.4	-0.2	3.2	0.1	0.1
Sub Total Specialist Children's Services	**149.0**	**-35.7**	**113.3**	**6.3**	**1.1**
Education & Young People's Services					
Early Help & Prevention for Children and Families	32.6	-17.6	15.0	-0.4	-0.1
Early Years Education & Childcare	74.4	-73.4	1.0	0.5	0.0
Attendance, Behaviour and Exclusion Services	5.0	-5.0	0.0	0.0	0.0
High Needs Education Budgets (excl. Schools & Pupil Referral Units)	35.2	-35.2	0.0	0.0	0.0
SEN & Psychology Services	19.9	-16.9	3.0	0.1	0.0
Other Services for Young People & School Related Services	16.8	-13.6	3.2	0.5	0.6
Pupil & Student Transport Services**	36.4	-3.7	32.6	-0.1	0.0
Other Schools' Related Costs	34.0	-34.0	-0.1	1.9	1.0
Youth and Offending Services	5.0	-3.8	1.2	-0.1	-0.1
Adult Education and Employments Services for Vulnerable Adults	13.5	-14.4	-0.9	0.2	0.0
YP&E Management & Support Services	19.5	-15.9	3.6	0.7	0.3
Sub Total Education & Young People's Services	**292.3**	**-233.5**	**58.8**	**3.3**	**1.7**
Sub Total CYP&E directorate	**441.3**	**-269.2**	**172.1**	**9.6**	**2.8**
Adult Social Care & Health					
Additional Adult Social Care allocation	26.1	0.0	26.1	0.0	0.0
Learning Disability Adult Services**	163.9	-13.2	150.6	2.5	0.7
Physical Disability Adult Services	36.0	-4.1	31.8	-0.2	-0.8
Mental Health Adult Services	16.1	-1.6	14.5	1.7	0.5
Older People Adult Services**	172.5	-91.5	81.0	2.9	1.4
Adult & Older People Preventative & Other Services	61.7	-16.5	45.2	0.4	-0.9
Adult's Assessment & Safeguarding Staffing	43.5	-3.3	40.3	0.5	0.8
Children in Care (Looked After) Services - Disabled Children	10.5	-2.1	8.4	0.9	0.2
Family Support & Other Children Services - Disabled Children	7.0	-0.3	6.7	-0.2	0.0
Family Support & Other Children Services - Non-Disabled Children	0.2	0.0	0.2	0.0	-0.1
Children's Assessment Staffing - Disabled Children	5.5	-0.1	5.5	0.4	0.3
Public Health	79.1	-76.2	2.9	-0.2	-0.7
Transfer to/from Public Health Reserve	-3.0	0.0	-3.0	0.2	0.7
ASC&H Management & Support Services	7.1	-0.2	6.8	0.0	0.1
Sub Total ASC&H directorate	**626.2**	**-209.1**	**417.0**	**8.9**	**2.2**

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Growth, Environment & Transport					
Libraries, Registration & Archives	16.2	-6.4	9.8	0.0	0.0
Environment	10.3	-6.6	3.7	0.0	0.0
Economic Development & Other Community Services	10.1	-5.2	5.0	0.1	0.0
General Highways Maintenance & Emergency Response	11.5	-0.6	10.9	0.1	0.0
Other Highways Maintenance & Management	29.9	-8.5	21.4	0.7	0.3
Public Protection & Enforcement	11.6	-2.2	9.4	0.2	0.0
Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols)	4.1	-0.6	3.5	0.0	0.0
Concessionary Fares	16.8	0.0	16.8	0.0	-0.2
Subsidised Bus Services	8.3	-2.1	6.2	-0.1	-0.1
Young Person's Travel Pass	14.2	-5.8	8.4	0.0	0.0
Waste Management	1.9	0.0	1.9	0.0	0.0
Waste Processing**	31.0	-1.9	29.2	-0.1	0.1
Treatment and Disposal of Residual Waste**	37.4	0.0	37.4	0.1	-0.1
GE&T Management & Support Services	3.5	-0.1	3.4	0.4	0.4
Sub Total GE&T directorate	**206.6**	**-39.9**	**166.8**	**1.6**	**0.5**
Strategic & Corporate Services					
Contact Centre, Digital Web Services & Gateways	4.9	-0.3	4.5	0.2	0.0
Local Democracy	4.1	0.0	4.1	0.0	0.0
Infrastructure (ICT & Property Services) & Business Services Centre	76.3	-41.7	34.6	0.5	-0.1
Finance	15.3	-5.8	9.5	-0.1	-0.1
Engagement, Organisation Design & Development (HR, Comms & Engagement)	9.4	-1.2	8.3	-0.2	0.0
Other Support to Front Line Services	6.5	-1.3	5.2	-0.2	-0.2
Adult & Older People Preventative & Other Services	0.7	0.0	0.7	0.0	0.0
Commissioning Management & Support Services	5.9	-0.2	5.7	0.0	0.0
S&CS Management & Support Services	2.9	-5.2	-2.4	0.0	0.0
Sub Total S&CS directorate	**126.0**	**-55.8**	**70.2**	**0.2**	**-0.4**
Financing Items	**129.1**	**-17.2**	**112.0**	**-1.5**	**-0.5**
TOTAL KCC (Excluding Schools)	**1,529.2**	**-591.2**	**938.1**	**18.8**	**4.5**

**See Appendix 2 & 3 within the monitoring report for further details of key cost drivers of specific service lines

Please note that budgets are held in the financial system to the nearest £100 and hence the figures in the table above may not add through exactly due to issues caused by rounding the figures for this report.

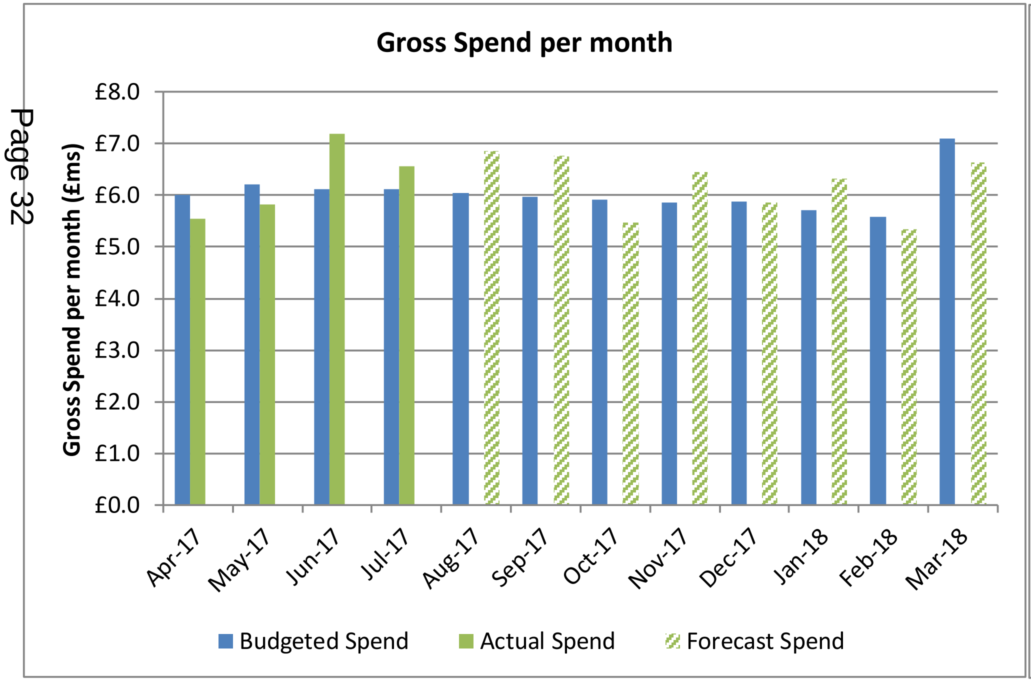
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

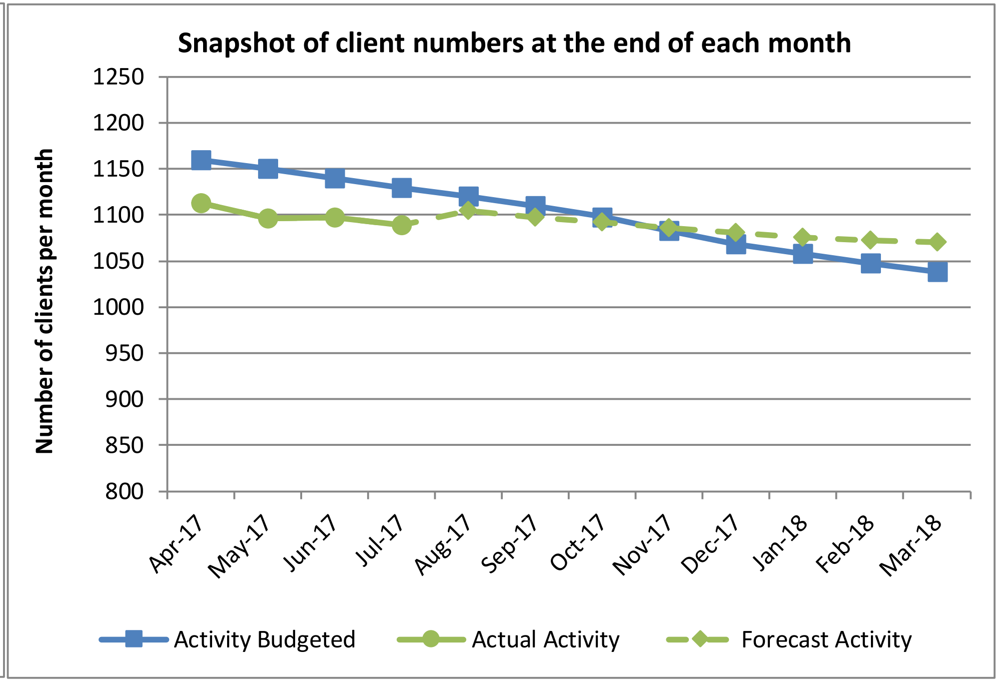
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£72.5	-£5.9	£66.6	1,038
Forecast	£74.8	-£5.8	£69.0	1,070
Variance	£2.4	£0.1	£2.4	32

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£24.4	1,130
Actual: Spend/Activity Year to Date	£25.1	1,089
Variance as at 31st July 2017	£0.7	-41

MAIN REASONS FOR VARIANCE:

The gross forecast pressure of +£2.4m is due to higher than anticipated demand (+£1.2m) higher unit cost (+£1.2m). This pressure is further increased by lower than expected income of +£0.1m primarily due to higher than anticipated service user contributions linked to the higher demand (-£0.2m) and a lower average contribution per service user (+£0.3m). This leads to a net forecast pressure of +£2.4m.





Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£47.9	-£0.2	£47.7	1,360
Forecast	£49.3	-£0.2	£49.1	1,307
Variance	£1.4	£0.0	£1.4	-53

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£14.7	1,284
Actual: Spend/Activity Year to Date	£11.9	1,281
Variance as at 31st July 2017	-£2.9	-3

MAIN REASONS FOR VARIANCE:

The gross forecast pressure of +£1.4m is due to higher than anticipated demand (+£2.2m) and higher unit cost (+£0.3m), along with an additional variance of -£1.2m predominately due to a transfer from reserves. This leads to a net forecast pressure of +£1.4m. The demand variance is partly due to a smaller number of clients transferring from Residential to Supported Living than had been budgeted for as part of the transformation programme.

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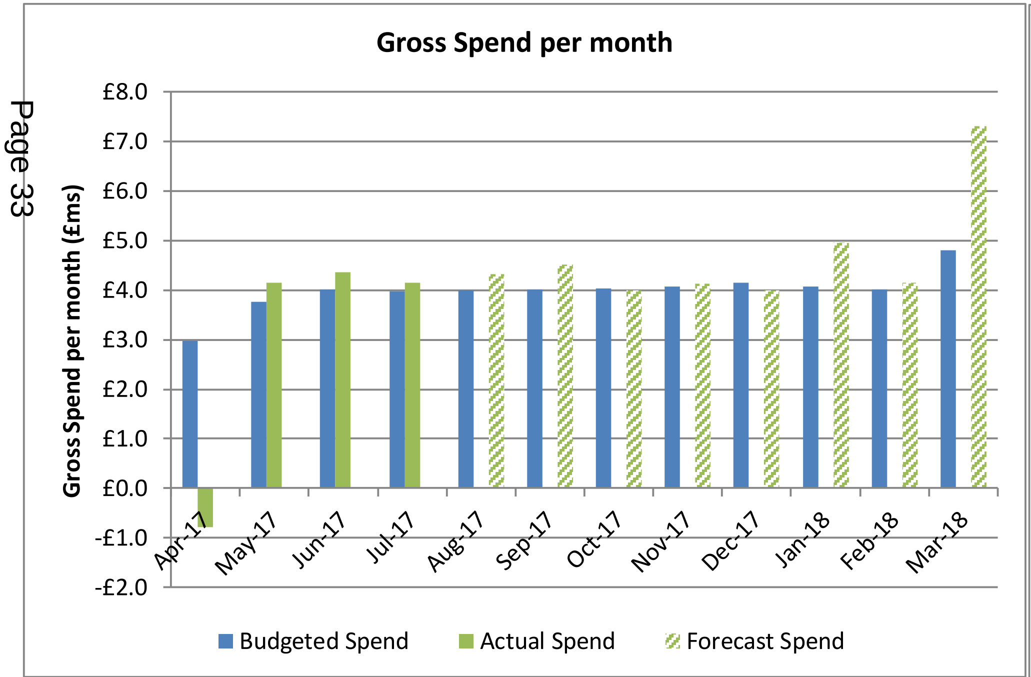
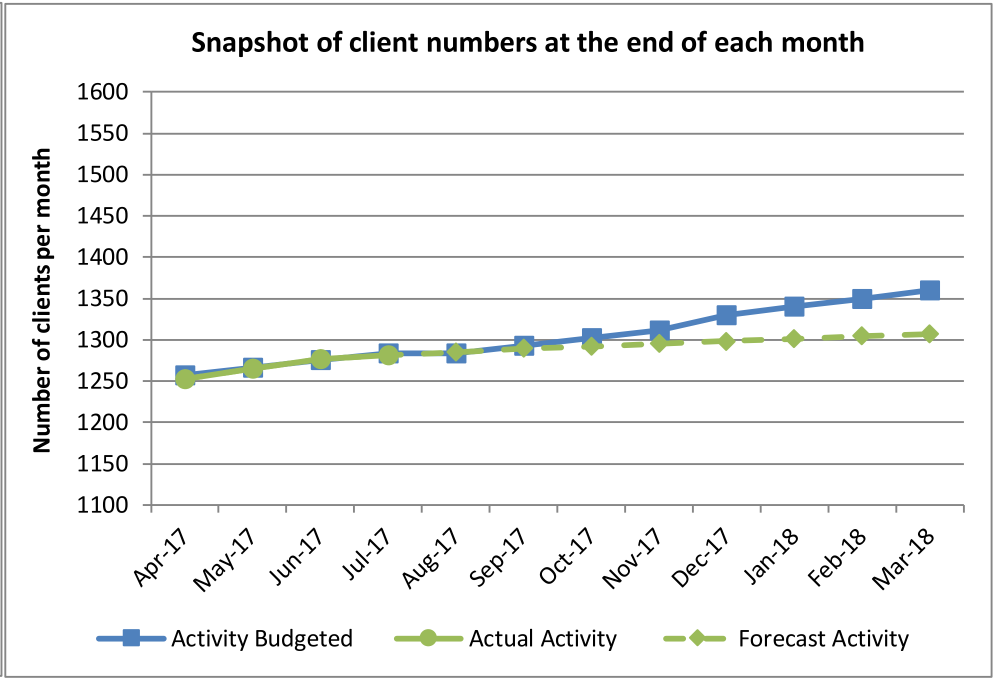




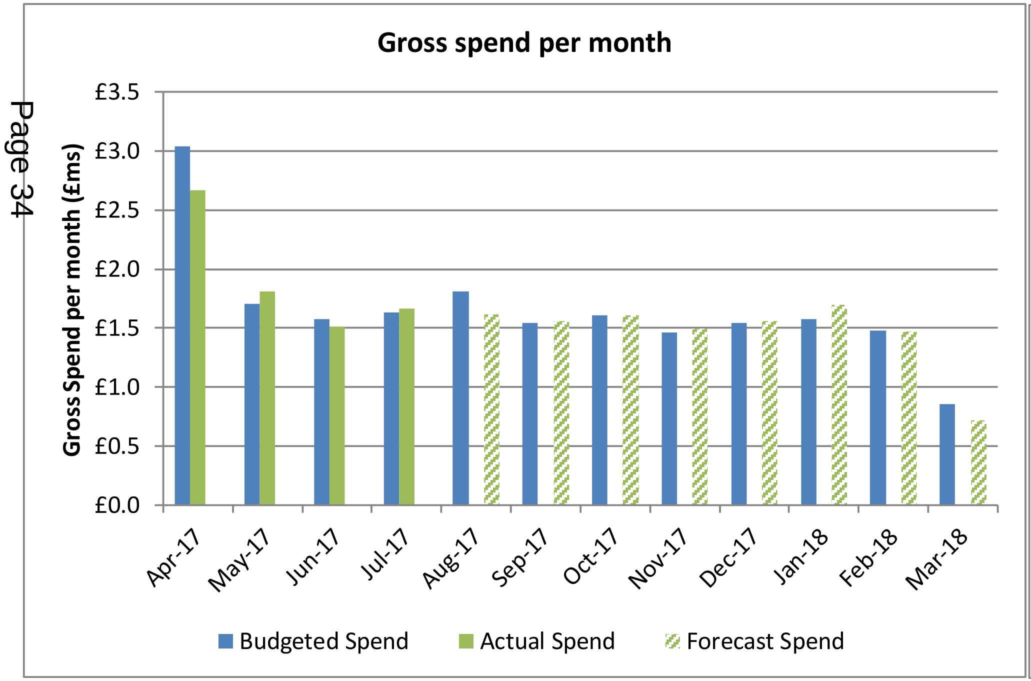
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

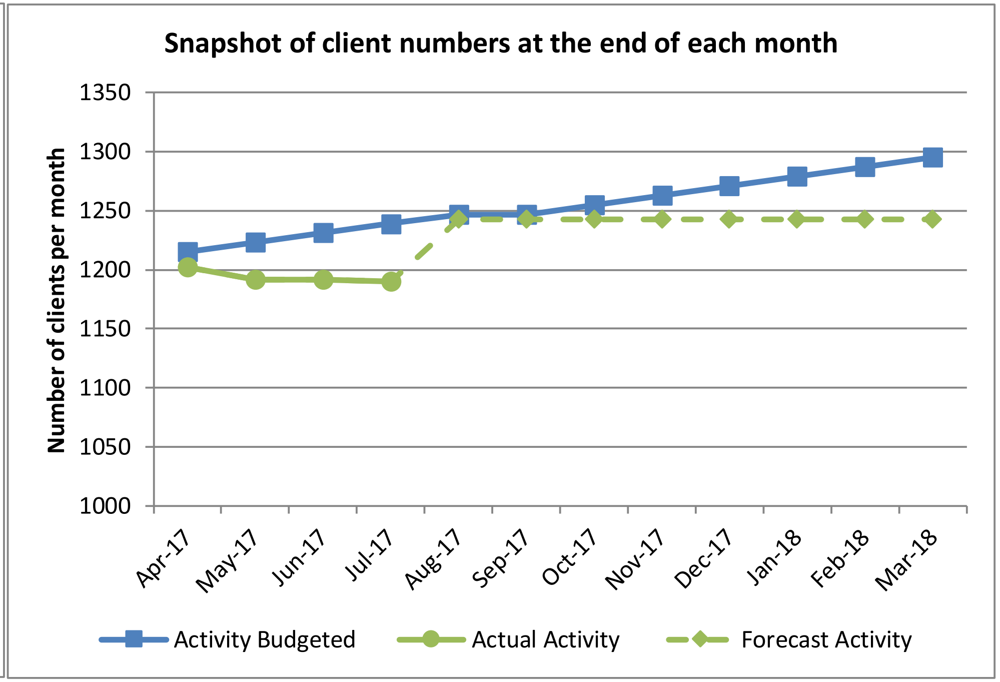
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£19.8	-£0.8	£19.0	1,295
Forecast	£19.4	-£0.8	£18.5	1,243
Variance	-£0.4	-£0.0	-£0.4	-52

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£8.0	1,239
Actual: Spend/Activity Year to Date	£7.7	1,190
Variance as at 31st July 2017	-£0.3	-49

MAIN REASONS FOR VARIANCE:

The gross forecast underspend of -£0.4m is due to higher than anticipated demand (+£0.1m) and lower unit cost (-£0.4m), along with an additional variance of -£0.2m predominately due to reclaims of surplus funds. This leads to a net forecast pressure of -£0.4m.





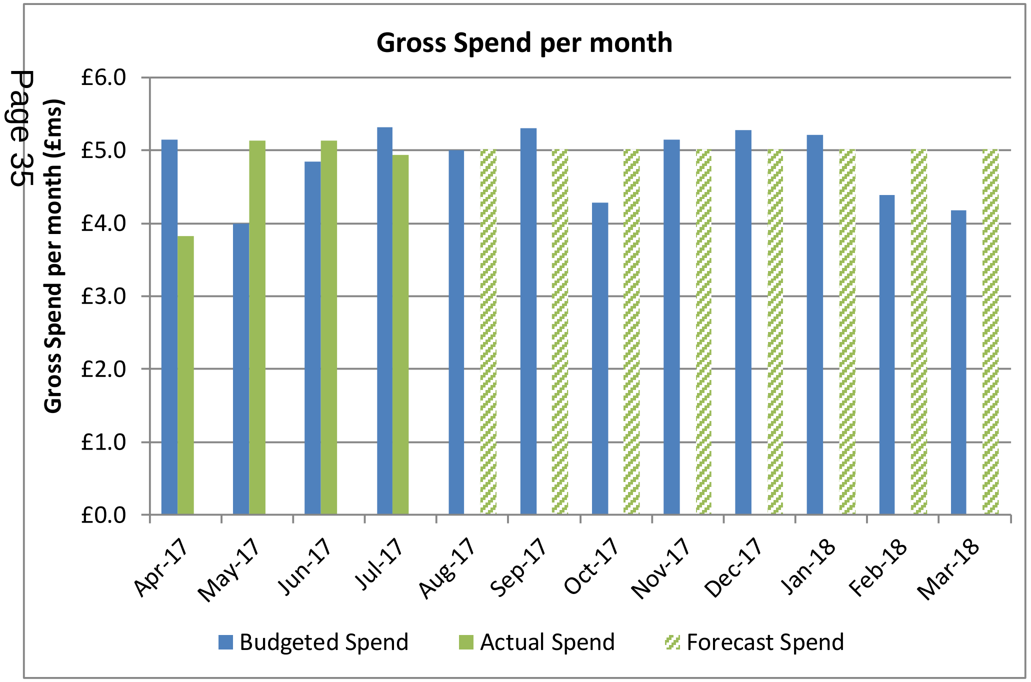
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

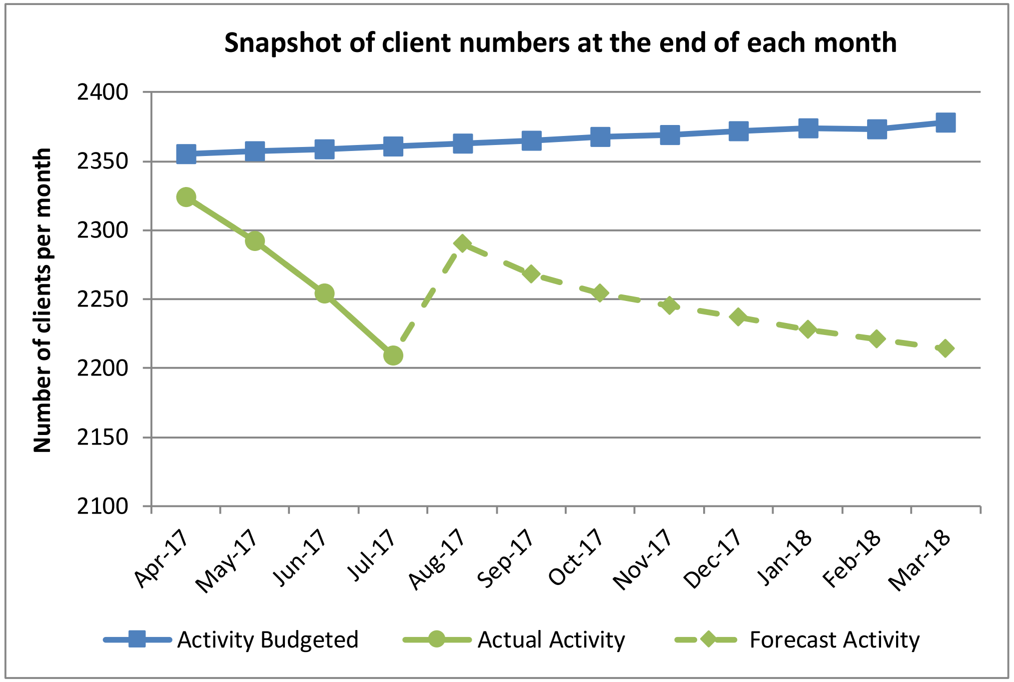
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£58.1	-£35.2	£23.0	2,378
Forecast	£59.2	-£34.1	£25.1	2,214
Variance	£1.1	£1.0	£2.1	-164

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£19.3	2,361
Actual: Spend/Activity Year to Date	£19.0	2,209
Variance as at 31st July 2017	-£0.3	-152

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.1m is due to lower than anticipated demand (-£0.4m) and higher unit cost (+£1.4m). This pressure is further increased by lower than expected income of +£1.0m primarily due to shortfall in service user contributions linked to the lower demand (+£0.2m) and a lower average contribution per service user (+£0.9m). This leads to a net forecast pressure of +£2.1m. There is a slight time delay before clients are included in the actual client count as contract details are finalised, accounting for the difference between forecast client count and the previous month's actual client count shown below.





Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.7	-£17.4	£15.3	1,023
Forecast	£34.5	-£17.9	£16.6	1,134
Variance	£1.8	-£0.5	£1.3	111

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£10.1	1,152
Actual: Spend/Activity Year to Date	£10.9	1,097
Variance as at 31st July 2017	£0.9	-55

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.8m is due to higher than anticipated demand (+£0.6m) and higher unit cost (+£1.2m). This pressure is partly offset by greater than expected income of -£0.5m primarily due to higher than anticipated service user contributions linked to the higher demand (-£0.2m) and a higher average contribution per service user (-£0.3m). This leads to a net forecast pressure of +£1.3m.

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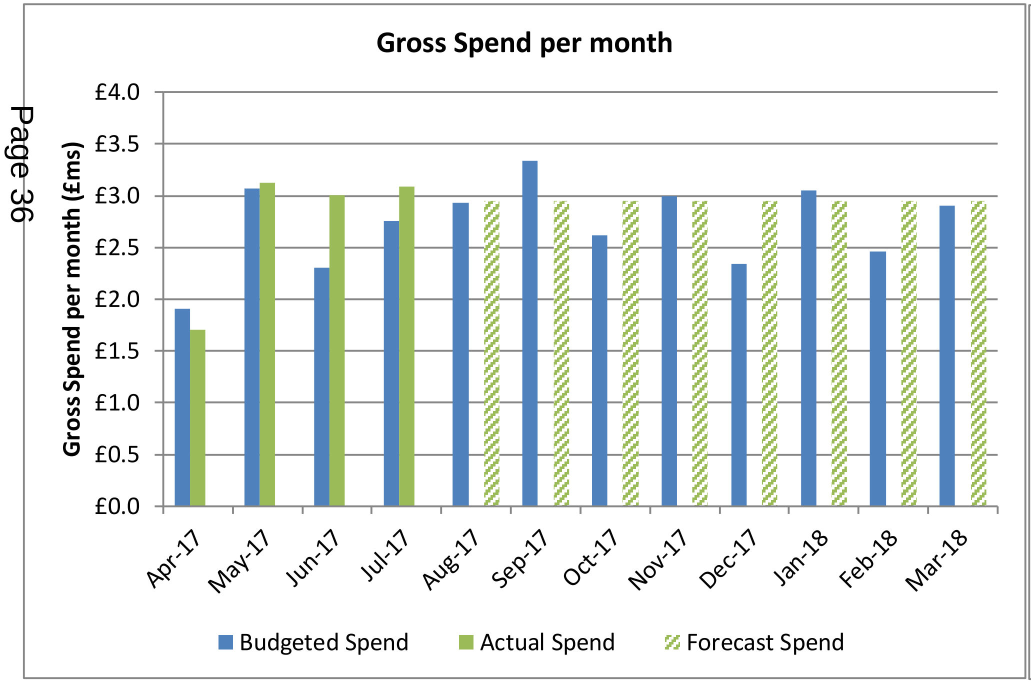
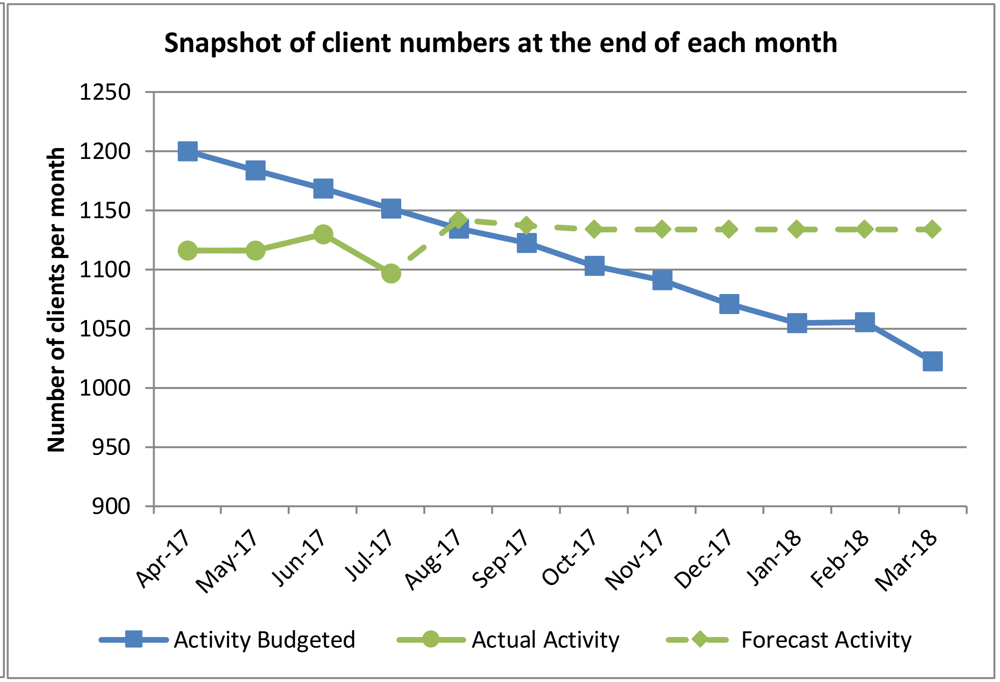




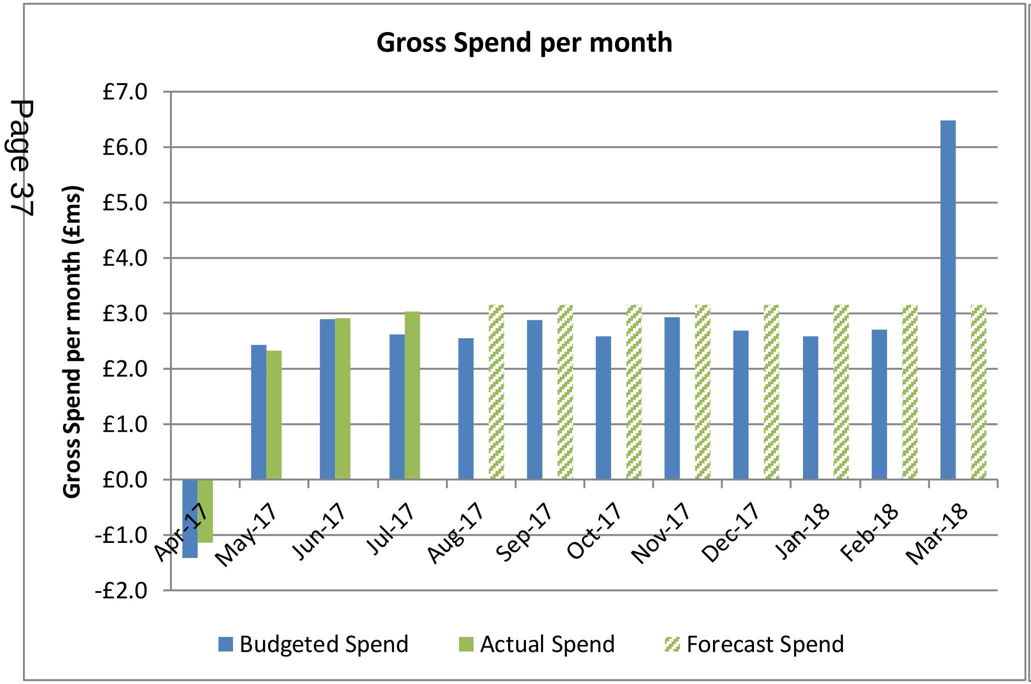
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

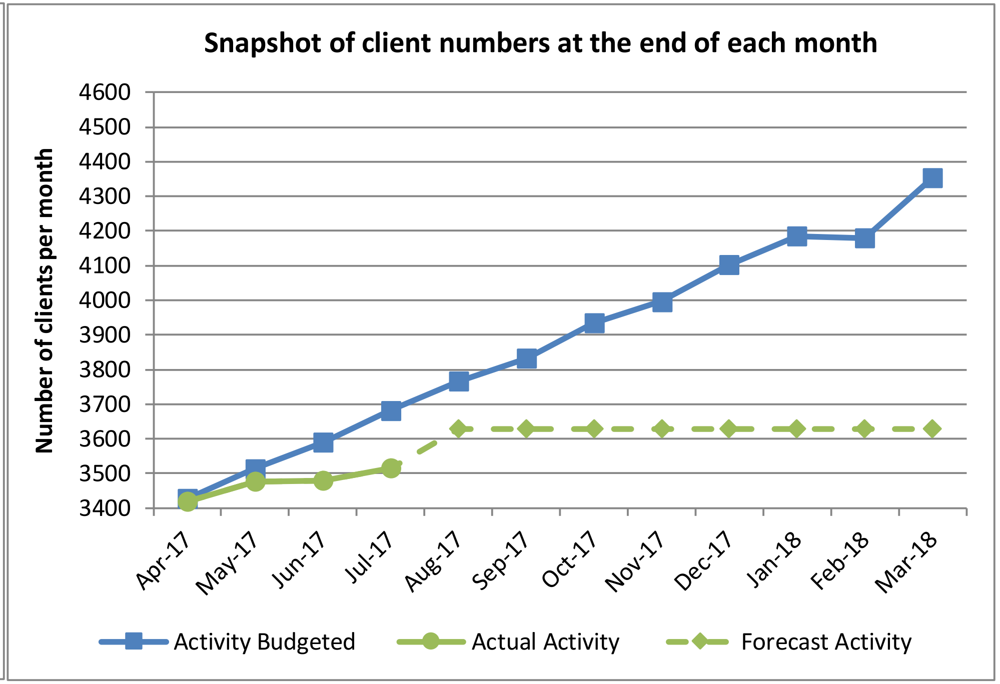
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.0	-£5.8	£26.2	4,353
Forecast	£32.4	-£5.8	£26.6	3,629
Variance	£0.4	£0.0	£0.4	-724

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£6.5	3,682
Actual: Spend/Activity Year to Date	£7.1	3,515
Variance as at 31st July 2017	£0.6	-167

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.4m is due to lower than anticipated demand (-£0.5m) and higher unit cost (+£0.8m). This leads to a net forecast pressure of +£0.4m.





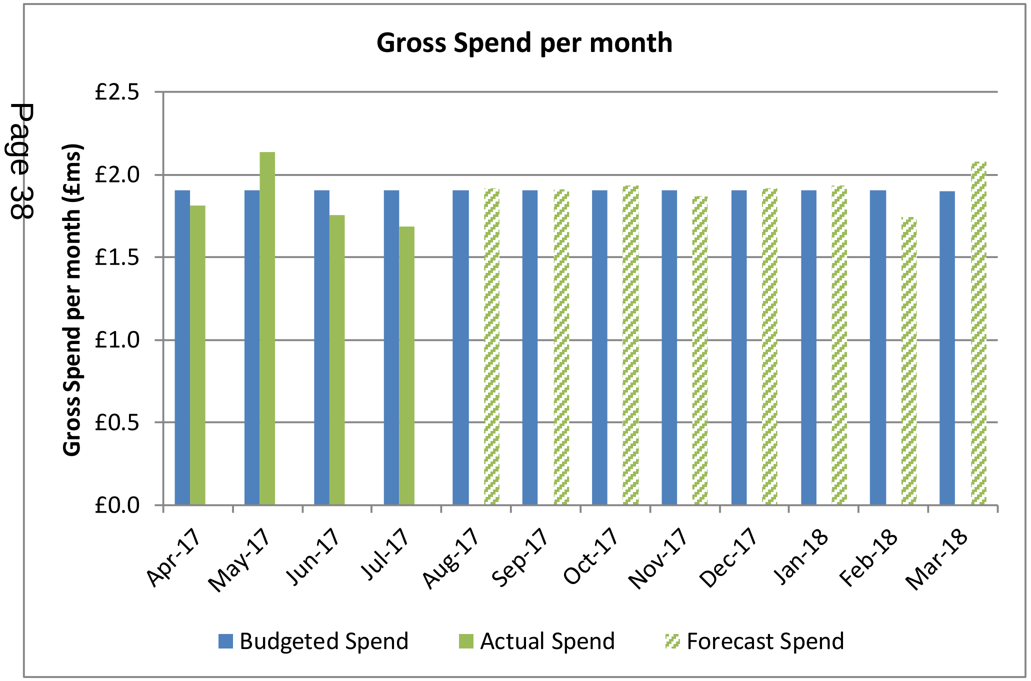
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

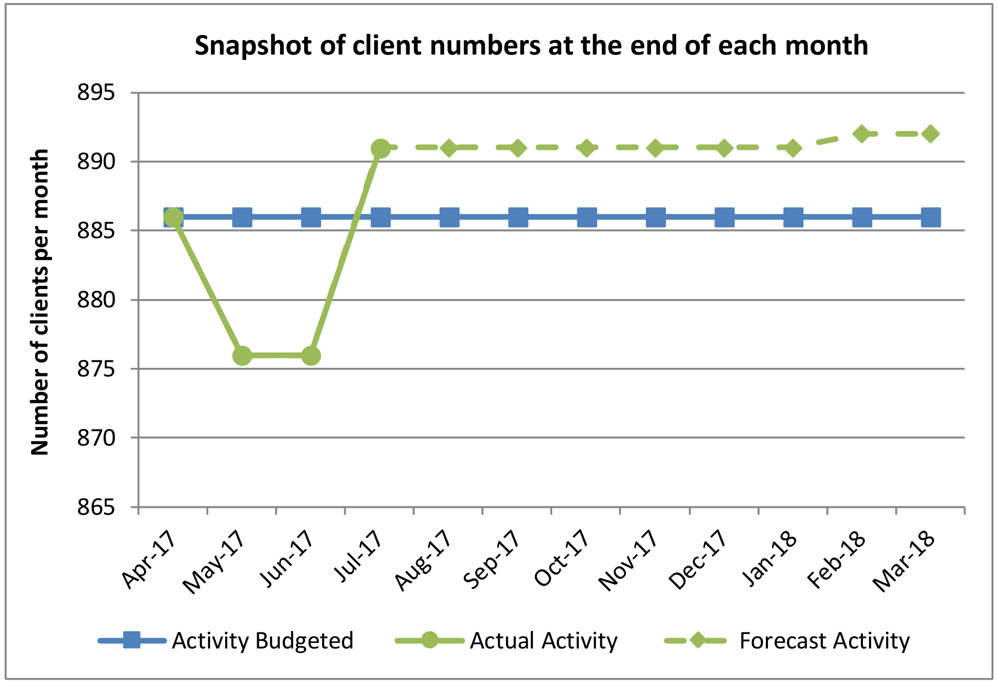
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£22.8	-£0.3	£22.6	886
Forecast	£22.7	-£0.2	£22.6	892
Variance	-£0.1	£0.1	-£0.0	6

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£7.6	886
Actual: Spend/Activity Year to Date	£7.4	891
Variance as at 31st July 2017	-£0.2	5

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast underspend of -£0.1m is mainly due to lower unit cost (-£0.1m) offset by other minor variances including lower than expected income leading to a forecast breakeven position for this service.





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Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£6.6	£0.0	£6.6	133
Forecast	£7.0	£0.0	£7.0	141
Variance	£0.4	£0.0	£0.4	8

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£2.2	133
Actual: Spend/Activity Year to Date	£2.1	145
Variance as at 31st July 2017	-£0.1	12

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.4m is due to higher than anticipated demand (+£0.2m) and higher unit cost (+£0.2m).

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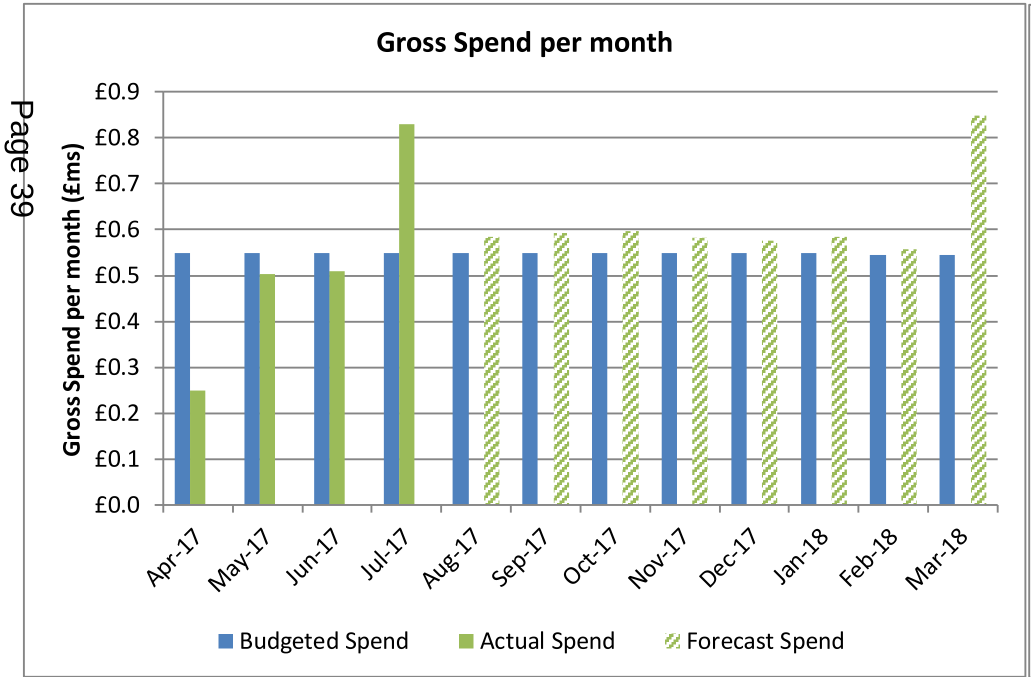
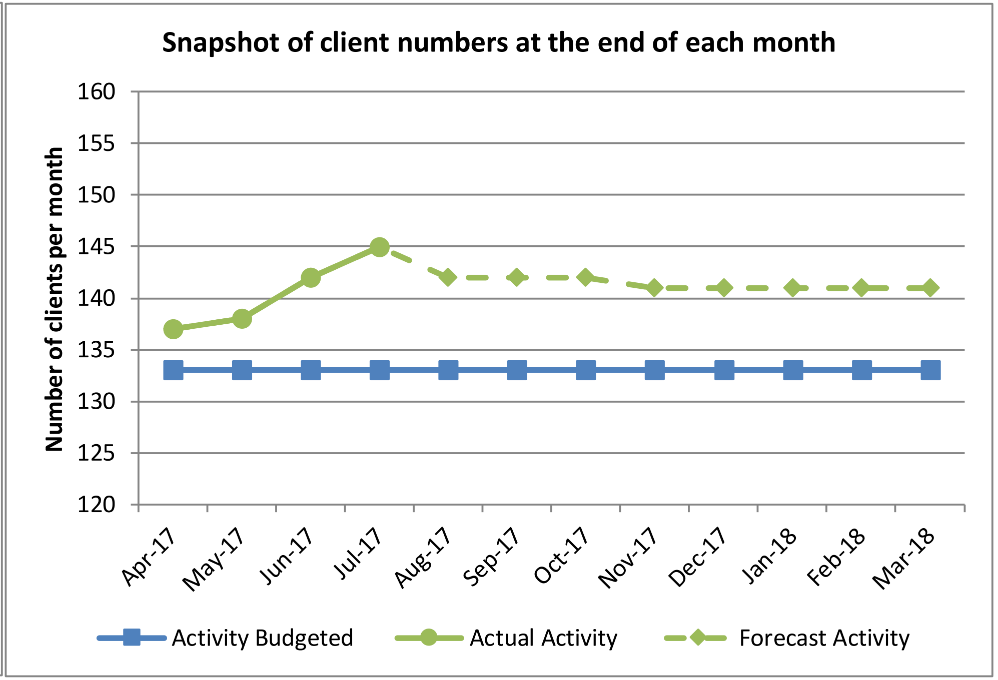




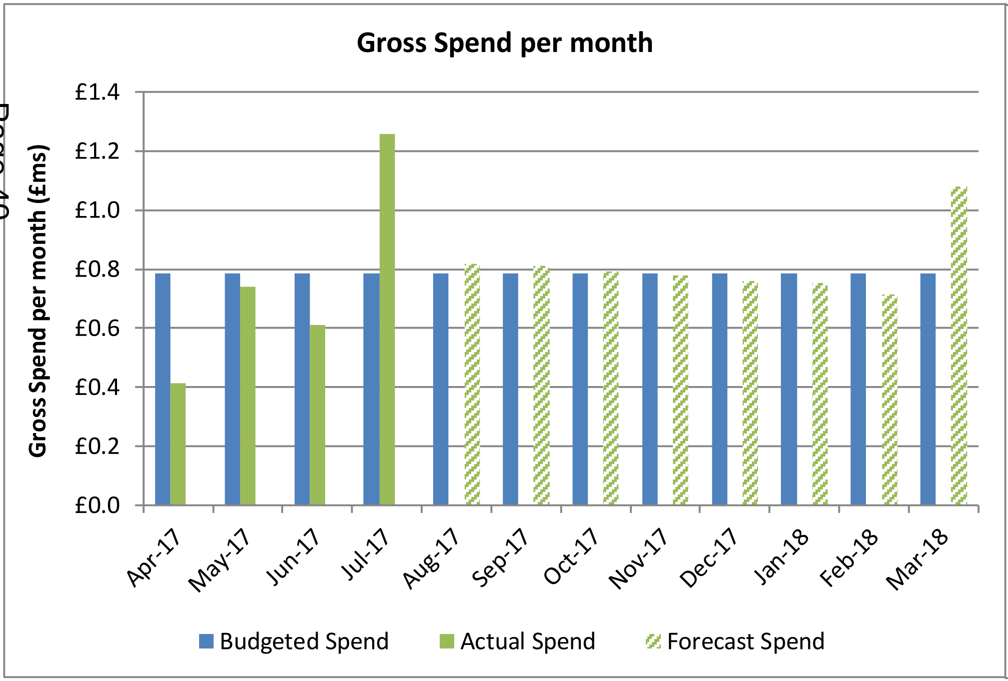
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

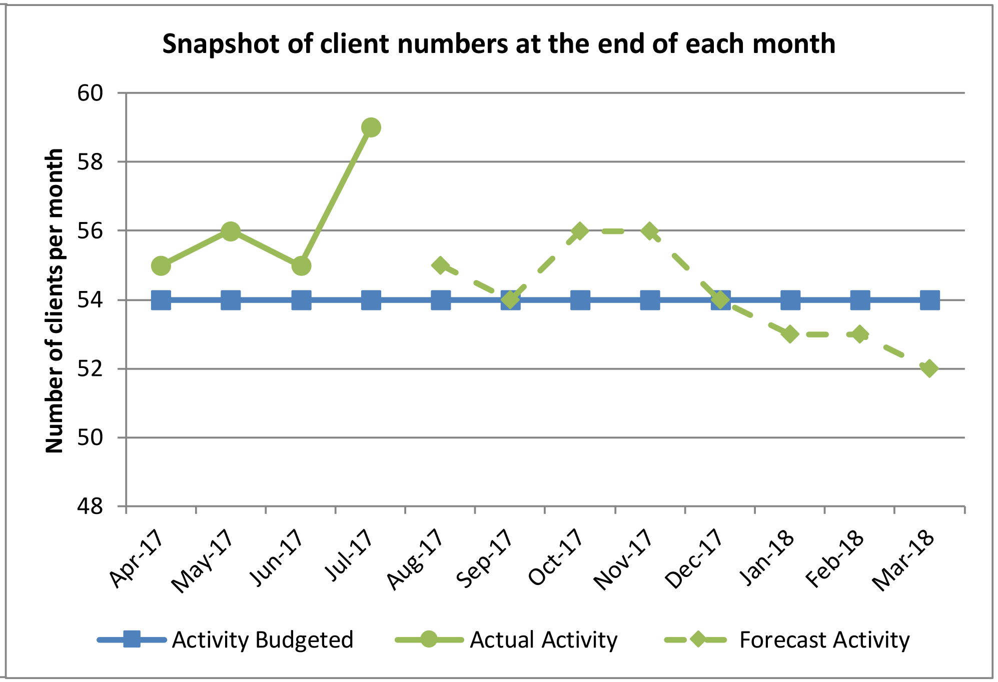
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£9.4	-£0.6	£8.8	54
Forecast	£9.5	-£0.9	£8.7	52
Variance	£0.1	-£0.3	-£0.2	-2

Position as at 31st July 2017	Gross £m	Client Number as at 31/07/2017
Budget: Spend/Activity Year to Date	£3.1	54
Actual: Spend/Activity Year to Date	£3.0	59
Variance as at 31st July 2017	-£0.1	5

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.1m is due to lower than anticipated demand (-£0.1m) and higher unit cost (+£0.2m), along with an additional variance of +£0.2m predominately due to greater than anticipated placements in Secure Accommodation. This pressure is partly offset by greater than expected income of -£0.3m primarily due to greater contributions for care costs from Health & Education. This leads to a net forecast underspend of -£0.2m.





Appendix 2.10: Assessment Services - Children's Social Care (CSC) staffing

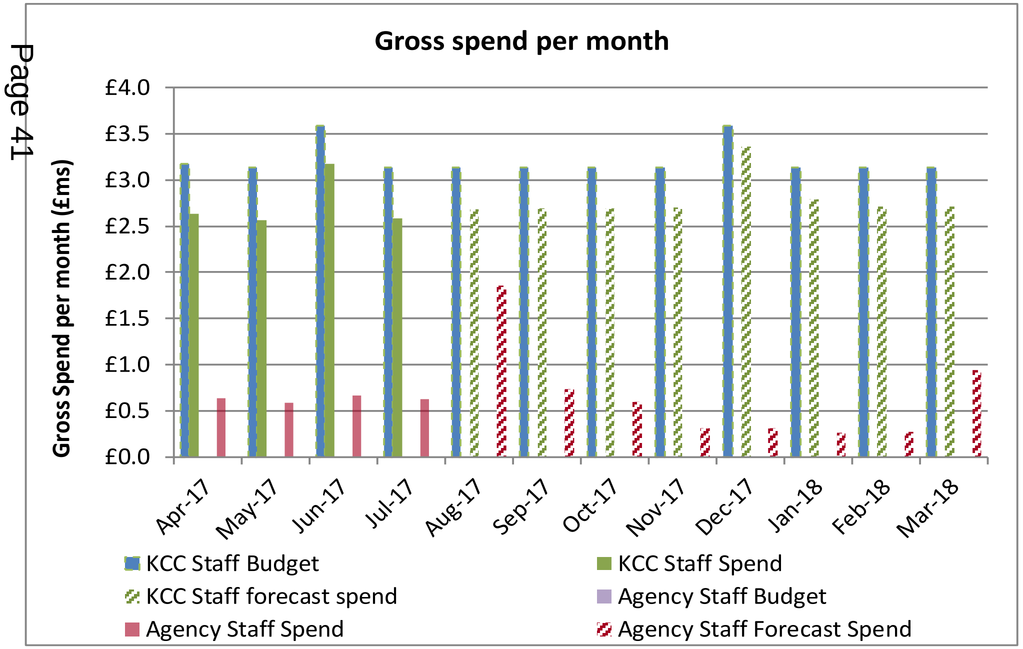
2017-18 Forecast	KCC £m	Agency £m	Gross £m
Budget	£38.6	£0.0	£38.6
Forecast	£33.3	£7.7	£41.0
Variance	-£5.4	£7.7	£2.3

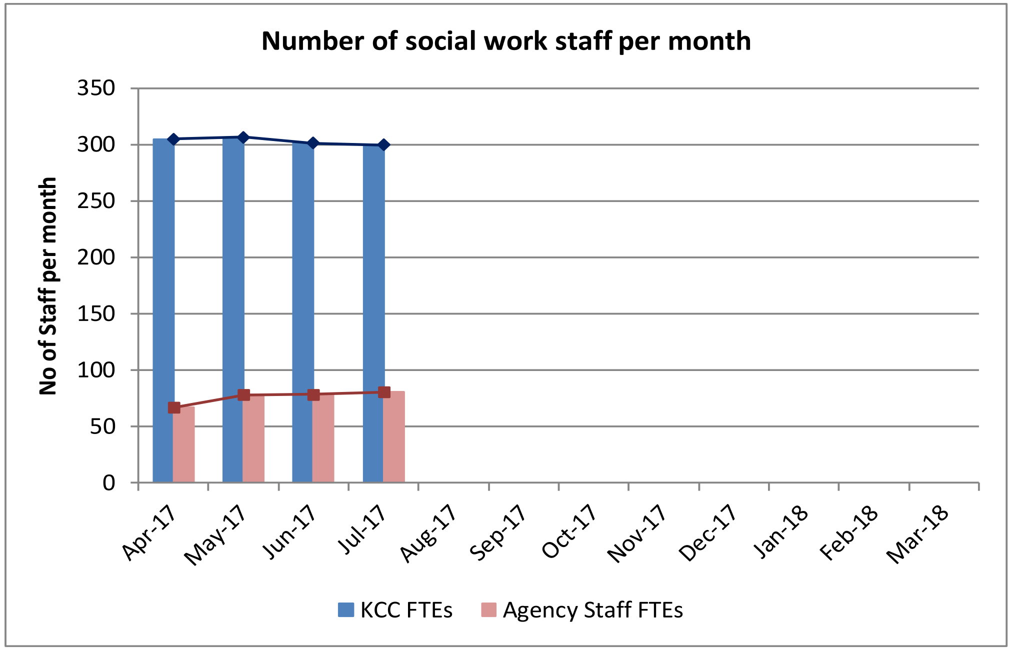
as at 31/07/17	KCC £m	Agency £m	Gross £m
YTD Budget	£13.0	£0.0	£13.0
YTD Spend	£11.0	£2.5	£13.5
YTD Variance	-£2.1	£2.5	£0.4

Staff numbers	KCC FTEs	Agency Nos
as at 31/03/17	307.0	65.4
as at 31/07/17	299.5	80.4
YTD Movement	-7.5	15.0

MAIN REASONS FOR FORECAST VARIANCE:

This measure focusses on the level of social workers & senior practitioners rather than the overall staffing level within this budget. The budget assumes that CSC Staffing will be met using salaried workers, so every agency worker (who are more expensive than salaried staff) results in a pressure on this budget. This measure shows the extent of the vacancies within CSC that are currently covered by agency workers which contributes to the £1.2m net pressure reported against Children's Assessment staffing in Appendix 1 (after the Corporate Director Adjustment). The £2.4m staffing pressure identified above is net against -£1.2m additional income, predominately relating to the recharging of the Duty Asylum team to the Asylum service, to produce the overall £1.2m pressure reported.





Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

The left-hand graph shows a snapshot of the number of children designated as looked after at the end of each month (including those currently missing), it is not the total number of looked after children during the period. The OLA LAC information has a confidence rating of 33**%** and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming.
There is an overall forecast pressure on both the Specialist Children's Services and Disabled Children's Services budget, with key parts of this relating to the LAC headings of Residential Care and Foster Care and non-LAC headings such as Social Care Staffing, Adoption & other permanent care arrangements (including Special Guardianship Orders (SGOs)), and Leaving Care.
The right hand graph shows the number of SGOs incurring costs, which are approved by the courts. These children are either former LAC or may have become LAC if an SGO was not granted.

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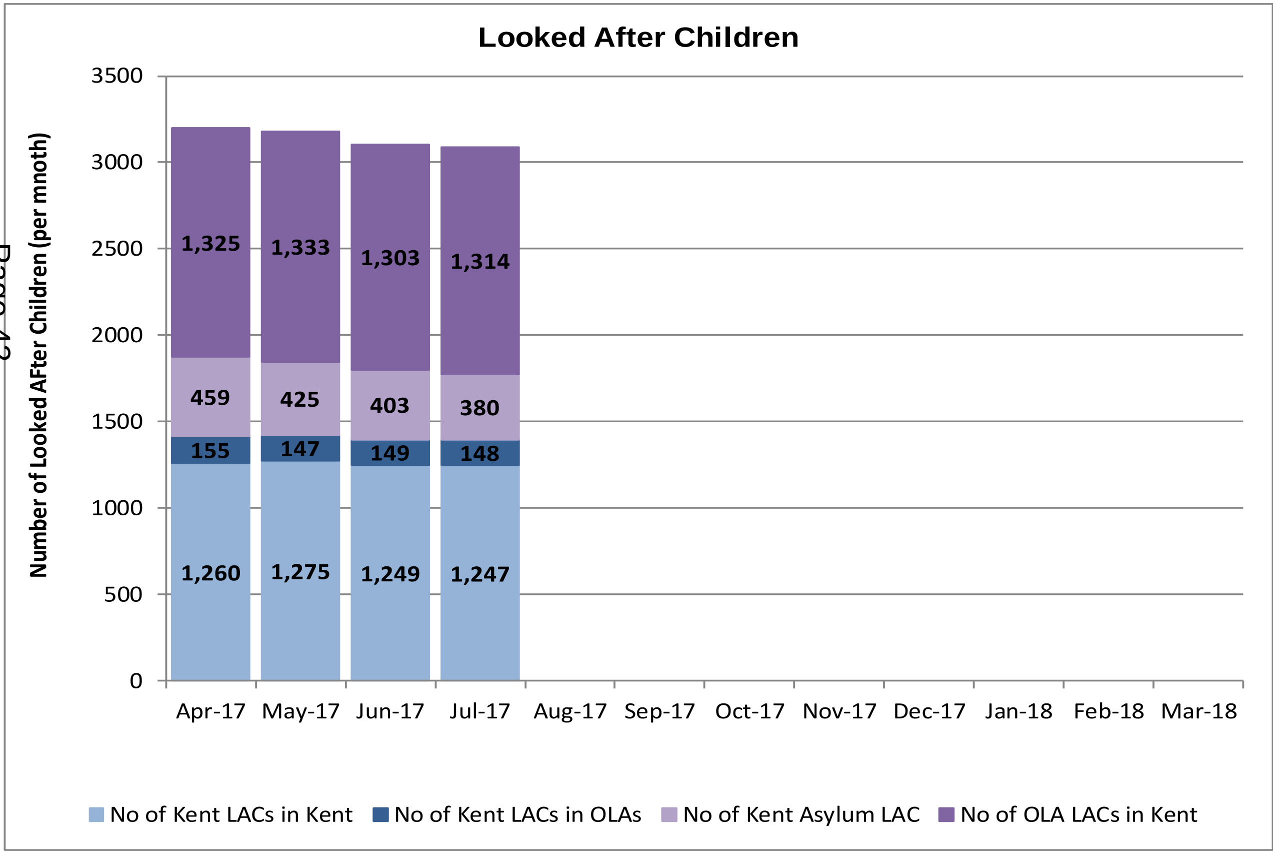

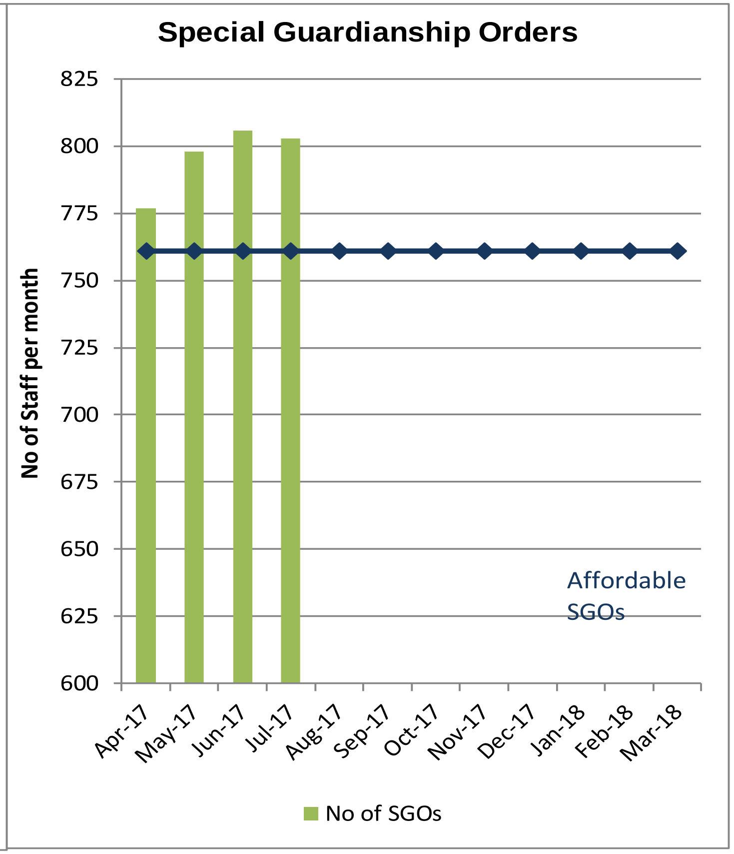

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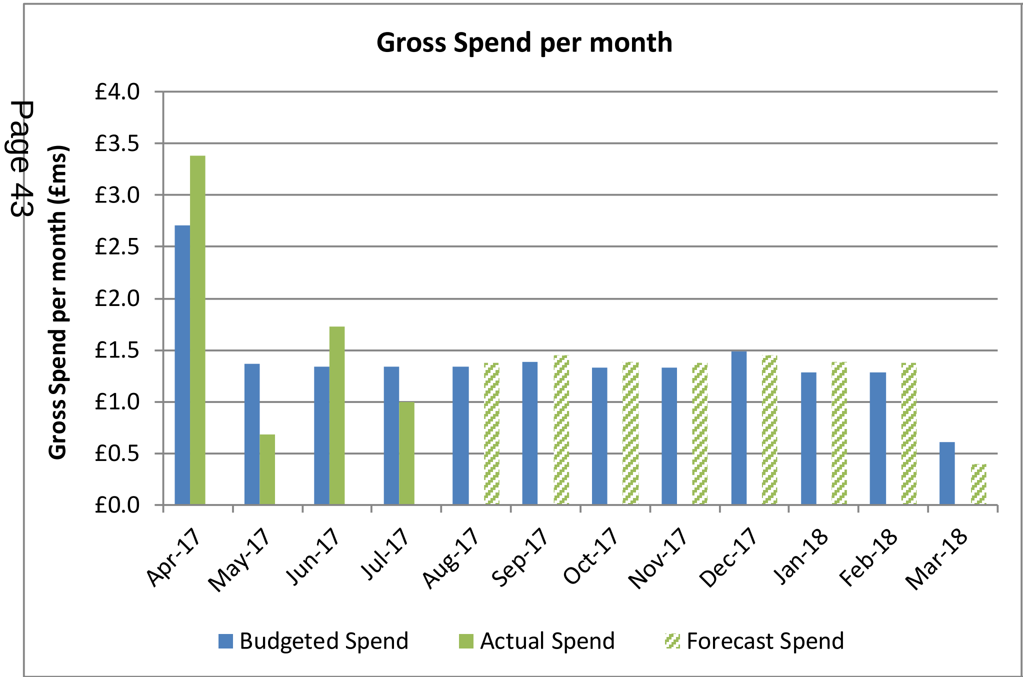
Appendix 2.12: Transport Services - Concessionary fares

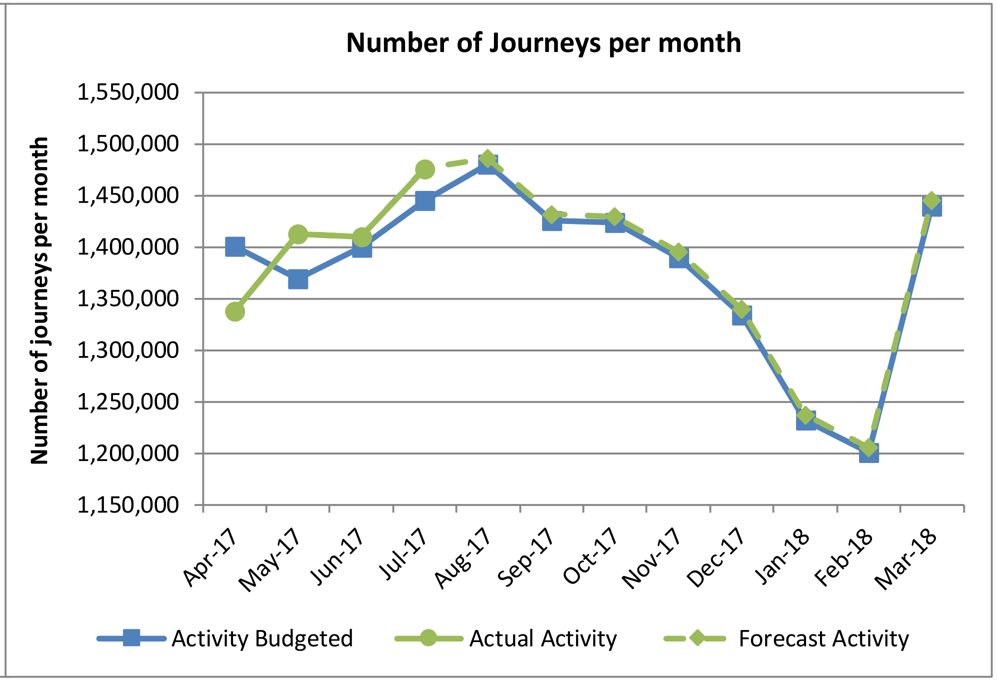
2017-18 Forecast	Gross £m	Income £m	Net £m	No of journeys to 31/03/2018
Budget	£16.8	-£0.0	£16.8	16,542,000
Actual	£16.8	-£0.0	£16.8	16,606,920
Variance	£0.0	-£0.0	£0.0	64,920

Position as at 31st July 2017	Gross £m	No of journeys to 31/07/2017
Budget: Spend/Activity Year to Date	£6.7	2,770,011
Actual: Spend/Activity Year to Date	£6.8	2,750,588
Variance as at 31st Jul 2017	£0.0	-19,423

MAIN REASONS FOR FORECAST VARIANCE:

Small pressures resulting from additional demand and a slightly higher unit cost (+£0.1m combined) have been offset by savings (-£0.1m) within non-activity headings. The forecast is based on actual activity for April to July, with estimates for the remaining months. These estimates will continue to be reviewed in light of the actuals and the potential impact of the recent wet weather on demand for journeys.





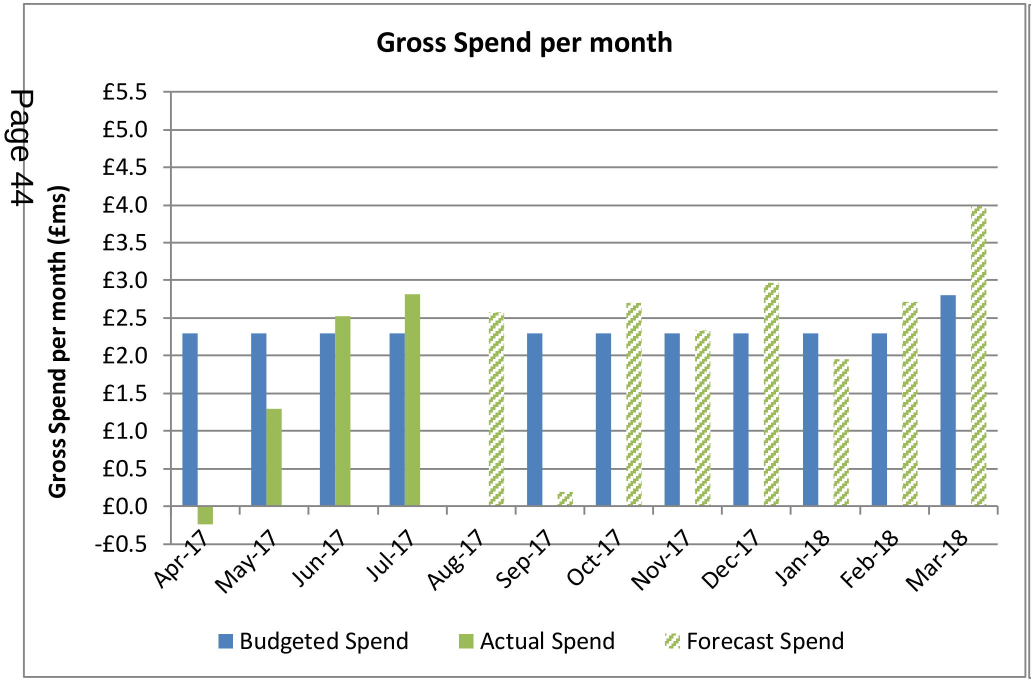
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

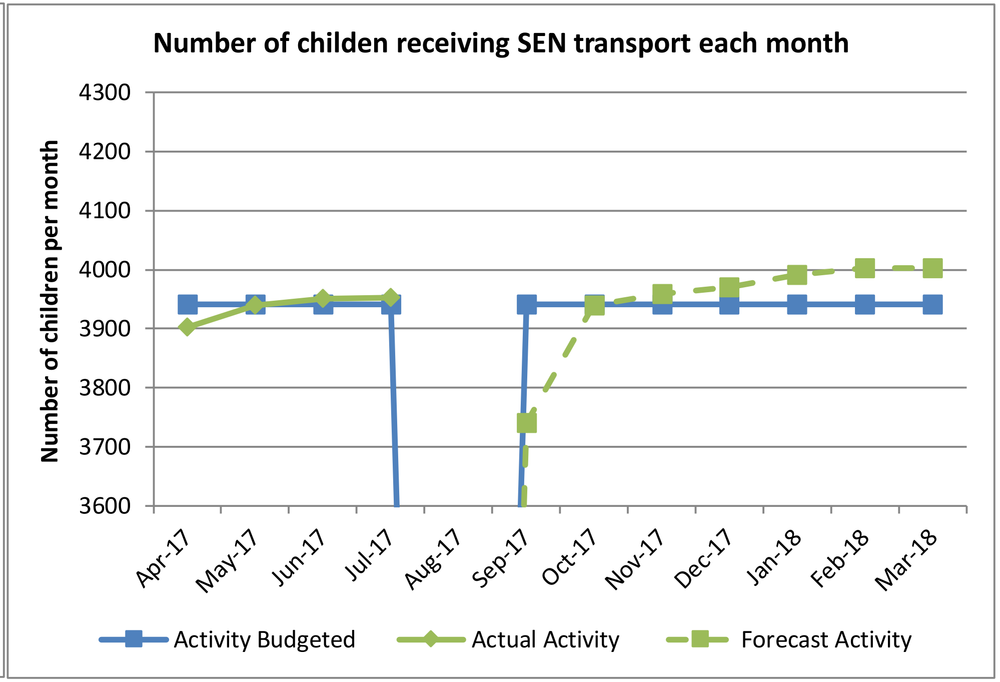
2017-18 Total Forecast	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2018
Budget	£25.8	-£0.8	£25.0	3,941
Forecast	£25.8	-£0.8	£25.0	4,003
Variance	£0.0	-£0.0	£0.0	62

Position as at 31st July 2017	Gross £m	No of pupils as at 31/07/2017
Budget: Spend/Activity Year to Date	£9.2	3,941
Actual: Spend/Activity Year to Date	£6.4	3,953
Variance as at 31st July 2017	-£2.8	12

MAIN REASONS FOR FORECAST VARIANCE:

The SEN transport forecast is currently forecasting a breakeven position. An overall breakeven position is currently being forecast for home to school & college SEN transport, home to school mainstream transport and 16+ Kent Card until the September 2017 monitoring report (reported to Cabinet in November 2017) when the forecasts for these budgets will be fully reviewed. These forecasts are heavily dependent on the September pupil numbers which will not be known until the end of September 17. At which time, there will also be further clarity on the impact of the recent procurement exercises.





Appendix 2.14: Treatment and disposal of residual waste

2017-18 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£37.4	£0.0	£37.4	362,047
Actual	£37.7	-£0.2	£37.5	362,611
Variance	£0.3	-£0.2	£0.1	564

Position as at 31st July 2017	Gross £m	Waste Tonnage to 31/07/2017
Budget: Spend/Activity Year to Date	£13.6	131,400
Actual: Spend/Activity Year to Date	£9.4	122,813
Variance as at 31st July 2017	-£4.2	-8,587

MAIN REASONS FOR FORECAST VARIANCE:

The gross pressure of +£0.3m is due to a price variance (+£0.4m), offset by a volume variance of +564 tonnes (-£0.1m). In the case of the latter although tonnes are over budget an underspend is being forecast because a large number of tonnes are being redirected from Waste Treatment Final Disposal contracts into Waste to Energy at a cheaper rate. Pressure is also offset by higher than expected income (-£0.2m), from trade waste tonnes, leading to a net pressure of +£0.1m. The -£4.2m underspend shown in the table above is due to no monthly payment being made in April, this is forecast to catch up in March as shown in the chart below.

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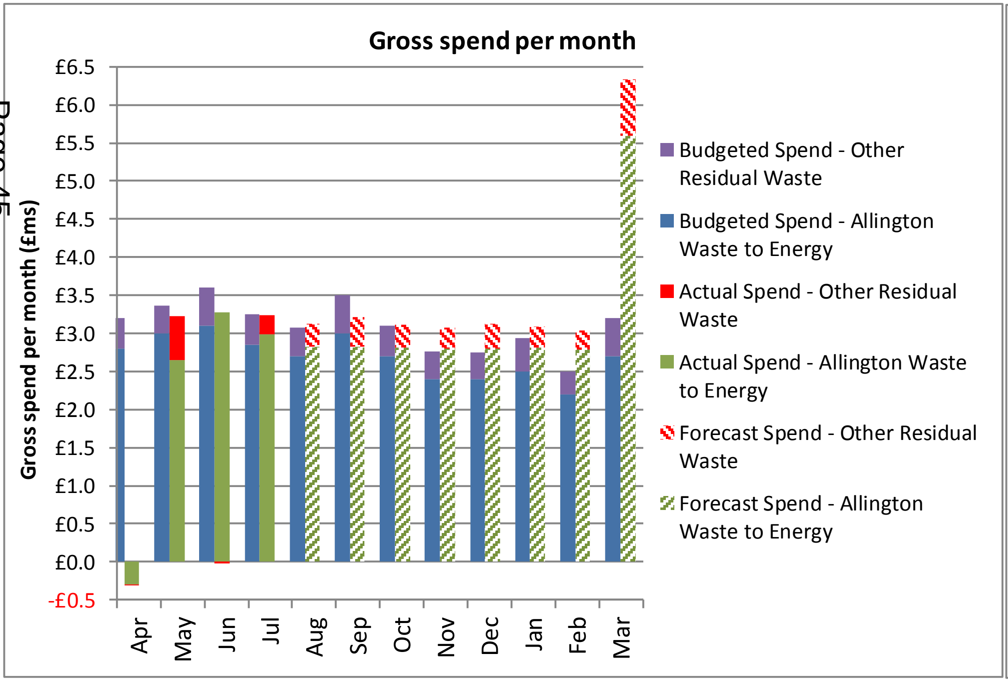
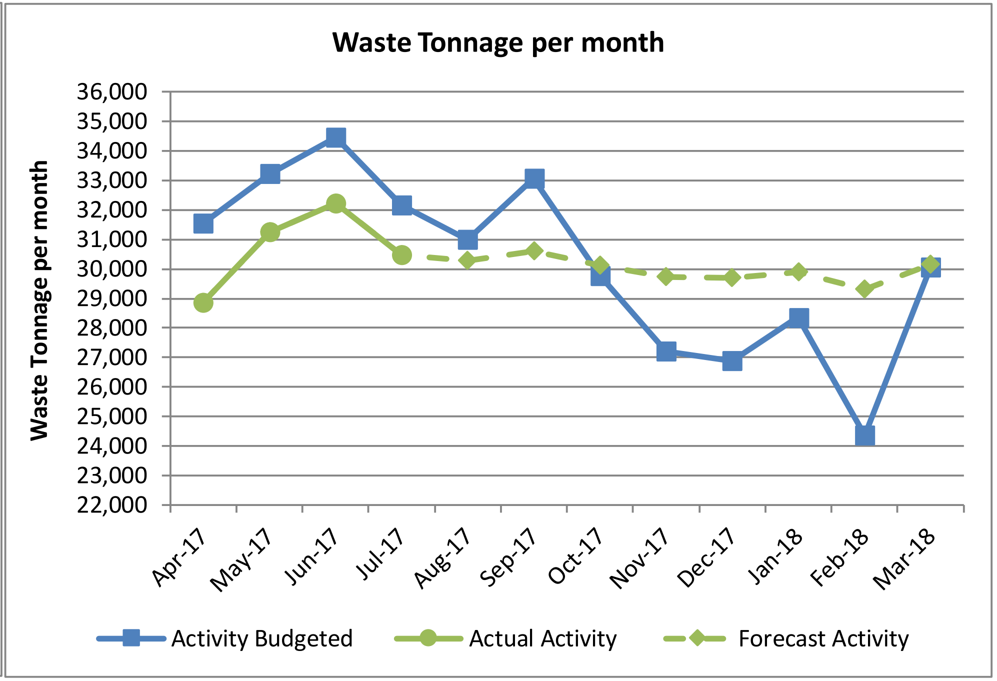




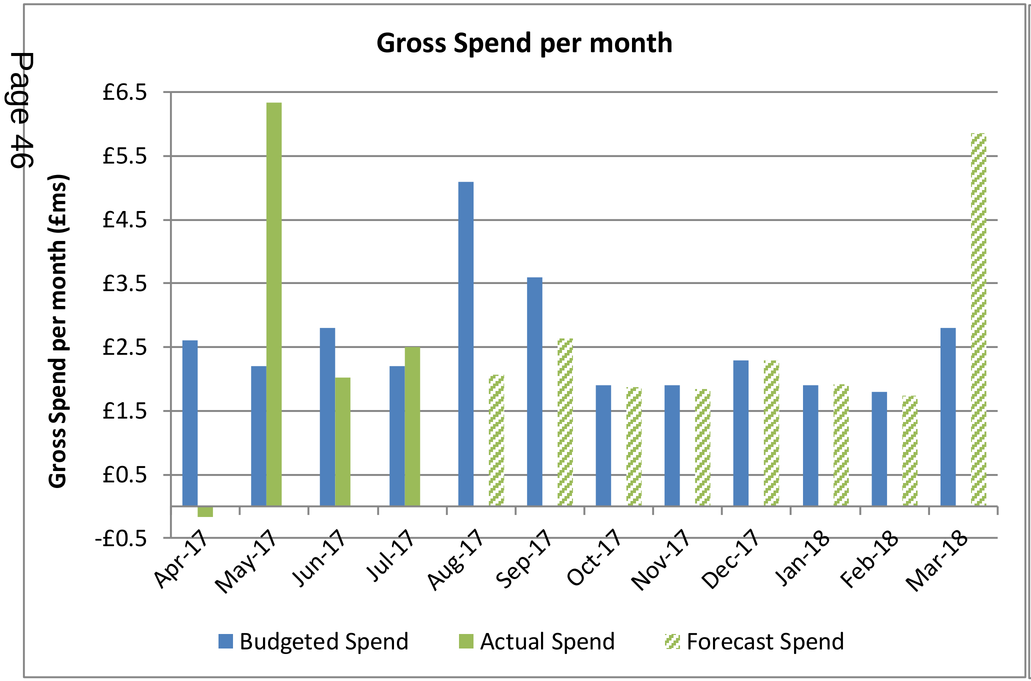
Appendix 2.15: Waste Processing

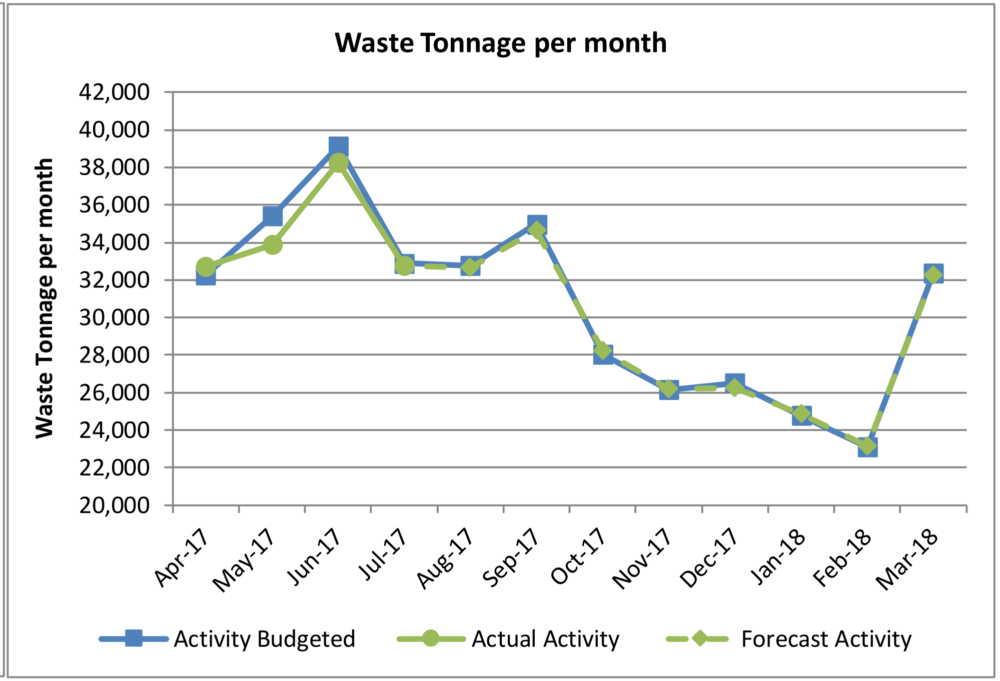
2017-18 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£31.0	-£1.9	£29.2	368,245
Actual	£30.9	-£1.8	£29.1	365,782
Variance	-£0.1	£0.0	-£0.1	-2,463

Position as at 31st July 2017	Gross £m	Waste Tonnage to 31/07/2017
Budget: Spend/Activity Year to Date	£9.8	139,651
Actual: Spend/Activity Year to Date	£10.7	137,580
Variance as at 31st July 2017	£0.9	-2,071

MAIN REASONS FOR FORECAST VARIANCE:

The gross underspend of (-£0.1m) is due to tonnage price variances (-£0.2m) primarily for Soil/Hardcore and Materials Recycling Facilities contracts with a small pressure being reported in Payments to Waste Collection Authorities (+£0.1m). Although the forecast is nearly 2,500 tonnes under budget no financial variance is being reported because variations in tonnes may not lead to an increased financial position as not all changes in waste types attract an additional cost. The high spend in May, due to some payments being made earlier than budgeted, is expected to even out later in the year.





Appendix 2.16: All Staffing Budgets (excluding schools)

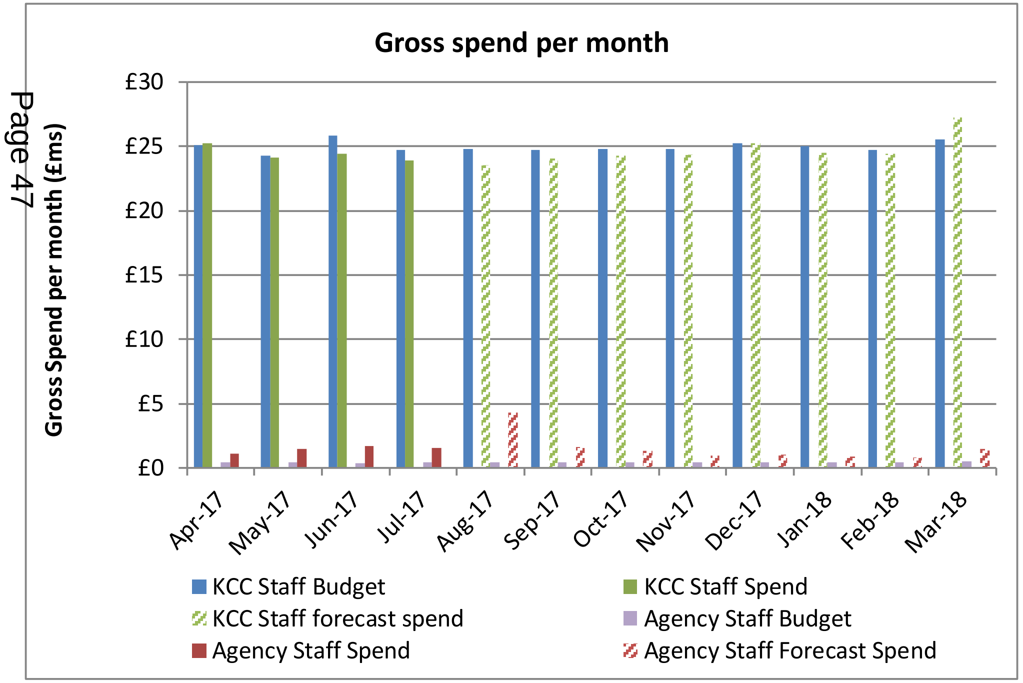
2017-18 Outturn	KCC £m	Agency £m	Gross £m
Budget	£299.6	£5.1	£304.7
Outturn	£295.2	£18.2	£313.4
Variance	-£4.4	£13.1	£8.7

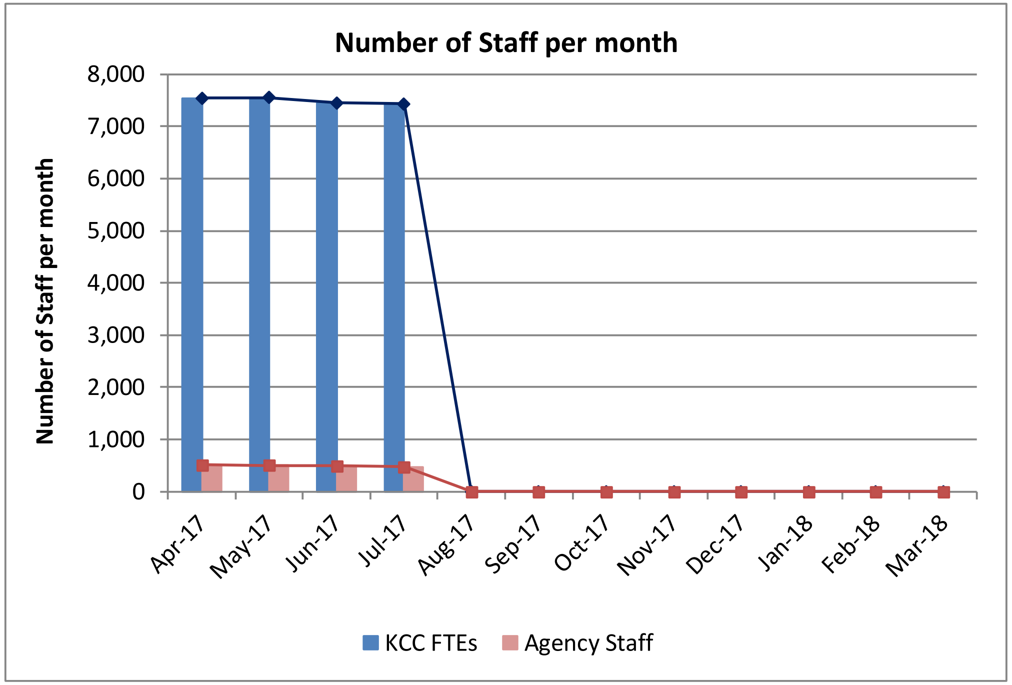
as at 31 July 2017	KCC £m	Agency £m	Gross £m
YTD Budget	£100.0	£1.6	£101.6
YTD Spend	£97.6	£5.8	£103.4
YTD Variance	-£2.3	£4.1	£1.8

Staff numbers	KCC FTEs	Agency Nos
as at 31 Mar 2017	7,609.36	445
as at 31 July 2017	7,437.81	479
Annual Movement	-171.55	34

MAIN REASONS FOR VARIANCE:

There is a significant underspend against KCC staff budgets but this is being negated by an overspend on agency staff.
Vacancies are being held pending the outcome of restructuring and the uncertainty around budget cuts, which is contributing to the underspend against the KCC staff budgets. The majority of the overspend on agency staff relates to Children's Social Care Staff - see Appendix 2.10.
The staffing numbers provided are a snapshot position at the end of the month.





Appendix 3

Unaccompanied Asylum Seeking Children (UASC)

1. Position compared to budget by age category

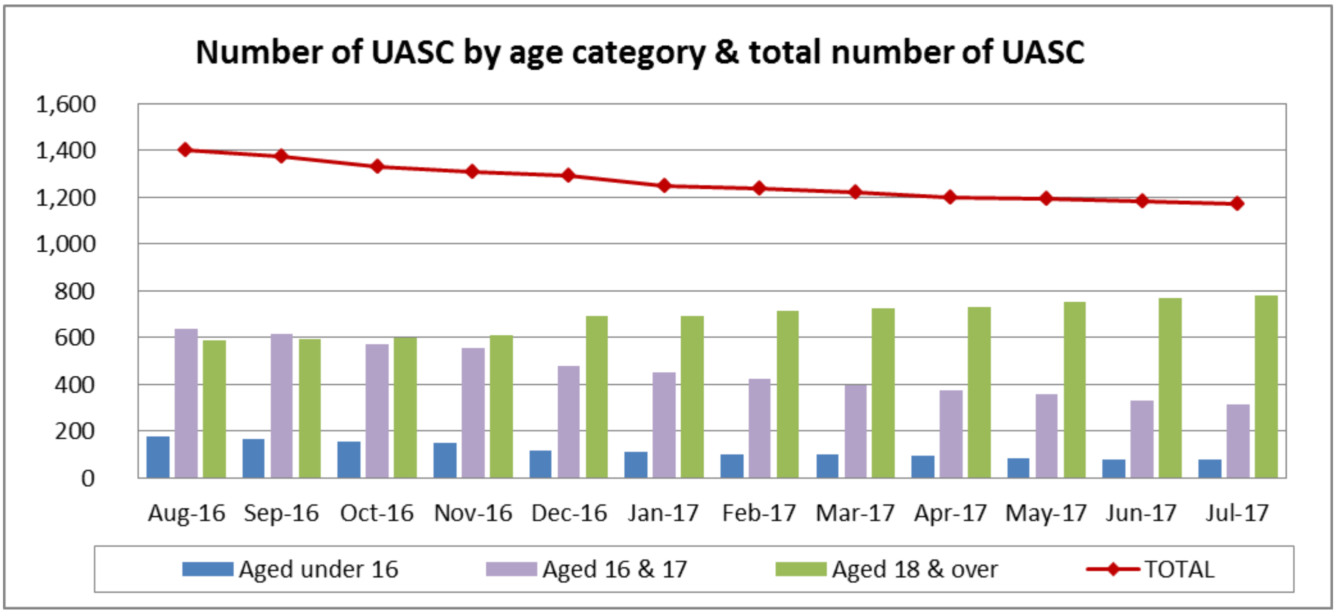
The outturn position is an overspend of £3.9m as detailed below:

	Cash Limit			Forecast Variance		
	Gross £m	Income £m	Net £m	Gross £m	Income £m	Net £m
Aged under 16	4.4	-4.4	0.0	-1.1	0.8	-0.3
Aged 16 & 17	10.5	-10.5	0.0	0.6	1.5	2.1
Aged 18 & over (care leavers)	8.7	-8.2	0.6	1.0	1.1	2.1
	23.6	**-23.1**	**0.6**	**0.5**	**3.4**	**3.9**

The following tables exclude individuals being reunited with family under the Dublin III regulation who are awaiting pick up by relatives and are not Asylum seekers (so are not eligible under grant rules), but we are recharging for the time they use the Authority's services, so the authority should not face net costs.

2. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	**TOTAL**
Aug-16	176	638	590	**1,404**
Sep-16	167	613	594	**1,374**
Oct-16	155	573	601	**1,329**
Nov-16	147	553	610	**1,310**
Dec-16	117	481	693	**1,291**
Jan-17	109	451	691	**1,251**
Feb-17	101	425	714	**1,240**
Mar-17	99	398	725	**1,222**
Apr-17	93	376	732	**1,201**
May-17	85	356	750	**1,191**
Jun-17	80	331	771	**1,182**
Jul-17	78	316	778	**1,172**



The number of Asylum LAC shown in Appendix 2.11 (LAC numbers) is different to the total number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.

3. Number of Eligible & Ineligible Clients incl All Rights of appeal Exhausted (ARE) clients at the end of each month

2017/18	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
At year end 2016/17	1,008	7	214	38	1222	45
April	982	3	219	42	1,201	45
May	972	3	220	33	1,192	36
June	965	8	217	35	1,182	43
July	967	4	205	32	1,172	36

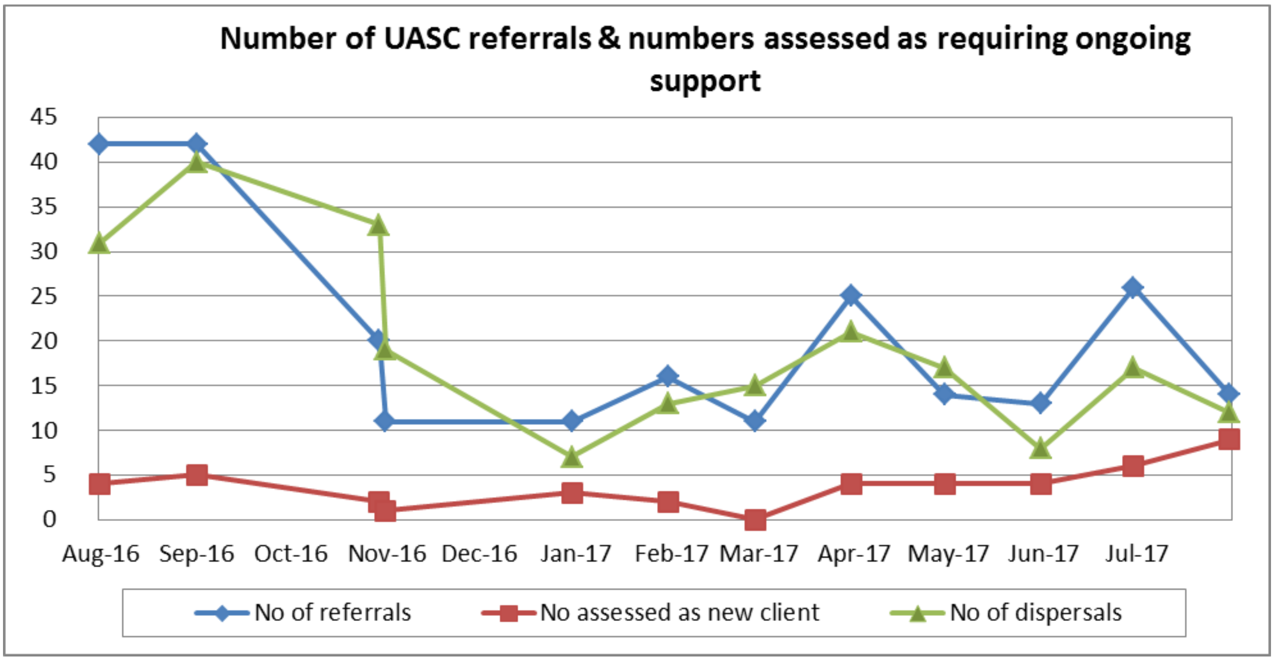
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain or "continued in time" appeal applications to be classed as an eligible client.

4. Numbers of UASC referrals, assessed as requiring ongoing support

	No of referrals	No assessed as new client	%	No of dispersals
Aug-16	42	4	10%	31
Sep-16	42	5	12%	40
Oct-16	20	2	10%	33
Nov-16	11	1	9%	19
Dec-16	11	3	27%	7
Jan-17	16	2	13%	13
Feb-17	11	0	0%	15
Mar-17	25	4	16%	21
Apr-17	14	4	29%	17
May-17	13	4	31%	8
Jun-17	26	6	23%	17
Jul-17	14	9	64%	12
TOTAL	245	44	18%	

Please note that the numbers for August and September 2016 have been amended due to a duplicate record removal in Liberi.



5. Total number of dispersals – new referrals & existing UASC

	Arrivals who have been dispersed post new Government Dispersal Scheme (w.e.f 01 July 16)	Former Kent UASC who have been dispersed (entry prior to 01 July 16)	TOTAL
Aug-16	31	0	31
Sep-16	30	10	40
Oct-16	33	0	33
Nov-16	17	2	19
Dec-16	7	0	7
Jan-17	8	5	13
Feb-17	15	0	15
Mar-17	16	5	21
Apr-17	14	3	17
May-17	7	1	8
Jun-17	16	1	17
Jul-17	12	0	12
TOTAL	206	27	233

In total there have been 258 new arrivals that have been dispersed since July 2016. These are included within the referrals in table 4. This also includes arrivals since 01 July 16 dispersed to London Boroughs, who are not participating in the transfer scheme.
The dispersal process has been slower than expected and has resulted in Kent becoming involved in some of the work or assessment for these clients prior to their dispersal and are therefore counting as a referral. It is expected that we will get to the point where clients are dispersed more quickly and therefore will not be included in the referral numbers.
Please note numbers have been amended for previous months to reflect more up-to-date information.

Appendix 4

Key Activity Indicators and Budget Risk Assessment Monitoring

1.1 Capital Receipts

The total receipts banked to date in 2017-18 is **£6.7m**.

1.2 Capital Receipts Funding Capital Programme

	TOTAL £m
Banked capital receipts as at 31.03.17	0.0
Total forecast receipts for 2017-18	18.5
Capital receipt funding required for capital programme in 2017-18	39.3
Deficit of Useable Capital Receipts	-20.8

1.3 Monitoring to the end of July 2017 estimates that £39.3m of capital expenditure will be required to be funded from capital receipts. This includes the £13.5m deficit on capital receipts from 2016-17. Coupled with the current forecast of £18.5m of capital receipts due in this financial year, this results in a forecast deficit on capital receipts of £20.8m.

1.4 The forecast deficit is due to a timing issue; sufficient receipts are expected in over the 3 year period to cover forecast expenditure. The position will contintute to be closely monitored throughout the year.

2017-18 July Monitoring of Prudential Indicators

1. Estimate of Capital Expenditure (excluding PFI)

Actuals 2016-17	£238.519m
Original estimate 2017-18	£261.303m
Revised estimate 2017-18	£271.854m

2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

	2016-17 Actual	2017-18 Original Estimate	2017-18 Forecast as at 31.07.17	2018-19 Forecast as at 31.07.17	2019-20 Forecast as at 31.07.17
	£m	£m	£m	£m	£m
Capital Financing requirement	1,362.394	1,369.445	1,346.705	1,334.084	1,297.607
Annual increase/reduction in underlying need to borrow	14.135	-2.182	-15.689	-12.621	-36.477

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

3. Estimate of ratio of financing costs to net revenue stream

Actuals 2016-17	13.41%
Original estimate 2017-18	13.18%
Revised estimate 2017-18	13.09%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management. The operational boundary for debt will not be exceeded in 2017-18.

a) Operational boundary for debt relating to KCC assets and activities

	Prudential Indicator	Position as at 31.07.17
	£m	£m
Borrowing	980	928
Other Long Term Liabilities	245	245
	1,225	1,173

b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc (pre Local Government Reorganisation)

	Prudential Indicator	Position as at 31.07.17
	£m	£m
Borrowing	1,018	965
Other Long Term Liabilities	245	245
	1,263	1,210

5. Authorised Limit for External Debt

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the Council. The revised limits for 2017-18 are:

	Authorised limit for debt relating to KCC assets and activities	Position as at 31.07.17	Authorised limit for total debt managed by KCC	Position as at 31.07.17
	£m	£m	£m	£m
Borrowing	1,020	928	1,058	965
Other long term liabilities	245	245	245	245
	1,265	1,173	1,303	1,210

6. Compliance with CIPFA Code of Practice for Treasury Management in the Public Sector

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. Upper limits of fixed interest rate and variable rate exposures

The Council has determined the following upper limits for 2017-18

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2017-18

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	Position as at
	%	%	%
Under 12 months	10	0	3.43
12 months and within 24 months	10	0	2.35
24 months and within 5 years	15	0	6.64
5 years and within 10 years	15	0	10.31
10 years and within 20 years	20	5	9.19
20 years and within 30 years	25	5	20.21
30 years and within 40 years	25	10	16.66
40 years and within 50 years	30	10	24.42
50 years and within 60 years	30	10	6.79

9. Upper limit for principal sums invested for periods longer than 364 days

Indicator	£260m
Actual	£170.75m

Appendix 6

Realignment of revenue budgets

In line with usual practice at this stage of the year, revenue budgets have been realigned to reflect a reallocation of savings and pressures between A-Z service lines in light of the 2016-17 final spend and activity levels and the latest service transformation plans, whereas the budget was set based on forecasts from several months earlier, and to present a more accurate gross and income expectation. Further details by directorate are provided below. **Cabinet is asked to approve these changes**. The variances reflected in this report assume that these cash limit changes are approved.

1) Children, Young People and Education

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling -£29,590.7k gross and +£29,590.7k income. The most significant changes included within this are:

- +£2,648.9k gross, -£2,648.9k income: additional Headstart 17/18 Allocations from the Big Lottery Fund;
- -£31,484.7k gross, +£31,484.7k income: reduction in DSG to match the latest notification from the Education and Skills Funding Agency;
- -£1,207k gross, +£1,207k income: reduction in Pupil Premium to match Q1 grant remittance;
- +£706.5k gross, -£706.5k income: additional 17/18 Troubled Families grant funding.

The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes (totaling -£61.1k gross):

- Transfer of funding as part of the restructure separating Strategic Commissioning from Adult Social Care & Health to Strategic & Corporate Services (-£12.1k gross).
- Transfer of funding for a post from Social Care Systems Team within the Operational Support Unit, part of the Adult Social Care & Health directorate to the Children's Performance Team in the Children, Young People & Education directorate (+£24.5k gross).
- Transfer of the Children Services’ share of the Discretionary Spend saving from the Adult Social Care & Health directorate (-£40.0k gross);
- A +£26.7k gross budget transfer to Management Information to fund a KR9 Officer.
- A -£60.2k gross budget transfer from SCS Legal to General Counsel to complete disclosure work.

There are also a number of other corporate adjustments which total +£2,339.7k gross, which predominately relate to: the allocation of the single pay reward scheme funding (+790.1k gross); allocation to directorates of the tiers and spans staffing saving (-£364.7k gross) and the tactical procurement saving (-£225k gross); and the addition of the roll forwards approved by Cabinet in June (+£2,139.3k gross).

The overall movements are therefore a reduction in gross of -£27,312.1k and income of +£29,590.7k, giving an overall net increase of +£2,278.6k. This is detailed by A-Z line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,

- the total value of the adjustments applied to each A-Z budget line.

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Children, Young People & Education									
Children's Services									
Children in Care (Looked After)									
Fostering - Non-Disabled Children - In house service	22,845.0	-251.0	**22,594.0**	22,843.2	-251.0	**22,592.2**	-1.8	0.0	**-1.8**
Fostering - Non-Disabled Children - Commissioned from Independent Fostering Agencies	6,576.4	0.0	**6,576.4**	6,576.4	0.0	**6,576.4**	0.0	0.0	**0.0**
Legal Charges - Non-Disabled Children	6,570.7	0.0	**6,570.7**	6,510.5	0.0	**6,510.5**	-60.2	0.0	**-60.2**
Residential Children's Services - Non-Disabled Children - Commissioned from Independent Sector	9,415.0	-594.4	**8,820.6**	9,415.0	-594.4	**8,820.6**	0.0	0.0	**0.0**
Supported Accommodation - Non-Disabled Children - Commissioned from Independent Sector	2,465.6	0.0	**2,465.6**	2,465.6	0.0	**2,465.6**	0.0	0.0	**0.0**
Virtual School Kent	5,185.1	-3,870.3	**1,314.8**	5,100.6	-3,870.3	**1,230.3**	-84.5	0.0	**-84.5**
Family Support Services - Non-Disabled Children	2,263.8	-153.1	**2,110.7**	2,263.8	-153.1	**2,110.7**	0.0	0.0	**0.0**
Early Help									
Children's Centres	8,369.1	-4,728.1	**3,641.0**	8,453.3	-4,735.6	**3,717.7**	84.2	-7.5	**76.7**
Early Intervention & Prevention	19,837.4	-9,511.7	**10,325.7**	24,147.9	-12,859.6	**11,288.3**	4,310.5	-3,347.9	**962.6**
Education & Personal									
14 to 24 year olds	1,955.6	-1,106.0	**849.6**	2,105.5	-1,106.0	**999.5**	149.9	0.0	**149.9**
Attendance & Behaviour	2,538.8	-2,538.8	**0.0**	2,538.8	-2,538.8	**0.0**	0.0	0.0	**0.0**
Early Years & Childcare	6,285.0	-5,061.7	**1,223.3**	6,108.2	-5,061.7	**1,046.5**	-176.8	0.0	**-176.8**
Early Years Education	68,341.7	-68,341.7	**0.0**	68,341.7	-68,341.7	**0.0**	0.0	0.0	**0.0**
Education Psychology Service	3,162.5	-1,129.5	**2,033.0**	3,166.4	-1,129.5	**2,036.9**	3.9	0.0	**3.9**
Individual Learner Support	7,421.6	-7,016.6	**405.0**	7,228.1	-6,818.1	**410.0**	-193.5	198.5	**5.0**
Support for Pupils with SEN	6,037.3	-6,037.3	**0.0**	6,037.3	-6,037.3	**0.0**	0.0	0.0	**0.0**
Youth Service	2,938.9	-2,021.2	**917.7**	2,941.3	-2,021.2	**920.1**	2.4	0.0	**2.4**
Youth Offending Service	2,092.5	-1,771.9	**320.6**	2,096.5	-1,771.9	**324.6**	4.0	0.0	**4.0**
Other Children's Services									
Adoption & other permanent care arrangements for children	13,808.2	-103.0	**13,705.2**	13,792.6	-103.0	**13,689.6**	-15.6	0.0	**-15.6**
Asylum Seekers - Aged under 16	4,428.3	-4,428.3	**0.0**	4,428.3	-4,428.3	**0.0**	0.0	0.0	**0.0**
Asylum Seekers - Aged 16 & 17	10,450.1	-10,450.1	**0.0**	10,450.1	-10,450.1	**0.0**	0.0	0.0	**0.0**
Asylum Seekers - Aged 18 and over (care leavers)	8,747.6	-8,197.6	**550.0**	8,747.6	-8,197.6	**550.0**	0.0	0.0	**0.0**
Care Leavers	6,243.0	-3,187.9	**3,055.1**	6,250.6	-3,187.9	**3,062.7**	7.6	0.0	**7.6**
Safeguarding	6,203.4	-1,506.6	**4,696.8**	6,691.4	-1,506.6	**5,184.8**	488.0	0.0	**488.0**
Community Services									
Community Learning & Skills (CLS)	12,697.1	-14,063.5	**-1,366.4**	12,672.7	-14,039.1	**-1,366.4**	-24.4	24.4	**0.0**
Supporting Employment	796.3	-335.0	**461.3**	807.2	-335.0	**472.2**	10.9	0.0	**10.9**
Schools & High Needs Education Budgets									
Exclusion Services	2,510.1	-2,510.1	**0.0**	2,510.1	-2,510.1	**0.0**	0.0	0.0	**0.0**
HN pupils in FE colleges (post 16 year olds)	5,110.4	-5,110.4	**0.0**	5,110.4	-5,110.4	**0.0**	0.0	0.0	**0.0**
HN pupils in Independent Sector providers (post 16 year olds)	3,600.9	-3,600.9	**0.0**	3,600.9	-3,600.9	**0.0**	0.0	0.0	**0.0**
HN pupils in Independent Special School placements	24,068.1	-24,068.1	**0.0**	24,068.1	-24,068.1	**0.0**	0.0	0.0	**0.0**
HN Pupils - Recoupment	2,396.6	-2,396.6	**0.0**	2,396.6	-2,396.6	**0.0**	0.0	0.0	**0.0**
PFI Schools Scheme	27,006.4	-27,006.4	**0.0**	27,006.4	-27,006.4	**0.0**	0.0	0.0	**0.0**
Schools & Pupil Referral Units delegated budgets	666,534.3	-666,534.3	**0.0**	633,693.3	-633,693.3	**0.0**	-32,841.0	32,841.0	**0.0**
Schools Services									
Education Staff Pension costs	7,468.3	-2,684.0	**4,784.3**	7,468.3	-2,684.0	**4,784.3**	0.0	0.0	**0.0**
Other Schools' Services	5,778.8	-5,853.7	**-74.9**	5,778.8	-5,853.7	**-74.9**	0.0	0.0	**0.0**
Redundancy costs	1,188.7	-1,188.7	**0.0**	1,188.7	-1,188.7	**0.0**	0.0	0.0	**0.0**
School Improvement	6,859.0	-5,303.5	**1,555.5**	6,836.1	-5,303.5	**1,532.6**	-22.9	0.0	**-22.9**
Transport Services									
Home to School / College Transport (Special Education Needs)	25,771.4	-801.5	**24,969.9**	25,772.4	-801.5	**24,970.9**	1.0	0.0	**1.0**
Home to School Transport (Mainstream)	7,200.6	-30.0	**7,170.6**	7,260.6	-30.0	**7,230.6**	60.0	0.0	**60.0**
Kent 16+ Travel Card	3,324.2	-2,880.9	**443.3**	3,324.2	-2,880.9	**443.3**	0.0	0.0	**0.0**

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Children, Young People & Education									
Assessment Services									
Assessment & Support of children with SEN	10,014.0	-9,510.2	**503.8**	10,676.6	-9,708.7	**967.9**	662.6	-198.5	**464.1**
Children's Social Care staffing - Non-Disabled Children	40,734.2	-3,339.7	**37,394.5**	40,702.4	-3,119.0	**37,583.4**	-31.8	220.7	**188.9**
Management, Support Services & Overheads									
Directorate Management & Support for E&YP	10,055.8	-10,566.1	**-510.3**	10,073.7	-10,566.1	**-492.4**	17.9	0.0	**17.9**
Directorate Management & Support for SCH&W	2,426.7	-235.2	**2,191.5**	2,379.5	-235.2	**2,144.3**	-47.2	0.0	**-47.2**
Support to Frontline Services									
Children's Social Care Performance Monitoring	809.1	0.0	**809.1**	1,053.8	0.0	**1,053.8**	244.7	0.0	**244.7**
Finance & Procurement (excl services commissioned from BSC)	1,782.1	-2,494.7	**-712.6**	1,922.1	-2,634.7	**-712.6**	140.0	-140.0	**0.0**
Children, Young People & Education Total	**1,102,315.7**	**-932,520.3**	**169,795.4**	**1,075,003.6**	**-902,929.6**	**172,074.0**	**-27,312.1**	**29,590.7**	**2,278.6**

2) Adult Social Care and Health:

Adult Social Care and Health - Adults

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling -£872.8k gross and +£872.8k income. The most significant changes included within this are:

- Decrease in the 2017-18 Independent Living Fund allocation (-£169.8k gross & +£169.8k income);
- Decrease to the Excellent Homes for All budget funded by PFI credits (-£476.0k gross & +£476.0k income);
- The realignment of budgets in light of the 2016-17 outturn expenditure and activity levels in relation to Mental health (-£83.4k gross & +£83.4k income) and Sensory and Autism Cash Limits (+£5.2k gross & -£5.2k income);
- The realignment of Children's Equipment budgets (-£148.8k gross, +£148.8k income).

The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes (totalling -£331.3k gross):

- The realignment of budgets between Mental Health Residential and Supported Accommodation A-Z service lines to reflect savings plans within these services;
- The realignment of budgets between A-Z service lines in light of the 2016-17 outturn expenditure and activity levels within each of Mental health, Sensory and Autism Cash Limits and service lines relating to the Excellent Homes for All PFI budgets – these have no effect on the overall total gross and income budgets;
- Transfer of the Children Services' share of the Discretionary Spend saving (+£40.0k gross);
- Transfer of funds within Adult Social Care & Health directorate, from the Children's Customer Care budget and ILSS Independent Mobility Assessors and Policy & Standards (+/-£40.0k gross);
- Transfer within Adult Social Care & Health directorate for staffing as part of lifespan pathway restructure as younger Physical Disability clients are now being case managed by 0-25 disability teams within Disabled Children services (+/-£100.0k gross);

- Changes within Learning Disability in-house provision, including a transfer of funds between Adult and Disabled Children Respite units for family support worker posts and other minor realignment of staffing budgets (+/-£125.7k gross);
- Allocation of funding between service lines for contracted price increases reflecting final negotiations with providers – this has a net nil effect on the overall total gross and income budgets;
- Transferring the Adult Placement Scheme funding out to final recipient budgets to eliminate unnecessary recharging between service lines – this has a net nil effect on the overall total gross and income budgets;
- Transfer of funding for a post from Social Care Systems Team within the Operational Support Unit to the Children's Performance Team in the Children, Young People & Education directorate (-£24.5k gross);
- Changes within Adult Services and transfers to Strategic Commissioning for staffing supporting Dementia Friendly Communities (-£165.3k gross) and in relation to a post in Performance (-£43.4k gross);
- Transfer of funding as part of the restructure separating Strategic Commissioning from Adult Social Care & Health to Strategic & Corporate Services (-£138.1k gross).

There are also a number of other corporate adjustments which total +£752.7k gross, which predominately relate to: the allocation of the single pay reward scheme funding (+£1,108.5k gross); allocation to directorates of the tiers and spans staffing saving (-£288.2k gross) and the tactical procurement saving (-£87.5k gross); and the addition of the roll forwards approved by Cabinet in June (+£19.9k gross).

<u>Adult Social Care and Health – Public Health</u>

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totaling +£245.3k gross and -£245.3k income; this relates to additional income from NHS England and Local Authorities.

The Service would also like to request formal virement through this report to reflect some realignment of Public Health budgets between A-Z lines in view of the 2016-17 outturn and activity levels whereas the budget was set based on forecasts from several months earlier. The revised cash limits are reflected in the table below.

There are also two corporate adjustments totaling -£11.1k gross reflecting the allocation to directorates of the tiers and spans staffing saving (-£6.7k) and the tactical procurement saving (-£4.6k), in addition to roll forwards approved by Cabinet in June (+£0.2k).

The overall movements are therefore a reduction in gross of -£217.2k and income of +£627.5k, giving an overall net increase of +£410.3k. This is detailed by A-Z line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each A-Z budget line.

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Adult Social Care & Health									
Adults & Older People									
Additional Adult Social Care allocation	26,090.8	0.0	**26,090.8**	26,090.8	0.0	**26,090.8**	0.0	0.0	**0.0**
Direct Payments									
Learning Disability (aged 18+)	19,874.9	-915.0	**18,959.9**	19,834.5	-847.9	**18,986.6**	-40.4	67.1	**26.7**
Mental Health (aged 18+)	1,067.3	-84.3	**983.0**	1,068.8	-84.3	**984.5**	1.5	0.0	**1.5**
Older People (aged 65+)	11,313.0	-2,845.1	**8,467.9**	11,243.2	-2,830.9	**8,412.3**	-69.8	14.2	**-55.6**
Physical Disability (aged 18-64)	12,159.8	-982.2	**11,177.6**	12,022.0	-906.9	**11,115.1**	-137.8	75.3	**-62.5**
Domiciliary Care									
Learning Disability (aged 18+)	838.7	-14.0	**824.7**	836.8	-14.0	**822.8**	-1.9	0.0	**-1.9**
Older People (aged 65+) - In house service (Kent Enablement at Home service)	8,147.2	-5,721.4	**2,425.8**	8,264.1	-5,721.4	**2,542.7**	116.9	0.0	**116.9**
Older People (aged 65+) - Commissioned service	32,061.6	-5,838.0	**26,223.6**	31,999.0	-5,836.8	**26,162.2**	-62.6	1.2	**-61.4**
Physical Disability (aged 18-64) - In house service	579.4	0.0	**579.4**	579.4	0.0	**579.4**	0.0	0.0	**0.0**
Physical Disability (aged 18-64) - Commissioned service	4,939.0	-28.4	**4,910.6**	4,926.4	-26.2	**4,900.2**	-12.6	2.2	**-10.4**
Non Residential Charging Income									
Learning Disability (aged 18+)	0.0	-5,127.0	**-5,127.0**	0.0	-5,127.0	**-5,127.0**	0.0	0.0	**0.0**
Older People (aged 65+)	0.0	-10,789.5	**-10,789.5**	0.0	-10,789.5	**-10,789.5**	0.0	0.0	**0.0**
Physical Disability (aged 18-64)	0.0	-1,465.9	**-1,465.9**	0.0	-1,465.9	**-1,465.9**	0.0	0.0	**0.0**
Mental Health (aged 18+)	0.0	-163.6	**-163.6**	0.0	-163.6	**-163.6**	0.0	0.0	**0.0**
Nursing & Residential Care									
Learning Disability (aged 18+)	72,771.9	-5,907.2	**66,864.7**	72,479.9	-5,907.2	**66,572.7**	-292.0	0.0	**-292.0**
Mental Health (aged 18+)	10,569.3	-872.4	**9,696.9**	9,539.9	-872.4	**8,667.5**	-1,029.4	0.0	**-1,029.4**
Older People (aged 65+) - Nursing	32,782.7	-17,398.1	**15,384.6**	32,687.0	-17,398.1	**15,288.9**	-95.7	0.0	**-95.7**
Older People (aged 65+) - Residential - In house service	19,877.3	-5,910.8	**13,966.5**	20,102.5	-5,910.8	**14,191.7**	225.2	0.0	**225.2**
Older People (aged 65+) - Residential - Commissioned service	58,381.3	-35,178.1	**23,203.2**	58,132.6	-35,178.1	**22,954.5**	-248.7	0.0	**-248.7**
Physical Disability (aged 18-64)	13,899.7	-1,717.5	**12,182.2**	13,847.5	-1,717.5	**12,130.0**	-52.2	0.0	**-52.2**
Supported Living									
Learning Disability (aged 18+) - In house service	3,336.8	-1,047.4	**2,289.4**	3,261.1	-1,047.4	**2,213.7**	-75.7	0.0	**-75.7**
Learning Disability (aged 18+) - Shared Lives Scheme	4,737.5	0.0	**4,737.5**	4,719.1	0.0	**4,719.1**	-18.4	0.0	**-18.4**
Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements	48,063.1	-212.5	**47,850.6**	47,911.9	-205.2	**47,706.7**	-151.2	7.3	**-143.9**
Mental Health (aged 18+) - Commissioned service	2,835.3	-138.4	**2,696.9**	3,792.3	-138.4	**3,653.9**	957.0	0.0	**957.0**
Mental Health (aged 18+) - In house service	256.0	-256.0	**0.0**	256.0	-256.0	**0.0**	0.0	0.0	**0.0**
Older People (aged 65+) - In house service	8,344.3	-8,312.8	**31.5**	7,865.4	-7,836.8	**28.6**	-478.9	476.0	**-2.9**
Older People (aged 65+) - Commissioned service	419.2	0.0	**419.2**	417.5	0.0	**417.5**	-1.7	0.0	**-1.7**
Physical Disability (aged 18-64) - Commissioned service	3,592.6	-15.6	**3,577.0**	3,605.4	-14.4	**3,591.0**	12.8	1.2	**14.0**
Other Services for Adults & Older People									
Adaptive & Assistive Technology	10,129.0	-4,880.7	**5,248.3**	10,124.5	-4,885.9	**5,238.6**	-4.5	-5.2	**-9.7**
Community Support Services for Mental Health (aged 18+)	1,413.1	-57.2	**1,355.9**	1,446.8	-57.2	**1,389.6**	33.7	0.0	**33.7**

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Adult Social Care & Health									
Day Care									
Learning Disability (aged 18+) - In house service	6,087.4	-70.7	**6,016.7**	6,203.8	-70.7	**6,133.1**	116.4	0.0	**116.4**
Learning Disability (aged 18+) - Commissioned service	8,696.9	-18.5	**8,678.4**	8,612.2	-17.2	**8,595.0**	-84.7	1.3	**-83.4**
Older People (aged 65+) - In house service	711.2	-23.3	**687.9**	719.7	-23.3	**696.4**	8.5	0.0	**8.5**
Older People (aged 65+) - Commissioned service	1,066.4	0.0	**1,066.4**	1,058.8	0.0	**1,058.8**	-7.6	0.0	**-7.6**
Physical Disability (aged 18-64)	983.1	0.0	**983.1**	974.2	0.0	**974.2**	-8.9	0.0	**-8.9**
Housing Related Support for Vulnerable People (Supporting People)	17,283.4	-574.9	**16,708.5**	17,283.4	-574.9	**16,708.5**	0.0	0.0	**0.0**
Legal Charges	550.0	0.0	**550.0**	550.0	0.0	**550.0**	0.0	0.0	**0.0**
Other Adult Services	2,127.0	-408.1	**1,718.9**	2,937.0	-443.1	**2,493.9**	810.0	-35.0	**775.0**
Safeguarding	2,319.2	-237.5	**2,081.7**	2,353.7	-237.5	**2,116.2**	34.5	0.0	**34.5**
Social Support									
Carers - In house service	2,531.0	0.0	**2,531.0**	2,494.3	0.0	**2,494.3**	-36.7	0.0	**-36.7**
Carers - Commissioned service	11,262.5	-4,376.1	**6,886.4**	11,103.0	-4,376.1	**6,726.9**	-159.5	0.0	**-159.5**
Information & Early Intervention	5,162.0	-1,529.1	**3,632.9**	5,113.6	-1,529.1	**3,584.5**	-48.4	0.0	**-48.4**
Social Isolation	9,340.4	-2,985.5	**6,354.9**	9,295.6	-2,985.5	**6,310.1**	-44.8	0.0	**-44.8**
Support & Assistance Service (Social Fund) including Refugee Families	2,088.5	-1,250.0	**838.5**	2,088.5	-1,250.0	**838.5**	0.0	0.0	**0.0**
Disabled Children									
Children in Care (Looked After)									
Fostering - Disabled Children - In house service	1,334.4	0.0	**1,334.4**	1,334.4	0.0	**1,334.4**	0.0	0.0	**0.0**
Fostering - Disabled Children - Commissioned from Independent Fostering Agencies	944.3	0.0	**944.3**	944.3	0.0	**944.3**	0.0	0.0	**0.0**
Legal Charges - Disabled Children	167.3	0.0	**167.3**	167.3	0.0	**167.3**	0.0	0.0	**0.0**
Residential Children's Services - Disabled Children - In house service (Short Breaks Units)	3,201.0	-682.4	**2,518.6**	3,354.1	-682.4	**2,671.7**	153.1	0.0	**153.1**
Residential Children's Services - Disabled Children - Commissioned from Independent Sector	4,699.2	-1,400.0	**3,299.2**	4,699.2	-1,400.0	**3,299.2**	0.0	0.0	**0.0**
Children in Need									
Family Support Services - Disabled Children	6,965.6	-305.0	**6,660.6**	6,965.6	-305.0	**6,660.6**	0.0	0.0	**0.0**
Community Services									
Local Healthwatch & NHS Complaints Advocacy	681.0	-469.5	**211.5**	681.0	-469.5	**211.5**	0.0	0.0	**0.0**
Other Children's Services									
Safeguarding	250.1	0.0	**250.1**	213.7	0.0	**213.7**	-36.4	0.0	**-36.4**
Public Health									
Children's Public Health Programmes: 0-5 year olds Health Visiting Service	21,850.2	-21,850.2	**0.0**	22,350.2	-22,350.2	**0.0**	500.0	-500.0	**0.0**
Other Children's Public Health Programmes	11,338.2	-11,338.2	**0.0**	10,854.1	-10,854.1	**0.0**	-484.1	484.1	**0.0**
Drug & Alcohol services	14,437.9	-14,437.9	**0.0**	14,634.5	-14,634.5	**0.0**	196.6	-196.6	**0.0**
Integrated Health & Lifestyle Service	6,281.0	-6,281.0	**0.0**	6,469.2	-6,469.2	**0.0**	188.2	-188.2	**0.0**
Mental Health Adults	2,164.8	-2,164.8	**0.0**	2,164.8	-2,164.8	**0.0**	0.0	0.0	**0.0**
Staffing, Advice & Monitoring	3,403.6	-3,403.6	**0.0**	2,999.6	-2,999.6	**0.0**	-404.0	404.0	**0.0**
Sexual Health Services	12,170.8	-12,170.8	**0.0**	12,170.8	-12,170.8	**0.0**	0.0	0.0	**0.0**
Targeting Health Inequalities	3,057.7	-3,057.7	**0.0**	3,030.7	-3,041.8	**-11.1**	-27.0	15.9	**-11.1**
Tobacco Control	145.0	-145.0	**0.0**	145.0	-145.0	**0.0**	0.0	0.0	**0.0**
Assessment Services									
Adults Social Care staffing	40,870.3	-3,150.5	**37,719.8**	41,181.3	-3,032.1	**38,149.2**	311.0	118.4	**429.4**
Children's Social Care staffing - Disabled Children	5,558.7	-231.6	**5,327.1**	5,545.3	-82.8	**5,462.5**	-13.4	148.8	**135.4**

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Adult Social Care & Health									
Management, Support Services & Overheads									
Directorate Management & Support for SCH&W	6,268.9	-1,292.7	**4,976.2**	6,483.8	-1,557.2	**4,926.6**	214.9	-264.5	**-49.6**
Support to Frontline Services									
Adult's Social Care Commissioning	1,908.7	-24.5	**1,884.2**	1,940.2	-24.5	**1,915.7**	31.5	0.0	**31.5**
Adult Social Care & Health Total	**626,388.5**	**-209,758.2**	**416,630.3**	**626,171.3**	**-209,130.7**	**417,040.6**	**-217.2**	**627.5**	**410.3**

3) Growth, Environment and Transport:

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling +£1,039k gross and -£1,039k income. Significant changes included within this are:

- Overall increase in European, Government and Heritage Lottery Fund (HLF) grants primarily for the Low Carbon Across the South East (LOCASE) (+£261k gross and -£261k income), INN2POWER (+£130k gross and -£130k income), Triple A (+£126k gross and -£126k income), FRAMES (+£121k gross and -£121k income), and HLF (+£254 gross and -£254k income);
- Updated estimates for internal recharging of staffing costs to projects within the Directorate and primarily within the Environmental Management (incl. Coastal Protection) A to Z budget line (+£147k gross and -£147k income).

The Directorate would also like to request formal virement through this report to reflect adjustments between budget lines as follows:

- A budget transfer from the Highway Drainage A to Z budget line (-£240k gross) to the Traffic Management A to Z budget line (+£240k gross) to correct the over-allocation of a saving during budget build;
- The transfer of the budget for the Director of Highways, Transportation and Waste from the Waste Compliance, Commissioning & Contract Management A to Z line (-£127k gross) to the Strategic Management & Directorate Support A to Z budget line (+£127k gross); this moves the funding to the most appropriate budget line;
- Within Highways a transfer of gross budget from the General maintenance and Emergency Response A to Z budget line (-£102k gross) to the Bridges and other structures A to Z budget line (+£102k gross); this is to move the funding for barrier re-tensioning works to the most appropriate budget line;
- The allocation of parked savings from the Strategic Management & Directorate Support A to Z budget line (+£100k gross) to the Libraries, Registration & Archives A to Z budget line (-£100k income);
- A transfer within Waste from the Partnership & development budget A to Z line (-£64k gross) to the Waste Compliance, Commissioning & Contract Management A to Z line (+£64k gross). This reflect a change in staffing from focusing on partnerships to a wider role within commissioning and contract management;
- A transfer from the Strategic Management & Directorate Support A to Z budget line (-£2k gross) to the Planning Applications A to Z budget line (+£2k gross) to support the costs of professional memberships and subscriptions.

There are also a number of other corporate adjustments which total +£3,948k gross and +£500k income which are predominately related to the allocation of the single pay reward scheme funding (+£601k gross), allocation to directorates of the Tiers and Spans and Tactical Procurement savings agreed by CMT (respectively -£208k gross and -£261k gross); the addition of the roll forwards (+£846k gross) and further funding for pot-hole repairs (+£3,000k gross) approved by Cabinet in June.

In addition there has been the allocation of additional retained business rates to the Regeneration & Economic Development services A to Z budget line (-£500k income) to offset the unachievable saving from 2016-17 relating to the business rate regeneration pot.

The overall movements are therefore an increase in gross of +£5,087.1k and income of -£638.6k, giving an overall net increase of +£4,448.5k. This is detailed by A-Z line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each A-Z budget line.

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Growth, Environment & Transport									
Education & Personal									
14 to 24 year olds	64.9	-17.4	**47.5**	64.9	-17.4	**47.5**	0.0	0.0	**0.0**
Community Services									
Arts & Culture Development	1,831.8	0.0	**1,831.8**	1,872.1	0.0	**1,872.1**	40.3	0.0	**40.3**
Gypsies & Travellers	387.3	-447.5	**-60.2**	387.3	-447.5	**-60.2**	0.0	0.0	**0.0**
Libraries, Registration & Archives Services	15,943.1	-6,250.0	**9,693.1**	16,156.7	-6,350.0	**9,806.7**	213.6	-100.0	**113.6**
Sports & Physical Activity Development	1,726.1	-1,344.5	**381.6**	1,600.1	-1,212.7	**387.4**	-126.0	131.8	**5.8**
Environment									
Country Parks, Countryside Partnerships & Explore Kent	2,892.2	-2,417.3	**474.9**	3,011.1	-2,484.4	**526.7**	118.9	-67.1	**51.8**
Environmental Management (incl. Coastal Protection)	4,276.3	-2,955.5	**1,320.8**	5,428.6	-3,951.8	**1,476.8**	1,152.3	-996.3	**156.0**
Public Rights of Way	1,786.2	-108.1	**1,678.1**	1,868.0	-172.0	**1,696.0**	81.8	-63.9	**17.9**
Highways									
Highways Maintenance									
Adverse Weather	3,328.6	0.0	**3,328.6**	3,328.6	0.0	**3,328.6**	0.0	0.0	**0.0**
Bridges & Other Structures	2,227.6	-226.3	**2,001.3**	2,333.4	-226.3	**2,107.1**	105.8	0.0	**105.8**
General maintenance & emergency response	8,428.3	-599.9	**7,828.4**	11,452.4	-599.9	**10,852.5**	3,024.1	0.0	**3,024.1**
Highways Drainage	2,961.7	0.0	**2,961.7**	2,727.6	0.0	**2,727.6**	-234.1	0.0	**-234.1**
Streetlight maintenance	2,837.8	-154.0	**2,683.8**	2,843.8	-154.0	**2,689.8**	6.0	0.0	**6.0**
Highways Management									
Development Planning	2,091.9	-2,176.4	**-84.5**	2,116.1	-2,176.4	**-60.3**	24.2	0.0	**24.2**
Highways Improvements	1,570.8	-4.6	**1,566.2**	1,578.6	-4.6	**1,574.0**	7.8	0.0	**7.8**
Road Safety	2,702.8	-2,141.0	**561.8**	2,712.5	-2,141.0	**571.5**	9.7	0.0	**9.7**
Streetlight Energy	3,961.0	0.0	**3,961.0**	3,961.0	0.0	**3,961.0**	0.0	0.0	**0.0**
Traffic management	4,431.1	-3,757.6	**673.5**	4,699.5	-3,757.6	**941.9**	268.4	0.0	**268.4**
Tree maintenance, grass cutting & weed control	3,257.4	0.0	**3,257.4**	3,548.9	0.0	**3,548.9**	291.5	0.0	**291.5**
Planning & Transport Strategy									
Planning & Transport Policy	1,151.7	0.0	**1,151.7**	1,232.6	0.0	**1,232.6**	80.9	0.0	**80.9**
Planning Applications	887.6	-462.0	**425.6**	901.7	-462.0	**439.7**	14.1	0.0	**14.1**
Public Protection									
Community Safety (incl. Community Wardens)	2,244.1	-131.8	**2,112.3**	2,280.1	-131.8	**2,148.3**	36.0	0.0	**36.0**
Coroners	4,042.1	-626.0	**3,416.1**	4,160.1	-733.9	**3,426.2**	118.0	-107.9	**10.1**
Emergency Response & Resilience (incl Flood Risk Management)	1,461.2	-212.0	**1,249.2**	1,527.0	-147.2	**1,379.8**	65.8	64.8	**130.6**
Trading Standards (incl. Kent Scientific Services)	3,548.8	-1,174.8	**2,374.0**	3,598.1	-1,174.8	**2,423.3**	49.3	0.0	**49.3**

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Growth, Environment & Transport									
Regeneration & Economic Development									
Regeneration & Economic Development services	6,183.2	-3,979.1	**2,204.1**	6,205.6	-3,479.1	**2,726.5**	22.4	500.0	**522.4**
Schools Services									
Schools' Services - Other Schools' Services	455.0	0.0	**455.0**	455.0	0.0	**455.0**	0.0	0.0	**0.0**
Transport Services									
Concessionary Fares	16,784.2	-27.0	**16,757.2**	16,784.2	-27.0	**16,757.2**	0.0	0.0	**0.0**
Subsidised Bus Services (inc.l Kent Karrier)	8,311.5	-2,208.8	**6,102.7**	8,311.5	-2,106.8	**6,204.7**	0.0	102.0	**102.0**
Transport Operations	1,266.3	-12.3	**1,254.0**	1,285.4	-114.3	**1,171.1**	19.1	-102.0	**-82.9**
Transport Planning	230.0	0.0	**230.0**	231.8	0.0	**231.8**	1.8	0.0	**1.8**
Young Person's Travel Pass	14,218.7	-5,836.2	**8,382.5**	14,218.7	-5,836.2	**8,382.5**	0.0	0.0	**0.0**
Waste									
Waste Management									
Waste Compliance, Commissioning & Contract Management	805.1	0.0	**805.1**	753.8	0.0	**753.8**	-51.3	0.0	**-51.3**
Partnerships & development	569.4	0.0	**569.4**	510.8	0.0	**510.8**	-58.6	0.0	**-58.6**
Closed Landfill Sites	606.8	-16.0	**590.8**	608.5	-16.0	**592.5**	1.7	0.0	**1.7**
Waste Processing									
Operation of Waste Facilities	15,813.1	-152.7	**15,660.4**	15,813.1	-152.7	**15,660.4**	0.0	0.0	**0.0**
Payments to Waste Collection Authorities (District Councils)	6,305.5	0.0	**6,305.5**	6,305.5	0.0	**6,305.5**	0.0	0.0	**0.0**
Recycling Contracts & Composting	8,925.7	-1,716.0	**7,209.7**	8,925.7	-1,716.0	**7,209.7**	0.0	0.0	**0.0**
Treatment and disposal of residual waste	37,363.0	0.0	**37,363.0**	37,363.0	0.0	**37,363.0**	0.0	0.0	**0.0**
Management, Support Services & Overheads									
Directorate Management & Support for GE&T	3,675.8	-93.6	**3,582.2**	3,479.4	-93.6	**3,385.8**	-196.4	0.0	**-196.4**
Growth, Environment & Transport Total	**201,555.7**	**-39,248.4**	**162,307.3**	**206,642.8**	**-39,887.0**	**166,755.8**	**5,087.1**	**-638.6**	**4,448.5**

4) Strategic and Corporate Services:

The cash limits which the Directorate is working to, and upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment of gross and income to more accurately reflect current levels of services and income to be received totaling -£1,173.5k gross and +£1,173.5k income. Significant changes included within this are:

- Realignment of ICT (-£1,250k gross, +£1,250k income);
- Various realignments relating to the Property budgets (-£857.7k gross, +£857.7k income);
- Realignment of Kent Public Services network budget to more accurately reflect anticipated expenditure and income (+£875.1k gross, -£875.1k income);
- Realignment following Finance restructure (+£59.1k gross, -£59,1k income).

The directorate would also like to request formal virement through this report to reflect adjustments between budget lines as follows:

- Transfer from “Children in Care (Looked After) - Legal Charges - Non-Disabled Children” (-£60.2k Gross) to “Support to frontline services - General Counsel & Information Governance “ (+£60.2k Gross) to cover disclosure work for SCS legal;
- Transfer from “Support to frontline services - Infrastructure (Property & ICT) (excl services commissioned from BSC & LATCo)” (-£240k Gross) to “Support to frontline services - Infrastructure - ICT services commissioned from BSC” (+£240k Gross) to realign budgets

to ICT Asset Maintenance Reserve schedule for 2017-18, and then realign base budget within ICT where appropriate;

- Transfer to “Support to frontline services - Children's Social Care Performance Monitoring” (+£26.7 Gross) from Support to frontline services - Adult's Social Care Performance Monitoring (-£26.7k Gross);
- Transfer from “Other Adult Services” (-£43.4k Gross) to “Support to frontline services - Adult's Social Care Performance Monitoring” (+£43.4k) to transfer “Health Money” cash limit to fund Performance KR10 post;
- Transfer to “Support to frontline services - General Counsel & Information Governance” (+£1.2k Gross) from “Support to frontline services - Infrastructure - ICT services commissioned from BSC” (-£1.2k Gross) and “Support to frontline services - Business Services Centre (BSC)” (-£1.2k Gross, +£1.2k Income) to correct adjustments incorrectly made in 2017/18 budget build for ICT relating to Legal services;
- Transfer from “Other Adult Services” (-£130.3k Gross) and “Assessment Services - Adults Social Care staffing” (-£35.2k Gross) to “Support to frontline services - Adult's Social Care Commissioning” (+£165.3k Gross) as an allocation of agreed health monies (includes Dementia Friendly Communities);
- Transfer from “Directorate Management & Support for SCH&W” (-£44.3k gross) and “Other Adult Services” (-£105.9k gross) to “Support to frontline services - Adult's Social Care Commissioning” (+£150.2k gross) to transfer Commissioner budget from SCH&W to S&CS;
- Transfer from the Regeneration & Economic Development services (-£30k gross) to the Support to frontline services - Democratic & Members line within Strategic and Corporate Services (+£30k gross); this is to fund the Staff Officer for the Cabinet Member for Economic Development;
- Transfer from Financing Items (-£150.0k Gross) to “Support to frontline services - General Counsel & Information Governance” to cover Corporate Legal fees (+£150.0k Gross);
- Transfer from Financing Items (-£50.0k Gross) to “Support to frontline services - Adult's Social Care Commissioning” (+£50.0k Gross) to cover year 2 of 3 for Strode Park.

There are also a number of other corporate adjustments which total +£695.3k gross and -£156.5k income which are predominately related to the allocation of the single pay reward scheme funding (+£794.6k Gross and -£156.5k Income), allocation to directorates of the Tiers and Spans and Tactical Procurement savings agreed by CMT (respectively -£132.5k Gross and -£135.2k Gross); the addition of the roll forwards (+£168.4k Gross) approved by Cabinet in June.

The overall movements are therefore an increase in gross of +£107.9k and income of +£1,018.2k, giving an overall net increase of +£1,126.1k. This is detailed by A-Z line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each A-Z budget line.

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Strategic & Corporate Services									
Community Services									
Contact Centre & Digital Web Services	4,021.6	-323.6	**3,698.0**	4,021.6	-323.6	**3,698.0**	0.0	0.0	**0.0**
Gateways	866.6	-25.0	**841.6**	871.2	-25.0	**846.2**	4.6	0.0	**4.6**
Local Democracy									
County Council Elections	520.0	0.0	**520.0**	520.0	0.0	**520.0**	0.0	0.0	**0.0**
Local Member Grants	1,782.0	0.0	**1,782.0**	1,942.4	0.0	**1,942.4**	160.4	0.0	**160.4**
Partnership arrangements with District Councils	1,621.2	0.0	**1,621.2**	1,621.2	0.0	**1,621.2**	0.0	0.0	**0.0**
Social Support									
Support & Assistance Service (Social Fund) including Refugee Families	308.4	0.0	**308.4**	311.6	0.0	**311.6**	3.2	0.0	**3.2**
Day Care									
Housing Related Support for Vulnerable People (Supporting People)	361.5	0.0	**361.5**	367.2	0.0	**367.2**	5.7	0.0	**5.7**
Management, Support Services & Overheads									
Directorate Management & Support for S&CS	2,849.4	-5,236.9	**-2,387.5**	2,851.7	-5,236.9	**-2,385.2**	2.3	0.0	**2.3**
Support to Frontline Services									
Adult's Social Care Commissioning	2,723.7	-126.0	**2,597.7**	3,126.3	-126.0	**3,000.3**	402.6	0.0	**402.6**
Adult's Social Care Performance Monitoring	921.4	0.0	**921.4**	948.7	0.0	**948.7**	27.3	0.0	**27.3**
Business Services Centre (BSC)	27,673.7	-27,673.7	**0.0**	26,525.2	-26,579.0	**-53.8**	-1,148.5	1,094.7	**-53.8**
Business Strategy	3,134.2	-42.0	**3,092.2**	3,133.1	-42.0	**3,091.1**	-1.1	0.0	**-1.1**
Children's Social Care Commissioning	1,785.3	-50.9	**1,734.4**	1,813.8	-50.9	**1,762.9**	28.5	0.0	**28.5**
Communications, Consultation & Engagement	2,149.9	-373.7	**1,776.2**	2,175.4	-373.7	**1,801.7**	25.5	0.0	**25.5**
Democratic & Members	3,755.0	-142.0	**3,613.0**	3,852.1	-142.0	**3,710.1**	97.1	0.0	**97.1**
Finance & Procurement (excl services commissioned from BSC)	12,422.7	-5,779.3	**6,643.4**	12,456.7	-5,838.4	**6,618.3**	34.0	-59.1	**-25.1**
Finance & Procurement - services commissioned from BSC	2,804.6	-1.5	**2,803.1**	2,844.5	-1.5	**2,843.0**	39.9	0.0	**39.9**
General Counsel & Information Governance	-668.0	-53.0	**-721.0**	-445.4	-53.0	**-498.4**	222.6	0.0	**222.6**
Human Resources (excl services commissioned from BSC)	5,832.7	-702.9	**5,129.8**	5,870.3	-702.9	**5,167.4**	37.6	0.0	**37.6**
Human Resources - services commissioned from BSC	1,343.0	-90.5	**1,252.5**	1,376.0	-90.5	**1,285.5**	33.0	0.0	**33.0**
Infrastructure (Property & ICT) (excl services commissioned from BSC & LATCo)	42,847.7	-13,196.2	**29,651.5**	42,467.3	-13,023.6	**29,443.7**	-380.4	172.6	**-207.8**
Infrastructure - ICT services commissioned from BSC	4,133.3	-397.7	**3,735.6**	4,711.9	-397.7	**4,314.2**	578.6	0.0	**578.6**
Infrastructure - Property services commissioned from LATCo	2,659.9	-1,506.1	**1,153.8**	2,594.9	-1,696.1	**898.8**	-65.0	-190.0	**-255.0**
Legal Services - Dividend from Invicta Law	0.0	-1,057.4	**-1,057.4**	0.0	-1,057.4	**-1,057.4**	0.0	0.0	**0.0**
Transformation	0.0	0.0	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Strategic & Corporate Services Total	**125,849.8**	**-56,778.4**	**69,071.4**	**125,957.7**	**-55,760.2**	**70,197.5**	**107.9**	**1,018.2**	**1,126.1**

5) Financing Items:

The cash limits upon which the variances in this report are based, include technical adjustments where there is no change in policy, including realignment to more accurately reflect current levels of Government funding and retained business rates income to be received, totalling +£605.9k gross (this is split between additional funding of £805.9k and other technical adjustments of -£200k where responsibility for budget has transferred (but no change in policy)) , as reported in previous monitoring.

There are also a number of other corporate adjustments which total -£3791.9k gross, which are predominately related to the net allocation to directorates of parked savings and single pay reward scheme funding (-£1,389.5 gross); the allocation for pot-hole blitz to GET directorate (-£3,000k) and the addition of the roll forwards approved by Cabinet in June (+£597.6k gross).

The overall movements are therefore a reduction in gross of -£3,186.0k. This is detailed by A-Z line in the table below, which shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with the inclusion of changes to grant funding notified since the budget was set,
- the total value of the adjustments applied to each A-Z budget line.

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement in Cash Limit		
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Financing Items & Unallocated									
Audit Fees	264.0	0.0	**264.0**	264.0	0.0	**264.0**	0.0	0.0	**0.0**
Carbon Reduction Commitment	631.0	0.0	**631.0**	631.0	0.0	**631.0**	0.0	0.0	**0.0**
Commercial Services (net contribution)	0.0	-6,800.0	**-6,800.0**	0.0	-6,800.0	**-6,800.0**	0.0	0.0	**0.0**
Contribution to IT Asset Maintenance Reserve	3,952.0	0.0	**3,952.0**	3,952.0	0.0	**3,952.0**	0.0	0.0	**0.0**
Contribution to/from reserves	-5,090.6	0.0	**-5,090.6**	-7,493.0	0.0	**-7,493.0**	-2,402.4	0.0	**-2,402.4**
Insurance Fund	5,299.0	0.0	**5,299.0**	5,299.0	0.0	**5,299.0**	0.0	0.0	**0.0**
Modernisation of the Council	1,500.0	0.0	**1,500.0**	1,500.0	0.0	**1,500.0**	0.0	0.0	**0.0**
Net debt costs (incl. investment income)	123,463.3	-10,342.0	**113,121.3**	123,126.6	-10,342.0	**112,784.6**	-336.7	0.0	**-336.7**
Other	2,071.0	-18.0	**2,053.0**	1,921.0	-18.0	**1,903.0**	-150.0	0.0	**-150.0**
Unallocated	242.7	0.0	**242.7**	-54.2	0.0	**-54.2**	-296.9	0.0	**-296.9**
Financing Items & Unallocated Total	**132,332.4**	**-17,160.0**	**115,172.4**	**129,146.4**	**-17,160.0**	**111,986.4**	**-3,186.0**	**0.0**	**-3,186.0**

BACKGROUND INFORMATION – MAY MONITORING REPORT

By:	Cabinet Member for Finance, John Simmonds Corporate Director of Finance, Andy Wood Corporate Directors
To:	Circulated on 12 July 2017 for reference to Corporate Board
Subject:	**REVENUE & CAPITAL BUDGET MONITORING - MAY 2017-18**
Classification:	Unrestricted

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1. SUMMARY

1.1 This report provides the budget monitoring position up to 31 May 2017-18 for both revenue and capital budgets, including an update on key activity data for our highest risk budgets.

1.2 The format of this report is:

- This covering summary report which provides a high level financial summary and highlights only the most significant issues, as determined by Corporate Directors.
- Appendix 1 – a high level breakdown of the directorate monitoring positions;
- Appendix 2 – activity information for our highest risk budgets;
- Appendix 3 – details of the Asylum service forecast and key activity information including grant rates compared to actual forecast unit costs;

1.3 Cabinet is asked to note the forecast revenue and capital monitoring position. In the light of further government funding reductions in the short to medium term, it is essential that a balanced revenue position is achieved in 2017-18, as any residual pressures rolled forward into 2018-19 will only compound an already extremely challenging 2018-19 budget position. This forecast revenue pressure is £11.273m (after Corporate Director adjustments) and needs to be managed down to at least a balanced position.

1.4 Whilst it is clear that each year, the position improves as the year progresses, and is in part due to the delivery of management action, history suggests that managers also have a tendency to be pessimistic with their forecasting, by declaring pressures early but holding back on declaring underspending until towards year end. Although we have urged budget managers to be less guarded with their forecasting from the outset so that decisions can be made on a more robust footing, the position has in fact worsened since the last report, predominately due to Education and Young People and Adult Social Care. The Corporate Directors are considering what immediate steps, other than the usual day-to-day budget management, could and should be taken in response to the forecast pressure.

1.5 Cabinet in June decided not to make the £3.921m budgeted contribution to reserves. Instead £3m is to be spent on pothole repairs, of which £2.7m will be spent in capital and £0.3m spent in revenue. The remaining £0.921m is declared as an underspend to go towards offsetting the pressures reported in this report.

2. RECOMMENDATIONS

Cabinet is asked to:

iii) **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

ii) **Agree** the changes to the capital programme as detailed in section 5.4.

3. SUMMARISED REVENUE MONITORING POSITION

3.1 Overall the net projected revenue variance for the Council as reported by budget managers is a pressure of £14.192m. Corporate Directors have adjusted this position by -£2.919m, leaving a residual pressure of £11.273m. Details of the Corporate Director adjustments are provided below in sections 3.4. This forecast position represents a movement of +£3.116m (excluding Schools) from the position reported to Cabinet in June. The main reasons for this movement are provided in section 3.3 below. In total this position reflects that we are on track to deliver the majority of the £73m of savings included in the approved budget for this year, but further work is urgently required to identify options to eliminate the residual £11.3m forecast pressure. At this early stage of the financial year there have been no requests for roll forwards. The position by directorate, together with the movement from the last report, is shown in table 1 below.

3.2 Table 1: Directorate **revenue** position

Directorate		Budget	Net Forecast Variance *	Corporate Director adjustment	Revised Net Variance	Last Reported position	Movement
		£m	£m	£m	£m	£m	£m
Children, Young People & Education - Education & Young People		57.472	1.602	-0.600	1.002	0.000	1.002
Children, Young People & Education - Specialist Children's Services		112.564	0.950	-0.059	0.891	0.300	0.591
Children, Young People & Education - Asylum		0.550	4.220		4.220	4.200	0.020
Sub Total Children, Young People & Education		*170.586*	*6.772*	*-0.659*	*6.113*	*4.500*	*1.613*
Adult Social Care & Health - Disabled Children Services		20.602	0.518		0.518	0.000	0.518
Adult Social Care & Health - Adults		397.137	6.143	-1.660	4.483	3.349	1.134
Adult Social Care & Health - Public Health		0.000	0.000		0.000	0.000	0.000
Growth, Environment & Transport		163.409	1.120	-0.600	0.520	0.000	0.520
Strategic & Corporate Services		69.674	0.652		0.652	0.442	0.210
Financing Items		112.070	-1.013		-1.013	-0.134	-0.879
TOTAL (excl Schools)		**933.477**	**14.192**	**-2.919**	**11.273**	**8.157**	**3.116**
Schools (CYP&E Directorate)		*0.000*	*0.391*	*0.900*	*1.291*	*0.000*	*1.291*
TOTAL		**933.477**	**14.583**	**-2.019**	**12.564**	**8.157**	**4.407**
Variance from above (excl schools)					**11.273**	**8.157**	**3.116**
Roll forwards	- committed				0.000		0.000
	- re-phased				0.000		0.000
	- bids				0.000		0.000
Total roll forward requirements					0.000	0.000	0.000
(-ve Uncommitted balance / (+ve) Deficit					**11.273**	**8.157**	**3.116**

* the variances reflected in appendix 1 & 2 will feature in this column

3.3 The main reasons for the movement of +£3.116m (after Corporate Director the adjustments) since the last report are:

3.3.1 Children, Young People and Education – Education & Young People's Services:

The movement in the forecast variance (excluding schools and before roll forward requirements) shows an increase of £1.002m this month. The Corporate Director adjustment has been made to reflect more up to date information received after the submission of manager forecasts. This is a net movement figure and the explanation of movement can be found in the variance explanation section (paragraphs 3.4.1.1 to 3.4.1.8).

3.3.2 Children, Young People and Education – Specialist Children's Services:

The current forecast variance represents an increase of +£0.591m since the May exception report. This movement is partly due to increased activity in Children in Care (Looked After) Services of +£0.7m, mainly in fostering services, along with an increased number of special guardianships +£0.1m. The staffing forecast has reduced by -£0.2m, due to greater analysis of current agency staff.

3.3.3 Children, Young People and Education – Asylum Services:

There is no change in the forecast variance for the Asylum Service. Work is ongoing to refine the asylum forecast and further update will be provided in the June Monitoring Report.

3.3.4 Adult Social Care and Health – Disabled Children Services:

The current forecast variance represents an increase of +£0.518m since the May exception report. This is a net movement figure and the explanation of movement can be found in the variance explanation section (paragraph 3.4.5.1).

3.3.5 Adult Social Care and Health – Adult Social Care:

The pressure on Adults Social Care has increased by +£1.134m. The movement in variance compared to the previous report reflects the fact that this is the first full forecast outturn position for the financial year, including a number of variances shown later in the report based on detailed information across the directorate and in each of the Appendix 1 lines.

3.3.6 Adult Social Care and Health – Public Health:

There is an overall movement of +£1.1m since the last reported position in April but this will be met by a drawdown from the Public Health reserve, hence no movement is reflected in table 1. Several of the budgets are now showing forecast pressures and an explanation of the movement can be found in the variance explanation section (paragraph 3.4.7.1).

3.3.7 Growth, Environment and Transport:

The current forecast variance represents an increase of +£0.5m since the May exception report. This is a net movement figure which is explained in the variance explanation section (paragraphs 3.4.8.1 to 3.4.8.6).

3.3.8 Strategic and Corporate Services:

The Directorate forecast (excluding the Asset Utilisation target) has moved by +£0.210m since the May exception report. The main movements are +£0.199m Community Services - Contact Centre & Digital Web Services; -£0.203m Engagement, Organisation Design & Development; and +£0.241m relating to Infrastructure controllable budgets. These are explained in more detail in the variance explanation section (paragraphs 3.4.9.1 to 3.4.9.2)

3.3.8 Financing Items:

There is a £0.879m increase in the underspend this month, which is due to the £3.921m budgeted contribution to general reserves no longer taking place, with £3m being used for pothole repairs and the remaining £0.921m being declared as an underspend, as agreed by Cabinet on 26 June. There is also an additional £0.658m Business Rates Compensation grant, but these underspends have been partially offset by a shortfall in the expected contribution from Commercial Services of £0.700m.

3.4 **Revenue budget monitoring headlines (please refer to Appendix 1)**

3.4.1 <u>Children, Young People and Education – Education & Young People's Services:</u>

3.4.1.1 The forecast variance of +£1.602m before a Corporate Director adjustment (excluding schools and before roll forward requirements) is made up of a number of service lines as follows:

3.4.1.2 There is a forecast underspend of -£0.3m on Early Help & Prevention for Children and Families. The underspend on Children's Centres of -£0.2m is made up of a number of small underspends across all 12 district hubs.

3.4.1.3 There is a forecast pressure of £0.5m within Early Years Education & Childcare which predominately relates to a shortfall on their general service income target and an overspend on the three in-house nurseries. The EY&C unit are aiming to generate income from private, voluntary and independent nurseries through their 'Threads to Success' scheme. It is hoped that a review of the product pricing will lead to increased demand and an increase in income generation.

3.4.1.4 There is a minor forecast pressure of £0.1m on SEN and Psychology Services due to number of small variances in both services.

3.4.1.5 There is a forecast underspend on Other Services for Young People and School Related Services of -£0.2m which relates mainly to School Improvement Services due to both staff vacancies and an increase in income.

3.4.1.6 There is a forecast pressure of £0.9m on Other Schools' Related. £0.8m of this relates to revenue maintenance costs that are in excess of the grant available. These costs, which are administered by colleagues within GEN[2] on behalf of the Directorate, cover both planned maintenance agreements and subsequent resultant work and fall under the TFM contracts. Further work will be required to fully understand these contract pressures to see whether there are opportunities to reduce this overspend. The Directorate is also considering options for introducing greater controls to prevent further/future pressure on this budget.

3.4.1.7 There is a forecast pressure of £0.2m on Adult Education and Employment Services for Vulnerable Adults. The pressure is all within Community, Learning & Skills (CLS) and has arisen due to changes resulting from the National Apprenticeship reform process. As part of the process KCC has chosen not to continue to use CLS as the training provider of choice for Business Administration apprenticeships for internal KCC apprentices. This was a significant income stream which ceased in May 2017 and now creates a risk in CLS achieving its budgeted surplus target of £1.3m. Other options are being considered within the service to address this.

3.4.1.8 Finally there is a forecast pressure of £0.4m on EYPS Management & Support Services, within which there is an overspend of £0.6m relating to Edukent Services. EduKent provide the single point of contact for all traded services with schools and academies and have in the past been funded from the DSG reserve. This is no longer possible and other options are being investigated to provide a long term solution to the funding of this unit. EduKent has funded the billing admin costs for other KCC school traded services such as Invicta Law, GEN^2 and Schools Personnel Services (SPS) & Education Information Systems (EIS) within the Business Services Centre. These costs will have to be allocated to the other KCC companies. At present all these costs are held within CYPE Directorate. In addition there continues to be an ongoing pressure for security costs at the former Chaucer School site which are currently forecast at £0.1m. These pressures are partly offset by forecast underspends on Legal fees of -£0.1m and Education Pension costs of -£0.2m.

3.4.2 <u>Children, Young People and Education – Specialist Children's Services</u>

3.4.2.1 The overall forecast position for Specialist Children's Services (excluding Asylum) is a pressure of +£0.9m after the Corporate Director adjustment of £0.06m (to correct an error in forecast) and is due to:

3.4.2.2 Within Children's Assessment Staffing, a net +£0.3m pressure is forecast as the service continues to have a number of vacant posts filled by agency workers with some additional supernumerary agency workers above establishment to cope with a post Ofsted rise in workload demand. This increased number of referrals has also led to a pressure on the Central Referral Unit. There are concerns this forecast may rise further in future months if the increased demand continues and longer term social work support is required.

3.4.2.3 The pressure on Family Support & Other Children Services +£0.5m is primarily due to the ongoing pressure on Care Leaver Services from 2016-17 +£0.3m along with the Safeguarding services +£0.2m.

3.4.2.4 There is a minor pressure on Adoption & Other Permanent Children's Arrangements +£0.1m due to increased numbers of special guardianship orders being granted at courts compared to the affordable level +£0.3m partially offset by both the reducing number and costs of adoption payments -£0.2m. There is also a minor pressure of +£0.1m on management support services.

3.4.2.5 The -£0.1m variance for Children in Care (looked after) services is formed from a number of compensating variances across the various services including fostering £+0.3m; residential care -£0.1m and supported accommodation for 16-17 year olds -£0.2m.

3.4.3 <u>Children, Young People and Education – Specialist Children's Services - Asylum</u>

3.4.3.1 The current predicted pressure on the Asylum Service is £4.2m and is based on a number of assumptions. The 2017-18 Unaccompanied Asylum Seeker Children (UASC) and Care Leavers grant rates have not yet been confirmed by the Home Office, therefore we have assumed that for young people who arrived before the National Transfer Scheme (NTS) commenced in July 2016 will continue to be paid at the rates agreed for 2016-17.

3.4.3.2 This position therefore assumes that we will have a shortfall on eligible UASC's (aged under 18) of approximately +£0.9m, Care Leavers (aged 18+) of +£2.0m, and ineligible costs of +£0.3m, the remaining +£1m pressure relates to the hosting of the reception centre and duty process for the NTS.

3.4.3.3 The forecast pressure on the Asylum Service for 2017-18 is greater than 2016-17 due to the age of the children being supported. The UASC grant rate paid by the Home Office reduces once the child turns 16 years old therefore leading to an increasing pressure as the child gets older if the cost of support is not reduced, which is not always possible for the current UASC. Most of the current UASC (irrespective of age) are in higher cost placements due to the fact that they arrived before the age of 16, so had to be placed in fostering placements, which is where they have chosen to remain. In addition, fostering placements made from 2015 onwards were with independent fostering providers with the higher costs that this entails and that attempts to move any individual who is settled in this placement is likely to result in legal challenge. The shortfall in the grant rate to support Care Leavers is not dissimilar to previous years, but the overall pressure is greater due to higher numbers of young people.

3.4.3.4 The shortfall in the grant rate to support Care Leavers is not dissimilar to previous years, but the overall pressure is greater due to higher numbers of young people. However, it is anticipated the overall pressure on Care Leavers should reduce in future months as the Home Office have, as promised, now processed the 100+ outstanding claims on the 18+ UASC care leavers. Going forward this will have a positive impact as it will reduce the number of cases where we have to fully fund accommodation costs and subsistence. Further work is being completed to estimate the impact and this will be reported in future months.

3.4.4 <u>Adult Social Care and Health</u>

3.4.4.1 The forecast variance for Adults & Public Health is +£6.7m, however a Corporate Director adjustment is proposed of -£1.7m, which takes the forecast to +£5.0m.

3.4.4.2 Within the overall variance of £6.7m there are pressures of £5.6m resulting from direct provision of services to clients across adult social care, and pressures of £1.3m against adult and older people preventative and other services. These pressures are partially offset by anticipated staffing underspends of -£0.2m. No variance is being reported against the additional Adult Social Care Allocation of £26.1m relating to the improved Better Care Fund.

This is an initial projection for 2017-18 and it is anticipated that next month we will be able to refine alongside activity trends. At this stage it is felt that the position can be reduced by £1.7m, and a Corporate Director adjustment has been made to reflect this until a more certain position can be confirmed next month. This reduces the forecast overspend position to +£5.0m.

3.4.5 <u>Adult Social Care and Health – Disabled Children Services</u>

3.4.5.1 Disabled Children Services are forecasting a net pressure of +£0.5m, this is formed from two significant variances:

- The +£0.7m variance for Children in Care (looked after) services is due to a pressure on residential care +£0.9m offset by underspends on fostering services -£0.2m.
- The -£0.2m variance for Family Support & Other Children Services is mainly due to underspends on both direct payments -£0.1m and day care services -£0.1m.

3.4.6 <u>Adult Social Care and Health – Adult Social Care</u>

3.4.6.1 Learning Disability services are forecasting a net pressure of +£1.9m, which include a number of offsetting variances. The most significant variances relate to:

- Nursing & Residential Care - Learning Disability (aged 18+) -£2.5m underspend (more information on which is provided in appendix 2.1)
- Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements +£5.2m (more information on which is provided in appendix 2.2)
- Supported Living - Learning Disability (aged 18+) - Shared Lives Scheme -£0.7m. This underspend is due to activity being less than budgeted.
- Direct Payments - Learning Disability (aged 18+) -£0.1m (more information on which is provided in appendix 2.3)

3.4.6.2 Mental Health services are forecasting a net pressure of +£1.2m, which include a number of offsetting variances. The most significant variances relate to:

- Supported Living - Mental Health (aged 18+) - Commissioned service +£1.5m:
  - +£1.0m of which is due to estimated shift of costs for supporting independence services for Your Life Your Home
  - +£0.5m is due to activity being higher than budgeted
- Nursing & Residential Care - Mental Health (aged 18+) -£0.2m. This variance is predominantly due to:
  - -£1.0m of which is due to estimated shift of costs for supporting independence services for Your Life Your Home
  - +£0.7m due to activity being higher than budgeted

3.4.6.3 Older People and Physical Disability services are forecasting a net pressure of +£2.1m, which include a number of offsetting variances. The most significant variances relate to:

- Nursing and residential care +£2.2m overspend:

  - +£1.2m of which relates to Older People nursing (more information on which is provided in appendix 2.5)
  - +£0.9m relates to Older People Commissioned Residential services (more information on which is provided in appendix 2.4)
  - -£0.1m relates to Older People In-house Residential services
  - +£0.3m relates to Physical Disability nursing and residential care services.
- There is a forecast over recovery of non-residential charging income -£0.9m, based on the year-to-date income received. This is linked to and offset by net additional expenditure of +£0.8m on the following community service lines: Domiciliary care services +£1.3m pressure, +£0.3m of which relates to Older People Commissioned Services and links with appendix 2.6; Direct Payments -£0.5m; Supported Living +£0.4m; and Day Care -£0.4m.

The Older People and Physical Disability forecast assumes that some funding is set aside for the remaining winter pressures. If there is no increased spend as a result of winter then this funding will be available to offset other pressures.

3.4.6.4 Within ‘Adult & Older People Preventative & Other Services’ there is a forecast net overspend of +£1.3m, comprising a number of offsetting variances. Because of slippage on some of the transformation savings, at this stage it is felt prudent to reflect +£1.7m as a pressure. It is hoped that a management action which is being worked on, will allow us to reduce this pressure. A further pressure is being reported of +£0.7m, which relates to slippage on Housing Related Support savings. These pressures are offset by forecast underspends of -£0.9m in social support services, such as for carers, information & early intervention, social isolation, and commissioned services; -£0.1m underspend on equipment against the adaptive & assistive technology budget; and -£0.1m for the Social Fund.

3.4.7 Adult Social Care and Health – Public Health:

3.4.7.1 The overall variance prior to any transfer to/from the Public Health reserve is a forecast pressure of £1.1m which includes a number of offsetting variances. The most significant variances relate to:

- £0.8m relates to increase in activity regarding Health trainers/smoking cessation and healthy weights
- £0.3m relates to increased spend due to an extension of the PSB contract on community infant feeding support
- -£0.2m reduction in spend on Drug and Alcohol services due to agreed reduction in contract price

3.4.8 Growth, Environment and Transport

3.4.8.1 The overall position for the Directorate, before Corporate Director Adjustments, is a forecast pressure of +£1.1m and includes a number of compensating variances.

3.4.8.2 General Highways Maintenance & Emergency Response and Other Highways Maintenance & Management budgets are showing pressures of +£0.1m and +£0.5m respectively, the largest single item being a +£0.2m pressure resulting from an increased levy on all Driver Diversion courses from 1st September 2017.

3.4.8.3 Public Protection and Enforcement is forecasting a net pressure of +£0.2m due to a number of minor variances, primarily around the under-recovery of income.

3.4.8.4 For Concessionary Fares there is an early pressure of +£0.2m reported from our independent travel consultants as a result of the first two months travel patterns. The position will be updated throughout the year as there are quarterly reconciliations of journey numbers and average journey costs (see Appendix 2.12).

3.4.8.5 Waste is forecasting an overall breakeven position, comprising a forecast underspend on Waste Processing of -£0.2m, which is wholly offset by a forecast pressure on Treatment and Disposal of Residual Waste of +£0.2m. The budget was built based on certain tonnage levels being disposed of in different ways, each with their own unit costs and indexation levels, and the initial forecast shows slight variances to the budgeted activity levels. (See Appendix 2.14 and 2.15).

3.4.8.6 Given the reported position above, the Corporate Director has initiated management action of £0.6m and these will be reflected in future monitoring reports as each proposal is identified and implemented. The intention will be to report a balanced position by the year-end but for this report, a reduced net pressure of £0.5m is to be reflected.

3.4.9 <u>Strategic and Corporate Services</u>

3.4.9.1 The overall variance reflected in appendix 1 against the directorate is an overspend of +£0.7m which is made up of an overspend for the S&CS Directorate itself of +£0.3m, increased by +£0.4m relating to the corporate aspirational savings target for Asset Utilisation, held within the Corporate Landlord budgets, the delivery of which depends on operational service requirements and Member decisions regarding the exiting of buildings. It should be noted that this in-year overspend is due to the delayed implementation of some plans, resulting in the £0.4m delivery slipping to 2018-19. Work is now beginning on the 2018-19 savings target of an additional -£0.65m saving which, to be deliverable from 1st April 2018, requires plans to be identified now.

3.4.9.2 The directorate variance of +£0.3m relates principally to: +£0.2m for the Contact Centre & Digital Web Services budget set in 2015 using a transformation plan suggested by Agilisys, predicting that the number of calls and average call duration would fall significantly. Although the call volumes and times have reduced, this is not in line with the original budgeted plan, hence resulting in a budget pressure. The commissioners of this service, together with Agilisys, are working with directorate services to get these figures reduced further; -£0.2m Engagement, Organisation Design & Development relating primarily to staffing vacancies; +£0.3m Infrastructure controllable budgets, consisting of minor variances across all areas of Property and ICT commissioning budgets.

3.4.10 <u>Financing Items</u>

The Financing Items budgets are currently forecast to underspend by £1.013m, which is due to:

3.4.10.1 Additional Government funding compared to our assumptions at the time of setting the budget, together with additional retained business rates relief relating to Dover Enterprise Zone for 2015-16 and 2016-17, result in a forecast underspend of £0.792m.

3.4.10.2 The Cabinet decision in June not to make the budgeted £3.921m contribution to General Reserves in light of our reduced level of risk following our success in delivering an underspend in 2016-17, and the announcement in the Chancellor's Spring Budget of the additional social care funding. Instead £3m is to be spent on pothole repairs and the remaining £0.921m is declared as an underspend to go towards offsetting the pressures reported elsewhere in this report.

3.4.10.3 These underspends are partially offset by a forecast shortfall of £0.7m in the contribution from Commercial Services based on initial trading results for the year.

3.5 **Schools delegated budgets:**
The schools delegated budget is currently forecast to overspend by £1.291m which is due to:

- +£0.391m as a result of an estimated 16 schools converting to academy status and taking their accumulated reserves with them;
- +£0.900m as a result of a combination of overspends against a number of central budgets.

As a result, schools reserves are forecast to reduce from £28.3m to £27m.

The combined DSG reserve ended the 2016-17 financial year with a deficit of £1.830m and with a further forecast required drawdown of £1.291m, it is forecast to be in deficit by £3.121m at the end of 2017-18. With continuing high needs and other pressures, it is likely that this deficit may exceed £10m by the end of the financial year.

3.6 Table 2: **Performance of our wholly owned companies**

Dividends/Contributions (£m)	Budget	Forecast	From trading surplus	from reserves
Commercial Services	6.800	6.100	6.100	
GEN2	0.620	0.620	0.620	
Invicta Law	1.057	1.057	1.057	

4. REVENUE BUDGET VIREMENTS/CHANGES TO BUDGETS

4.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" i.e. where there is no change in policy, including the allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.

5. SUMMARISED CAPITAL MONITORING POSITION

5.1 There is a reported variance of -£33.368m on the 2017-18 capital budget (excluding schools and PFI). Of this, -£1.225m relates to real variances and -£32.143m is rephasing. Headline variances are detailed below by Directorate.

5.2 Table 4: Directorate **capital** position

Directorate	2017-18 Budget per Budget Book	2017-18 Working Budget (post outturn changes)	2017-18 Forecast	2017-18 Variance from Working Budget	Real variance	Re-phasing variance
	£m		£m	£m	£m	£m
Children, Young People & Education	118.179	143.953	115.845	-28.109	0.000	-28.109
Adult, Social Care & Health	7.390	8.383	7.130	-1.253	-0.253	-1.000
Growth, Environment & Transport	105.022	130.806	124.940	-5.866	-2.747	-3.118
Strategic & Corporate Services	17.412	21.446	23.305	1.859	1.775	0.084
TOTAL	**248.003**	**304.588**	**271.219**	**-33.368**	**-1.225**	**-32.143**

5.3 Capital budget monitoring headlines

The real variances over £0.100m and rephasing variances over £1.000m are as follows:

Children, Young People and Education

- Basic Need: -£28.109m rephasing. The basic need programme has undergone a full review based on a number of factors including:

  - current projected completions where projects timescales have now been defined,
  - revised requirements from Education forecasts which has meant several projects are now required a year later than originally planned, e.g Regis Manor School
  - phased delivery to ensure the minimum accommodation required is provided whilst the remaining accommodation is provided thereafter but still within the capital programme period (up to 2019-20), e.g Wilmington secondary schools.

This has led to both re-phasing and re-profiling of the original forecasts included within the budget book.

- There are emerging risks on the basic need capital programme across the medium term, both in terms of the funding and delivery. KCC has supported the DfE position of increasing the number of free schools, as aligned to the Commissioning Plan which demonstrates the Basic Need they are intending to address. Unfortunately a number of Free School projects which had been factored into KCC's plans are now unlikely to come forward in the required timescales. The ESFA and Ministers have reiterated that the statutory duty to provide sufficient school places rests with the LA and that KCC will therefore need to take mitigating action. It is currently estimated that there is a pressure of approximately £115m up to 2020. This will be closely monitored over the coming months.

Adult, Social Care and Health

- OP Strategy: -£1.000m rephasing. The £1m allocated for the OP Strategy is in relation to securing a nursing care home on the Isle of Sheppey. A site needs to be identified for both a nursing home and an extra care scheme and it is unlikely that this will progress significantly further in 2017-18 due to the necessary procurement process following identification of a site and subsequent analysis of the best 'deal' to procure.

- Home Support Fund and Equipment: -£0.190m real variance. Anticipated capital spend is less then than indicative budget. This is funded by revenue grant and hence the split of spend on this scheme between capital and revenue will be monitored throughout the year.

Growth, Environment & Transport

Highways, Transportation & Waste

- North Farm Transfer Station: +£0.383m real variance. Rebuilding works necessitated by a fire, which will be funded from insurance.
- North Farm Betterment Works: +£0.523m real variance. Additional works to progress the enhancement works to the concrete floor and to upgrade the drainage system. This element will be funded from banked grant and will be done alongside the insurance works following the fire.
- Integrated Transport Schemes: +£2.229m real variance. Additional schemes to be funded from developer contributions, external funding and a revenue contribution.
- National Productivity Investment Fund (NPIF): Real variance of -£5.399m. This funding is now being used for the Westwood Relief Strategy Scheme, which was unsuccessful in its bid for LGF funding.
- Westwood Relief Road: Real variance of -£1.000m in 2017-18 and +£0.499m in 2018-19, meaning an overall reduction of -£0.501m in the cost of the scheme. Due to an unsuccessful LGF funding bid (£4.9m), the project is now being funded from the National Productivity Investment Fund grant (£5.4m), the latter of which has increased to part-offset the shortfall of developer contribution funding (-£1.000m). The variances reflect the revised costs and funding attributable to the scheme.
- LGF3 Schemes: Real variance of -£1.781m across four schemes that were unsuccessful in their bids for LGF3 funding. Alternative funding is being sought to enable progression of these schemes, and if successful revised profiles of these schemes will be forecast.
- Highway Major Enhancement: Real variance of +£2.700m. This reflects the anticipated capital expenditure which is to be funded from the £3m injection from reserves to rectify pot holes and patching across the county, with the balance of £0.3m to be spent within revenue budgets.

Environment, Planning and Enforcement and Libraries, Registration and Archives

- Innovation Investment Initiative: +£1.000m rephasing. An amount of £1.000m grant is to be brought forward from 2018-19 which is to be committed in the current financial year.
- Kent & Medway Business Fund: -£4.109m rephasing. This is to reflect the current projections for the level of loans approved in 2017-18.

- Workspace Kent: -£0.295m real variance. It was envisaged that these funds would be recycled, but now they will be paid back to Essex County Council.

Strategic & Corporate Services

- New Ways of Working: +£1.560m real variance. This is due to increased construction costs and additional works associated with incorporation of Case Conference facilities at hub locations across the County, and in order to complete the planned upgrade works, particularly in the East Kent Area. This will be funded from capital receipts (£1.5m) and Salix funding (£0.060m).

- Property Investment & Acquisition Fund (PIF): +£0.215m real variance. This is due to the balance of the sale of a property to be recycled into PIF.

5.4 **Proposed Cash Limit Changes**

Project	Direct-orate	Amount £m	Year	Funding	Reason
Basic Need *See below for impact on years.	CYPE	-28.109	17-18	Various	Cash limits are not usually changed to reflect rephasing, however, given the size and complexity of this budget, a cash limit change is proposed in order to simplify the monitoring process throughout the year.
North Farm Betterment Works	GET	+0.523	17-18	Grant	Additional funding for concrete floor enhancement works and drainage system upgrade.
National Productivity Investment Fund	GET	-5.399	17-18	Grant	This funding is now to be used for Westwood Relief Road.
Integrated Transport	GET	+0.250	17-18	Revenue	Lane rental contribution from revenue.
Westwood Relief Road	GET	-1.000 +0.499	17-18 18-19	Dev Conts Grant	To reflect revised funding available for the scheme.
Workspace Kent	GET	-0.295	17-18	Loan repayments	Funds that were envisaged to be recycled, are now to be repaid to Essex CC.
Highway Major Enhancement	GET	+2.700	17-18	Revenue	Injection to rectify pot holes.

Project	2017-18 £m	2018-19 £m	2019-20 £m
*Basic Need	-28.109	+20.356	+7.753

6. CONCLUSIONS

6.1 It is not unusual at this point in the financial year for the revenue position to show an overspend. However, the forecasts show the majority of the £73m savings are on track to be delivered and the intention remains that where delivery proves to be unlikely, equivalent savings elsewhere within the relevant Directorate will be made as appropriate. It is clear that alternative saving plans have not yet been sufficiently developed, but it is our expectation that once these alternative plans are finalised and agreed then the forecast pressure will reduce. However, considering the magnitude of the forecast pressure, especially within social care, Corporate Directors are considering a range of potential mitigations in order to reduce and then eliminate this forecast pressure. We cannot, under any circumstances, afford to enter 2018-19 with an underlying problem.

7. RECOMMENDATIONS

Cabinet is asked to:

7.1 **Note** the forecast revenue budget monitoring position for 2017-18 and capital budget monitoring position for 2017-18 to 2019-20, and that the forecast pressure on the revenue budget needs to be eliminated as we progress through the year.

7.2 **Agree** the changes to the capital programme as detailed in section 5.4.

8. CONTACT DETAILS

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Appendix 1

<u>Breakdown of Directorate Monitoring Position</u>

BACKGROUND INFORMATION – MAY MONITORING REPORT

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Children, Young People & Education					
Children					
Children in Care (Looked After) Services - Non-Disabled Children**	53.1	-4.7	48.4	0.0	0.7
Adoption & Other Permanent Children's Care Arrangements	13.8	-0.1	13.7	0.1	0.1
Family Support & Other Children Services - Non-Disabled Children	14.1	-4.5	9.6	0.5	0.0
Asylum Seekers**	23.6	-23.1	0.6	4.2	0.0
Children's Assessment Staffing - Non-Disabled Children**	41.1	-3.3	37.8	0.3	-0.2
Children's Management & Support Services	3.3	-0.2	3.0	0.1	0.1
Sub Total Children	**149.0**	**-35.9**	**113.1**	**5.2**	**0.7**
Young People & Education					
Early Help & Prevention for Children and Families	28.3	-14.2	14.1	-0.3	-0.3
Early Years Education & Childcare	74.6	-73.4	1.2	0.5	0.5
Attendance, Behaviour and Exclusion Services	5.0	-5.0	0.0	0.0	0.0
High Needs Education Budgets (excl. Schools & Pupil Referral Units)	35.2	-35.2	0.0	0.0	0.0
SEN & Psychology Services	19.2	-16.7	2.5	0.1	0.1
Other Services for Young People & School Related Services	16.9	-13.8	3.1	-0.2	-0.2
Pupil & Student Transport Services**	36.3	-3.7	32.6	0.0	0.0
Other Schools' Related Costs	34.0	-34.0	-0.1	0.9	0.9
Youth and Offending Services	5.0	-3.8	1.2	0.0	0.0
Adult Education and Employments Services for Vulnerable Adults	13.5	-14.4	-0.9	0.2	0.2
YP&E Management & Support Services	19.3	-15.7	3.6	0.4	0.4
Sub Total Young People & Education	**287.5**	**-230.0**	**57.5**	**1.6**	**1.6**
Sub Total Children, Young People & Education	**436.5**	**-266.0**	**170.6**	**6.8**	**2.3**
Adult Social Care & Health					
Additional Adult Social Care allocation	26.1	0.0	26.1	0.0	0.0
Learning Disability Adult Services**	164.5	-13.3	151.2	1.9	0.7
Physical Disability Adult Services	36.2	-4.2	31.9	0.6	0.6
Mental Health Adult Services	16.2	-1.6	14.6	1.2	1.2
Older People Adult Services**	173.3	-92.0	81.3	1.5	1.5
Adult & Older People Preventative & Other Services	61.2	-16.5	44.7	1.3	-0.9
Adult's Assessment & Safeguarding Staffing	43.7	-3.4	40.4	-0.3	-0.3
Children in Care (Looked After) Services - Disabled Children	10.4	-2.1	8.3	0.7	0.7
Family Support & Other Children Services - Disabled Children	7.2	-0.3	6.9	-0.3	-0.3
Children's Assessment Staffing - Disabled Children	5.6	-0.2	5.4	0.1	0.1
Public Health	77.9	-75.9	1.9	0.5	0.5
Transfer to/from Public Health Reserve	-1.9	0.0	-1.9	-0.5	-0.5
ASC&H Management & Support Services	7.2	-0.2	6.9	-0.1	-0.1
Sub Total SCH&W directorate	**627.5**	**-209.8**	**417.7**	**6.7**	**3.3**

BACKGROUND INFORMATION – MAY MONITORING REPORT

Appendix 1

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
Growth, Environment & Transport					
Libraries, Registration & Archives	16.1	-6.3	9.9	0.0	0.0
Environment	9.0	-5.5	3.5	0.0	0.0
Economic Development & Other Community Services	10.2	-5.3	4.9	0.0	0.0
General Highways Maintenance & Emergency Response	8.5	-0.6	7.9	0.1	0.1
Other Highways Maintenance & Management	29.5	-8.5	21.0	0.5	0.5
Public Protection & Enforcement	11.4	-2.1	9.3	0.2	0.2
Planning & Transport Strategy and Other Related Services (inc School Crossing Patrols)	4.0	-0.6	3.5	0.1	0.1
Concessionary Fares	16.8	0.0	16.8	0.2	0.2
Subsidised Bus Services	8.3	-2.1	6.2	0.0	0.0
Young Person's Travel Pass	14.2	-5.8	8.4	0.0	0.0
Waste Management	1.9	0.0	1.9	0.0	0.0
Waste Processing**	31.0	-1.9	29.2	-0.2	-0.2
Treatment and Disposal of Residual Waste**	37.4	0.0	37.4	0.2	0.2
GE&T Management & Support Services	3.8	-0.1	3.7	0.0	0.0
Sub Total GE&T directorate	**202.2**	**-38.7**	**163.4**	**1.1**	**1.1**
Strategic & Corporate Services					
Contact Centre, Digital Web Services & Gateways	4.9	-0.3	4.5	0.2	0.2
Local Democracy	3.9	0.0	3.9	0.0	0.0
Infrastructure (ICT & Property Services) & Business Services Centre	78.5	-43.8	34.7	0.7	0.2
Finance & Procurement	15.4	-5.8	9.6	0.0	0.0
Engagement, Organisation Design & Development (HR, Comms & Engagement)	9.4	-1.2	8.3	-0.2	-0.2
Other Support to Front Line Services	6.3	-1.3	5.0	0.0	0.0
Adult & Older People Preventative & Other Services	0.7	0.0	0.7	0.0	0.0
Commissioning Management & Support Services	5.5	-0.2	5.3	0.0	0.0
S&CS Management & Support Services	2.9	-5.2	-2.4	0.0	0.0
Sub Total S&CS directorate	**127.5**	**-57.8**	**69.7**	**0.7**	**0.2**
Financing Items	**129.2**	**-17.2**	**112.1**	**-1.0**	**-0.9**
TOTAL KCC (Excluding Schools)	**1,522.9**	**-589.4**	**933.5**	**14.2**	**6.0**

**See Appendix 2 & 3 within the monitoring report for further details of key cost drivers of specific service lines

Please note that budgets are held in the financial system to the nearest £100 and hence the figures in the table above may not add through exactly due to issues caused by rounding the figures for this report.

BACKGROUND INFORMATION – MAY MONITORING REPORT

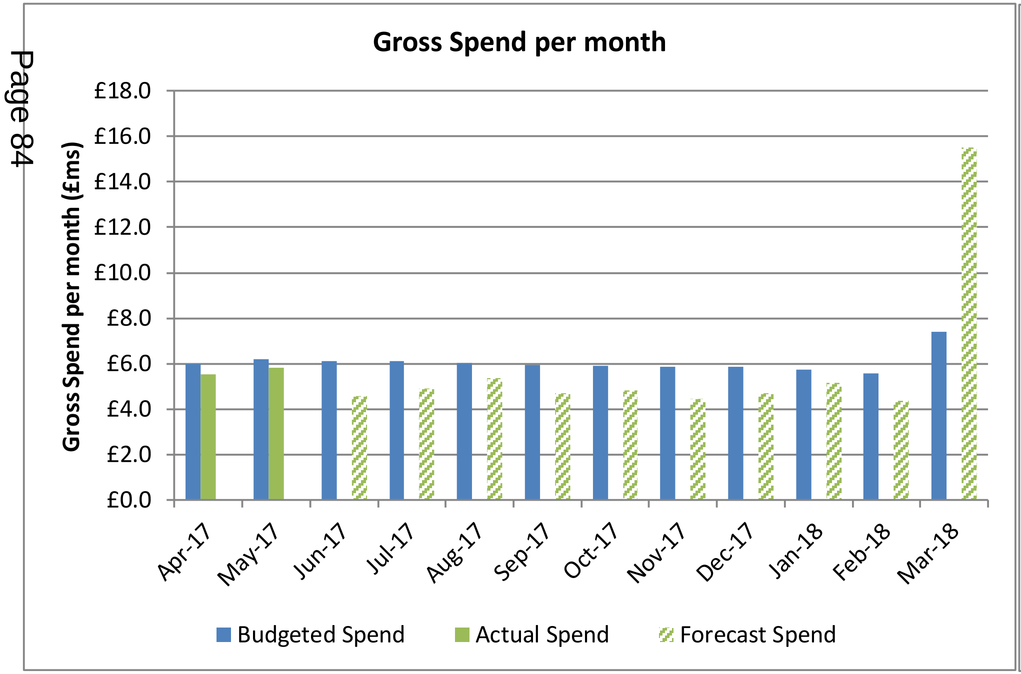
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

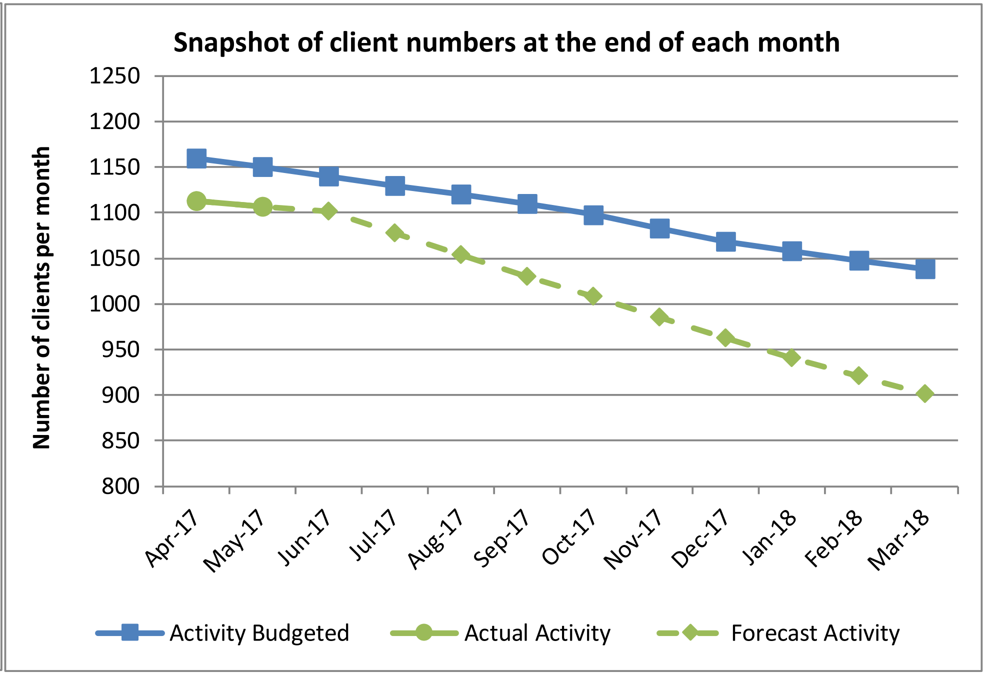
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£72.8	-£5.9	£66.9	1,038
Forecast	£69.9	-£5.5	£64.4	901
Variance	-£2.9	£0.4	-£2.5	-137

Position as at 31st May 2017	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£12.2	1,150
Actual: Spend/Activity Year to Date	£11.4	1,107
Variance as at 31st May 2017	-£0.8	-43

MAIN REASONS FOR VARIANCE:

The gross variance of -£2.9m is due to lower than expected demand (-£3.4m) and a higher than anticipated unit cost (+£0.6m). Lower than expected demand is forecast as greater numbers of clients are transferring from Residential to Supported Living as part of the transformation programme, partly offset by higher than anticipated demand from other clients. Combined with an under recovery of income (+£0.4m), this leads to an overall net variance of -£2.5m.





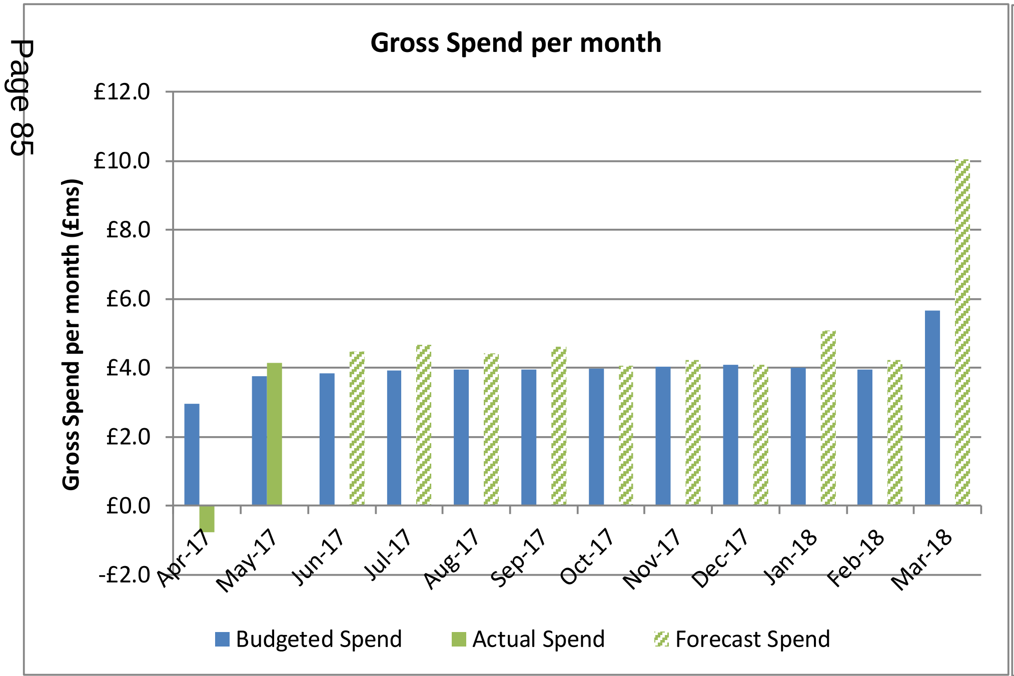
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

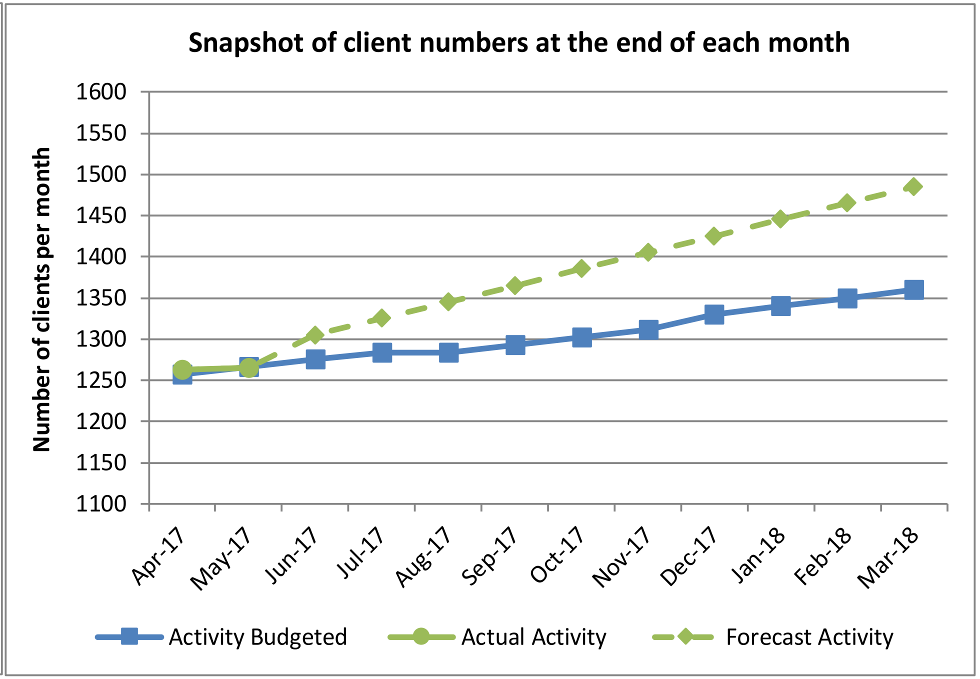
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£48.1	-£0.2	£47.9	1,360
Forecast	£53.2	-£0.2	£53.0	1,485
Variance	£5.2	£0.0	£5.2	125

Position as at 31st May 2017	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£6.7	1,266
Actual: Spend/Activity Year to Date	£3.4	1,265
Variance as at 31st May 2017	-£3.4	-1

MAIN REASONS FOR VARIANCE:

The gross variance of +£5.2m is primarily due to higher than anticipated demand (+£6.2m) and a higher than anticipated unit cost (+£0.2m). The demand variance is partly due to a greater number of clients transferring from Residential to Supported Living than had been budgeted for as part of the transformation programme. In addition to these, there is an additional non-activity variance of -£1.2m predominately due to a transfer from reserves, resulting in an overall net variance of £5.2m.





BACKGROUND INFORMATION – MAY MONITORING REPORT

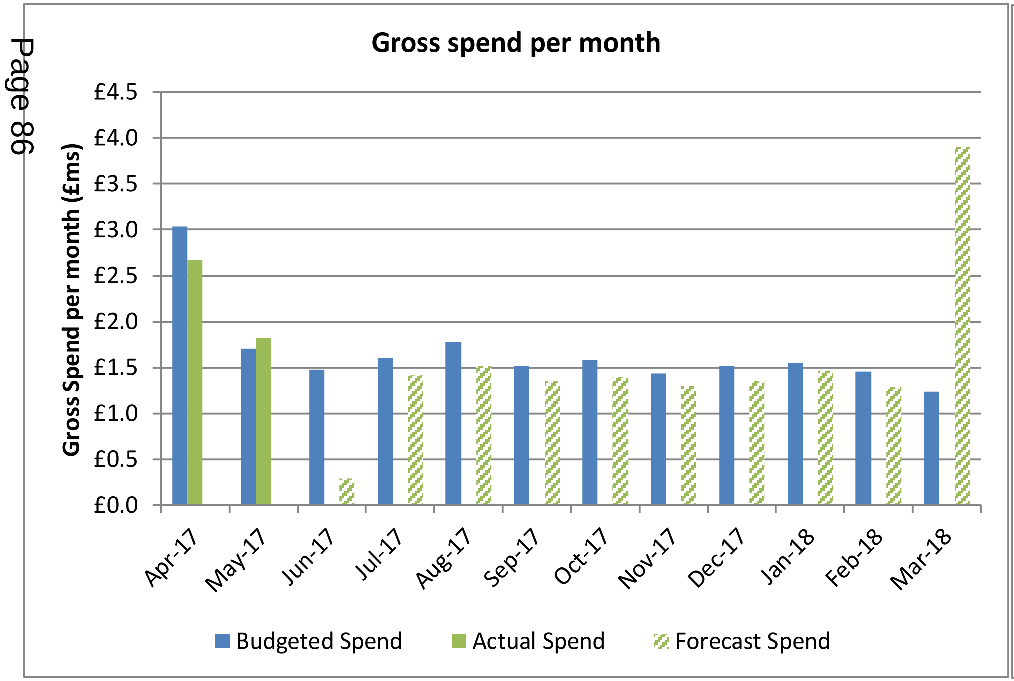
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

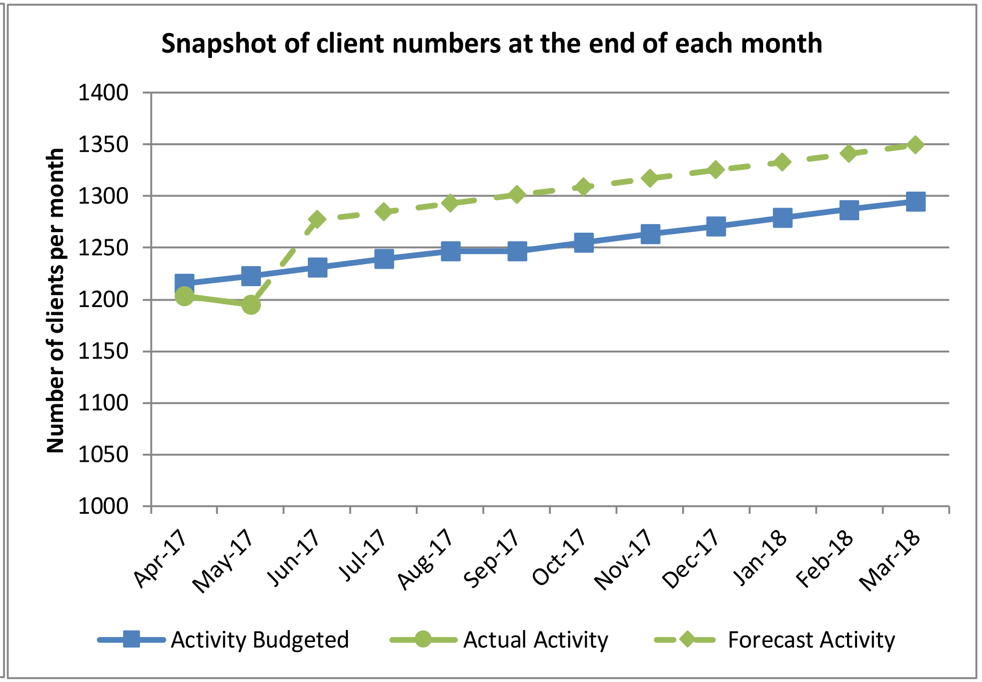
2017-18 Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£19.9	-£0.9	£19.0	1,295
Forecast	£19.8	-£0.9	£18.8	1,349
Variance	-£0.1	£0.0	-£0.1	54

Position as at 31st May 2017	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£4.7	1,223
Spend/Activity Year to Date	£4.5	1,195
Variance as at 31st May 2017	-£0.3	-28

MAIN REASONS FOR VARIANCE:

The net underspend of -£0.1m can be attributed to higher than anticipated demand (+£0.9m) but lower unit cost (+£1.0m).





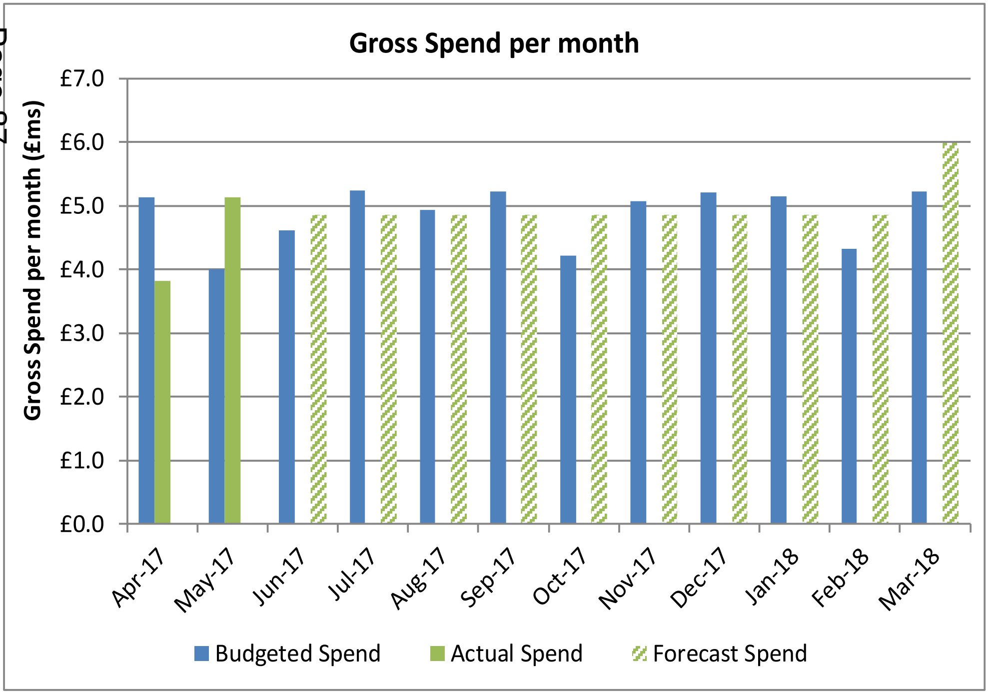
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

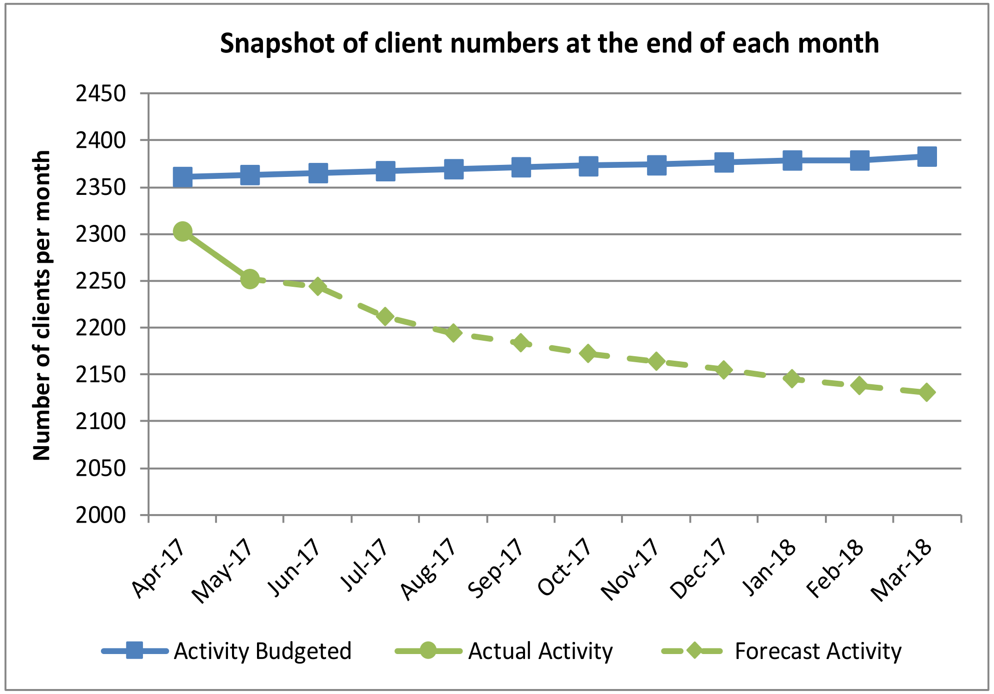
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£58.4	-£35.2	£23.2	2,383
Forecast	£58.7	-£34.5	£24.2	2,131
Variance	£0.3	£0.6	£1.0	-252

Position as at 31/05/17	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£9.1	2,363
Actual: Spend/Activity Year to Date	£9.0	2,252
Variance as at 31/05/17	-£0.2	-111

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.3m is due to lower than anticipated demand (-£1.2m) and higher unit cost (+£1.5m). This pressure is further increased by lower than expected income of +£0.6m primarily due to shortfall in service user contributions linked to the lower demand (+£0.5m) and a lower average contribution per service user (+£0.1m). This leads to a net forecast pressure of +£1.0m.





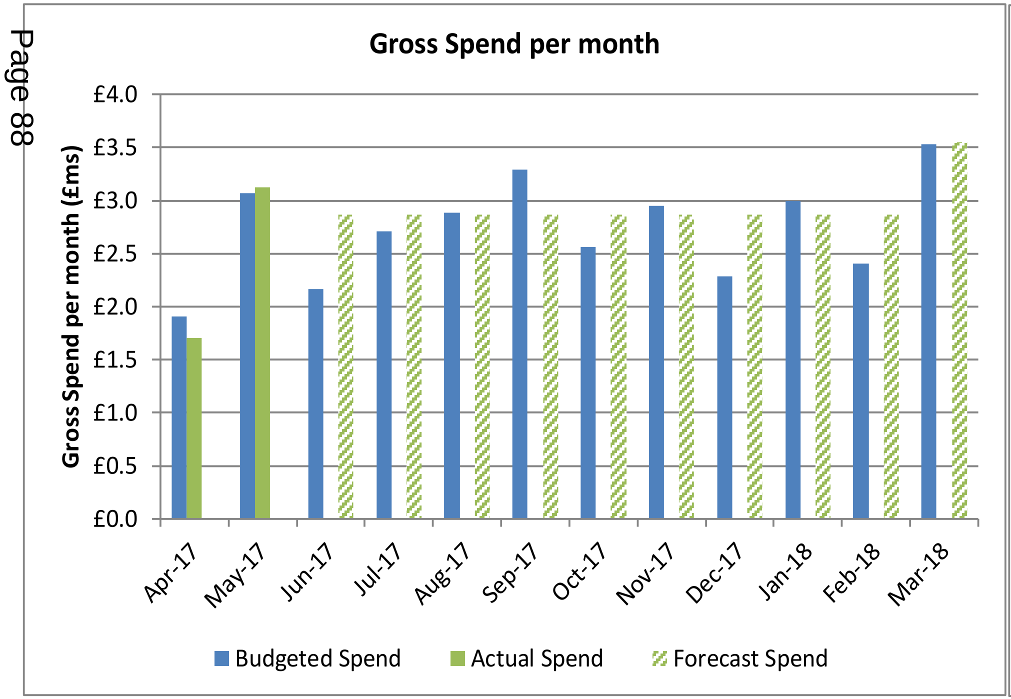
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

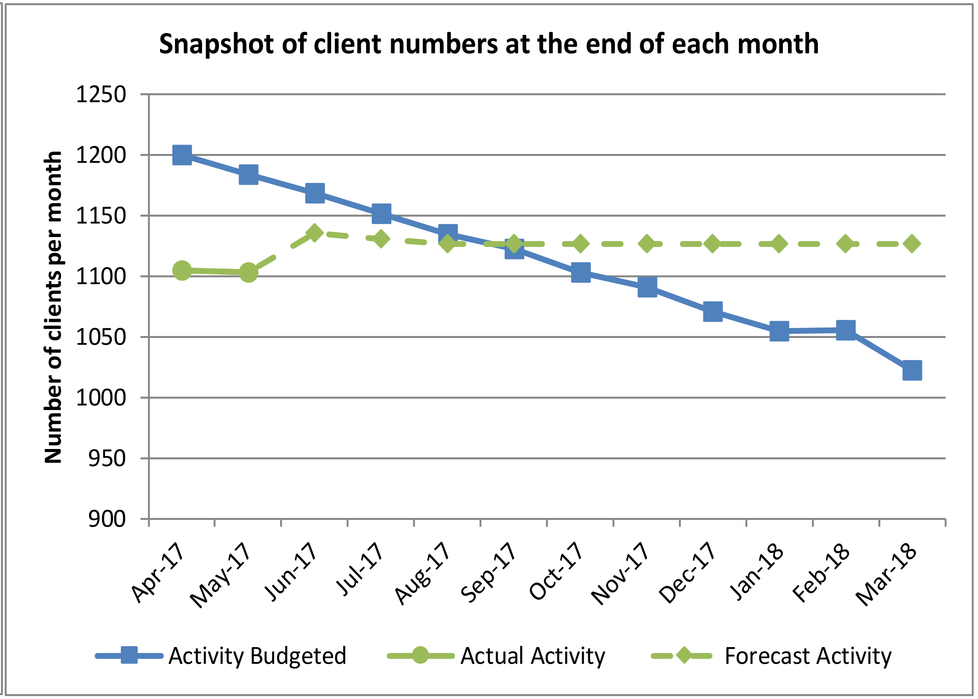
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.8	-£17.4	£15.4	1,023
Forecast	£34.2	-£17.6	£16.6	1,127
Variance	£1.4	-£0.2	£1.2	104

Position as at 31/05/17	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£5.0	1,184
Actual: Spend/Activity Year to Date	£4.8	1,103
Variance as at 31/05/17	-£0.1	-81

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£1.4m is due to higher than anticipated demand (+£0.6m) and higher unit cost (+£0.8m). This pressure is partly offset by greater than expected income of +£1.4m primarily due to higher than anticipated service user contributions linked to the higher demand (-£0.2m). This leads to a net forecast pressure of +£1.2m.





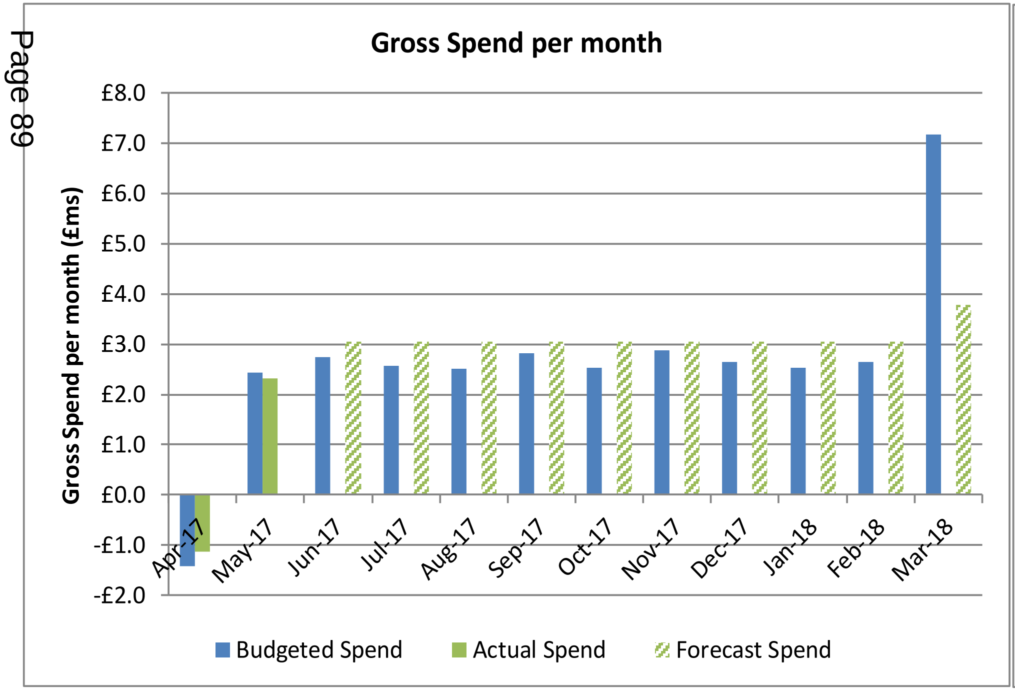
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

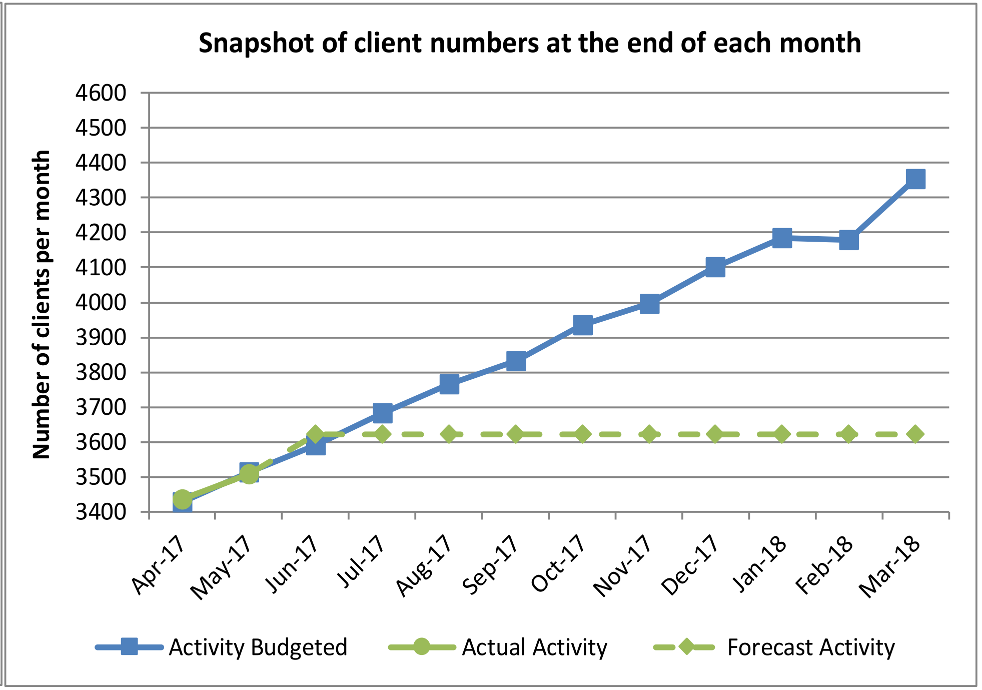
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£32.1	-£5.8	£26.2	4,353
Forecast	£32.4	-£5.8	£26.5	3,621
Variance	£0.3	£0.0	£0.3	-732

Position as at 31/05/17	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£1.0	3,514
Actual: Spend/Activity Year to Date	£1.2	3,508
Variance as at 31/05/17	£0.2	-6

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.3m is due to lower than anticipated demand (-£0.5m) and higher unit cost (+£0.8m). This leads to a net forecast pressure of +£0.3m.





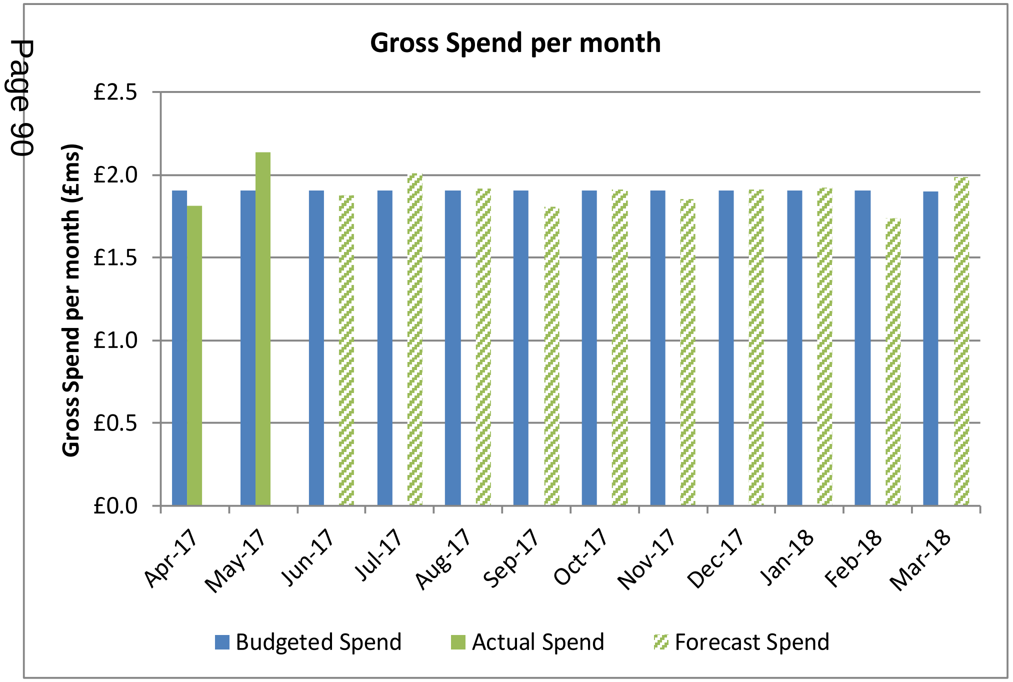
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

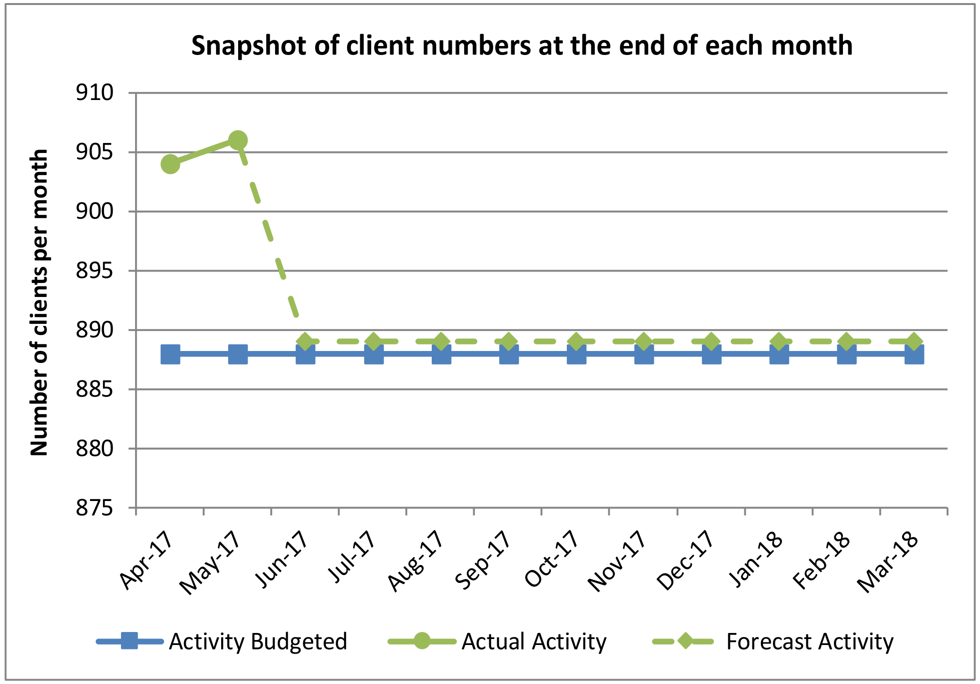
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£22.9	-£0.3	£22.6	888
Forecast	£22.9	-£0.2	£22.8	889
Variance	£0.0	£0.1	£0.1	1

Position as at 31st May 2017	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£3.8	888
Actual: Spend/Activity Year to Date	£4.0	906
Variance as at 31st May 2017	£0.1	18

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast shows a balanced position, but within this there is lower than anticipated demand (-£0.1m) a higher unit cost (+£0.1m). Combined with the lower than expected income of +£0.1m due to leads to a net forecast pressure of +£0.1m.





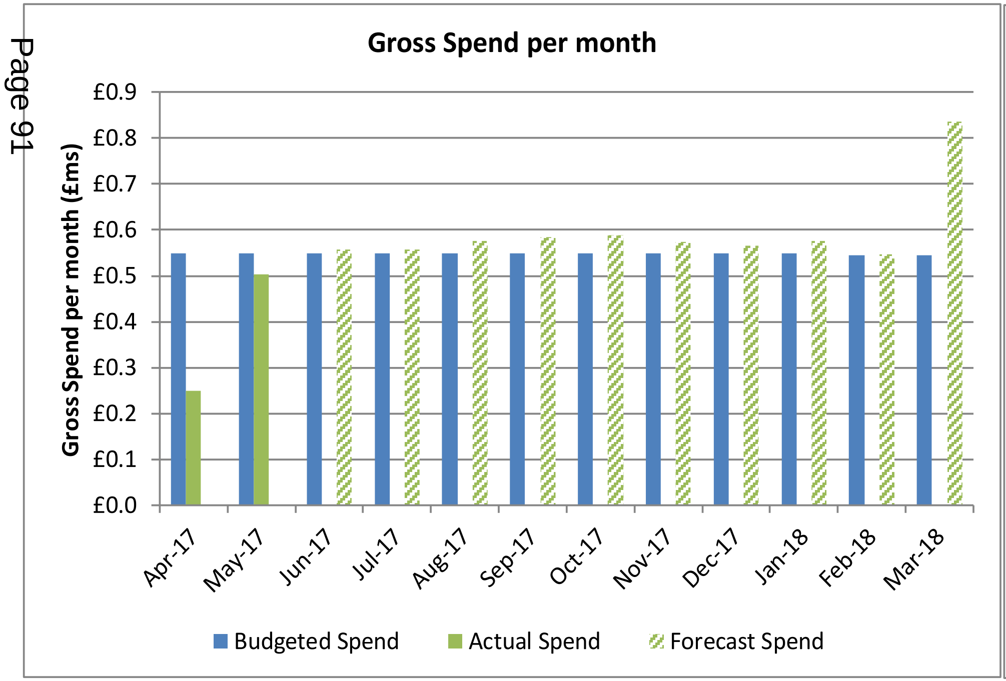
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

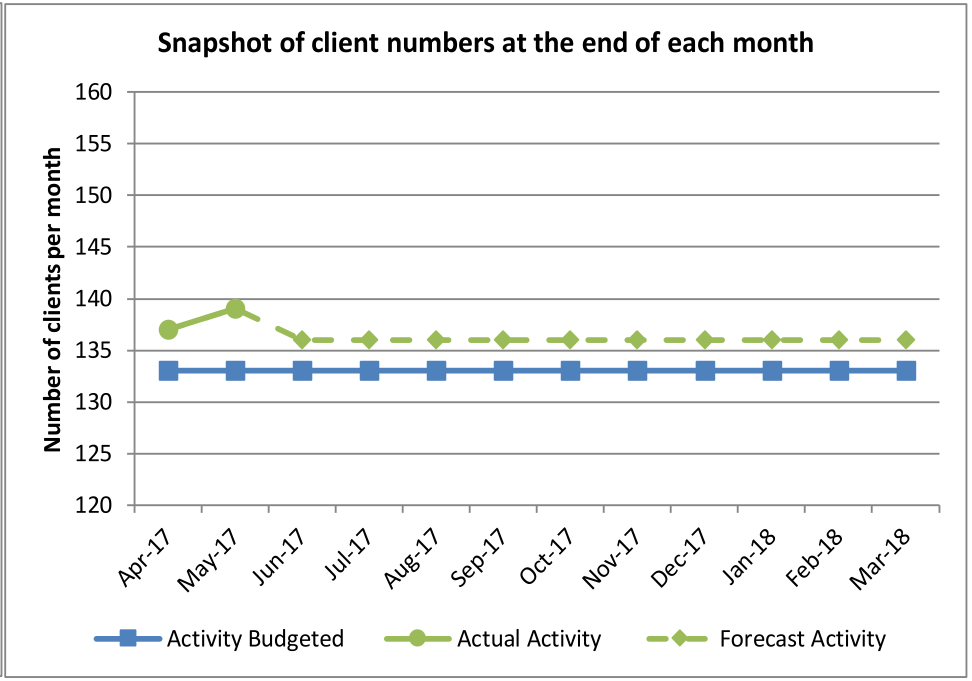
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£6.6	£0.0	£6.6	133
Forecast	£6.7	£0.0	£6.7	136
Variance	£0.1	£0.0	£0.1	3

Position as at 31st May 2017	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£1.1	133
Actual: Spend/Activity Year to Date	£0.8	139
Variance as at 31st May 2017	-£0.3	6

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.1m is due to lower than anticipated demand (+£0.0m) and higher unit cost (+£0.2m).





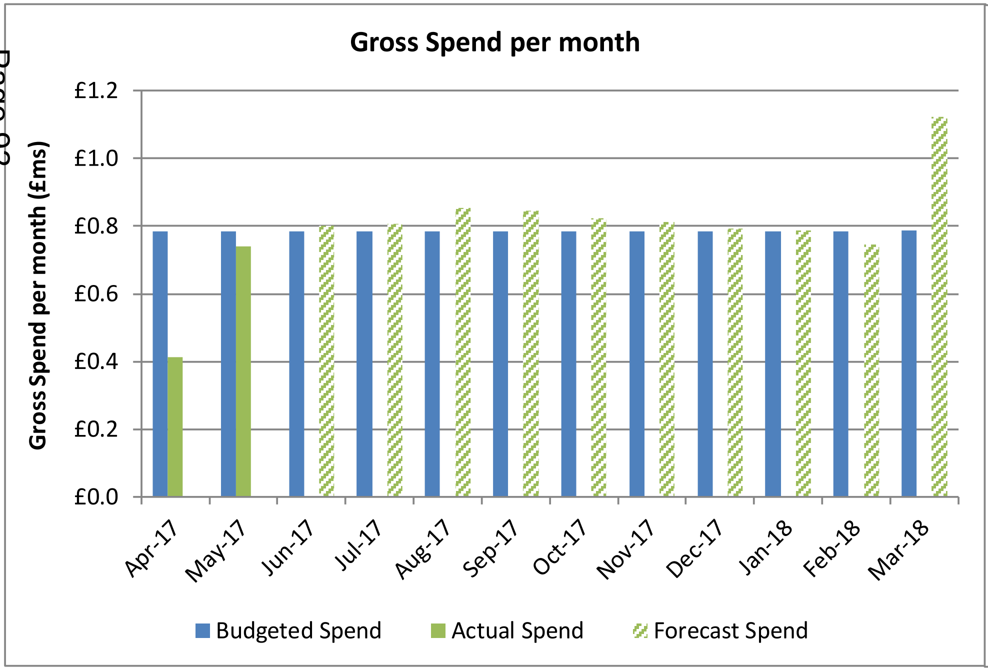
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

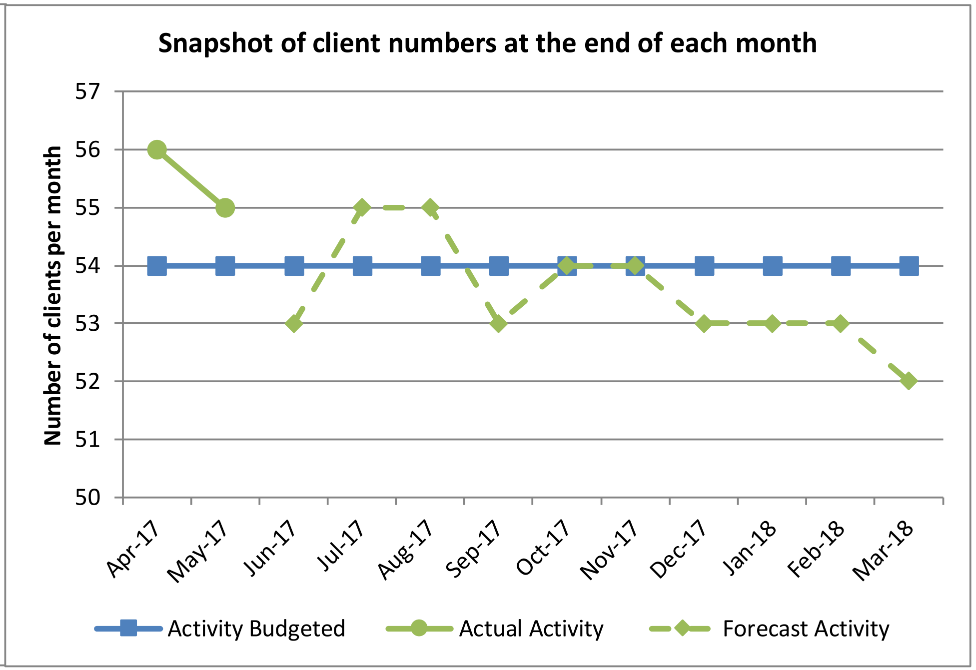
2017-18 Total Forecast	Gross £m	Income £m	Net £m	Client Number as at 31/03/2018
Budget	£9.4	-£0.6	£8.8	54
Forecast	£9.5	-£0.8	£8.7	52
Variance	£0.1	-£0.2	-£0.1	-2

Position as at 31st May 2017	Gross £m	Client Number as at 31/05/2017
Budget: Spend/Activity Year to Date	£1.6	54
Actual: Spend/Activity Year to Date	£1.2	55
Variance as at 31st May 2017	-£0.4	1

MAIN REASONS FOR FORECAST VARIANCE:

The gross forecast pressure of +£0.1m is due to lower than anticipated demand (-£0.1m) and higher unit cost (+£0.2m). This pressure is partly offset by greater than expected income of -£0.25m primarily due to greater contributions for care costs from Health & Education. This leads to a net forecast underspend of -£0.1m.





Appendix 2.10: Assessment Services - Children's Social Care (CSC) staffing

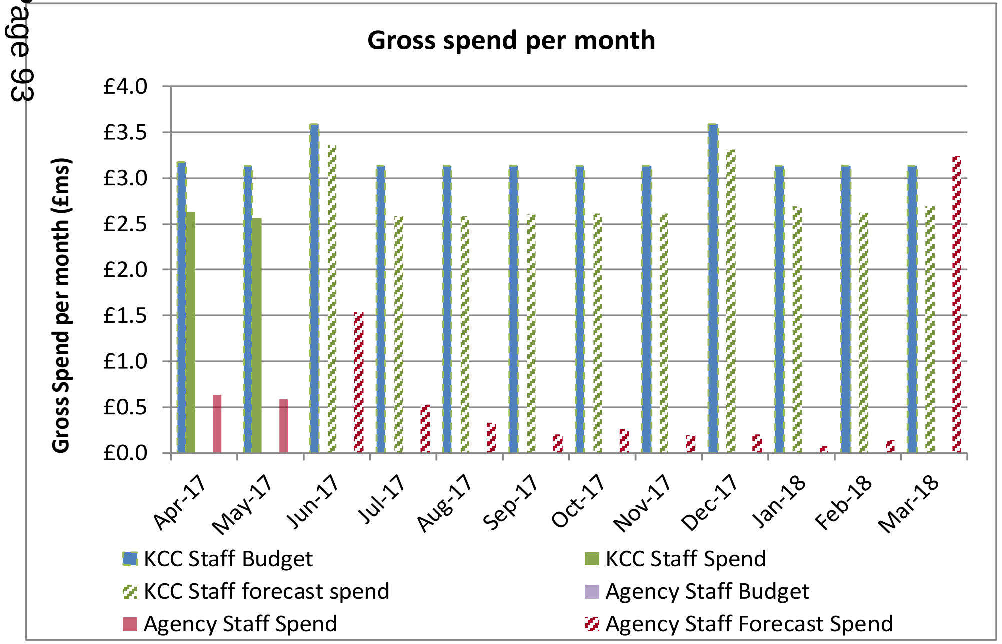
2017-18 Forecast	KCC £m	Agency £m	Gross £m
Budget	£38.6	£0.0	£38.6
Forecast	£32.9	£7.9	£40.8
Variance	-£5.7	£7.9	£2.2

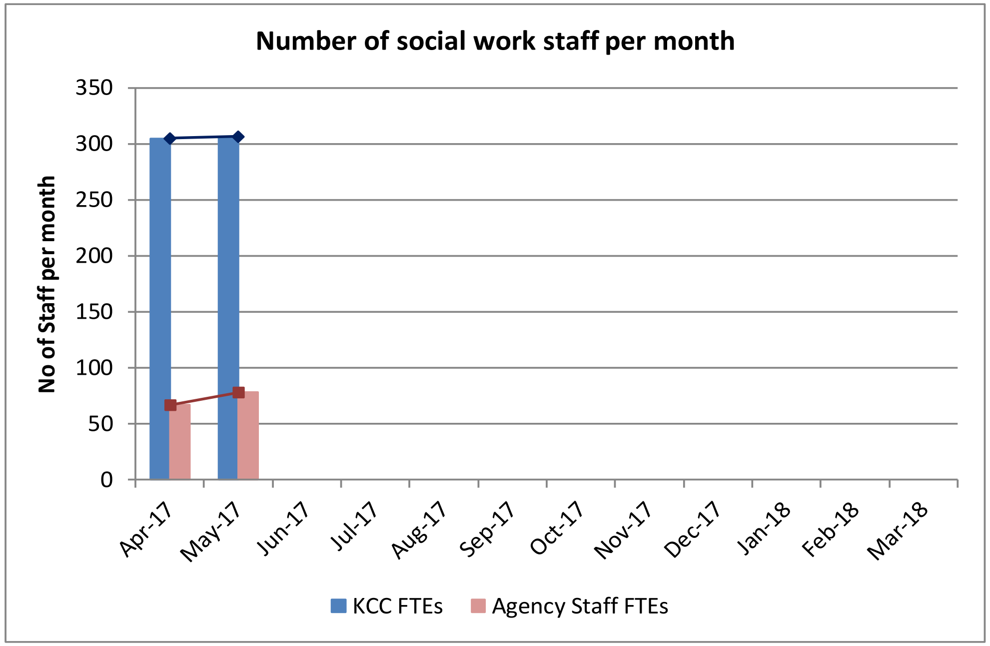
as at 31/05/17	KCC £m	Agency £m	Gross £m
YTD Budget	£6.3	£0.0	£6.3
YTD Spend	£5.2	£1.2	£6.4
YTD Variance	-£1.1	£1.2	£0.1

Staff numbers	KCC FTEs	Agency Nos
as at 31/03/17	307.0	65.4
as at 31/05/17	306.3	78.0
YTD Movement	-0.6	12.6

MAIN REASONS FOR FORECAST VARIANCE:

This measure focusses on the level of social workers & senior practitioners rather than the overall staffing level within this budget. The budget assumes that CSC Staffing will be met using salaried workers, so every agency worker (who are more expensive than salaried staff) results in a pressure on this budget. This measure shows the extent of the vacancies within CSC that are currently covered by agency workers which contributes to the £0.3m net pressure reported against Children's Assessment staffing in Appendix 1. The £2.2m staffing pressure identified above is net against a -£0.3m underspend on non-staffing and combined with -£1.5m additional internal income and -£0.1m external income to produce the overall £0.3m pressure reported.
The -£1.5m internal income relates to the recharging of the Duty Asylum team to the Asylum service.

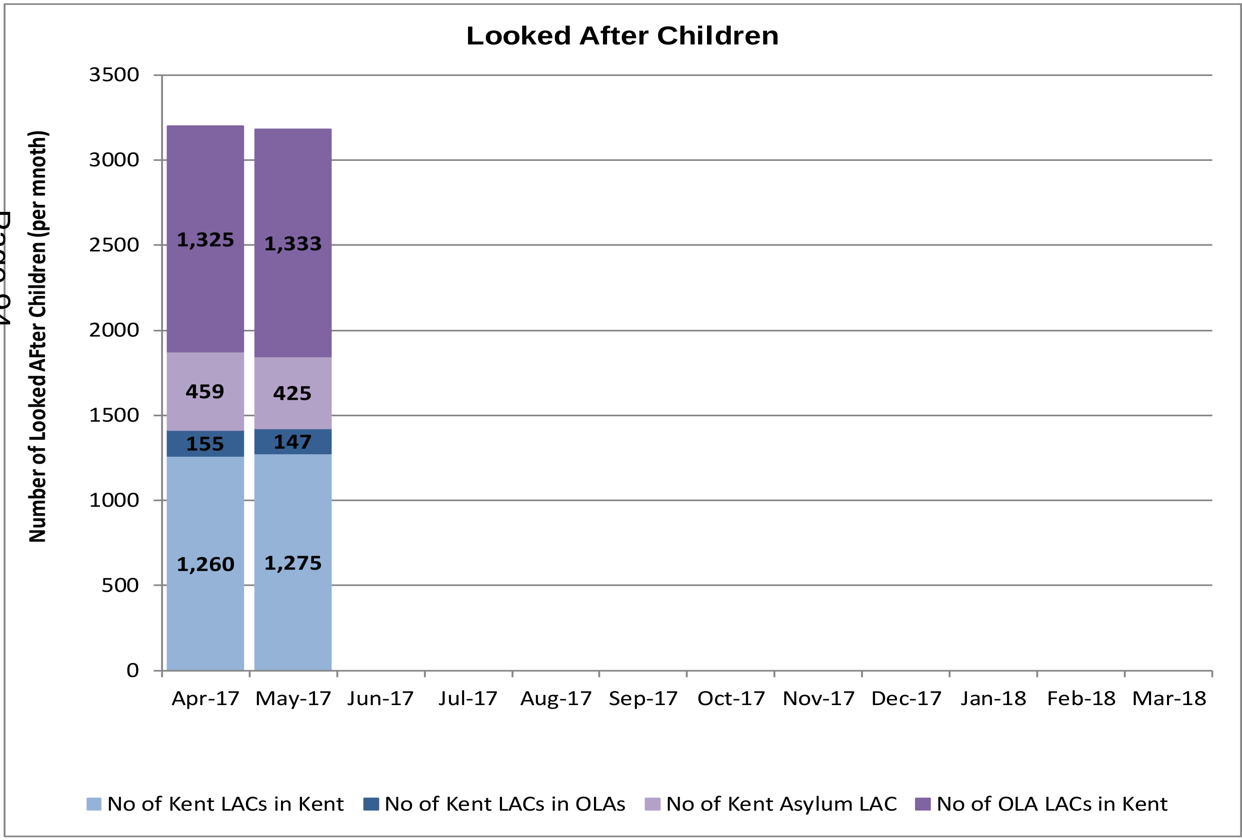


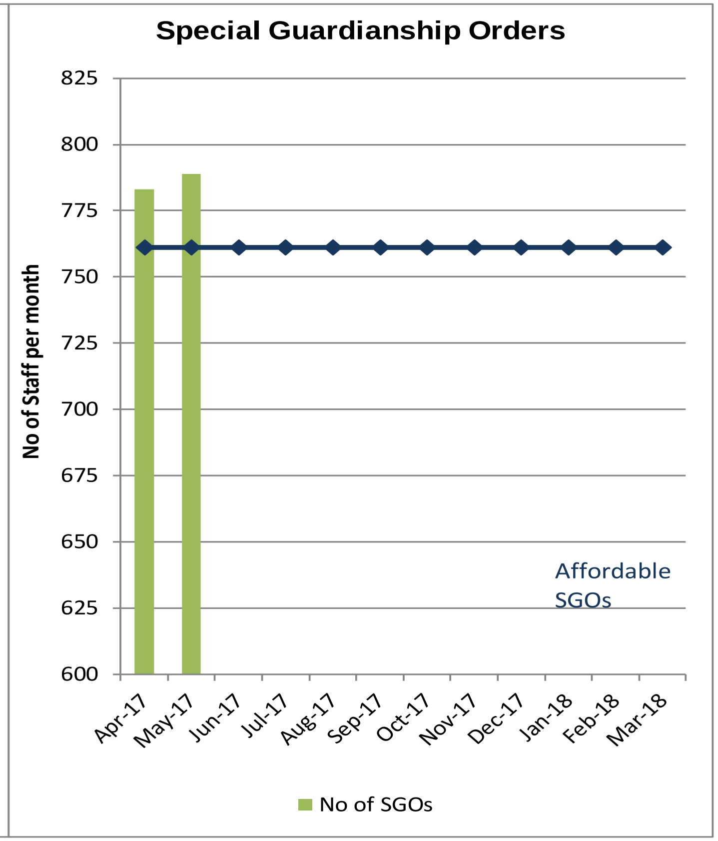


BACKGROUND INFORMATION – MAY MONITORING REPORT

Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

The left-hand graph shows a snapshot of the number of children designated as looked after at the end of each month (including those currently missing), it is not the total number of looked after children during the period. The OLA LAC information has a confidence rating of 29**%** and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming.
There is an overall forecast pressure on both the Specialist Children's Services and Disabled Children's Services budget, with key parts of this relating to the LAC headings of Residential Care and Foster Care and non-LAC headings such as Social Care Staffing, Adoption & other permanent care arrangements (including Special Guardianship Orders (SGOs)), and Leaving Care.
The right hand graph shows the number of SGOs incurring costs, which are approved by the courts. These children are either former LAC or may have become LAC if an SGO was not granted.





Appendix 2.12: Transport Services - Concessionary fares

2017-18 Forecast	Gross £m	Income £m	Net £m	No of journeys to 31/05/2017
Budget	£16.8	-£0.0	£16.8	16,542,000
Actual	£17.0	-£0.0	£17.0	16,344,344
Variance	£0.2	-£0.0	£0.2	-197,656

Position as at 31st May 2017	Gross £m	No of journeys to 31/05/2017
Budget: Spend/Activity Year to Date	£4.1	2,770,011
Actual: Spend/Activity Year to Date	£4.1	2,736,913
Variance as at 31st Mar 2017	£0.0	-33,098

MAIN REASONS FOR FORECAST VARIANCE:

The forecast pressure of +£0.2m is due to lower than anticipated demand (-£0.2m), but a slightly higher unit cost (+£0.4). The forecast is based on actual activity for April and May, with estimates for the remaining months. Estimates for the remaining months will continue to be reviewed in light of the actuals and the potential impact of the recent warm and dry weather on demand for journeys.

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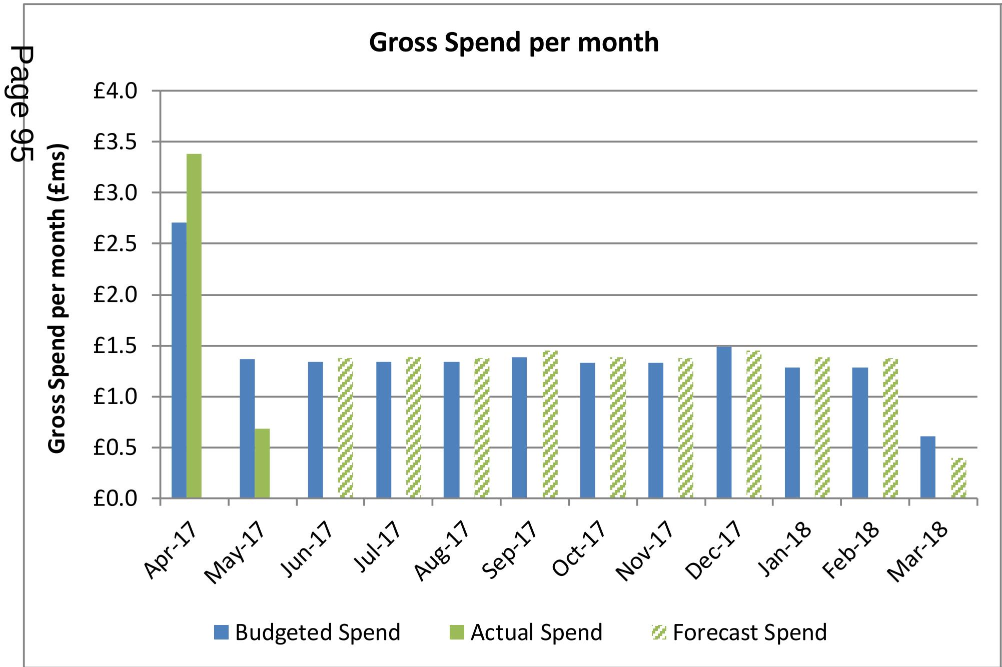
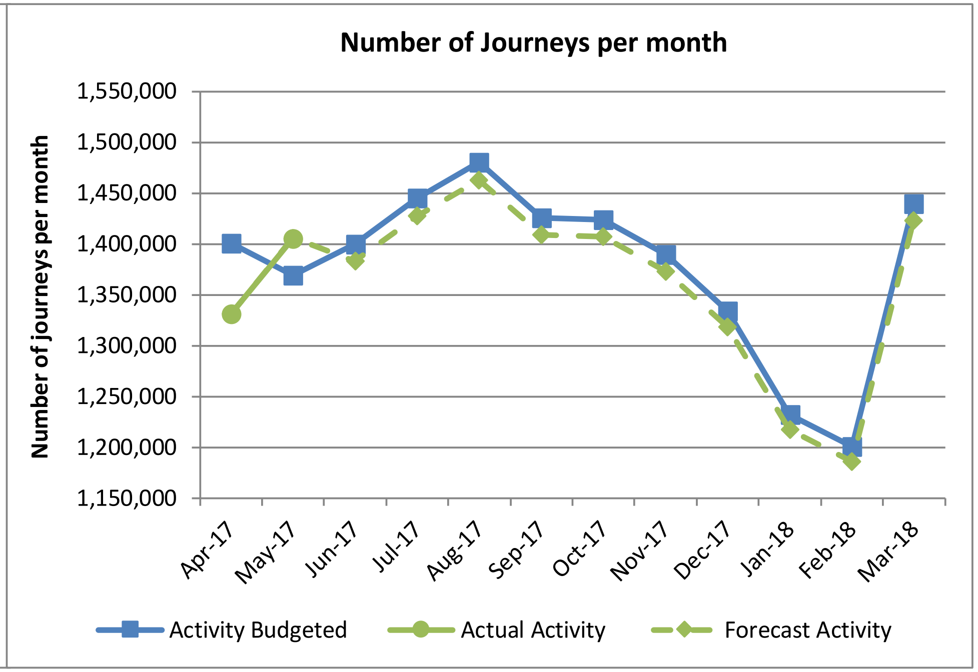




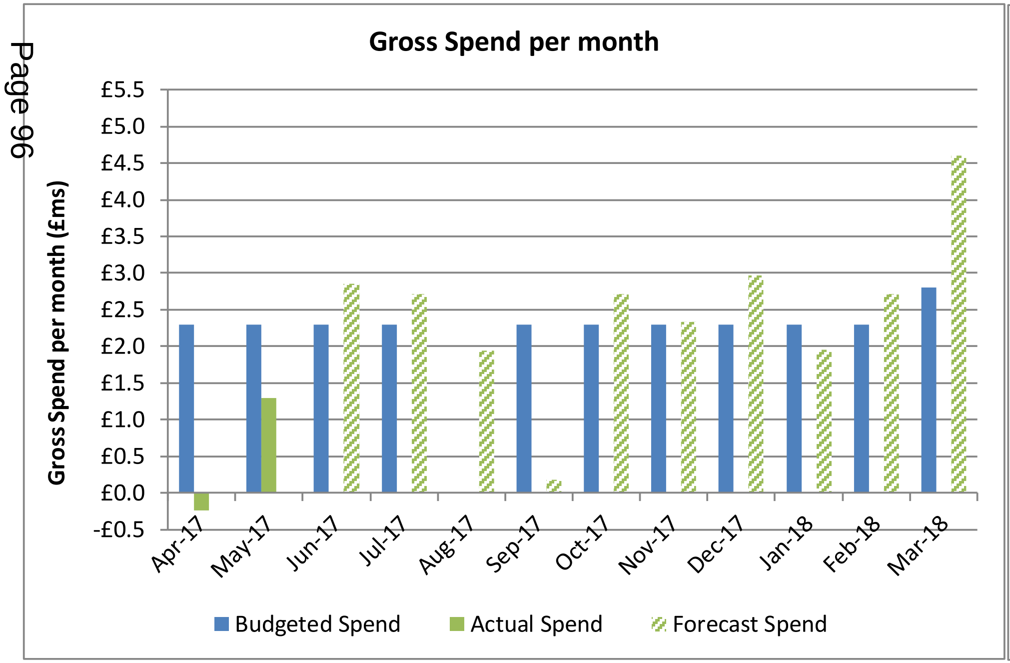
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

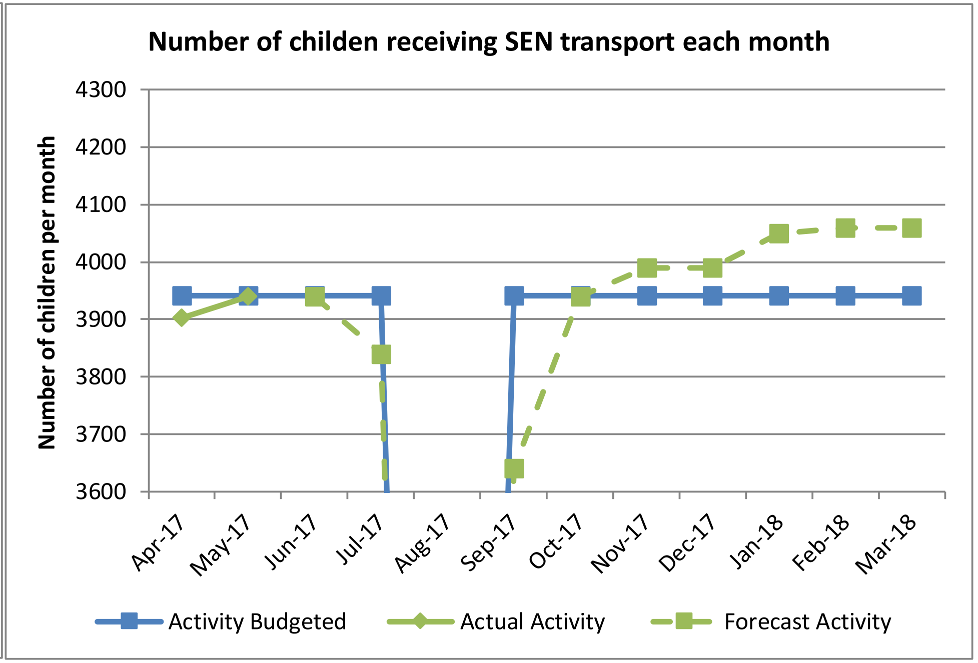
2017-18 Total Forecast	Gross £m	Income £m	Net £m	No of pupils as at 31/03/2018
Budget	£25.8	-£0.8	£25.0	3,941
Forecast	£26.0	-£0.8	£25.2	4,060
Variance	£0.2	-£0.0	£0.2	119

Position as at 31st May 2017	Gross £m	No of pupils as at 31/05/2017
Budget: Spend/Activity Year to Date	£20.7	3,941
Actual: Spend/Activity Year to Date	£1.1	3,940
Variance as at 31st May 2017	-£19.6	-1

MAIN REASONS FOR FORECAST VARIANCE:

Within SEN Transport the gross forecast pressure of +£0.2m is due to +£0.4m pressure on home to college transport which is partially offset by minor underspends across SEN Home to School Transport, Personal Transport Budgets and Independent Travel Trainers totalling -£0.2m.





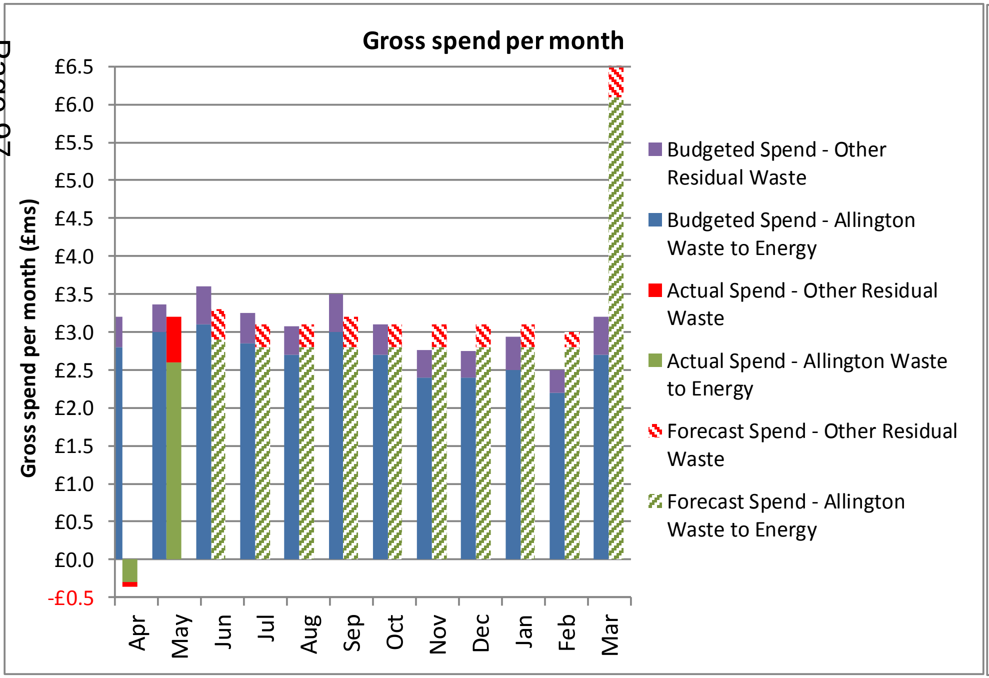
Appendix 2.14: Treatment and disposal of residual waste

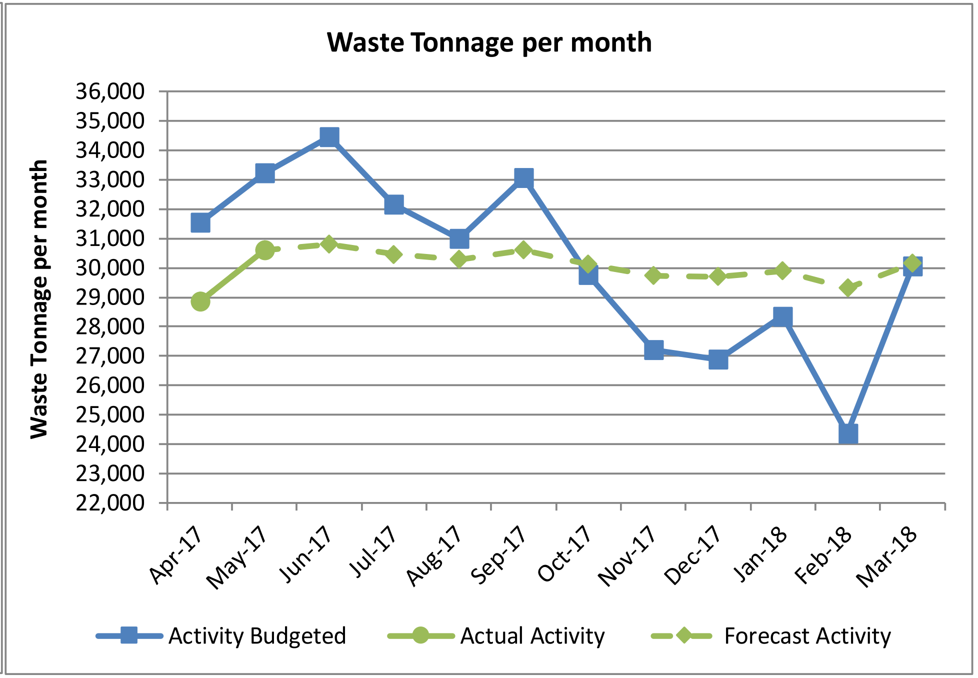
2017-18 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£37.4	£0.0	£37.4	362,047
Actual	£37.6	£0.0	£37.6	360,544
Variance	£0.2	£0.0	£0.2	-1,503

Position as at 31st May 2017	Gross £m	Waste Tonnage to 31/05/2017
Budget: Spend/Activity Year to Date	£6.7	64,779
Actual: Spend/Activity Year to Date	£2.9	59,486
Variance as at 31st May 2017	-£3.8	-5,293

MAIN REASONS FOR FORECAST VARIANCE:

The gross pressure of +£0.2m is due to tonnage price variance (+£0.4m), offset by volume variance of -1,503 tonnes (-£0.3m), plus other variances of (+£0.1m). The -£3.8m underspend shown in the table above is due to no monthly payment being made in April, this is forecast to catch up in March as shown in the Gross Spend Per Month chart below.





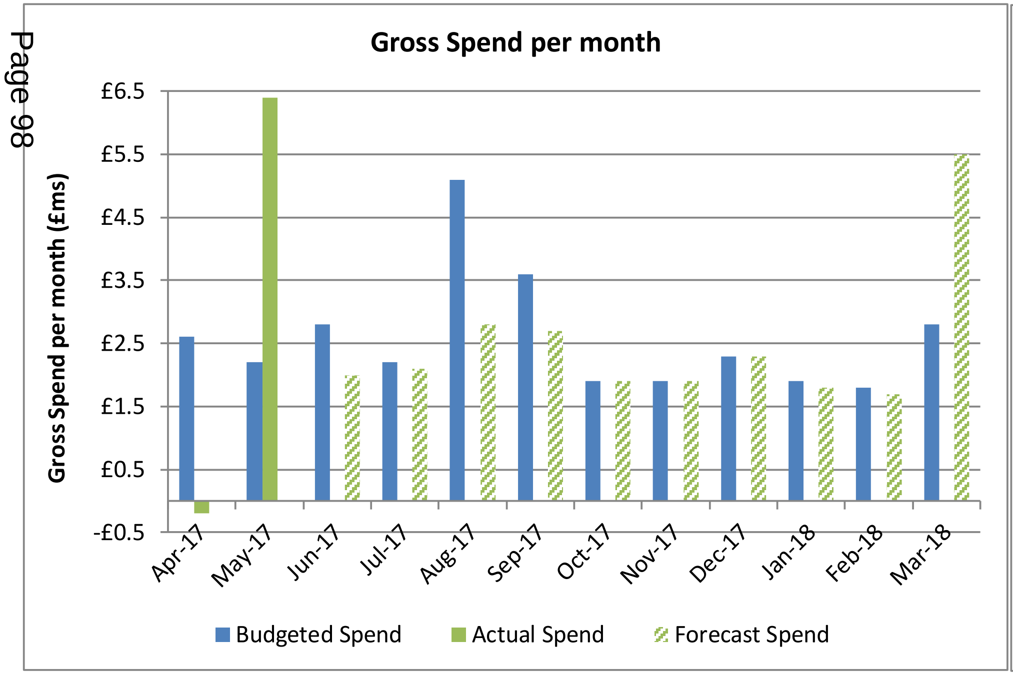
Appendix 2.15: Waste Processing

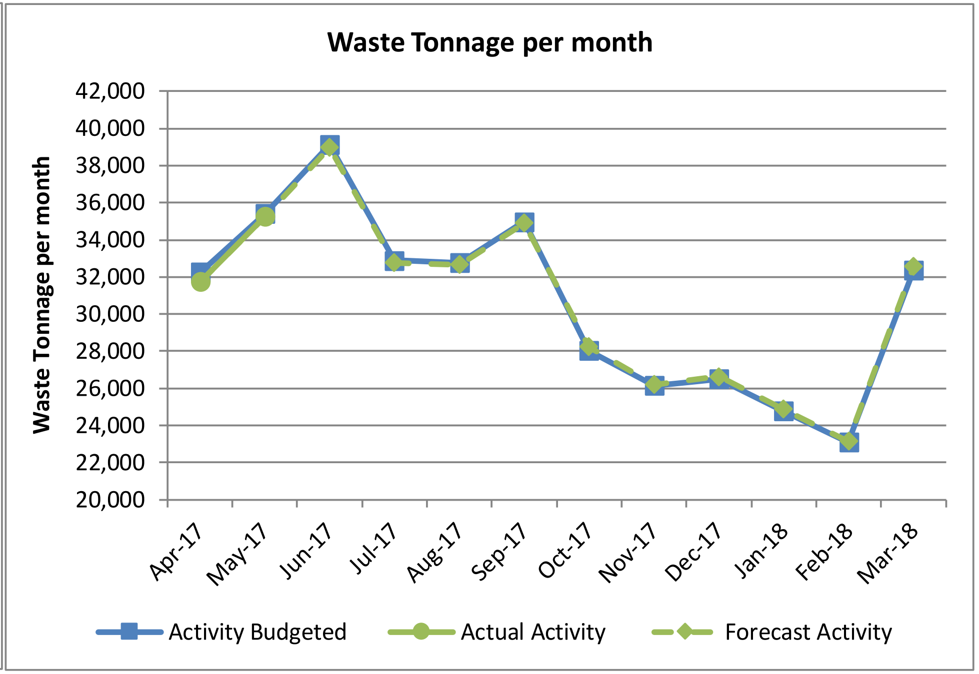
2017-18 Forecast	Gross £m	Income £m	Net £m	Waste Tonnage to 31/03/2018
Budget	£31.1	-£1.9	£29.2	368,245
Actual	£30.9	-£1.9	£29.0	367,835
Variance	-£0.2	£0.0	-£0.2	-410

Position as at 31st May 2017	Gross £m	Waste Tonnage to 31/05/2017
Budget: Spend/Activity Year to Date	£4.8	67,669
Actual: Spend/Activity Year to Date	£6.2	66,965
Variance as at 31st May 2017	£1.4	-704

MAIN REASONS FOR FORECAST VARIANCE:

The gross underspend of (-£0.2m) is due to tonnage price variances (-£0.2m) primarily for Soil/Hardcore and MRF contracts. Variations in tonnes may not lead to an increased financial position as not all changes in waste types attract an additional cost. The high spend in May is due to some payments being made earlier than budgeted, this is expected to even out later in the year.





Appendix 2.16: All Staffing Budgets (excluding schools)

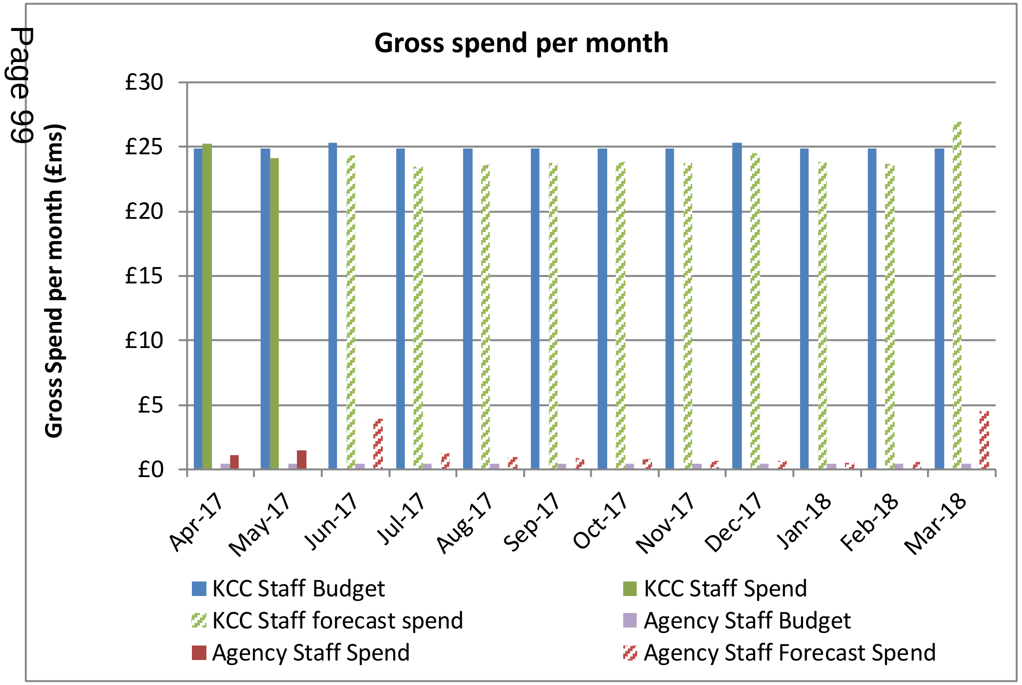
2017-18 Outturn	KCC £m	Agency £m	Gross £m
Budget	£299.0	£5.4	£304.4
Outturn	£290.9	£17.3	£308.2
Variance	-£8.0	£11.9	£3.8

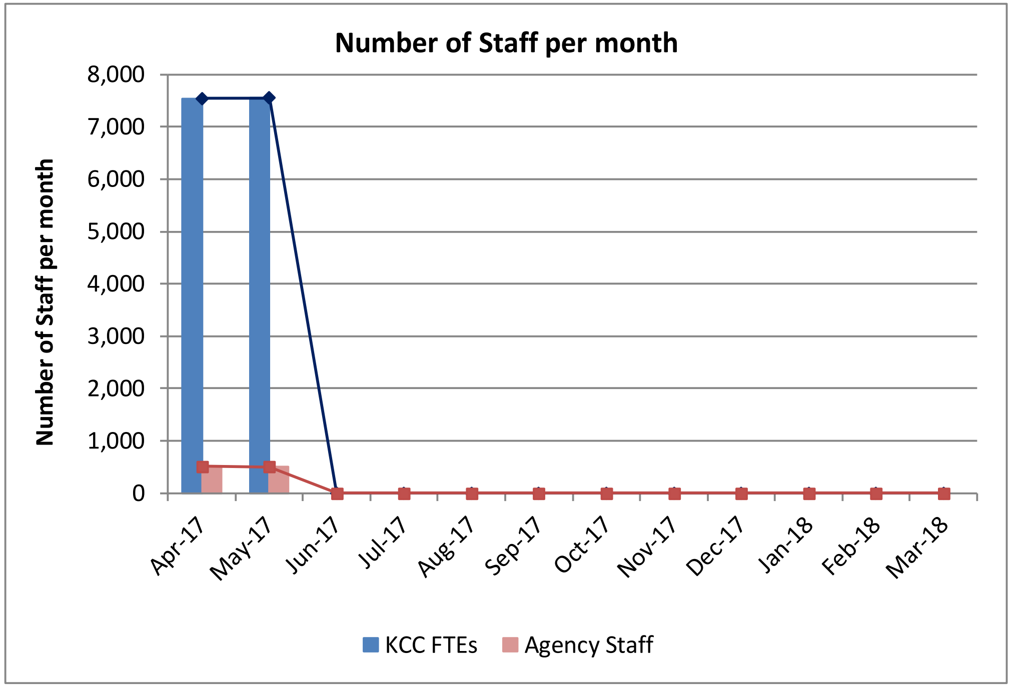
as at 31 May 2017	KCC £m	Agency £m	Gross £m
YTD Budget	£49.7	£0.9	£50.6
YTD Spend	£49.3	£2.6	£51.9
YTD Variance	-£0.3	£1.7	£1.3

Staff numbers	KCC FTEs	Agency Nos
as at 31 Mar 2017	7,609.36	445
as at 31 May 2017	7,553.55	507
Annual Movement	-55.81	62

MAIN REASONS FOR VARIANCE:

There is a significant underspend against KCC staff budgets but this is being negated by an overspend on agency staff.
Vacancies are being held pending the outcome of restructuring and the uncertainty around budget cuts, which is contributing to the underspend against the KCC staff budgets. The majority of the overspend on agency staff relates to Children's Social Care Staff - see Appendix 2.10.
The staffing numbers provided are a snapshot position at the end of the month.





Appendix 3

Unaccompanied Asylum Seeking Children (UASC)

2. Position compared to budget by age category

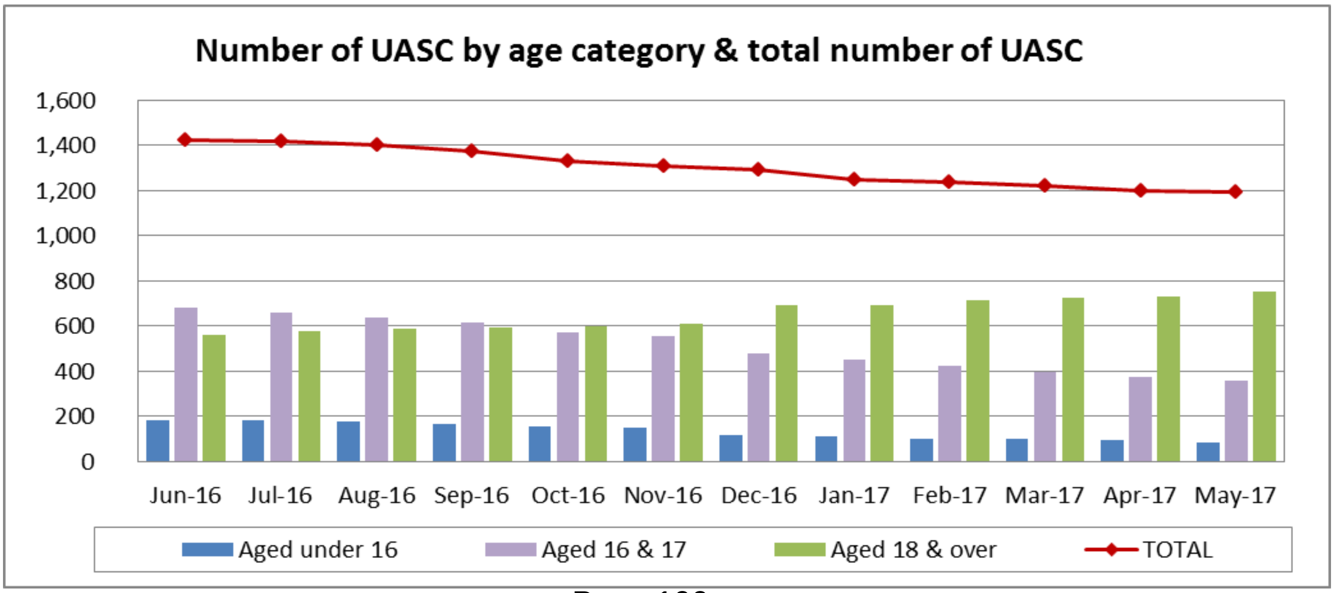
The outturn position is an overspend of £4.2m as detailed below:

	Cash Limit			Forecast Variance		
	Gross £m	Income £m	Net £m	Gross £m	Income £m	Net £m
Aged under 16	4.4	-4.4	0.0	-0.9	0.8	-0.1
Aged 16 & 17	10.5	-10.5	0.0	0.7	1.4	2.1
Aged 18 & over (care leavers)	8.7	-8.2	0.6	1.0	1.2	2.2
	23.6	**-23.1**	**0.6**	**0.7**	**3.5**	**4.2**

The following tables exclude individuals being reunited with family under the Dublin III regulation who are awaiting pick up by relatives and are not Asylum seekers (so are not eligible under grant rules), but we are recharging for the time they use the Authority's services, so the authority should not face net costs.

2. Number of UASC & Care Leavers by age category

	Aged under 16	Aged 16 & 17	Aged 18 & over	TOTAL
Jun-16	182	679	561	**1,422**
Jul-16	182	660	577	**1,419**
Aug-16	176	638	590	**1,404**
Sep-16	167	613	594	**1,374**
Oct-16	155	573	601	**1,329**
Nov-16	147	553	610	**1,310**
Dec-16	117	481	693	**1,291**
Jan-17	109	451	691	**1,251**
Feb-17	101	425	714	**1,240**
Mar-17	99	398	725	**1,222**
Apr-17	93	376	732	**1,201**
May-17	85	356	750	**1,191**



The number of Asylum LAC shown in Appendix 2.11 (LAC numbers) is different to the total number of under 18 UASC clients shown within this indicator, due to UASC under 18 clients including both Looked After Children and 16 and 17 year old Care Leavers.

3. Number of Eligible & Ineligible Clients incl All Rights of appeal Exhausted (ARE) clients at the end of each month

2017/18	Eligible Clients	of which AREs	Ineligible Clients	of which AREs	Total Clients	Total AREs
At year end 2016/17	1,008	7	214	38	1222	45
April	982	3	219	42	1,201	45
May	972	3	220	33	1,192	36

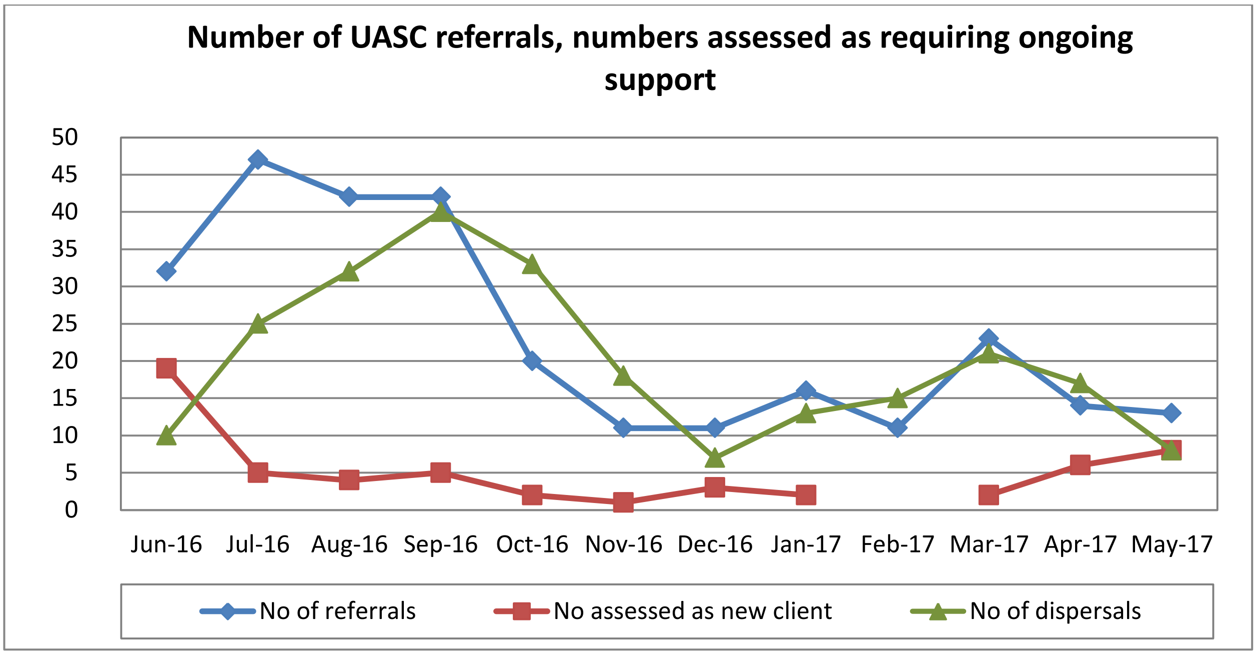
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain or "continued in time" appeal applications to be classed as an eligible client.

4. Numbers of UASC referrals, assessed as requiring ongoing support

	No of referrals	No assessed as new client	%	No of dispersals
Jun-16	32	19	59%	10
Jul-16	47	5	11%	25
Aug-16	42	4	10%	32
Sep-16	42	5	12%	40
Oct-16	20	2	10%	33
Nov-16	11	1	9%	18
Dec-16	11	3	27%	7
Jan-17	16	2	13%	13
Feb-17	11		0%	15
Mar-17	23	2	9%	21
Apr-17	14	6	43%	17
May-17	13	8	62%	8
TOTAL	282	57	20%	

Please note that the numbers for August and September 2016 have been amended due to a duplicate record removal in Liberi.



5. Total number of dispersals – new referrals & existing UASC

	Arrivals who have been dispersed post new Government Dispersal Scheme (w.e.f 01 July 16)	Former Kent UASC who have been dispersed (entry prior to 01 July 16)	TOTAL
Jun-16		10	10
Jul-16	14	11	25
Aug-16	31	1	32
Sep-16	30	10	40
Oct-16	33		33
Nov-16	16	2	18
Dec-16	7		7
Jan-17	8	5	13
Feb-17	15		15
Mar-17	16	5	21
Apr-17	14	3	17
May-17	7	1	8
TOTAL	191	48	239

The 239 new arrivals that have been dispersed since July 2016 are included within the referrals in table 4. This also includes arrivals since 01 July 16 dispersed to London Boroughs, who are not participating in the transfer scheme.

The dispersal process has been slower than expected and has resulted in Kent becoming involved in some of the work or assessment for these clients prior to their dispersal and are therefore counting as a referral. It is expected that we will get to the point where clients are dispersed more quickly and therefore will not be included in the referral numbers. Please note that the numbers for August and September 2016 have been amended due to a duplicate record removal in Liberi.

From:	Susan Carey – Cabinet Member for Customers, Communications and Performance David Cockburn – Corporate Director, Strategic and Corporate Services
To:	Cabinet – 25 September 2017
Decision No:	N/a
Subject:	**Quarterly Performance Report, Quarter 1, 2017/18**
Classification:	Unrestricted

Summary: The purpose of the Quarterly Performance Report is to inform Cabinet about the key areas of performance for the authority.

Recommendation(s):

Cabinet is asked to NOTE the Quarter 1 Performance Report.

1. Introduction

1.1. The KCC Quarterly Performance Report for Quarter 1, 2017/18 is attached at Appendix 1.

1.2. The Quarterly Performance Report (QPR) is a key mechanism within the Performance Management Framework for the Council.

1.3. The QPR includes 38 Key Performance Indicators (KPIs) where results are assessed against Targets set out in Directorate Business Plans at the start of the year.

2. Quarter 1 Performance

2.1. Results against Target for KPIs are assessed using a Red/Amber/Green (RAG) status.

2.2. Of the 38 Key Performance Indicators included in the report, the latest RAG status are as follows:

- 23 are rated Green - target achieved or exceeded,
- 12 are rated Amber - below target but above floor standard
- 3 are rated Red – below floor standard

2.3. Net Direction of Travel in the quarter was positive with 18 indicators improving, 12 showing a fall in performance and 8 with no change.

3. Recommendation(s)

Recommendation(s): **Cabinet** is asked to NOTE the Quarter 1 Performance Report.

4. Contact details

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Strategic Business Development and Intelligence,
Telephone: 03000 416091
Richard.Fitzgerald@kent.gov.uk

Vincent Godfrey,
Strategic Commissioner
Telephone: 03000 419045
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Kent County Council

Quarterly Performance Report

Quarter 1

2017/18

Produced by: KCC Strategic Business Development and Intelligence
E-mail: performance@kent.gov.uk
Phone: 03000 416091

Key to KPI Ratings used

This report includes 38 Key Performance Indicators (KPIs), where progress is assessed against Targets which are set at the start of the financial year through the Council's Directorate Business Plans. Progress against Target is assessed by RAG (Red/Amber/Green) ratings. Progress is also assessed in terms of Direction of Travel (DoT) through use of arrows.

GREEN	Target has been achieved or exceeded
AMBER	Performance at acceptable level, below Target but above Floor
RED	Performance is below a pre-defined Floor Standard *
⇧	Performance has improved
⇩	Performance has worsened
⬄	Performance has remained the same
N/A	Not available

* Floor Standards represent the minimum level of acceptable performance.

Key to Activity Indicator Graphs

Alongside the Key Performance Indicators this report includes a number of Activity Indicators which present demand levels for services or other contextual information.

Graphs for activity indicators are shown either with national benchmarks or in many cases with Upper and Lower Thresholds which represent the range we expect activity to fall within. Thresholds are based on past trends and other benchmark information.

If activity falls outside of the Thresholds, this is an indication that demand has risen above or below expectations and this may have consequences for the council in terms of additional or reduced costs.

Activity is closely monitored as part of the overall management information to ensure the council reacts appropriately to changing levels of demand.

Data quality note

All data included in this report for the current financial year is provisional unaudited data and is categorised as management information. All current in-year results may therefore be subject to later revision.

Table of Contents

Executive Summary

A majority of indicators for Quarter 1 are rated as Green, which are on or ahead of target. Net Direction of Travel was positive with more indicators showing improvement than showing decline.

	G	A	R	⇧	⇔	⇩
Customer Services	2	1		1	1	1
Economic Development & Communities	1	1		1		1
Environment and Transport	5	1	1	3	1	3
Education and Young People	5	3	1	4	3	2
Specialist Children's Services	4	3		3	1	3
Adult Social Care	3	2	1	4		2
Public Health	3	1		2	2	
TOTAL	**23**	**12**	**3**	**18**	**8**	**12**

Customer Services - Good performance was maintained for caller satisfaction, and complaints dealt with on time exceeded target. The percentage of phone calls to Contact Point which were answered dropped slightly below target, and management action has been put in place to address this with expected improvement in the next quarter. Phone call volumes to Contact Point have reduced compared to the same time last year due to improved digital content on the web site and automated direction of calls to staff phone extensions.

Economic Development & Communities – Jobs created and safeguarded from Regional Growth Fund loan schemes at nearly 4,000 jobs was close to target. The No Use Empty programme, which returns long term empty domestic properties into active use, continues to deliver ahead of target. Library book issues were above expectations in the quarter. Economic indicators remain positive with economic activity levels being high.

Environment and Transport – Core service delivery for Highways maintenance was above target for three indicators with demand for works remaining low due to continued mild and dry weather. However, resident satisfaction with completed Highways schemes was significantly below target with residents unconvinced about the benefits of one particular project delivered in the quarter. The results of the resident survey help inform the approach to future schemes. The percentage of municipal waste diverted from landfill, at 99%, continues to exceed target, and the recycling rate at Household Waste Recycling Centres was on target. The council continues to reduce its Greenhouse gas emissions, and programmes such as LED Streetlight conversions are contributing to this.

Education and Young People – Ofsted inspection results for schools and Early Years settings continue to improve ahead of target and provisional key stage attainment results for 2017 show improvement for Kent's young people. Apprenticeship take-up and NEET figures for Young People have also shown year on year improvement, although this has been behind targets set. Completion of Education, Health and Care Plans in timescale fell further in the quarter with the service being under pressure due to a significant increase in demand, however Kent continues to perform above the national average in this area. Outcomes achieved for Early Help cases was unchanged at 77%, which was behind target. The number of pupil exclusions and first time entrants to the youth justice both continue to be at historic low levels in line with targets.

Specialist Children's Services – The percentage of qualified social worker posts held by permanent staff remained at 80%, and use of agency staff to cover vacancies continues. The percentage of child protection plans which are repeat plans has reduced for three consecutive quarters and is ahead of target, with the percentage of Case File audits judged as Good or Outstanding continuing to improve in line with target. Adoption timeliness remained ahead of target, and use of in house fostering was above target. Placement stability for children in care fell slightly in the quarter and was 2% below target. The percentage of Care Leavers in education, employment and training continues to increase and was just below target. The total number of children in care continues to reduce, but referrals, caseload and child protection plans all increased during the quarter.

Adult Social Care – Contacts resolved at first point of contact remained ahead of the 70% target. Clients referred to enablement remained significantly behind target, with the service continuing to support clients beyond the usual expected short term period, due to difficulty in securing appropriate on-going home care support. There continues to be problems securing home care support in certain parts of the county, particularly in rural areas. The percentage of clients still independent after an enablement service at 61% continues to exceed target. The number of clients supported with Telecare, now at 6,352, was close to target. Admissions to residential and nursing care reduced but continue to be higher than target. The percentage of delayed discharges from hospital where social care is considered to be responsible reduced in the quarter, and the result was ahead of target.

Public Health – The number of Health Check completed increased in the quarter and was ahead of target. The number of universal checks delivered by the Health Visiting service also increased and moved ahead of target. Clients offered appointments to sexual health (GUM) services to be seen within 48 hours remained at 100%. Clients successfully completing treatment for drug and alcohol problems remained slightly below target.

Customer Services	
Cabinet Member	Susan Carey
Corporate Director	Amanda Beer

KPI Summary	GREEN	AMBER	RED	⇧	⬄	⇩
	2	**1**		**1**	**1**	**1**

Customer contact through Contact Point and digital channels is provided by our strategic partnership with Agilisys.

Satisfaction with Contact Point advisors remained high in the quarter. However, performance for the percentage of calls answered by Contact Point (KCC's call centre) fell below target. Factors which contributed to this included an increase in average call handling times, staff turnover and one off service campaigns which have generated some peaks in call volumes. We have been working with the supplier to address these issues and improvements were delivered for July and further improvement is expected in coming months.

Overall call volumes handled by Contact Point were 9.1% lower than last quarter, and 17.7% lower than the same period last year. Call volumes handled in the last 12 months were 13.3% lower than the previous year. However, average call time has increased to 3 minutes 40 seconds.

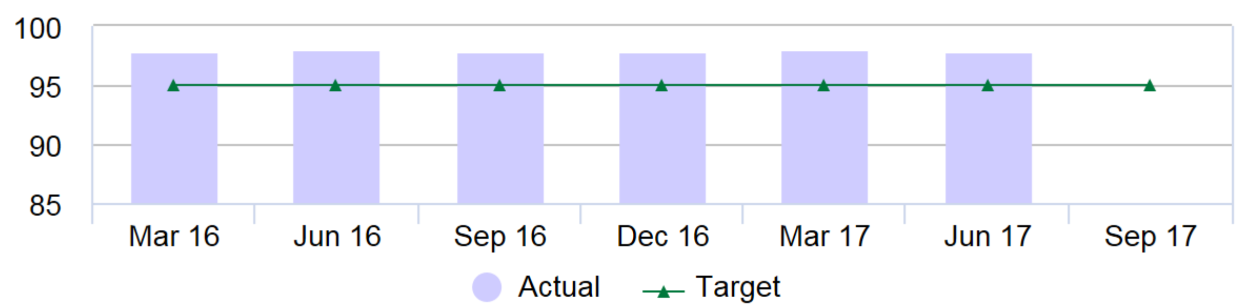
Complaints responded to in timescale exceeded target, with 91% out of 856 complaints answered in expected timescale.

Visits to the KCC web-site were above expectations, with a high number of visits generated on KCC Election results day (232,863 on this day alone). The launch of *One You*, a new Public Health campaign and primary school offer day both took place in April, and both generated additional visits to the web site.

Completion of transactions on our web-site has increased, leading to a reduction in the volumes of postal and phone applications. Service areas which show the largest increase in digital take-up for completed transactions over the last year are Applying for Blue Badge, Booking a Registration Appointment, and Reporting a Public Right of Way Fault.

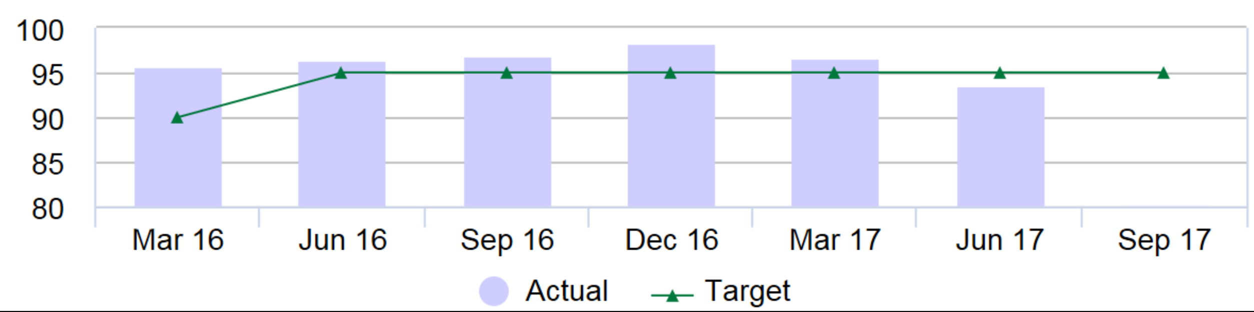
Key Performance Indicators

Percentage of callers to Contact Point who rated the advisor who dealt with their call as good	GREEN ⇔



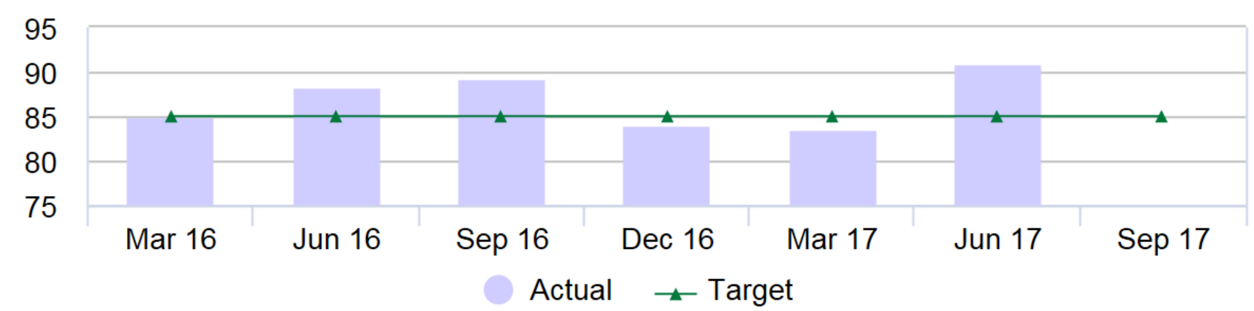
Current: 98%	Target: 95%	Previous: 98%

Percentage of phone calls to Contact Point which were answered	AMBER ⇩



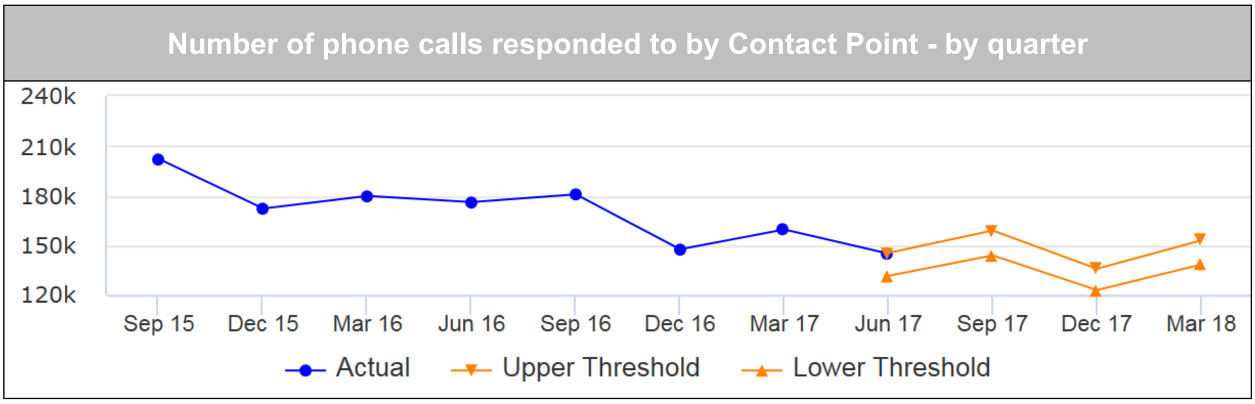
Current: 93%	Target: 95%	Previous: 96%

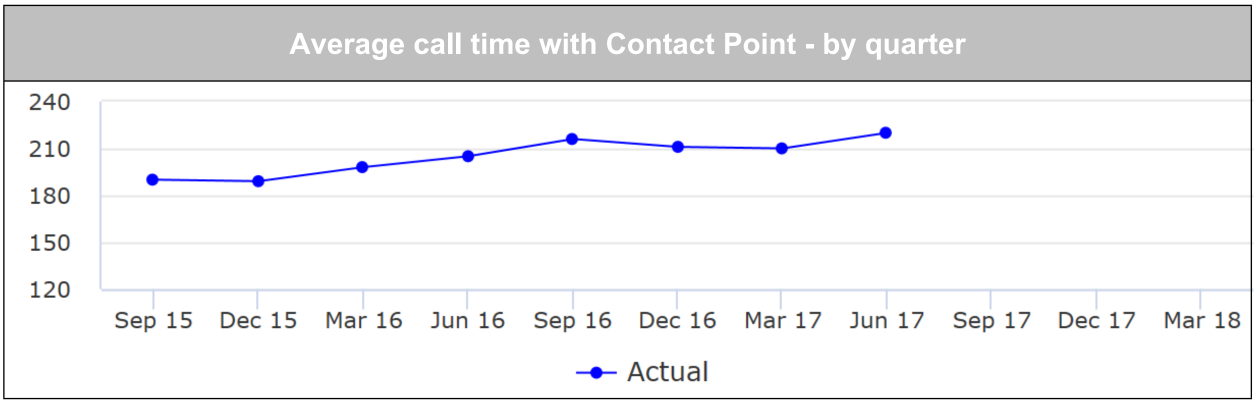
Percentage of complaints responded to within timescale	GREEN ⇧

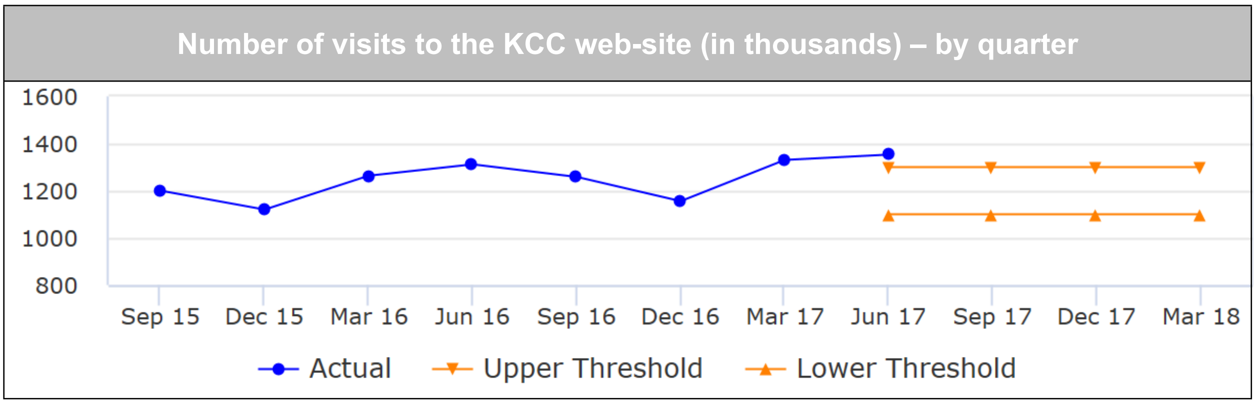


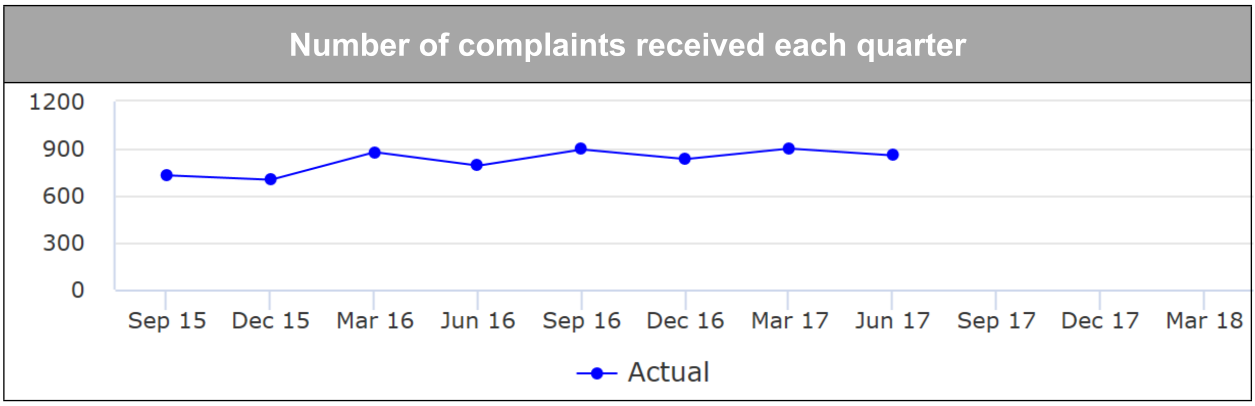
Current: 91%	Target: 85%	Previous: 84%

Activity indicators









Customer Services – Contact Activity

Number of phone calls, e-mails and post responded to by Contact Point

Contact Point dealt with 9% fewer enquiries than the previous quarter, and 20.1% less than for the same period last year. The 12 months to June 2017 saw 18% fewer contacts responded to than the year to June 2016.

Service area	Jul - Sep	Oct-Dec	Jan-Mar	Apr-Jun	Yr to Jun 17	Yr to Jun 16
Adult Social Care	37	32	35	34	137	143
Highways	26	22	22	20	91	100
Specialist Children's Services	24	21	22	22	89	103
Schools and Early Years	14	12	13	11	51	58
Libraries and Archives	12	10	11	10	43	46
Blue Badges	11	10	11	9	41	49
Registrations	10	9	10	8	37	38
Transport Services	11	6	8	6	31	39
Adult Education	9	5	6	5	27	31
Main Enquiry Line	9	6	6	5	25	56
Speed Awareness	7	5	5	5	21	22
Waste and Recycling	4	3	3	3	14	13
Other Services	4	3	3	4	14	16
KSAS*	3	3	3	2	11	16
Total Calls (thousands)	**181**	**147**	**159**	**145**	**632**	**730**
e-mails handled**	8	5	7	7	27	71
Postal applications	9	8	8	7	32	43
Total Contacts (thousands)	**198**	**160**	**175**	**159**	**692**	**843**

* Kent Support and Assistance Service
** E-mails from June only include those requiring action.

Numbers are shown in the 000's, and will not add exactly due to rounding. Calculations in commentary are based on unrounded numbers so will not precisely match changes in table.

Out of hours calls are allocated 75% to Specialist Children Services, 15% for Highways and 10% Other.
Postal volumes mainly relate to Blue Badges and Concessionary Fares correspondence.

Customer Services – Complaints monitoring

The number of complaints received in the quarter showed a 5% decrease on the previous quarter, and was 8% higher than the corresponding quarter last year.

On a rolling 12 month basis, for the year to June 2016 the number of complaints showed a 12% increase on the year to June 2017

We have been focusing on capturing figures from services that have previously not reported against the key performance indicator, due to this we expect a rise in the numbers of complaints recorded over the year.

Service	12 mths to Jun 16	12 mths to Jun 17		Quarter to Jun 16	Quarter to Jun 17
Highways, Transportation and Waste Management	977	1555		323	441
Adult Social Services	621	636		150	136
Specialist Children's Services	253	278		65	74
Finance and Procurement	268	212		57	54
Education & Young People Services	121	176		43	45
Libraries, Registrations and Archives	257	256		54	42
Other Strategic and Corporate Services	165	236		59	29
Adult Education	79	73		32	19
Environment, Planning and Enforcement	360	65		8	16
Total Complaints	**3,101**	**3,487**		**791**	**856**

Customer Services – Digital Take-up

The table below shows the digital/online or automated transaction completions for Key Service Areas so far this financial year.

Transaction type	Online Jul 16 – Sep 16	Online Oct 16 – Dec 16	Online Jan 17 – Mar 17	Online Apr 17 – Jun 17	Total Transactions Last 12 Months
Renew a library book*	72%	72%	72%	73%	1,437,467
Report a Highways Fault	35%	33%	43%	36%	97,344
Apply for a Concessionary Bus Pass	10%	12%	6%	15%	36,274
Apply for a Young Person's Travel Pass	12%	76%	81%	29%	35,300
Book a Speed Awareness Course	79%	78%	85%	82%	33,343
Apply for or renew a Blue Badge	36%	39%	42%	45%	33,008
Book a Birth Registration appointment	68%	71%	71%	75%	19,005
Highways Licence applications	61%	54%	54%	54%	7,673
Apply for a HWRC recycling voucher	96%	95%	97%	97%	4,718
Report a Public Right of Way Fault	57%	61%	66%	92%	3,447

* Library issue renewals transaction data is based on individual loan items and not count of borrowers.

Economic Development & Communities	
Cabinet Members	Mark Dance, Mike Hill
Corporate Director	Barbara Cooper

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	1	1		1		1

Support for business
Since April 2012, Kent's Regional Growth Fund programmes, Expansion East Kent, Tiger and Escalate, have provided a total of £56.3 million by way of loans, grants and equity investments to 242 businesses in Kent and Medway. The number of jobs created or safeguarded since the launch of the RGF Programmes is 3,928.

Using funds that have been repaid to KCC from the Expansion East Kent, Tiger and Escalate programmes, the Kent and Medway Business Fund (KMBF) was launched in January 2017 to provide loan funds to Kent businesses. Round 1 of the KMBF has committed £1.4 million to 11 businesses. Round 2 was launched in July 2017 and over 110 businesses have expressed an interest, of which 74 (total value of £15.1 million) meet the funding criteria and have been invited to submit full proposals.

Funding Infrastructure Projects
Through the South East Local Enterprise Partnership, Kent and Medway projects will receive £147.1 million of Local Growth Fund (LGF), £12.1 million of Skills Capital Funding (SCF), and £11.8 million of Growing Places capital funding (GPF) between 2015/16 and 2020/21. (LGF and SCF are capital grant schemes; GPF is a capital loan scheme.)

In February 2017 the Government announced that Kent and Medway projects would be allocated £34.2 million from LGF Round 3. The next award of capital loan funding is expected in December 2017, when the South East Local Enterprise Partnership will approve projects funded by repaid loans from the Growing Place Fund.

Indications from Government officials suggest that future rounds of the Local Growth Fund may be combined with the ESIF funding streams to form a new UK Shared Prosperity Fund.

Converting derelict buildings for new housing
In the last quarter 111 long term empty properties were made fit for occupation through the No Use Empty (NUE) Programme. A total of 5,137 certified long-term empty properties have been modernised since the Programme began in 2005. Total NUE investment currently stands at £41.8 million (£18.2 million from KCC recycled loans and £23.6 million from public/private sector leverage). In May the NUE Shepway Top Up Loan Scheme won a national award for innovation from the Empty Homes Network.

Recent projects include:
- Former British Volunteer Pub, Ashford converted to 6 residential units. The property was sold to a Housing Association and the loan repaid after 10 months.
- Former Bun Penny Pub, Herne Bay comprising 17 residential 2/3 bed units and a commercial unit are ready for re-occupation which will attract Business Rates in addition to new Council Tax receipts.

Infrastructure
KCC obtains financial and non-financial contributions to KCC services from developers of new housing sites. In the first quarter ending June 2017, 17 Section 106 agreements were completed and a total of £5.3m secured.

Section 106 developer contributions secured (£ 000s)

	Jul to Sep 2016	Oct to Dec 2016	Jan to Mar 2017	Apr to Jun 2017
Primary Education	10,910	1,521	31,936	3,626
Secondary Education	3,549	393	24,908	1,329
Adult Social Care	194	35	327	103
Libraries	222	42	1,085	150
Community Learning	80	20	277	52
Youth & Community	47	8	368	33
Total	**15,001**	**2,018**	**58,899**	**5,293**

Broadband
Kent's Broadband Delivery UK programme has brought superfast broadband to over 127,000 properties that would otherwise have had no or slow broadband. Having met the Phase 1 target to deliver superfast broadband to 91 percent of properties in Kent, Phase 2 of the programme, currently underway, aims to extend the availability to 95.7 percent of Kent's homes and businesses by the 30th September 2018.

Culture and Creative Economy
The Kent Cultural Strategy was adopted by the County Council at its July meeting. Arts Council England recently announced its investment strategy for 2018 to 2022 which included funding for eleven organisations in Kent, six of which are new to the portfolio of nationally funded organisations, the highest number in the country. £10m has been allocated over 4 years to the ten organisations: Gulbenkian, People United, Turner Contemporary, Jasmin Vardimon Company, Creative Foundation, Cohesion Plus, Open School East, Applause, Whitstable Biennale consortium of museums, and 1927 Theatre Co. (People United and Turner Contemporary will receive an increase in their funding from the previous 3 year period.)

Turner Contemporary and Jasmin Vardimon Company each received a provisional £3million offer for capital investment.

Kent Film Office
In the first quarter of 2017/18, the film office handled 226 requests for filming in Kent locations which resulted in 168 filming days bringing an estimated £680k spend in Kent. Production highlights include The Favourite, starring Emma Stone and Olivia Coleman, an episode of Black Mirror, an upcoming high profile crime series for the BBC, Hard Sun, and music videos for Amy McDonald and Passenger. The Film office supported 4 work experience candidates and facilitated 5 students who worked on visiting productions.

Libraries, Registration and Archives
The service has started to develop a set of ambitions for the future of the service. Staff workshops were held in July with further online staff engagement taking place until September. A proposal to form a member working group to shape this work is going to GEDC Cabinet Committee in September.

This year's programme of customer satisfaction surveys covers 5 areas of the service. As our major survey of library and archives customers is done by email we have also conducted a face to face survey in libraries to ensure our results reflect the views of all our customers.

Results to date from our customer satisfaction surveys show satisfaction rates of:
- Libraries 97% (annual target 95%)
- Archives 89% (annual target 90%)
- Birth and death registration 94% (annual target 95%)
- Wedding ceremonies 98% (annual target 95%)
- Citizenship ceremonies 100% (annual target 95%)

Visits to libraries over the first quarter were on track against business plan expectations but book issues were higher than expected. The number of customers attending events has been down on expectations so far this year, but we anticipate that activities relating to the Summer Reading Challenge in quarter two will show an improvement in these figures.

The direction of travel is up for online book renewals and birth appointments booked online.

Volunteer hours for the period were down 4.6% on the same period last year. However during this period there was a vacancy in the Volunteer Co-ordinator post. Our external provider is now pro-actively seeking to recruit more volunteers and this should improve.

Sport and Physical Activity
The main School Games Finals took place in the quarter with multi-sport events at the East Kent Games at Polo Farm in Canterbury and the West Kent Games at Medway Park, Gillingham. Approximately 2,000 young people were involved in these two events, with an estimated 6,000 involved in the School Games Finals events throughout the year. This year young people from the Kent Young Coaches Academy and pupils with behavioural and emotional difficulties from Rowhill School were engaged as volunteers to support the activities on offer at the West Kent Games, a model which was successful and will be built upon for the future. In addition, the service has also delivered a successful Infant Games in Shepway, which involved nearly 200 children.

The service has received notification from Sport England that it intends to provide core funding for the County Sports Partnerships work through to March 2021. Further to this announcement, an application will be submitted later in the year in order to draw down this funding.

Kent Country Parks
Country Parks are currently above their income targets and customer satisfaction remains very high as evidenced by being recently awarded TripAdvisor Certificates of Excellence at Brockhill, Lullingstone, Shorne Woods and Trosley Country Parks.

Resilience and Emergency Planning Service
The new integrated KCC Resilience and Emergency Planning Service launched on 1 April 2017. The 24/7 KCC Duty Emergency Planning Officer responded to 65 alerts during the quarter and incidents included a prolonged water supply failure at Halstead, shoreline pollution at Greatstone, a tourist train breakdown in the Channel Tunnel, a gas leak and subsequent evacuation at Cheriton, a cyber-attack on NHS, and a number of fires affecting local sheltered housing and residential care homes. The number of alerts was lower than the corresponding quarter in 2016/17 when 99 were responded to. There was a higher amount of rainfall last year resulting in 42 weather-related alerts, in comparison with 12 this year.

Following the Manchester Arena bombing on 22nd May the UK Terrorism Threat Level was temporarily raised from Severe (an attack is highly likely) to Critical (an attack is expected imminently). This escalation necessitated significant corporate and multi-agency resilience activity and KCC's 'Move to Critical Plan' was activated for the first time.

Four Resilience and Emergency Planning Service staff worked with Kensington and Chelsea Council in supporting the recovery from the Grenfell Tower fire in June, following a mutual aid request from London Resilience.

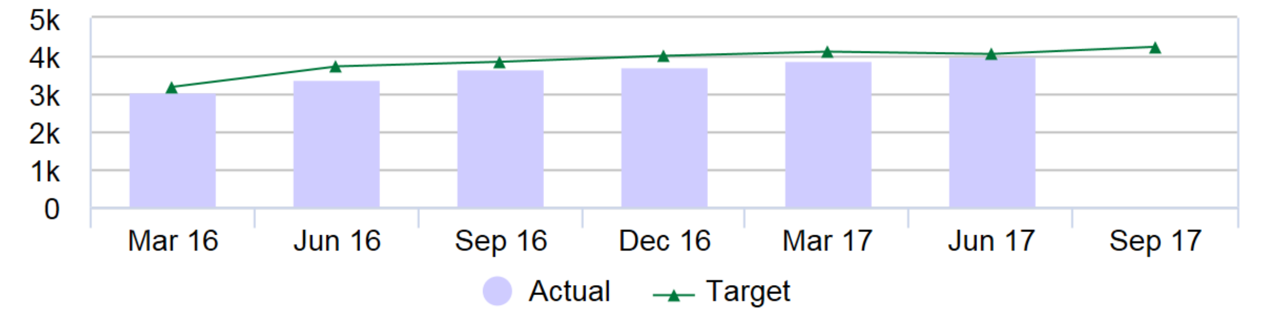
Resilience and Emergency Planning Service were central to design and delivery of Exercise Zeus (a major hazard accident) on 8th and 13th June, with its audience drawn from across private and public sector partners (including industry and key County Council and Health and Safety Executive personnel). This exercise achieved compliance with KCC's duties under the Major Accident Hazard Pipeline Regulations.

Community Safety
The Volunteer Support Warden recruitment campaign has been running for 3 months and out of 16 applications, 7 new volunteers have been recruited. Their training period will begin with their 'Induction Day' on the 1st August 2017. The recruitment of volunteers will be an ongoing campaign, with recruitment and training being conducted in cohorts, which will enable volunteers to apply throughout the year.

Community Safety Information Sessions were held in May to disseminate countywide community safety information to partner agencies from across Kent. The last session was held in May and covered a variety of Community Safety related topics including modern slavery, female genital mutilation, misuse of tracking apps in Domestic Abuse and mental health. The session was delivered to approximately 25 representatives from partner agencies including district/borough Community Safety Units.

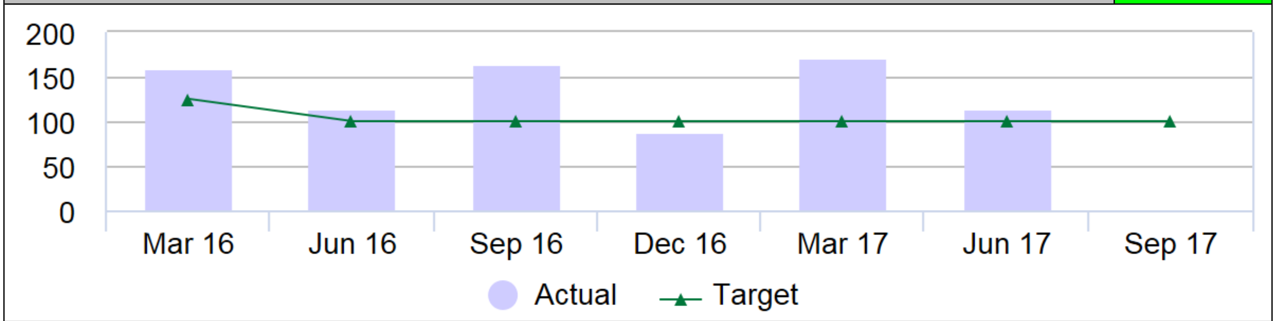
Key Performance Indicators

Full time equivalent jobs created/safeguarded through Regional Growth Fund loan schemes — AMBER ⇧



Current: 3,928	Target: 4,049	Previous: 3,858

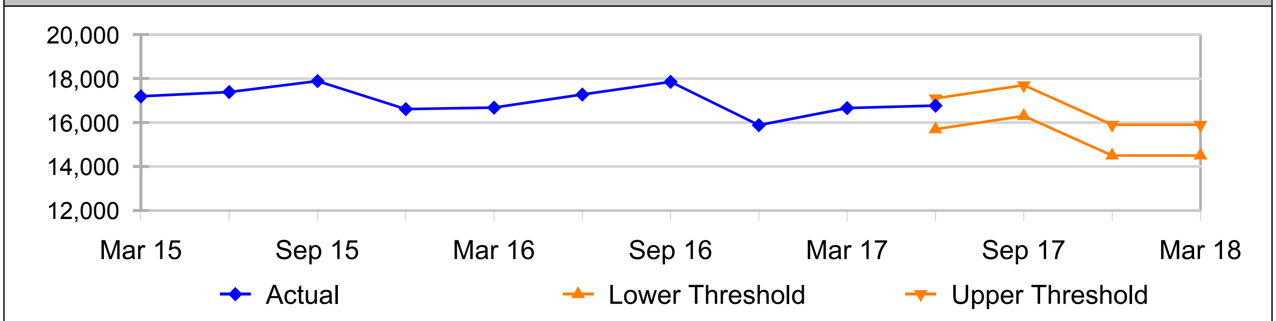
Number of homes brought back to market through No Use Empty (NUE) — GREEN ⇩



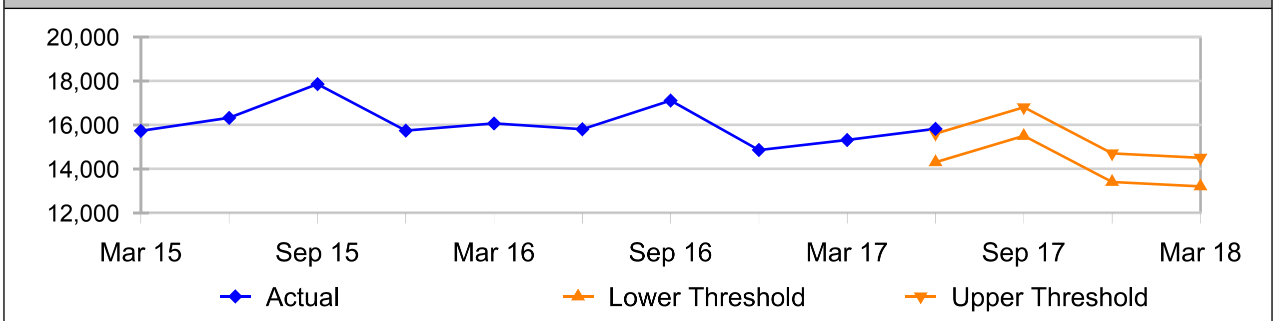
Current: 111	Target: 100	Previous: 168

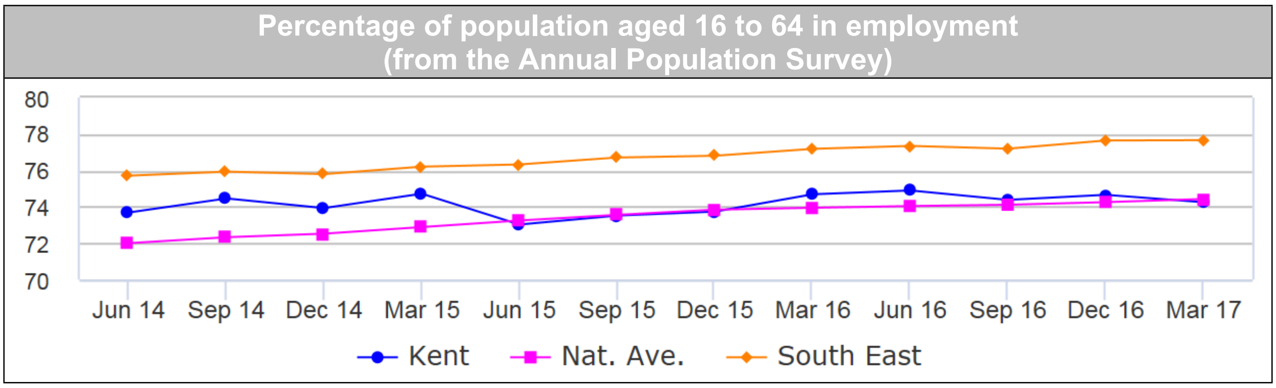
Activity indicators

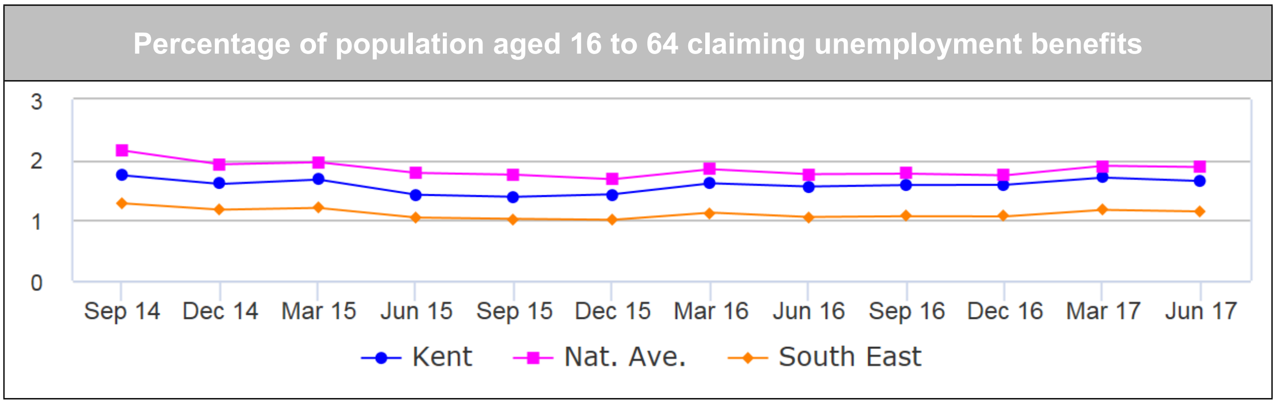
Average number of visits to Kent libraries per day

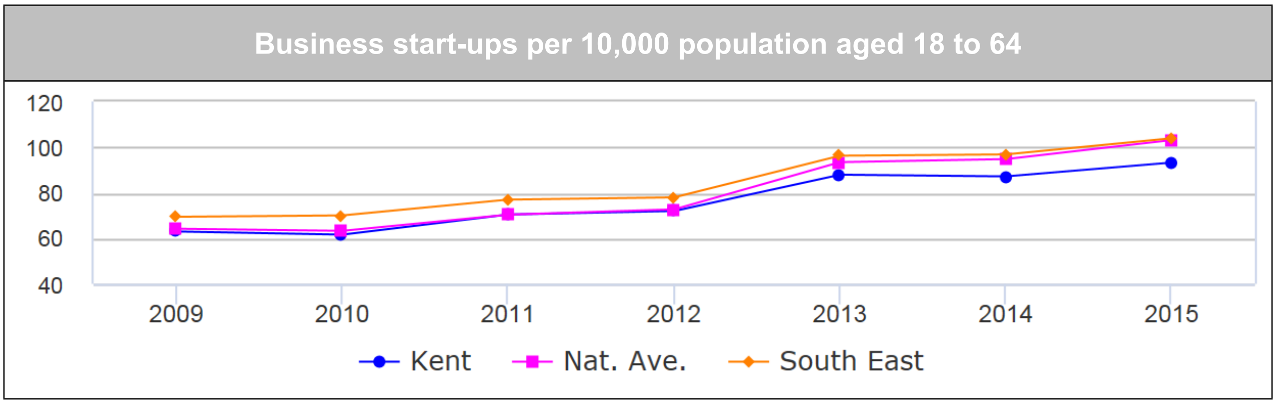


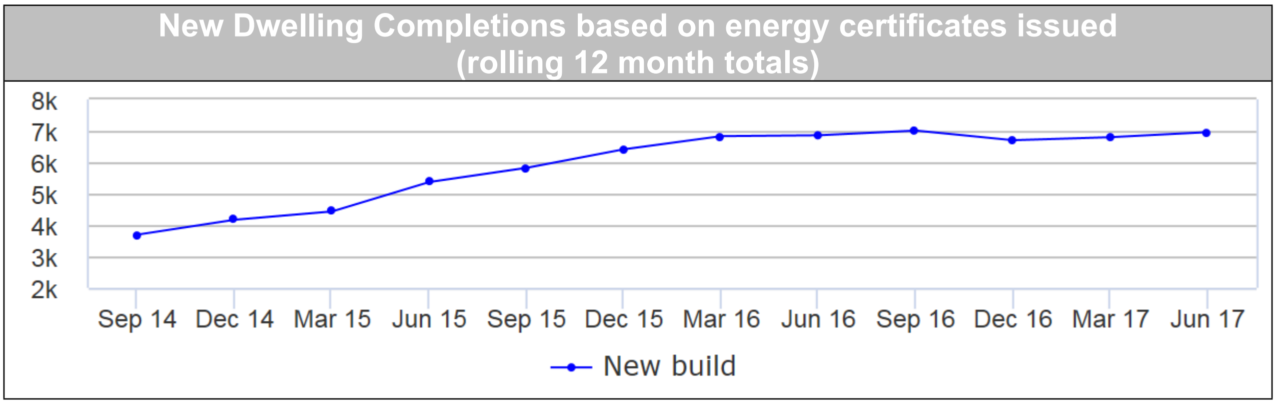
Average number of book issues from Kent libraries per day




Percentage of population aged 16 to 64 in employment
(from the Annual Population Survey)
80
78
76
74
72
70
Jun 14 Sep 14 Dec 14 Mar 15 Jun 15 Sep 15 Dec 15 Mar 16 Jun 16 Sep 16 Dec 16 Mar 17
Kent
Nat. Ave.
South East


Percentage of population aged 16 to 64 claiming unemployment benefits
3
2
1
0
Sep 14 Dec 14 Mar 15 Jun 15 Sep 15 Dec 15 Mar 16 Jun 16 Sep 16 Dec 16 Mar 17 Jun 17
Kent
Nat. Ave.
South East


Business start-ups per 10,000 population aged 18 to 64
120
100
80
60
40
2009 2010 2011 2012 2013 2014 2015
Kent
Nat. Ave.
South East


New Dwelling Completions based on energy certificates issued
(rolling 12 month totals)
8k
7k
6k
5k
4k
3k
2k
Sep 14 Dec 14 Mar 15 Jun 15 Sep 15 Dec 15 Mar 16 Jun 16 Sep 16 Dec 16 Mar 17 Jun 17
New build

Environment and Transport	
Cabinet Member	Matthew Balfour
Corporate Director	Barbara Cooper

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	5	**1**	**1**	**3**	**1**	**3**

Highways
Performance was above target for 3 of the 4 Highways KPIs, and behind target for the percentage of residents satisfied with completed schemes.

The percentage of residents satisfied with completed schemes at 44%, was significantly below the target of 75%. In the quarter the number of individual sites surveyed and survey cards returned was very low and the result was impacted by one scheme on the A25 in Borough Green where residents were not convinced of the overall benefits of the completed project, although they were not unhappy with the quality of the final works or how quickly it was delivered. We are reviewing how we can improve the way we can better communicate the benefits of schemes such as this which alter, rather than simply maintain, the highway.

New enquiries raised for action by residents in the quarter were lower than expected, at 20,911 compared to 25,903 for the same time last year. The level of work in progress was also lower than expected with 5,361 open enquiries awaiting action compared to 6,897 the same time last year. Teams are continuing to handle enquiries for the normal seasonal demand around highway grass, weed and hedges as well as managing the routine streetlight, pothole and drainage fault requests.

A number of key projects were progressed in the quarter including the adoption of the Freight Action Plan for Kent, a non-statutory document that highlights what has already been delivered and what is planned to reduce the negative impacts of road freight on local communities. Following a successful bid to the Department for Transport's (DfT) Access Fund, Kent County Council has been awarded £1,452,000 to deliver its bid Step Ahead of the Rest (StAR), an integrated package of measures to support economic development and healthy lifestyles by encouraging use of active and sustainable modes of travel to access employment, education and training. The £3million Pothole Blitz will take place through the summer months and a network of local suppliers will carry out the repairs across the County with this work being additional to base budget and the DfT Grant Fund spend.

The conversion of streetlights to LED continues across the County and by the end of June the number of conversions completed was 68,139. The contractor is now working on the more challenging main road network and is on track to complete the 118,000 conversion programme across the County by May 2019. Completion of the programme will save the council up to £5.2 million each year.

Public Transport
During the quarter the Public Transport team began preparations for the annual Young Persons Travel Pass application process. Working closely with Contact Point and through improvements to information on the KCC website, the mechanisms are in place to ensure that the pass application process is as smooth as possible. By the start of term in September, over 15,000 passes will have been delivered.

In the quarter there was key activity relating to new contracts with the SEN Bulk Route School tenders having delivered savings and the new dynamic purchasing system (DPS) was used for SEN transport, mainstream education transport and supported bus services

The network changes made by Arriva in Maidstone & Tunbridge Wells in April left a number of gaps in bus service provision and council officers have worked with alternative operators to close these at little or no cost to the authority. Work is continuing with local communities where there are still gaps in service or a poorer level of service, to determine if solutions can be found, either through the use of existing services or by working with alternative operators. The work with alternative operators has helped not only to fill the gaps, but has also helped provide new services to meet school needs from September.

Casualty Reduction
The published 2016 traffic casualty figures show a reduction in fatalities but an increase in serious injuries. However these results have been affected by changes in counting rules, with injuries previously recorded as minor now being counted as serious, and the the comparison with previous year is only like for like for fatalities. DfT is carrying out further research into the changes and the effect that the new police reporting system has had on the statistics, with expected publication of findings in October. The priorities and actions set out in our Casualty Reduction Strategy continue to form the basis of our activity. Additionally, this year we are following the National Police Chief's Council road safety calendar to further coordinate activity with our partners in addressing the main road user behaviours that lead to road casualties. For this quarter the focus includes mobile phones, speed and seat belts.

Asset Management
Work continues to ensure that our asset management approach is developed to achieve the highest possible rating by the end of 2017 and therefore maximise DfT capital funding for 2018/19 and beyond. This work includes performance measures to help understand asset condition and the impact of investment choices and this continues to support the need for significant investment to ensure highway asset condition, especially for roads, is maintained.

Transport Strategy
The priorities set out in the Kent Local Transport Plan (LTP4) will inform the development of the draft Transport Strategy for the local Sub National Transport Body - Transport for The South East. The first shadow Board Meeting took place on 26 June.

In April, the Government announced its preferred route for the proposed new Lower Thames Crossing which aligned with KCC's preferred Western Southern Link into Kent. KCC is now working with Highways England to ensure that the detailed route design minimises the negative environmental impact of the crossing while bringing transport and economic benefits to Kent.

KCC responded to several important national consultations in May including the National Policy Statement (NPS) on airports. KCC continued to make the case against a second runway at Gatwick aligned with the Government's preference for expansion of Heathrow. KCC also responded to the consultation on the new national airspace policy, making the case for improvements to the noise environment in West Kent, reflecting the challenge of overflight to/from Gatwick Airport.

KCC's Transport Strategy Team also supported the work of Highways, Transportation and Waste in bidding for funding for two transport projects from the Department for Transport's (DfT) National Productivity Investment Fund (NPIF) in June.

Local Growth Fund Highways Capital Projects
Through the South East Local Enterprise Partnership (SELEP), £142 million of Government funding has so far been allocated for transport projects within Kent from rounds 1, 2 and 3 of the Local Growth Fund (LGF). There are currently 27 transport projects in the Programme with a total value of £208.5m. Five are now complete and eleven are substantially under construction, including the major scheme, Rathmore Road, Gravesend. There are currently no schemes rated as Red for delivery in 2017/18.

LGF Project Start Year :	2015/16	2016/17	2017/18	Total
Total Value (£m)	84.4	58.7	65.4	208.5
LGF funds (£m)	48.6	30.6	44.2	123.4
Projects	14	8	5	27
Complete	4	-	1	5
Green (on track)	4	4	0	8
Amber (some delays)	5	3	6	14
Red (at risk)	0	0	0	0

No further bidding rounds to the Local Growth Fund are expected. However the first bidding round for the National Productivity Investment Fund has been opened and KCC submitted the maximum of 2 bids to the Fund in June 2017 for the Kent Medical Campus, Maidstone and A2500 Lower Road Widening, Isle of Sheppey. An announcement on the successful bids is expected in September.

The Government has also called for bids to the Housing Infrastructure Fund with bids to be submitted by 28th September 2017 from KCC for the Forward Funding stream and from the districts for the Marginal Viability Fund.

Waste Management
Performance was above target for both Waste Management KPIs.

Over the last 12 months less than 1% of municipal waste was taken to landfill, a result which exceeded previous expectations and EU targets for 2020. This result has been achieved due to the use of refuse derived fuel contracts to process waste which would otherwise have been sent to landfill. However, the European capacity to process refuse derived fuel is now in much greater demand, which may result in some Kent waste returning to landfill. The impact of this may be that around 1.5% of Kent's waste will in future be sent to landfill.

Recycling levels within our Household Waste Recycling Centres (HWRCs) was on target, at over 69%. We continue to work with district councils to help improve recycling rates from kerbside collection and this is currently at 42%, up from 40% a year ago.

Total waste tonnage arisings of 730,000 tonnes for the year were allowed for in the budget, which is the same tonnage as last year. Actual arisings will be monitored very carefully and mitigation will be required if tonnages increase. Currently waste tonnage is showing a reduction, which is fortunate given that approximately 7,000 new dwellings are currently being built each year in Kent

We recently published the 'Kent Waste Disposal Strategy' which sets out our approach to manging Kent's domestic waste up to the year 2030, and implementation plans are now being developed.

Environment
The council continues to reduce Greenhouse Gas emissions, although performance for this KPI is slightly behind target.

Significant reductions in greenhouse emissions is being delivered through the Street lighting LED programme, with street lighting accounting for 51% of the council's emissions. Emissions from corporate estate buildings and fleet transport are ahead of target, whilst business travel has slightly increased. The most significant reduction is from fleet fuel which now contributes just 2% of total emissions, down from 7%. Reducing fleet emissions has additional health benefits as these are strongly linked to poor air quality and health impacts.

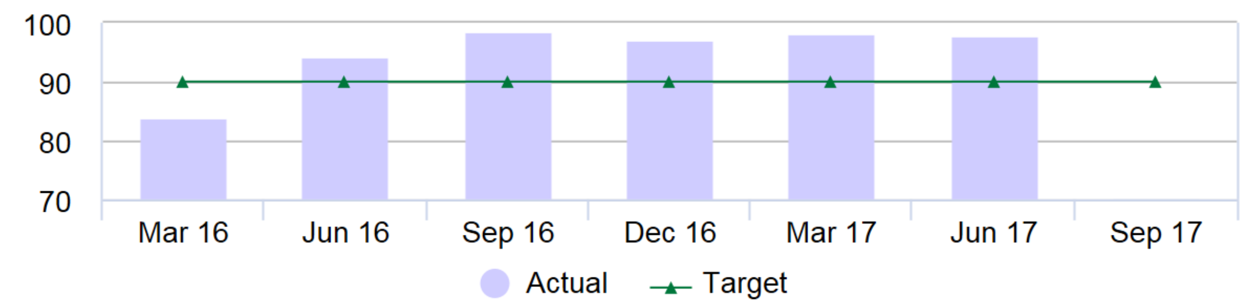
Delivery on the implementation plan to support the Kent Environment Strategy is ongoing. Engagement with District partners has commenced to develop a Kent and Medway Low Emissions Strategy, to ensure targeted action to improve Air Quality.

Following the successful approval of the £18.5 million 3 year pan-LEP ERDF project, LoCASE (Low Carbon Across the South East), delivery of the project is well underway. To date, a total of 234 grants totalling over £1.5 million have been awarded. These grants are provided to assist businesses optimise the use of resources and adopt low carbon solutions to improve business performance, and contribute to an improved environment.

The Old Chalk New Downs (OCND) is a four year project aiming to link up isolated patches of chalk grassland, restore other important downland habitats and reconnect people with their natural environment. The project covers an area of 10,000 hectares between Kemsing Down and Detling, and is a key action of the Kent Environment Strategy. This is supported by the Heritage Lottery Fund (HLF) which contributes £1.4m of a project total of £1.7m. Three new members of staff were recruited in May 2017 to focus on three areas, the implementation of habitat management and maintenance plans, improving access to the area and securing participation in a wide range of conservation and research activities.

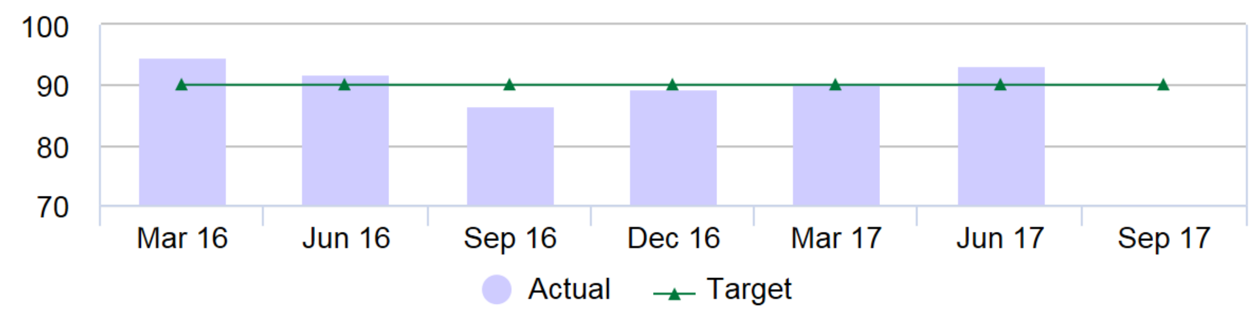
Key Performance Indicators

Percentage of routine pothole repairs within 28 days	GREEN ⇔



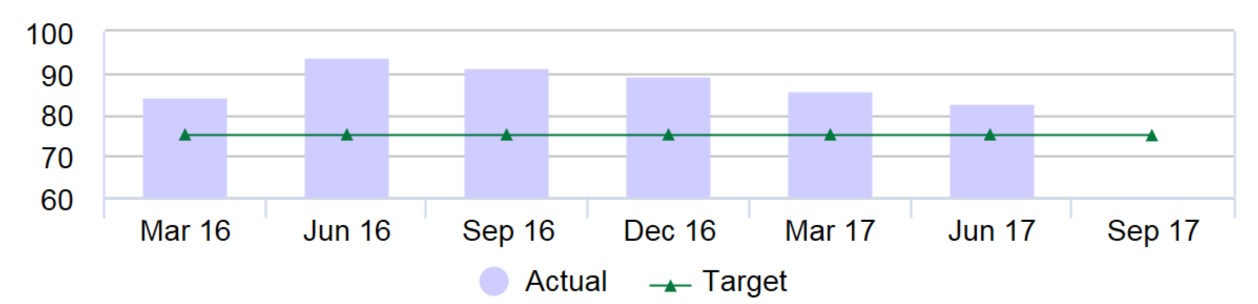
Current: 98%	Target: 90%	Previous: 98%

Percentage of routine highway repairs reported by residents completed within 28 days	GREEN ⇧



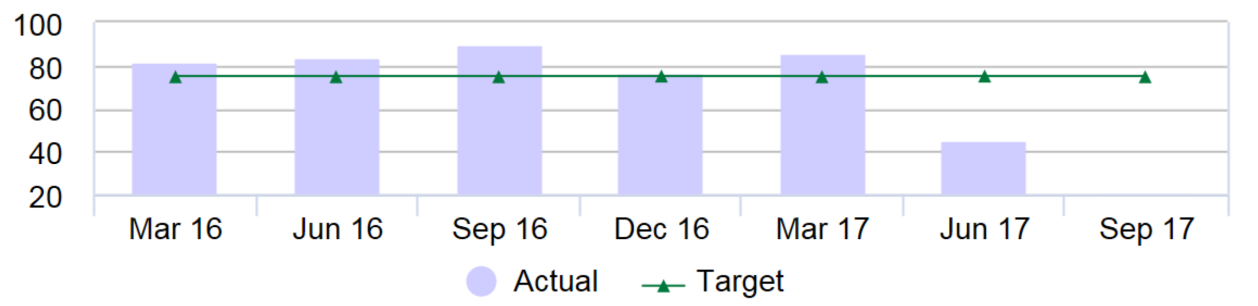
Current: 93%	Target: 90%	Previous: 90%

Percentage of satisfied callers for Kent Highways and Transportation, 100 call back survey	GREEN ⇩



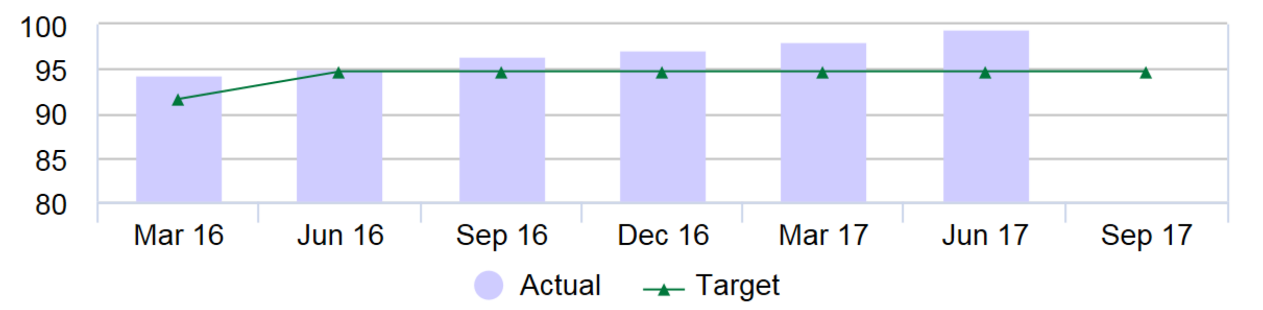
Current: 82%	Target: 75%	Previous: 85%

Resident satisfaction with completed Highways schemes (survey)	RED ⇩



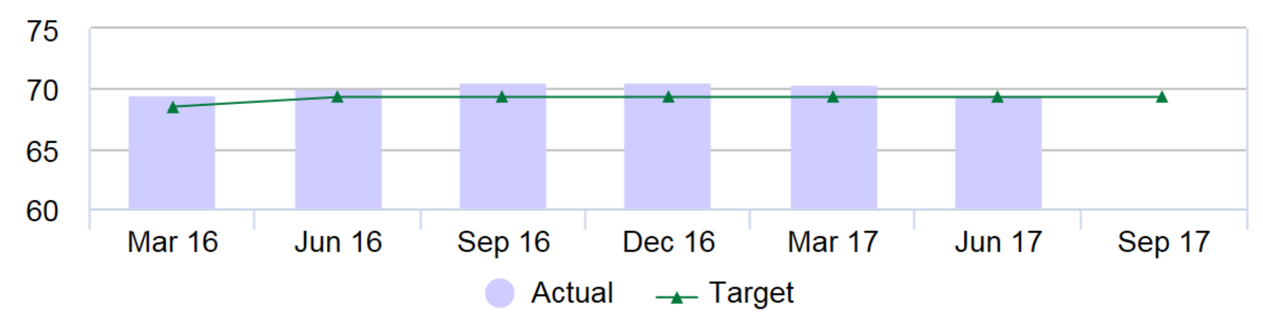
Current: 44%	Target: 75%	Previous: 85%

Percentage of municipal waste recycled or converted to energy and not taken to landfill - rolling 12 months	GREEN ⇧



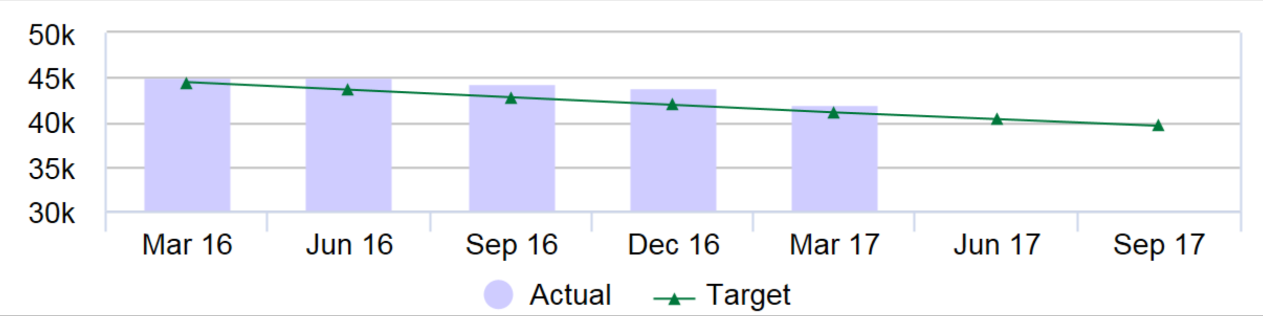
Current: 99.3%	Target: 94.7%	Previous: 97.9%

Percentage of waste recycled and composted at Household Waste Recycling Centres (HWRC) – rolling 12 months	GREEN ⇩



Current: 69.4%	Target: 69.3%	Previous: 70.1%

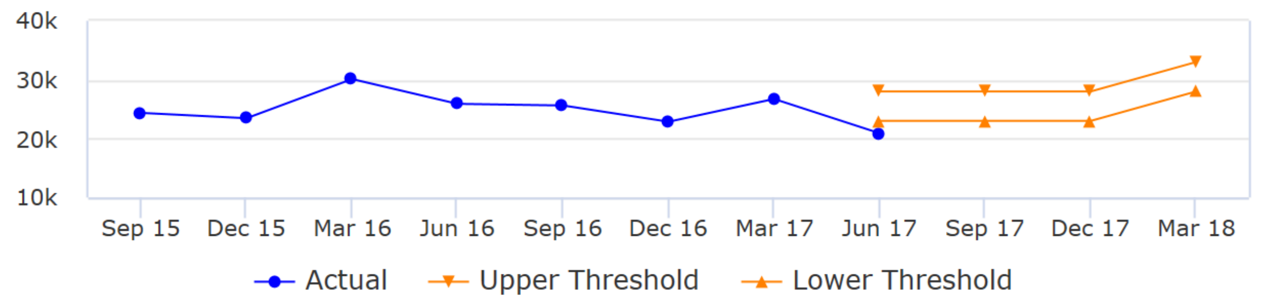
Greenhouse Gas emissions from KCC estate (excluding schools) in tonnes – rolling 12 months	AMBER ⇧



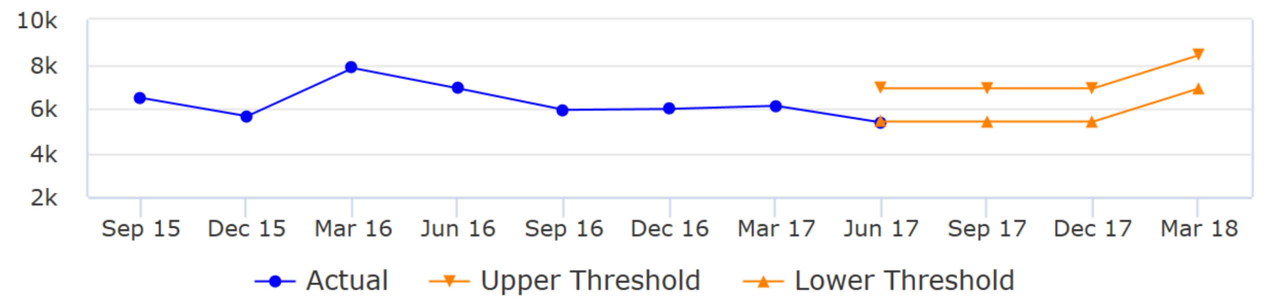
Current: 41,774	Target: 41,050	Previous: 43,559

Activity indicators

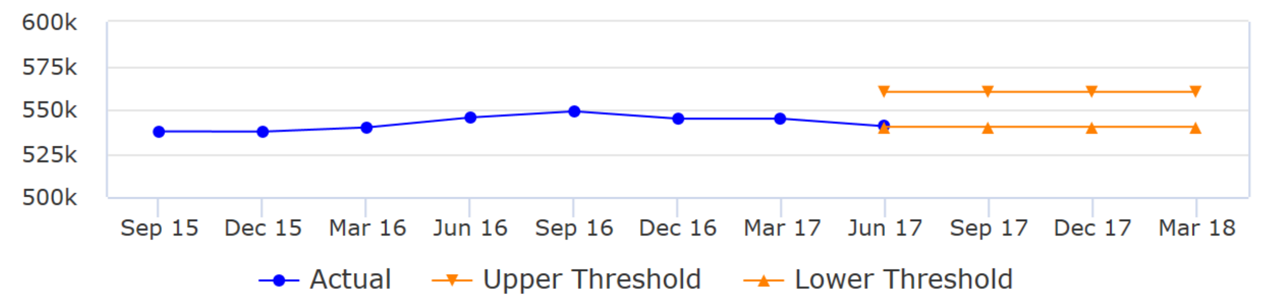
Number of Highways enquiries raised for action - by quarter



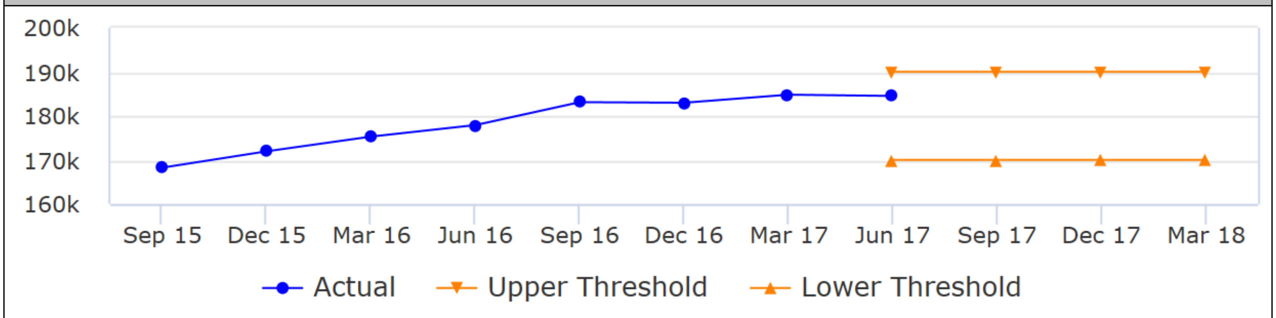
Highways Open enquiries work in progress (Routine and Programmed works)



Tonnage collected by districts - rolling 12 months



Tonnage managed through HWRC - rolling 12 months



Education and Young People	
Cabinet Members	Roger Gough
Corporate Director	Patrick Leeson

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	5	**3**	**1**	**4**	**3**	**2**

Schools
The provisional results for Primary school attainment outcomes in summer 2017 were above the national average. In the Early Years Foundation Stage 74.2% of children attending a school in Kent achieved a good level of development compared to the emerging national figure of 70.7%. At Key Stage 2 64% achieved the expected standard compared to the national figure of 61%.

In June 2017, 501 of the 547 schools in Kent were good or outstanding. This means in Kent 90.2% of pupils were attending good or outstanding schools compared to 86.4% at the same time last year, an increase of 10,799 children receiving a better education. Kent has 22% of schools judged to be outstanding compared to the national figure of 21%.

The percentage of Primary schools judged by Ofsted as good or outstanding was 91.7%. The proportion of Secondary schools that are good or outstanding was 89.5%. In June 2017 all Special schools were good or outstanding.

We remain determined and working in partnership with schools to continue the positive trajectory seen in Kent. Improving outcomes and reducing the performance gaps are at the forefront of our work. One of the priorities moving forward is to increase the number of schools graded as outstanding and moving those who require improvement to become good as quickly as possible. We are on track for our long term target that 95% of schools will be good or outstanding by 2020.

Early Years
The percentage of Early Years settings which were rated Good or Outstanding at 98% was above the 96% target. This is excellent progress, and sustaining this standard whilst also increasing the amount of outstanding provision remains a key priority for the Early Years and Childcare Service.

Other priorities include final preparations for the delivery of 30 Hours of Free Childcare with effect from September 2017, working in partnership with Children's Centres to continue to increase the take up of Free Early Education places by eligible two-year-olds, increasing the number of children achieving a Good Level of Development at the end of the Early Years Foundation Stage, narrowing achievement gaps, and increasing the number of Early Years settings working within a collaboration. The take-up for the free childcare entitlement for eligible two years olds in June 2017 was 65.3%

Skills and Employability
At the end of June 2017 the percentage of 16 and 17 year olds Not in Education, Employment or Training (NEET) was 3.2%. For the three month rolled average for November, December and January, which the DfE uses as its performance measure,

the result for Kent was 2.8%, which was in line with national figure of 2.7%. This was an improvement on the 2016 figure of 3.0% for Kent compared to 2.7% nationally.

Significant progress continues to be made to reduce both the NEET and Not Known numbers. The Not Known figures are the lowest they have been for 4 years. An increasing number of districts have met the monthly targets for NEET reduction and in the other districts the number of NEETs has remained relatively stable due to effective partnerships being established with schools' colleges and employers.

New Early Help commissioning arrangements for NEET support started in December 2016, with CXK being the provider for this more bespoke support for the more challenging NEET cases. They are working with young people in the Year 12 and 13 age groups who are NEET and who need more specialist support and guidance to ensure they can move into a positive destination that meets their individual needs and 358 cases were allocated to CXK between December 2016 and March 2017. Regular contract management meetings are reviewing performance, referral pathways and the capacity of the service to support a greater number of NEETs.

The current estimate for the percentage of 16 to 18 year olds who start an apprenticeship is 5.3% which is 0.9 percentage points below the target, and similar to last year. With the introduction of the Apprenticeship Levy in April 2017 we expect to see a significant increase in number of apprentices over the next 4 months. The Made in Kent campaign has seen the number of applicants for apprenticeships significantly increase through the Apprenticeship Kent website

SEND

Provisional data for the percentage of Education, Health and Care Plans (EHCPs) issued within the statutory 20 weeks was 74% (597 out of 807) in the quarter against a target of 85%.

In the past year, KCC's Special Educational Needs teams are receiving new referrals for statutory assessment at an unprecedented rate. The numbers across Kent are the highest the County Council has ever seen, having carried out 1004 statutory assessments in 2016 compared with 880 in 2014. The Service saw a 16% rise over the last year. This is in addition to assessing over 8,000 existing pupils with Statements who must be transitioned to new Education Health and Care Plans. Managing transitional arrangements alongside new assessments is adversely impacting on the proportion that can be completed within 20 weeks.

School Places and Admissions

For admission in September 2017 over 80% of parents secured their first preference secondary school and 89% of families securing their first preference school for primary schools places. An additional 240 Reception places and 488 Year 7 places have been made available, ready to receive children in September 2017.

For 2016/17 across Kent as a whole, the target of maintaining at least 5% surplus capacity has been met at the Secondary phase but not at the Primary phase. At the Primary phase, there are seven districts with less than 5.0% surplus capacity compared to six districts last year. For Year Reception, four districts do not have at least 5% surplus capacity, up from three last year. At the Secondary phase, eleven out of twelve districts met the 5% surplus capacity target and for Year 7, five districts do not have at least 5% surplus capacity, up from four last year.

Early Help
At any one time there are around 3,000 cases open to Early Help units which equates to support for around 7,000 children and young people aged 18 and under.

The percentage of Early Help cases closed with outcomes achieved this quarter remained the same as the previous quarter at 77%. We are now receiving higher volumes of Domestic Abuse Notifications from the Police prior to consent being gained, and a significant proportion of these families do not wish to engage with any services so the cases are closed due to disengagement. However, for unit cases initiated via an Early Help Notification 83% of cases are closed with outcomes achieved, which is above the 80% service standard.

For permanent exclusions, the rolling 12 months total remains stable (across both Primary and Secondary phases) at 0.03% and meeting the target. The number of pupils excluded in the last 12 months was 71, a small increase compared to the previous year of 69, with 20 from Primary schools and 51 from Secondary schools. Dartford has permanently excluded 14 pupils, Gravesham 11. Ashford and Thanet have zero permanent exclusions.

The number of first time entrants to the Youth Justice system at 313 in the last 12 months was better than the target of 330, with numbers continuing to reduce each year.

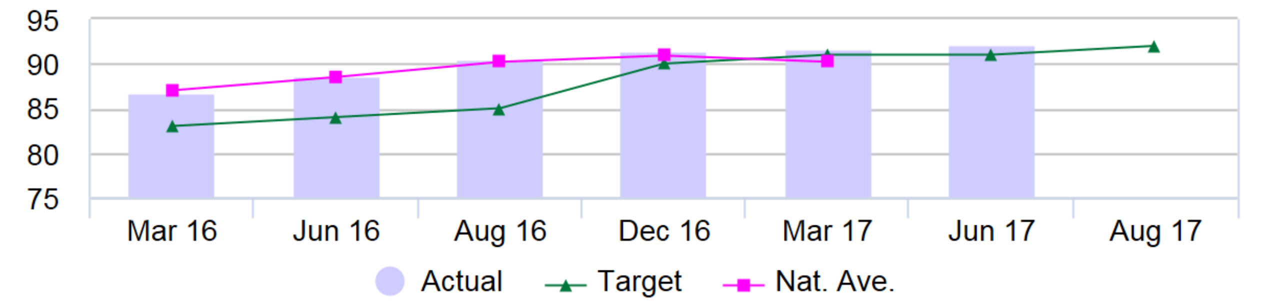
New ‘front door’ arrangements were due to be introduced from April 2017 to combine the SCS Central Duty Team and Early Help Triage team into a single front door for support services at intensive level or higher, with a single ‘request for services’ form for schools and other agencies to complete. The implementation of a new ‘front door’ has been put back until the autumn to allow for the learning and changes identified by the recent Ofsted inspection to be explored in greater detail.

All work within the service is underpinned by a Quality Assurance Framework, with a clear cycle for audit, evaluation and feedback. Family work is underpinned by the Signs of Safety model which has been rolled out to all staff working with families. Audit performance has shown good progress across casework, outcomes and impact, and a new audit tool is providing a stronger focus on evidencing impact.

The way in which schools access support from the PRU, Inclusion & Attendance service has been streamlined. This process ensures one single route into the service, through a new Digital Front Door, and appropriate and timely allocation of work. Since this was rolled out feedback from schools has been very positive.

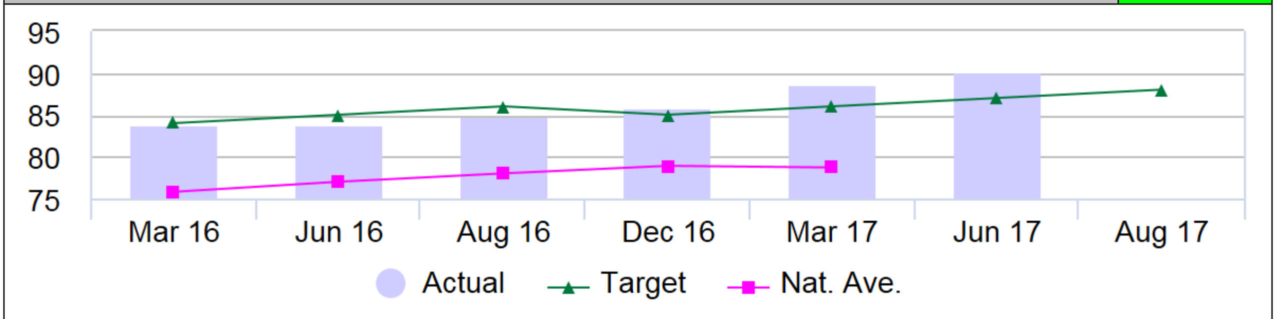
Key Performance Indicators

Percentage of Primary schools with Good or Outstanding Ofsted inspection judgements	GREEN ⇧



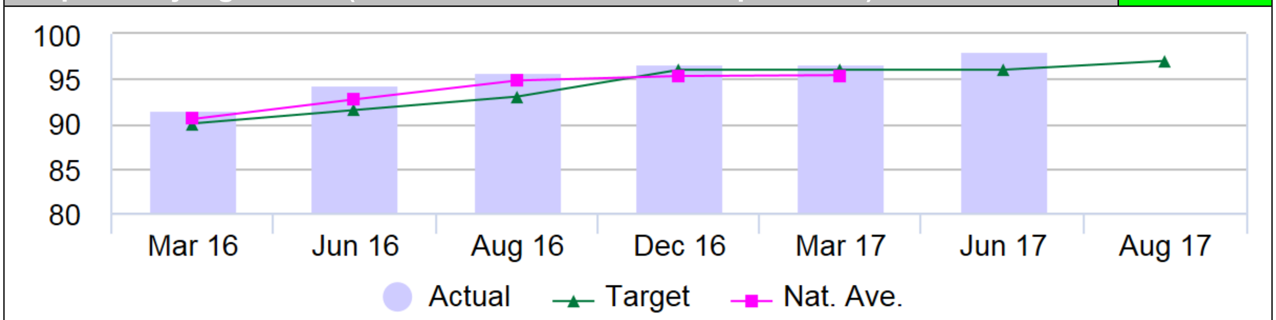
Current: 92%	Target: 91%	Previous: 91%

Percentage of Secondary schools with Good or Outstanding Ofsted inspection judgements	GREEN ⇧



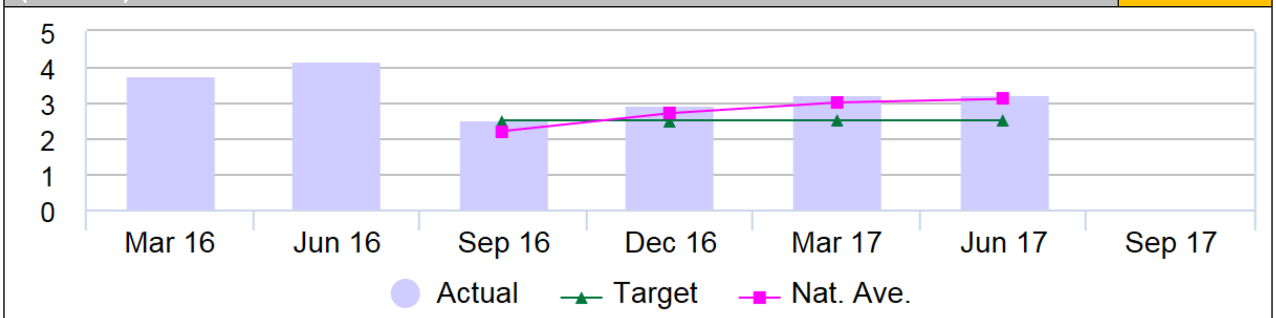
Current: 90%	Target: 87%	Previous: 88%

Percentage of Early Years settings with Good or Outstanding Ofsted inspection judgements (childcare on non-domestic premises)	GREEN ⇧



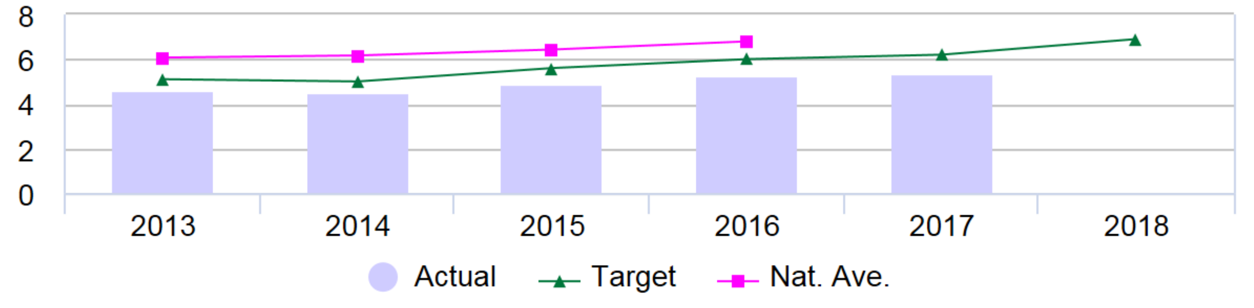
Current: 98%	Target: 96%	Previous: 96%

Percentage of 16-17 years olds Not in Education, Employment or Training (NEETs)	AMBER ⇔



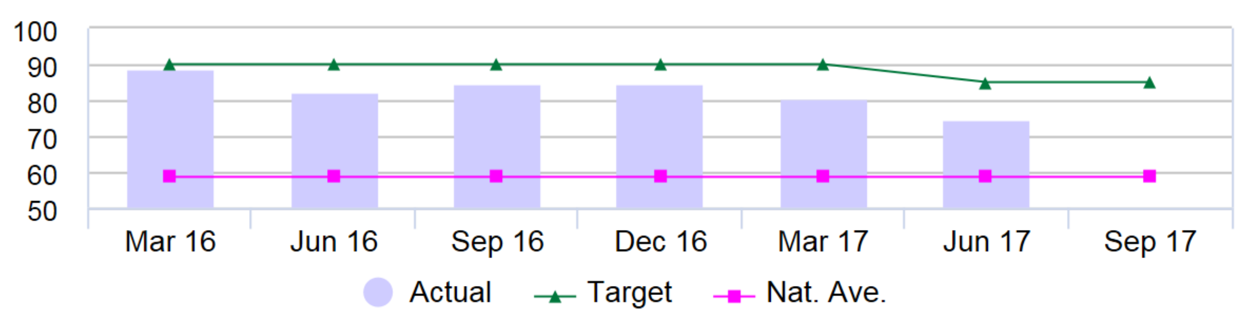
Current: 3.2%	Target: 2.5%	Previous: 3.2%

Percentage of 16-18 year olds who start an apprenticeship		AMBER ⇧



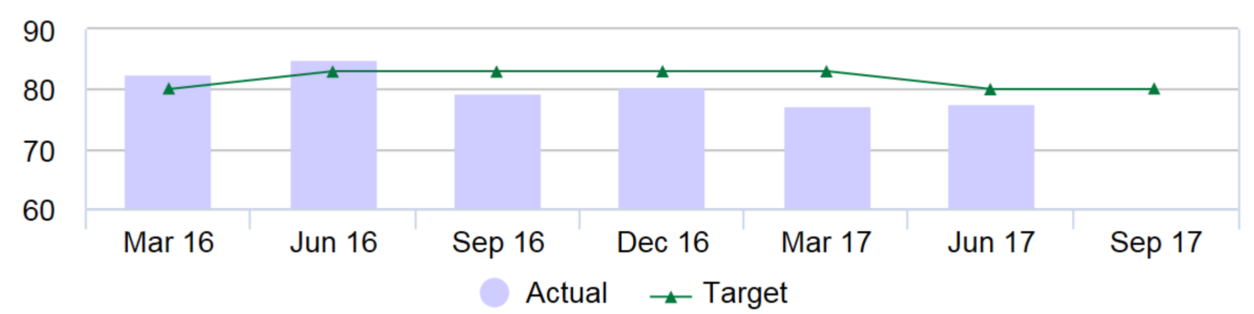
Current (Estimate): 5.3%	Target: 6.2%	Previous: 5.2%

Percentage of Education, Health and Care Plans (EHCPs) issued within 20 weeks		RED ⇩



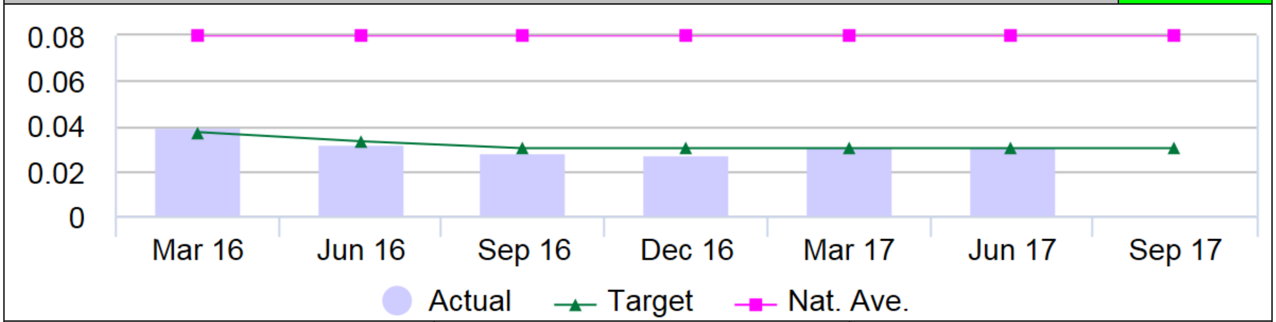
Current: 74%	Target: 85%	Previous: 80%

Percentage of cases closed by Early Help Units with outcomes achieved		AMBER ⇔



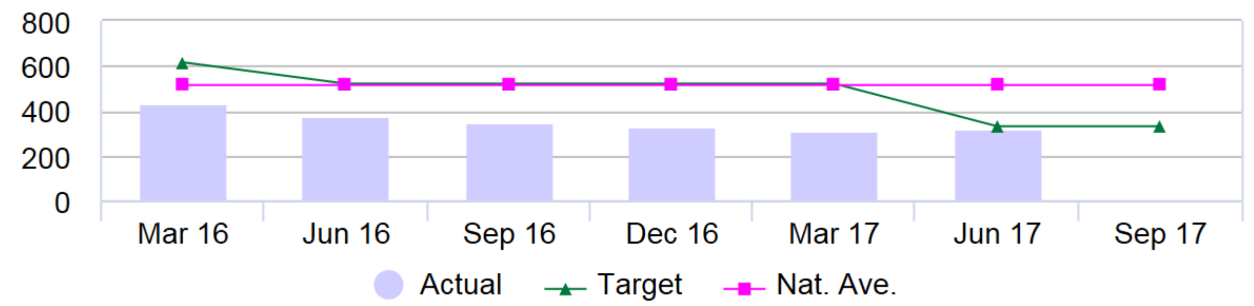
Current: 77%	Target: 80%	Previous: 77%

Percentage of pupils permanently excluded from school - rolling 12 months		GREEN ⇔



Current: 0.03%	Target: 0.03%	Previous: 0.03%

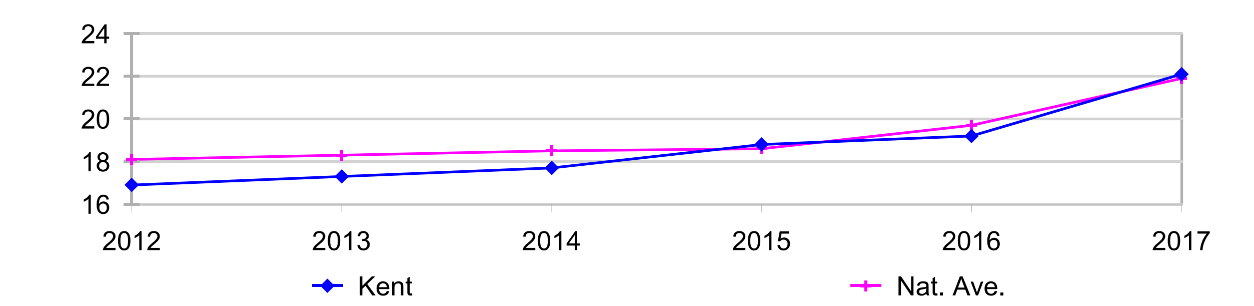
Number of first time entrants to youth justice system - rolling 12 months	GREEN ⇩



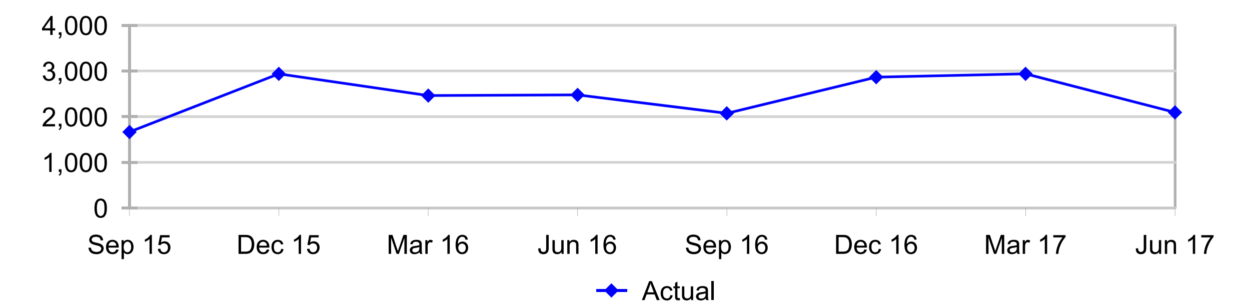
Current: 313	Target: 330	Previous: 304

Activity indicators

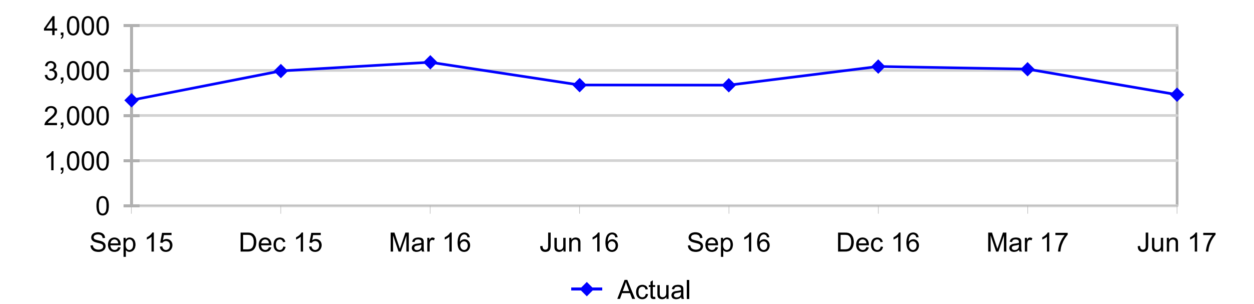
Young people with SEN Statements or EHCPs per 1,000 population aged 0 to 19

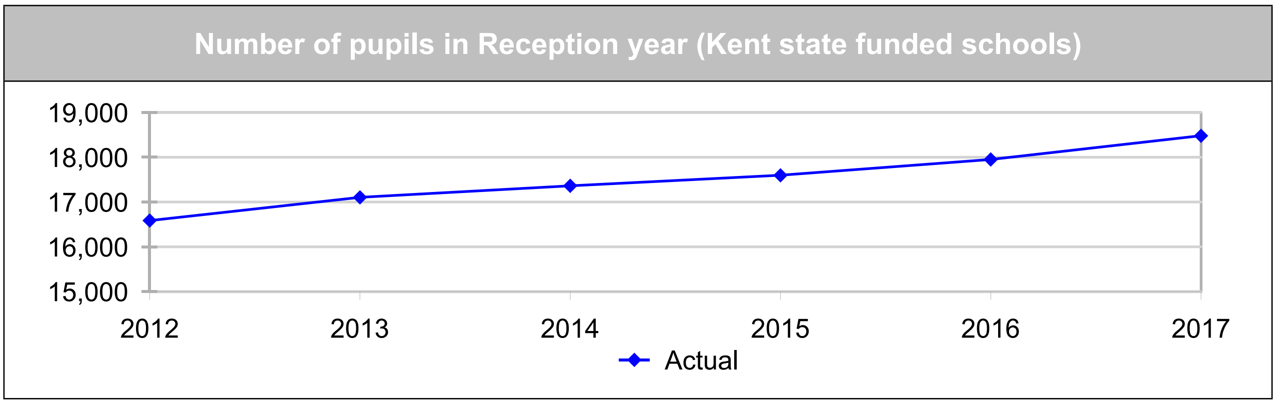


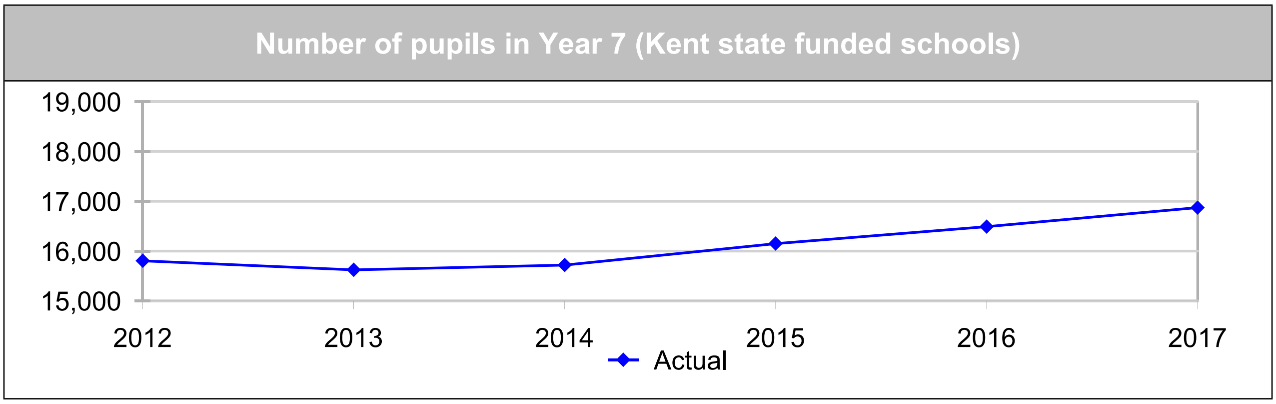
Number of Early Help notifications processed by Triage

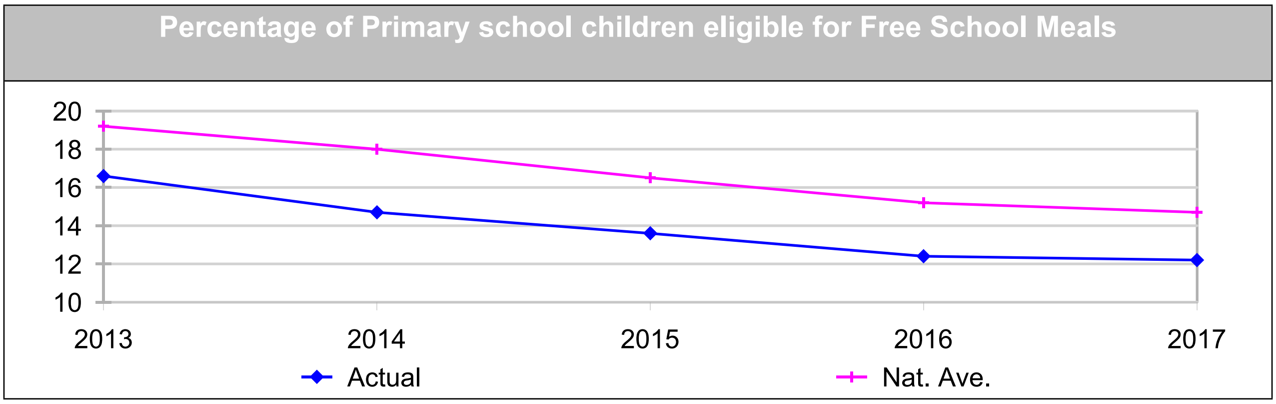


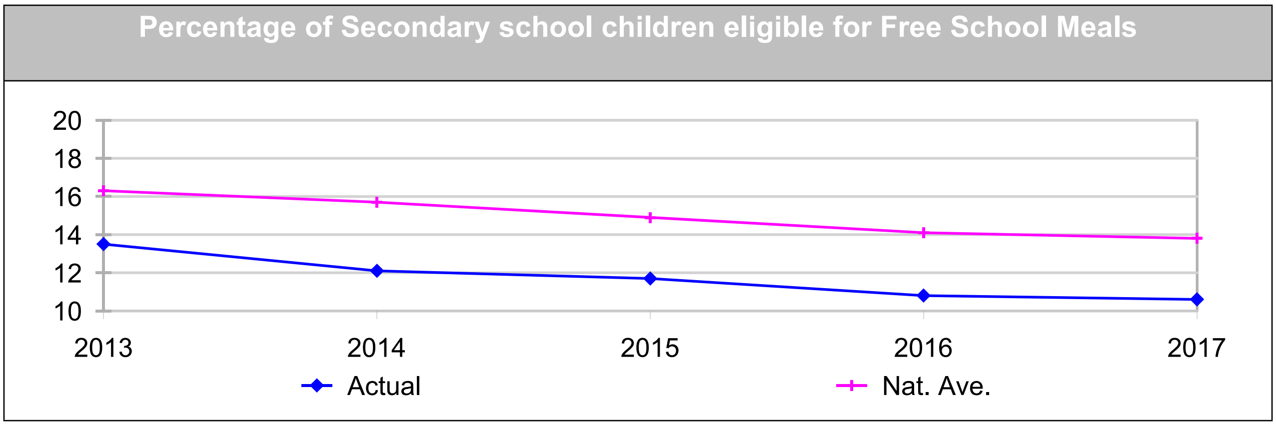
Number of open Early Help cases managed by Units




Number of pupils in Reception year (Kent state funded schools)
19,000
18,000
17,000
16,000
15,000
2012
2013
2014
2015
2016
2017
Actual


Number of pupils in Year 7 (Kent state funded schools)
19,000
18,000
17,000
16,000
15,000
2012
2013
2014
2015
2016
2017
Actual


Percentage of Primary school children eligible for Free School Meals
20
18
16
14
12
10
2013
2014
2015
2016
2017
Actual
Nat. Ave.


Percentage of Secondary school children eligible for Free School Meals
20
18
16
14
12
10
2013
2014
2015
2016
2017
Actual
Nat. Ave.

Specialist Children's Services	
Cabinet Member	Roger Gough
Corporate Director	Andrew Ireland

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	4	**3**		**3**	**1**	**3**

The service was subject to an Ofsted inspection in March 2017 and the outcome was that the service was found to be 'good'. The report recognises that substantial improvements have been made since the previous inspection, despite some difficult challenges along the way.

Staffing and Quality of Practice

The percentage of case holding social worker posts held by permanent qualified social workers remained at 80%, which is the same as for March 2017. The percentage of Social Worker posts being filled by Agency Social Workers had been reducing each quarter since March 2016 but for the first quarter of 2017/18 this increased, from 13% in March 2017 to 17% in June 2017.

The percentage of case files rated good or outstanding shows a slight increase in performance which is due to the completion of the audits outstanding using the previous on-line audit tool. A revised version of the on-line audit tool has been put in place for 2017/18 which moves the focus of the audit away from that of compliance to one in which the focus is on the quality of practice and the quality of intervention for the child/young. In addition to the on-line audits, the Safeguarding and Quality Assurance Unit routinely undertake a programme of targeted, thematic audits and a programme of themed audits which arise from the service's self-scrutiny. Information gathered from both of these audit programmes are used to drive continuous service improvement.

Demand and Caseloads

Referral figures continue to demonstrate an increase in demand. In April to June 2017 there were 5,176 which compares to 4,456 referrals for the previous quarter, and 4,228 referrals for the same period in 2016. This represents a 16% increase compared to the last quarter, and a 22% increase when compared to Quarter 1 of 2016/17. A proportion of the increase can be accounted for by the change in practice in the Central Duty Team which has led to an increase in the conversion rate of contacts to referrals. The impact of this has been an increase in the overall caseload numbers for the service, from 9,840 at the end of March 2017, to 10,692 at the end of June 2017, an increase of 852 cases.

Child Protection

There were 1,283 children with child protection plans at the end of June 2017, which was an increase of 98 from the previous quarter and this remains within the expected range. The percentage of children becoming subject to a child protection plan for a second or subsequent time has decreased from 19% to 18% in the quarter, which is close to the last published rate for England of 17.9% (for 2015/16). Plans for those children who have previously been subject to a Child Protection Plan are regularly reviewed by the Safeguarding and Quality Assurance Unit.

Adolescents
Alongside the established Adolescent Support Teams, work is being led by the Specialist Children's Services (SCS) and Early Help and Preventative Services Joint Divisional Management Team to ensure the safety of teenagers who find themselves at risk of homelessness. A project is underway to review the offer by SCS and district housing officers to ensure that there is alternative accommodation and that young people are not placed in Bed and Breakfast accommodation.

Children in Care
At 1,398 the number of indigenous children in care decreased by 14 in the quarter. The number of indigenous children in care placed with Independent Fostering Agencies decreased by 4 in the quarter, from 153 in March 2017 to 157 in June 2017. The number of children in care placed in Kent by other Local Authorities decreased by 16 in the quarter and at the end of June 2017 was 1,303.

The stability of children in care who have been in the same placement for the last two years has decreased from 69% in March 2017 to 68% in June 2017, and is below target of 70%. The percentage of indigenous children placed in KCC foster care or with family has remained at 86% which is the same as the previous quarter and is above the target of 85%.

Adoption
For children who were adopted in the last 12 months the average number of days between coming into care and moving in with their adoptive family was 354 days. This was an increase of 1 day from the previous quarter. Kent continues to exceed the nationally set target of 426 days.

UASC
During 2015 Specialist Children's Services (SCS) saw an unprecedented rate of arrivals of Unaccompanied Asylum Seeking Children (UASC), which far exceeded previous years. The number of UASC in care at the end of June 2017 was 403, which is a reduction of 78 since March 2017. As at the 27th June 2017, 203 young people had been transferred to the responsibility of Other Local Authorities under the National Transfer Scheme for UASC which was launched in July 2016.

Voice of the Child
Since April 2017 the Service has increased its use of MOMO (Mind of Your Own), a Web based App that provides a way for children and young people to tell their social workers what they think about the services they receive, and about their care plan. Young people report that the App is easy and they like using it so it is anticipated that this will further improve the intelligence around the wishes and feelings of children and young people.

Care Leavers
The number of Care Leavers increased from 1,361 in March 2017 to 1,419 in June 2017. The rise includes a number of UASC who became Care Leavers in the quarter, which increased from 733 in March 2017 to 776 in June 2017. The performance measure for Care Leavers who the Authority is in touch with who are in suitable accommodation improved from 92% in March 2017 to 94% in June 2017. The numbers of Care Leavers in Employment, Education and Training has continued to improve and for June 2017 was 64% which is close to the Target of 65%.

Our Children in Care (including Unaccompanied Asylum Seeking Children)

Age Profile

Age Group	Sep 16	Dec 16	Mar 17	Jun 17
0 to 4	194	193	187	182
5 to 9	284	255	253	252
10 to 15	812	773	750	717
16 to 17	924	855	703	650
Total	**2,214**	**2,076**	**1,893**	**1,801**

Gender

	Sep 16	Dec 16	Mar 17	Jun 17
Male	1,537	1,423	1,249	1,163
Female	677	653	644	638

Ethnicity

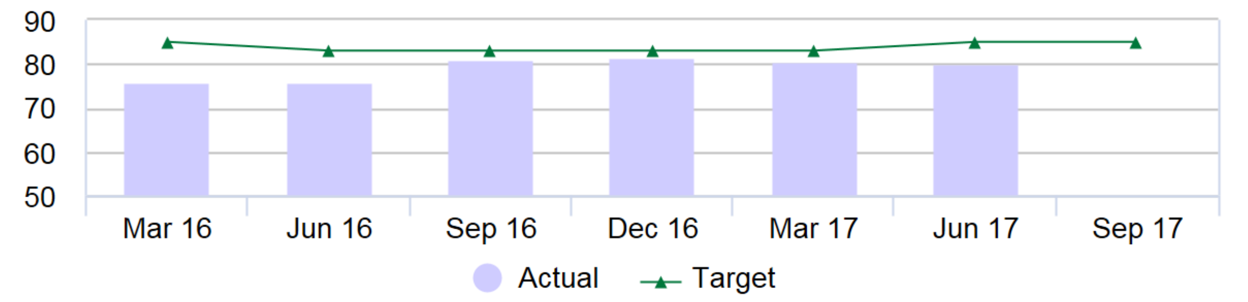
	Sep 16	Dec 16	Mar 17	Jun 17
White	1,355	1,318	1,309	1,288
Mixed	80	84	87	90
Asian	59	49	48	47
Black	333	277	196	158
Other	387	348	253	218

Kent and Unaccompanied Asylum Seekers (UASC)

Status	Sep 16	Dec 16	Mar 17	Jun 17
Kent Indigenous	1,448	1,416	1,412	1,398
UASC	766	660	481	403

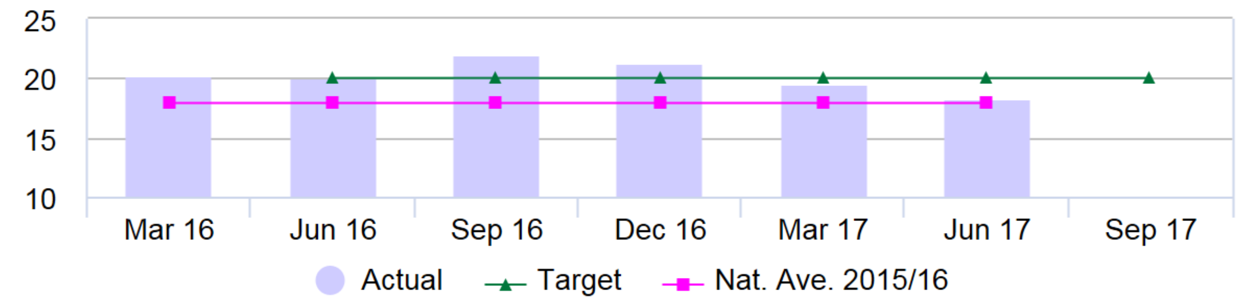
Key Performance Indicators

Percentage of case holding posts filled by permanent qualified social workers	AMBER ⇔



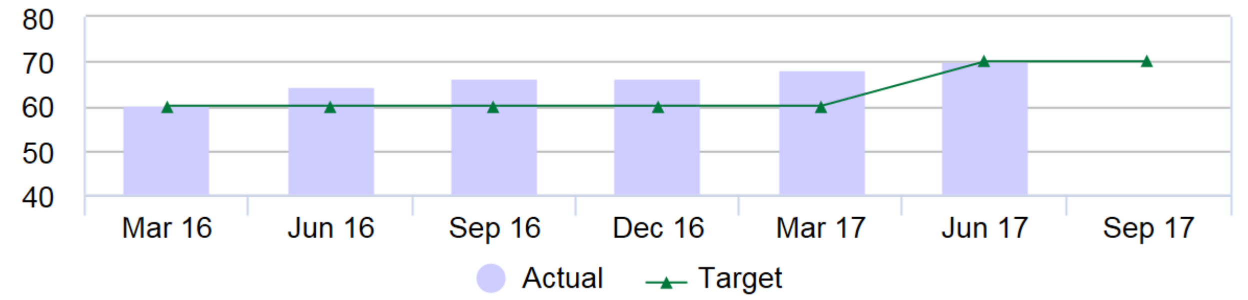
Current: 80%	Target: 85%	Previous: 80%

Percentage of children becoming subject to a child protection plan for the second or subsequent time - rolling 12 months	GREEN ⇧



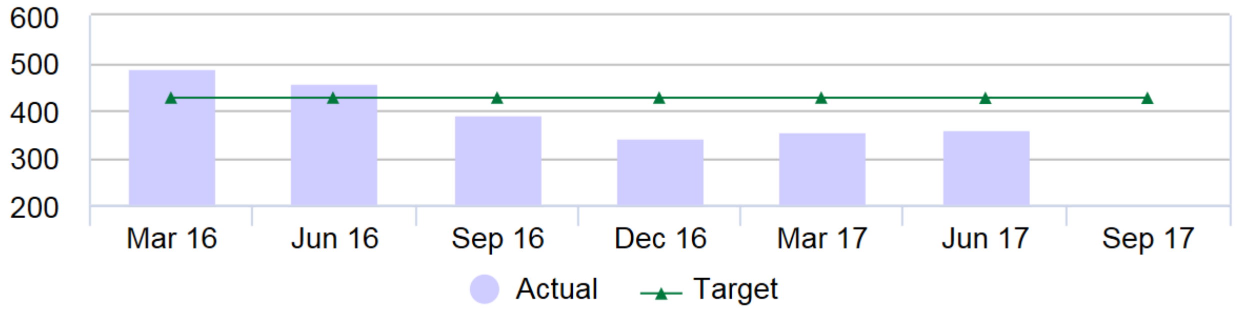
Current: 18%	Target: 20%	Previous: 19%

Percentage of on-line Case File Audits rated as Good or outstanding - rolling 12 months	GREEN ⇧



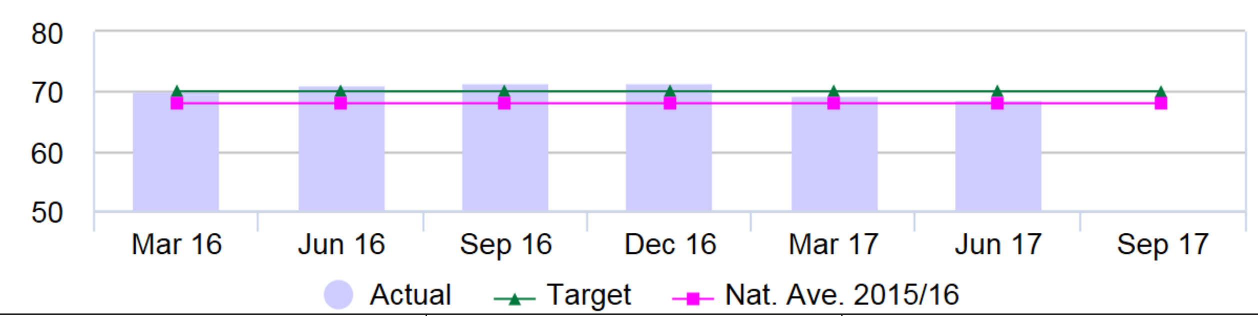
Current: 70%	Target: 70%	Previous: 68%

Average number of days between becoming a child in care and moving in with an adoptive family - rolling 12 months	GREEN ⇩



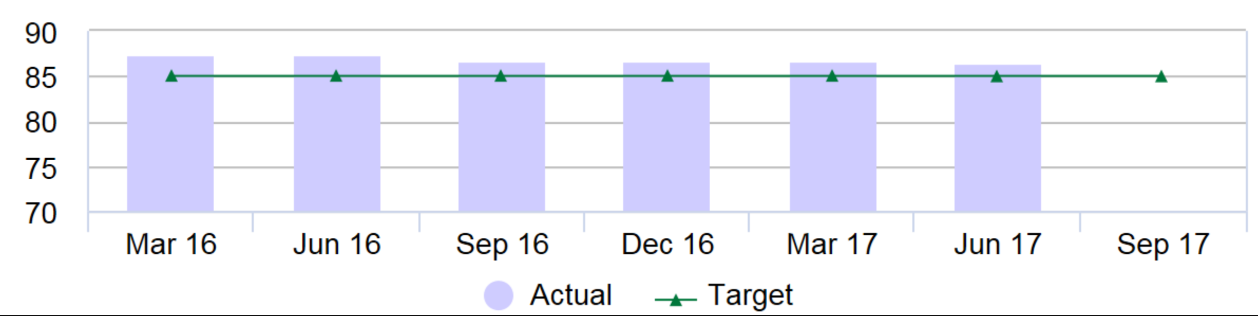
Current: 354	Target: 426	Previous: 353

Children in Care in same placement for the last 2 last years (for those in care for 2 and half years or more)	AMBER ⇩



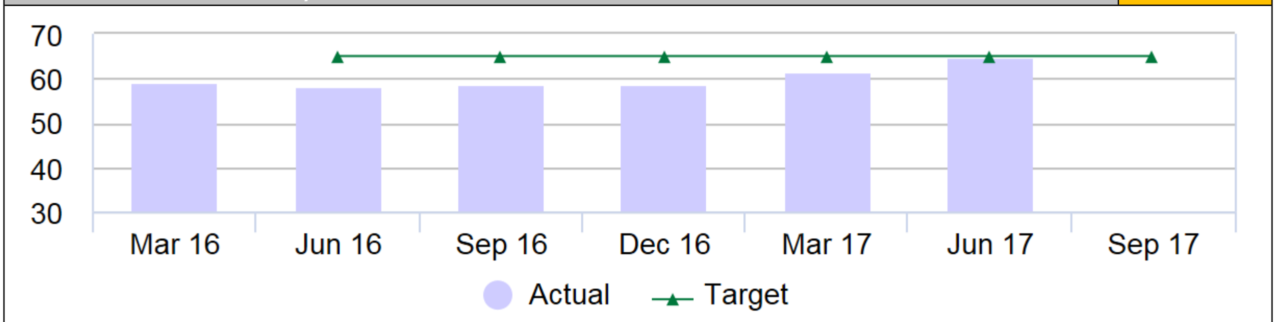
Current: 68%	Target: 70%	Previous: 69%

Percentage of indigenous children in foster care placed in house or with family and friends (excludes care leaving service)	GREEN ⇩



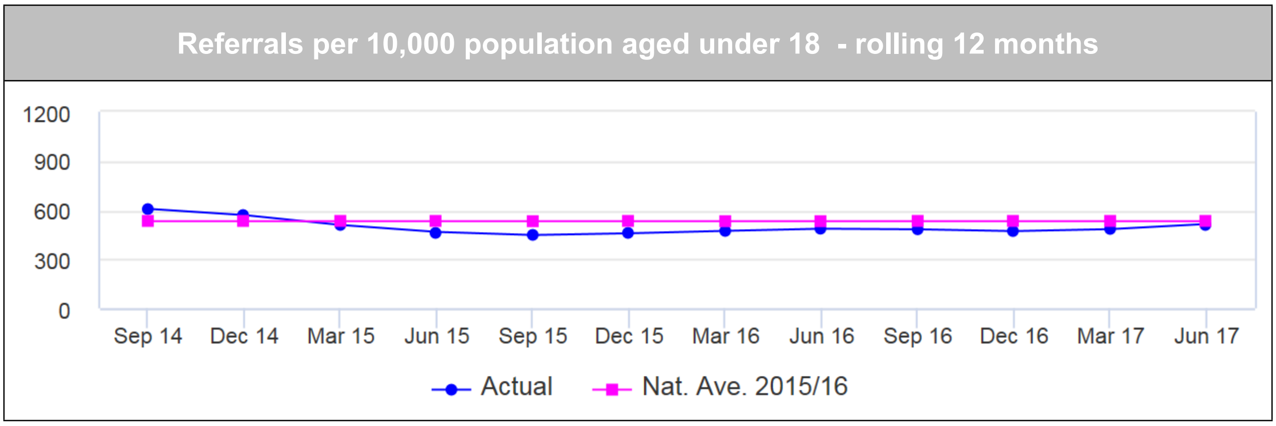
Current: 86%	Target: 85%	Previous: 87%

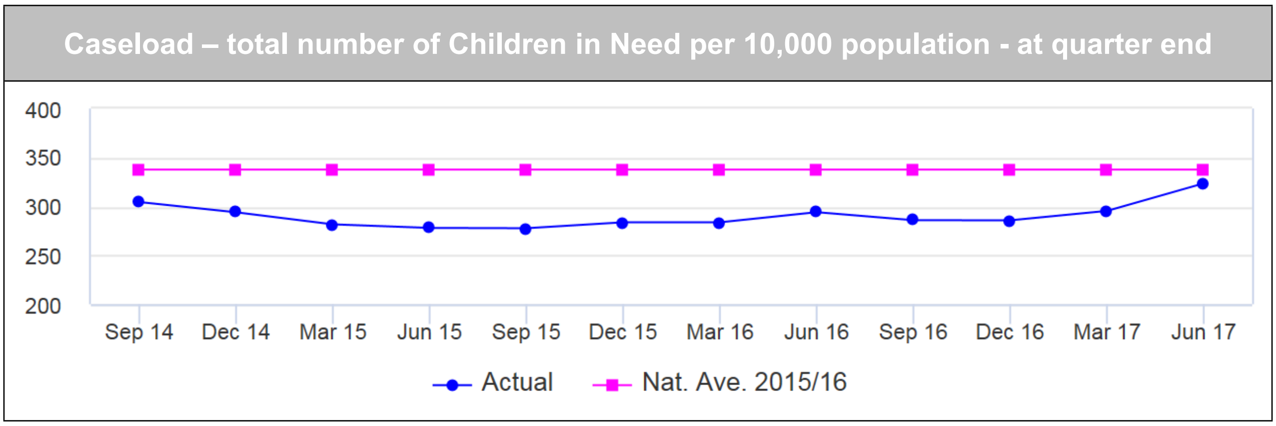
Percentage of care leavers in education, employment or training (of those KCC is in touch with)	AMBER ⇧

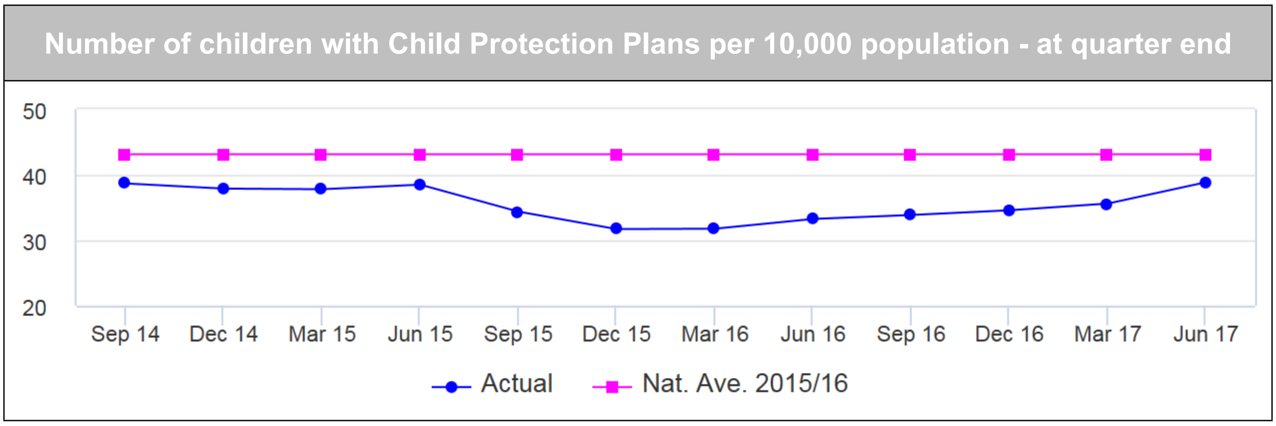


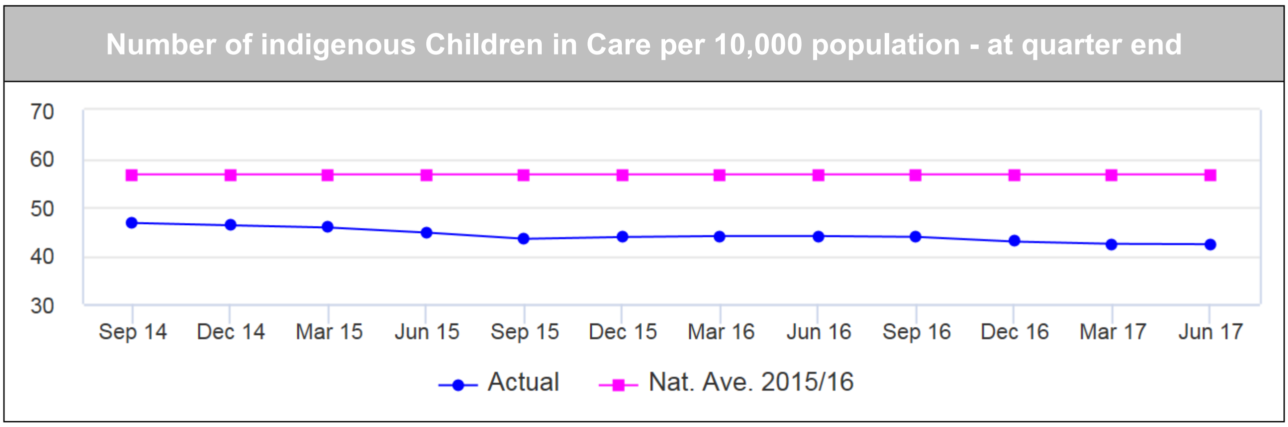
Current: 64%	Target: 65%	Previous: 61%

Activity indicators

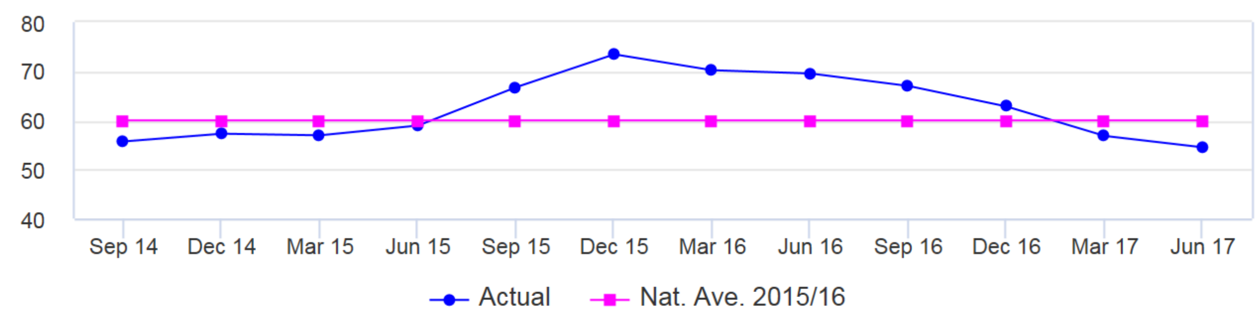




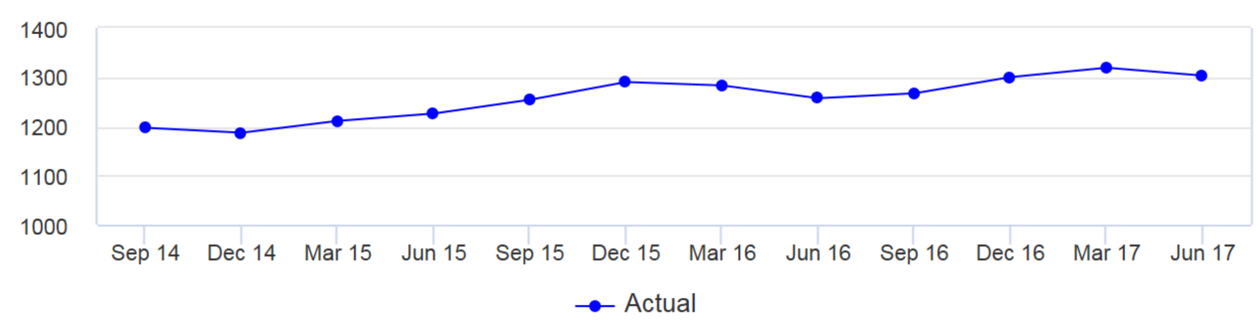




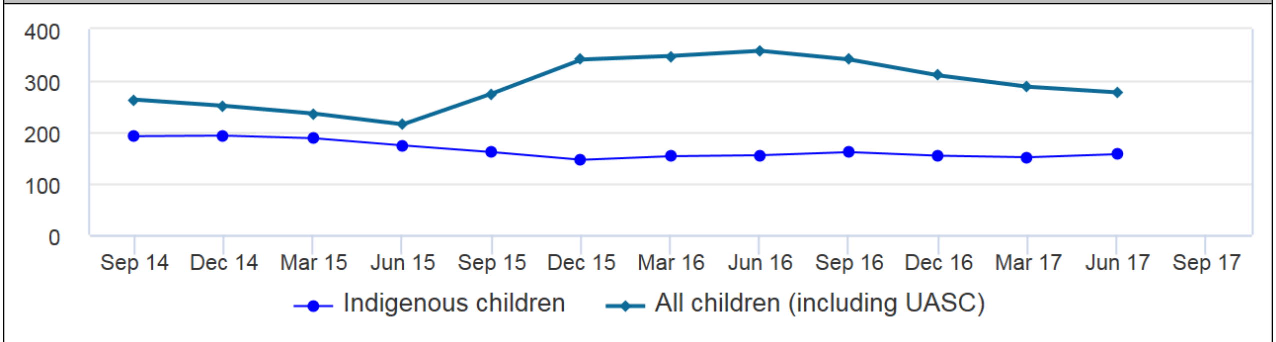
All Children in Care including UASC per 10,000 population - at quarter end



Number of other local authority children in care placed into Kent



Number of children in care placed with independent fostering agency



Adult Social Care	
Cabinet Member	Graham Gibbens
Corporate Director	Anu Singh

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	3	**2**	**1**	**4**		**2**

The percentage of contacts resolved at first point of contact remained ahead of target for the quarter.

The number of referrals to Enablement decreased by 152 during the quarter and was 10.5% behind target. There have been significant problems with the availability of homecare in some part of the county, particularly in North Kent, which is impacting on the capacity of the Enablement service to accept new referrals. Our in house Kent Enablement at Home (KEaH) Service is being used to support hospital discharges, double handed care and provider handbacks where the market is unable to provide a service for some clients. In effect the service is being used to support some clients with ongoing homecare support needs, rather than providing a time limited enablement service as intended. The issue is therefore clients not leaving the service which impacts on the capacity within KEaH to accept new clients with enablement potential. Use of the Social Care New Monies in relation to market sustainability is intended to help address the homecare market capacity issues which are impacting on throughput in the enablement service and it is expected that this will deliver improvement later this financial year.

The percentage of clients still independent after enablement continues to be above target. The introduction of Occupational Therapists within KEaH has resulted in more people receiving either a smaller package of care or no care following their completion of Enablement. Currently the average on going care package hours for clients following Enablement is just above target at 0.60 hours per week for those supported by KCC (6 minutes on average over the 30 minute target).

The number of clients receiving a Telecare service continues to increase and now sits at 6,352.

The number of admissions of older people aged 65 and over into residential and nursing home reduced this quarter. However, the average residential care starts (19.7 per week) are still slightly higher than the target of 19.4 starts per week and the average nursing care starts (11.6 per week) are also slightly higher than the target of 10.95 nursing starts per week. These are closely monitored and all teams have now implemented the Swale Practice Assurance Panel approach with the aim of reducing admissions into residential care in particular.

The proportion of delayed discharges from hospital where KCC was responsible in the last quarter was ahead of the 30% target at 21.5%. This is based on local reporting based on the weekly average number of people experiencing delays over the quarter. National statistics for delayed discharges from the NHS are based on the number of days and this shows Kent at 13.1 days per 100,000 population for the quarter of which 4.0 are due to social care. This compares to 13.5 days for England, of which 5.1 are due to social care.

Safeguarding

In October 2015 the "Making Safeguarding Personal" approach was changed. This included changing Safeguarding Alerts to Safeguarding Enquiries. As a result of the changes we have seen a significant increase in the number of safeguarding concerns received with more activity now being captured. We expect to see the number of concerns raised level off as the new approach becomes embedded in practice.

Safeguarding improvement plans have been put in place to manage the increased cases activity and new cases are being dealt with more efficiently. Tighter controls of historic safeguarding cases open over 6 months have been put in place. A targeted exercise is due to commence with a view to completing and closing some of the long-standing cases.

Your life, your well-being

"Your life, your well-being: a vision and strategy for adult social care 2016-2021" was endorsed by the county council in December 2016. This is a five-year strategy which explains our plans for the future. It provides the basis for health and social care integration which is in progress and aims to deliver more person-centred care and support for people.

We know that demand for care and support is increasing, which is making finances come under pressure. At the same time, public expectations are changing; people want a life, not a service. Therefore, the service needs to continue to respond to these challenges, and the new strategy sets out how we will do this. The vision outlines in the strategy is *To help people to improve or maintain their well-being and to live as independently as possible.*

The strategy breaks our approach to adult social care into three themes. These are:

- Promoting wellbeing – supporting and encouraging people to look after their health and wellbeing to avoid or delay them needing adult social care.

- Promoting independence – providing short-term support so that people are then able to carry on with their lives as independently as possible.

- Supporting independence – for people who need ongoing social care support, helping them to live the life they want to live, in their own homes where possible, and do as much for themselves as they can.

Four 'building blocks' underpin what KCC must have in place in order to achieve the vision, effective protection (safeguarding), a flexible workforce, smarter commissioning and improved partnership working. KCC will use the vision and relevant sections of the strategy to inform the development and implementation of the Sustainability and Transformation Plan (STP) with the NHS.

The strategy will be delivered through the next phase of the adult social care transformation programme journey that we are already on. The details of how KCC will deliver it will be set out in an implementation plan which is currently in development for this strategy. In summary, this will include activity over the next 18 months around the following:

- Assessment - this involves investigating the current delivery model and assessing this against proposed alternatives supported by best practice, developing options to inform the next stage.

- Design - testing changes in specific areas and refining the expected financial benefits and getting ready for putting this into practice.

- Implementation - this means putting changes into practice across Kent and monitoring the benefits and making sure that performance is consistent.

Service User Feedback

All local authorities carry out a survey with their adult social care services users on an annual basis, as set out by Department of Health guidance. A sample of service users are chosen from all ages, all client groups and all services. The last survey in 2016-17 had responses from 726 service users in Kent.

The results of some of the key areas are found below. National averages are shown in brackets.

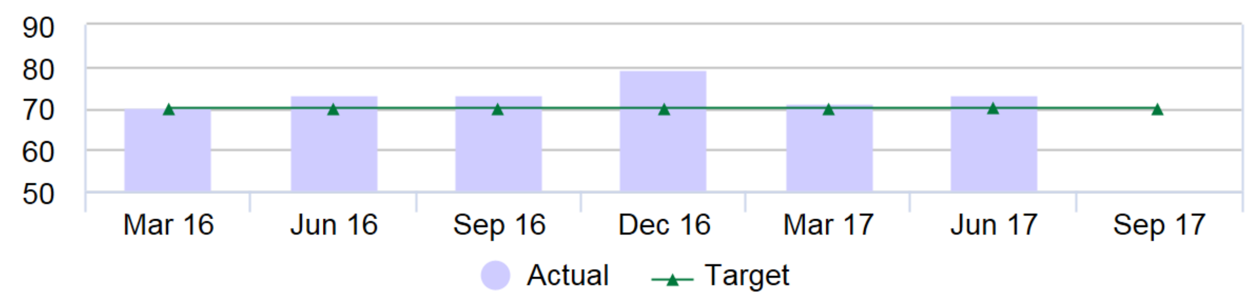
	2013-14	**2014-15**	**2015-16**	**2016-17**
Service users who are extremely or very satisfied with their care and support	66% (65%)	70% (62%)	66% (64%)	65% *(N/A)*
Service users who have adequate or better control over their daily life	78% (77%)	84% (77%)	80% (77%)	81% *(N/A)*
Service users who find it easy to find information about services	70% (75%)	78% (74%)	75% (74%)	74% *(N/A)*
Service users who say they feel safe as they want	65% (66%)	73% (69%)	71% (69%)	73% *(N/A)*
Service users who say that the services they receive help them feel safe and secure	76% (79%)	84% (85%)	85% (85%)	81% *(N/A)*

The Directorate Management Team have considered the results and the information gathered from the survey is being used together with further feedback from people that have volunteered to take part in additional surveys to understand how we can make improvements to the services we deliver.

Key Performance Indicators

Percentage of initial contacts resolved at first point of contact

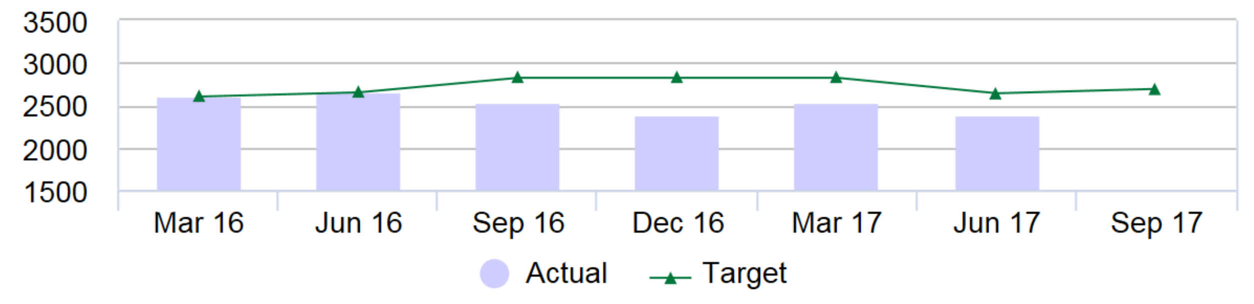
GREEN ⇧



Current: 73%	Target: 70%	Previous: 71%

Number of new clients referred to an enablement service

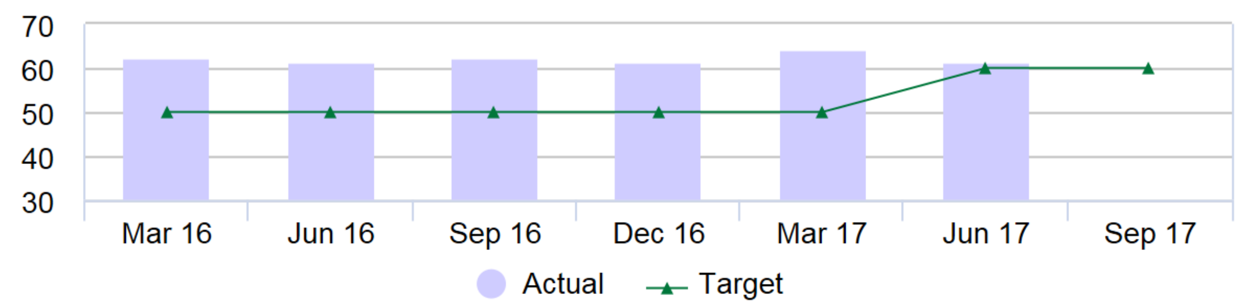
RED ⇩



Current: 2,362	Target: 2,639	Previous: 2,514

Percentage of clients still independent after receiving an enablement service

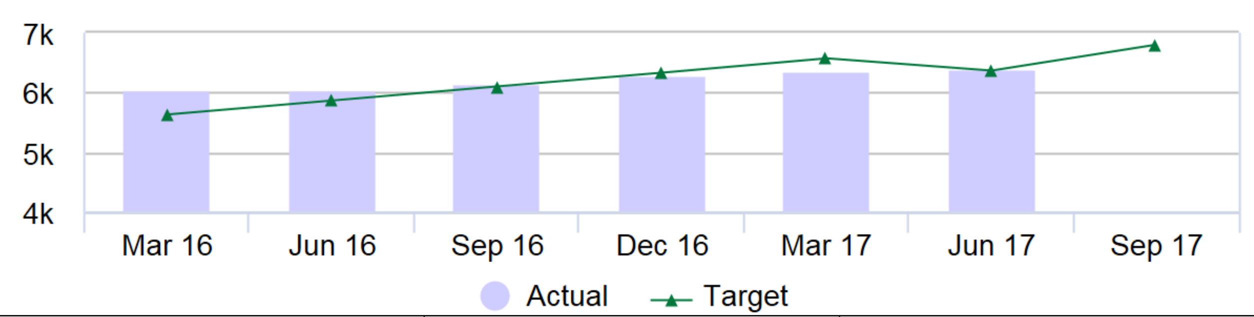
GREEN ⇩



Current: 61%	Target: 60%	Previous: 64%

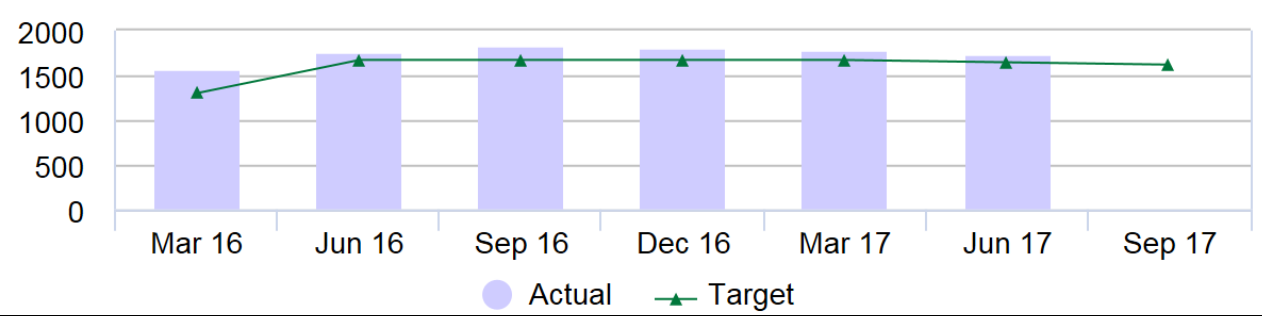
Number of clients receiving a Telecare service

AMBER ⇧



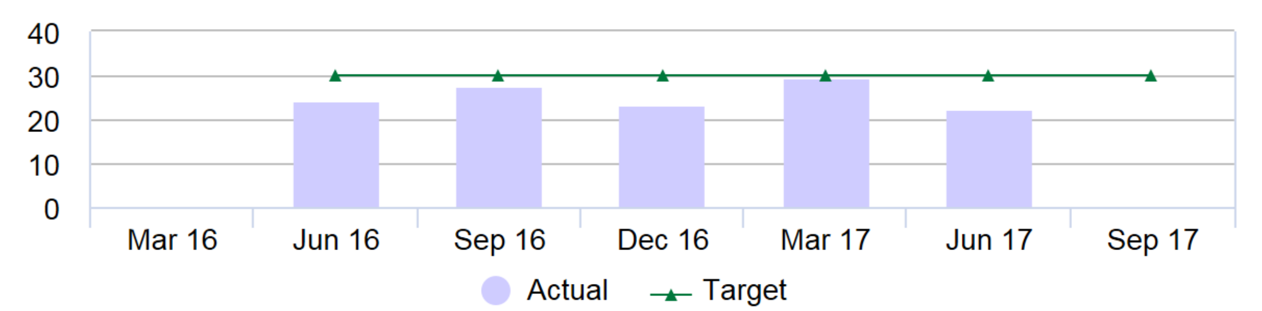
Current: 6,352	Target: 6,365	Previous: 6,345

Number of admissions to permanent residential and nursing care for older people - rolling 12 months	AMBER ⇧



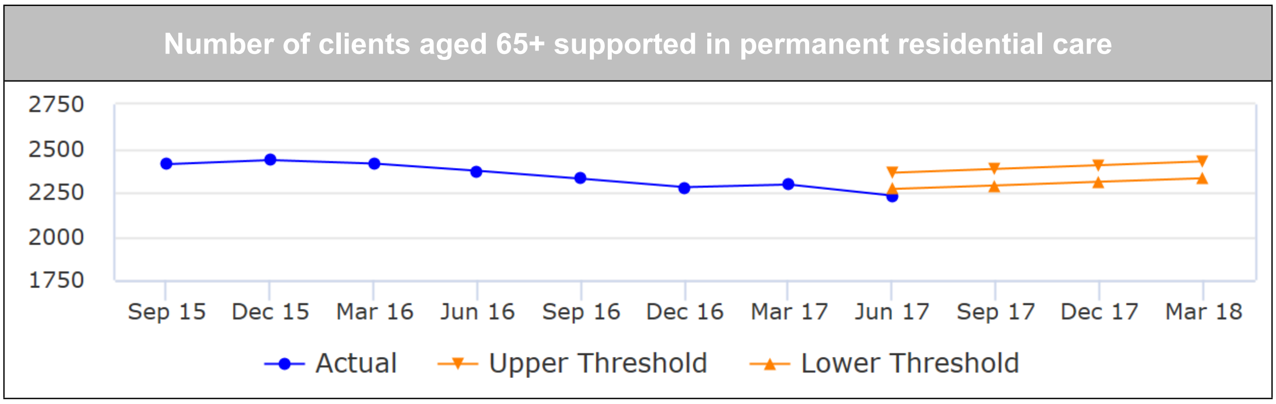
Current: 1,725	Target: 1,644	Previous: 1,758

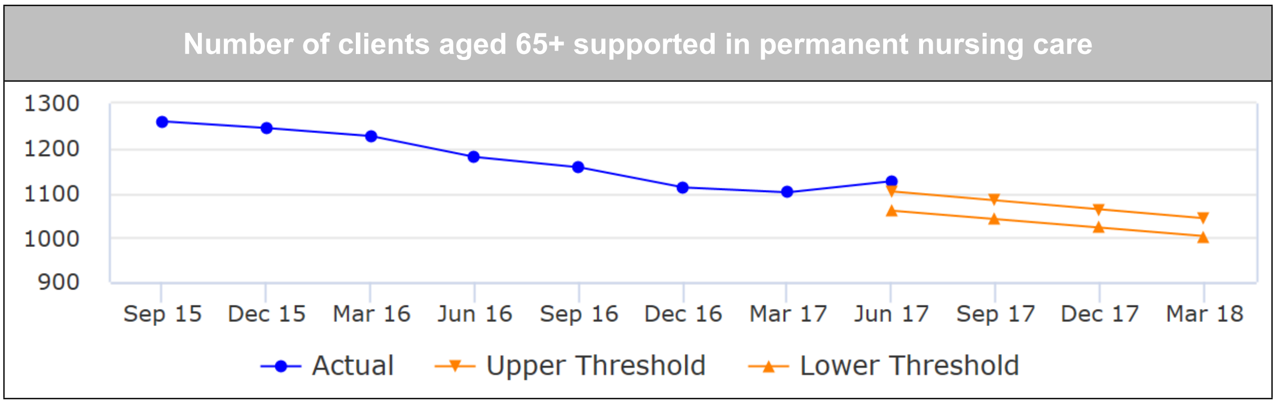
Percentage of Delayed Discharges from hospital with Adult Social Care responsible - weekly average	GREEN ⇧

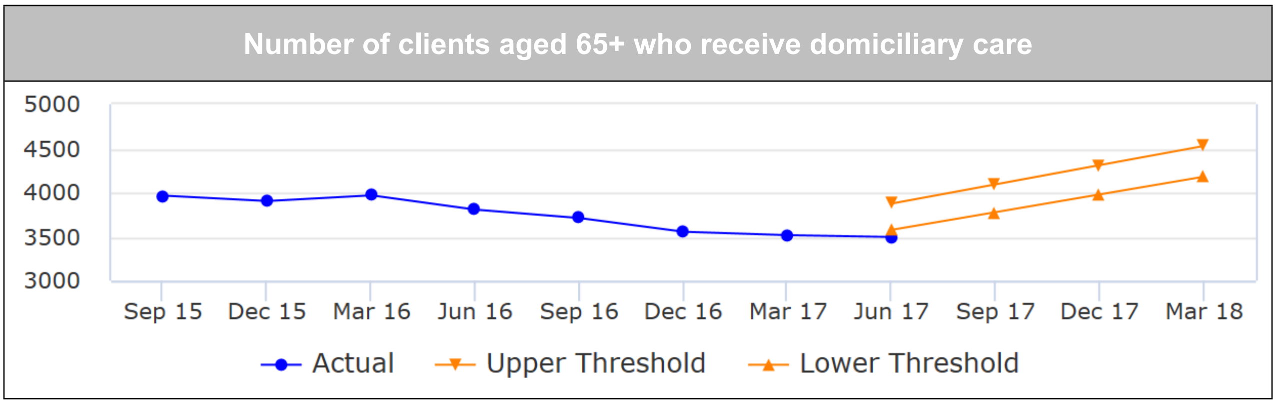


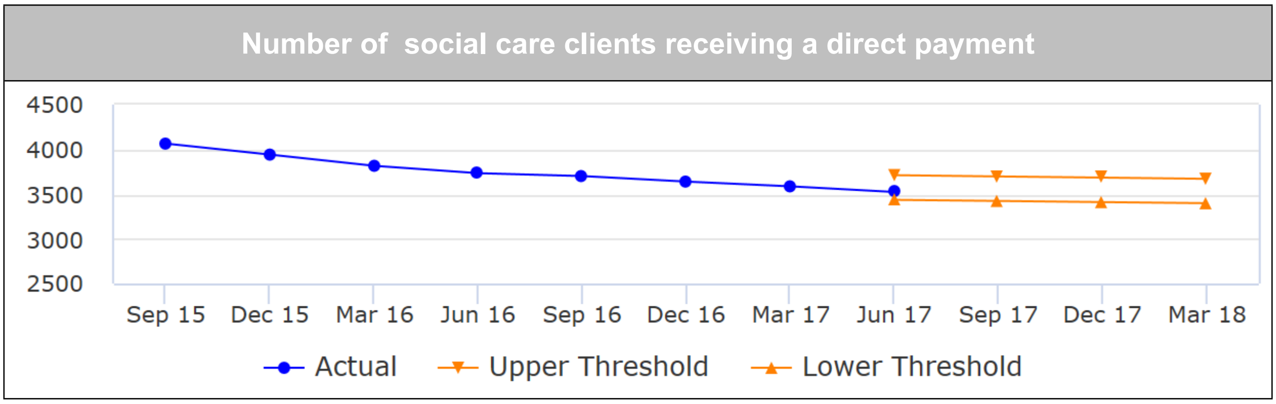
Current: 22%	Target: 30%	Previous: 29%

Activity indicators

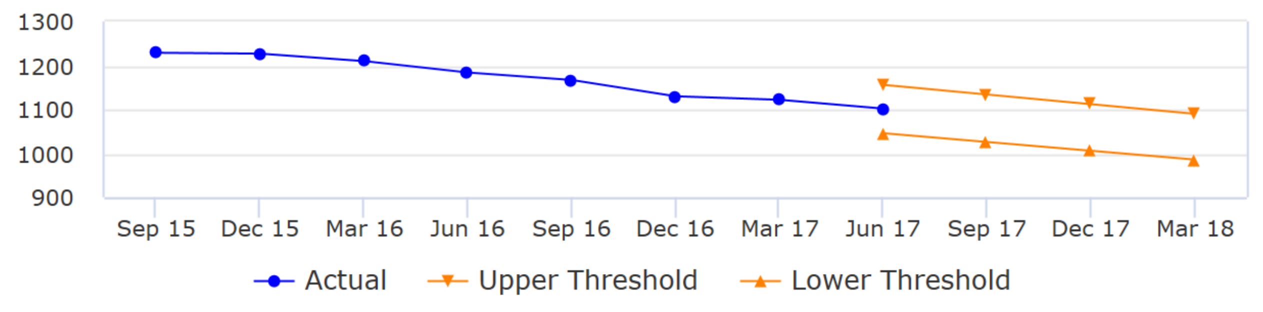




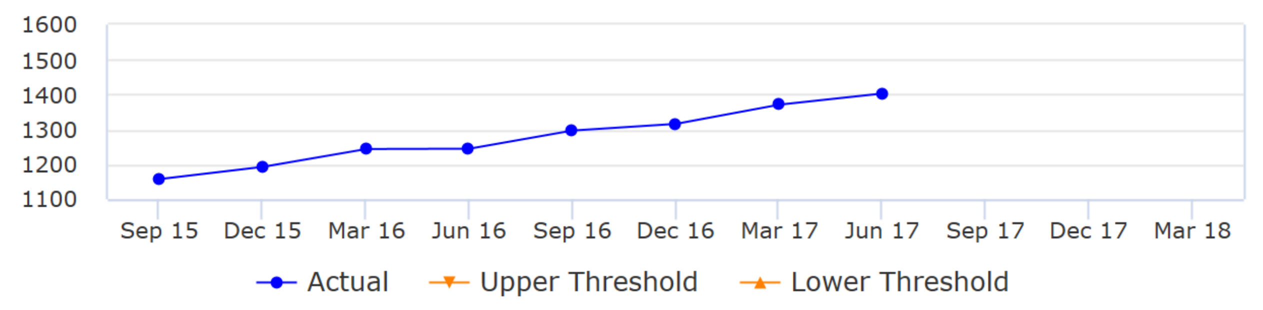




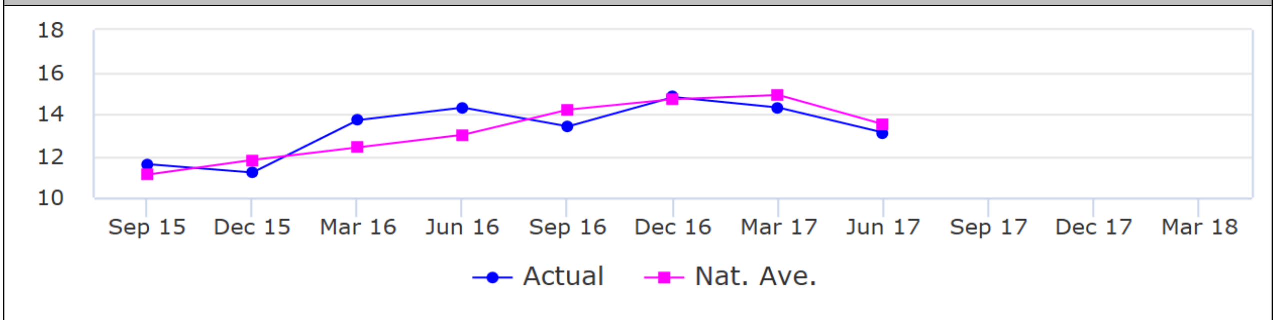
Number of learning disability adult clients in residential care



Number of learning disability adult clients in supported living arrangements



Number of delayed transfers of care per 100,000 population age 18+, average per day



Public Health	
Cabinet Member	Peter Oakford
Director	Andrew Scott-Clark

KPI Summary	GREEN	AMBER	RED	⇧	⇔	⇩
	3	1		2	2	

The NHS Health Check programme met its target for Quarter 1 and is on track to deliver more than 41,000 checks across the 2017/18 financial year. A health equity audit on the programme has been published and the findings will inform future delivery of the programme.

The Health Visiting service delivered over 17,000 mandated checks in Quarter 1 and is on track to meet the target of 65,000 by March 2018. The health visiting service continues to work closely with KCC Early Help and other partners to further develop effective pathways and a more integrated offer for 0-5 year olds. This has included developing plans for co-locating more health visitors and Early Help staff in Kent's children's centres.

Demand for sexual health clinic sessions fell slightly in the quarter although there were still over 20,000 clinic attendances during the quarter. The service maintains the high level of performance for prompt access for urgent genito-urinary medicine (GUM) cases. The Public Health team is in the process of commissioning an improved pathway for sexual health so that people can more readily request tests online without needing to attend clinics unnecessarily. This will make more effective use of the services' valuable time and resources.

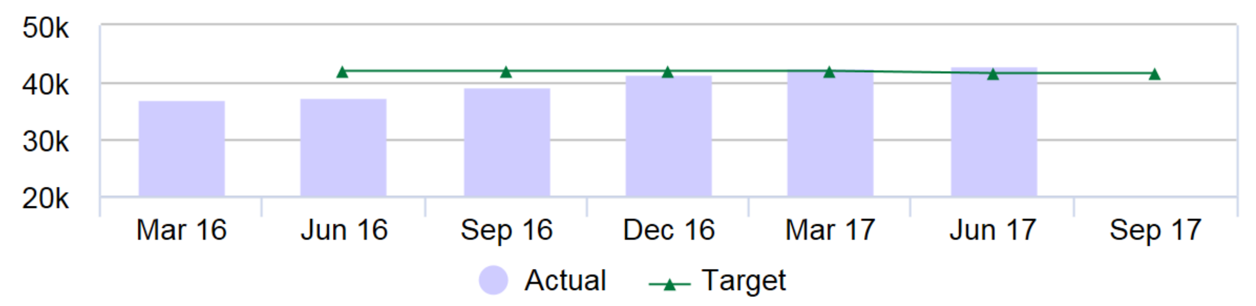
The proportion of people completing treatment free from dependence was stable this quarter, remaining slightly behind target. A new contract for the East Kent Drug and Alcohol Service began operating on 1st May. The new service is delivered by the substance misuse charity Forward (previously known as RAPt) in partnership with Nacro and Rethink Mental Illness. The service in West Kent is delivered by CGL. Both service providers are commissioned to deliver effective, recovery-focused treatment and support for people with drug or alcohol dependence.

The *One You* Campaign launched in Quarter 1 with over 33,000 people visiting the website, www.oneyoukent.org.uk and more than 14,000 people took the *How Are You?* test to understand how they could make small changes to improve their health. The evaluation survey of the first phase of the campaign showed that 29% of the target audience of 40-60 year olds in Kent said that they had seen or heard the campaign, and nearly 10% of the target age group had taken action to improve their health as a result.

The *Release the Pressure* campaign saw over 13,000 people visit the website in the last quarter to find out more about the support available for people who are struggling to cope. More than 5,000 people visited the Change 4 Life pages of kent.gov to get advice on making small changes to help their children lead healthier lives

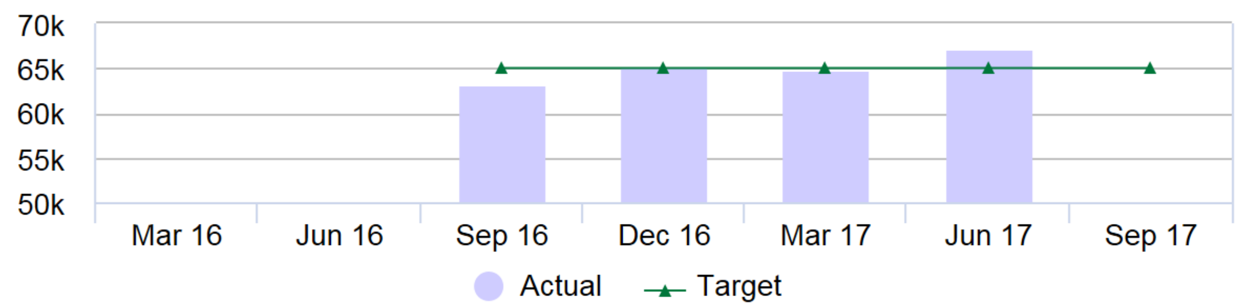
Key Performance Indicators

Number of eligible population receiving an NHS Health Check - rolling 12 months — **GREEN ⇧**



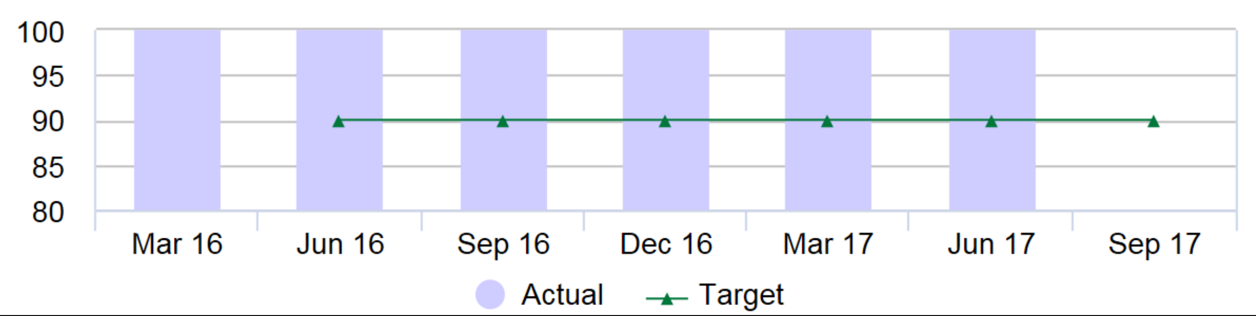
Current: 42,568	Target: 41,600	Previous: 42,071

Number of mandated universal checks delivered by the health visiting service – rolling 12 months — **GREEN ⇧**



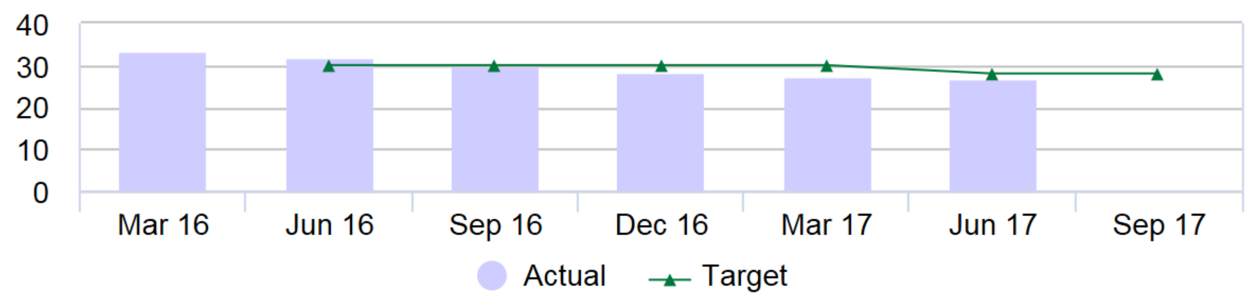
Current: 66,902	Target: 65,000	Previous: 64,633

Proportion of clients accessing GUM offered an appointment to be seen within 48 hours — **GREEN ⇔**



Current: 100%	Target: 90%	Previous: 100%

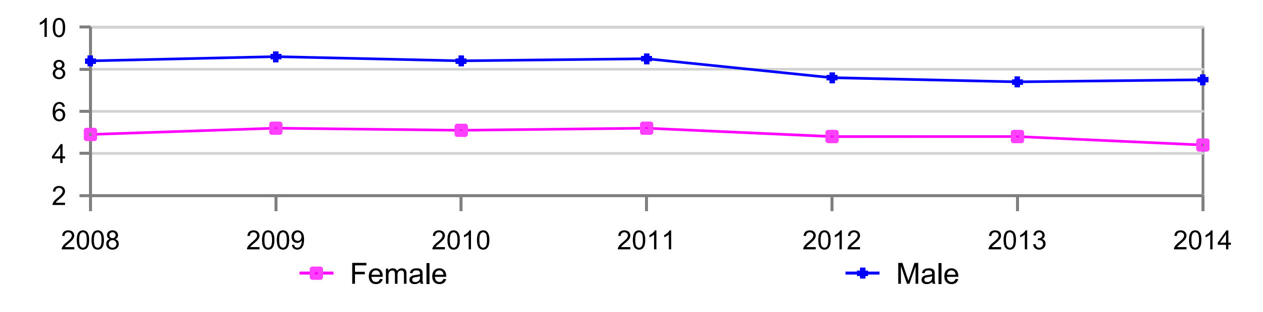
Successful completion of drug and alcohol treatment – rolling 12 months — **AMBER ⇔**



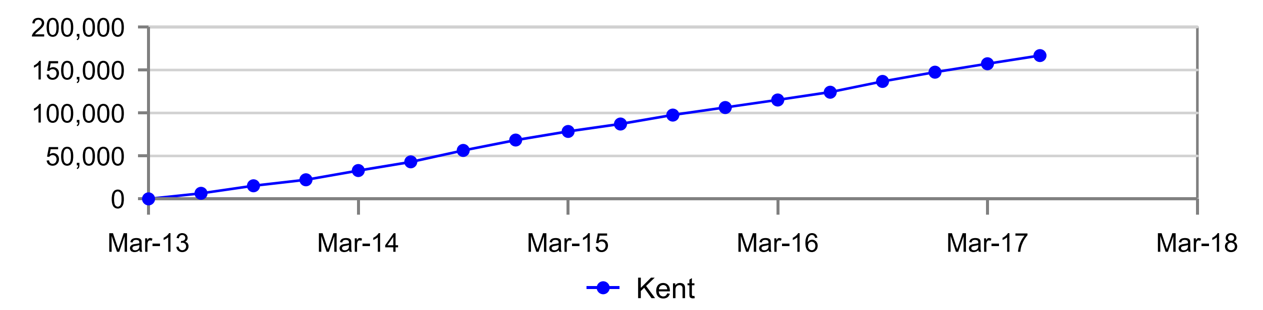
Current: 27%	Target: 28%	Previous: 27%

Activity indicators

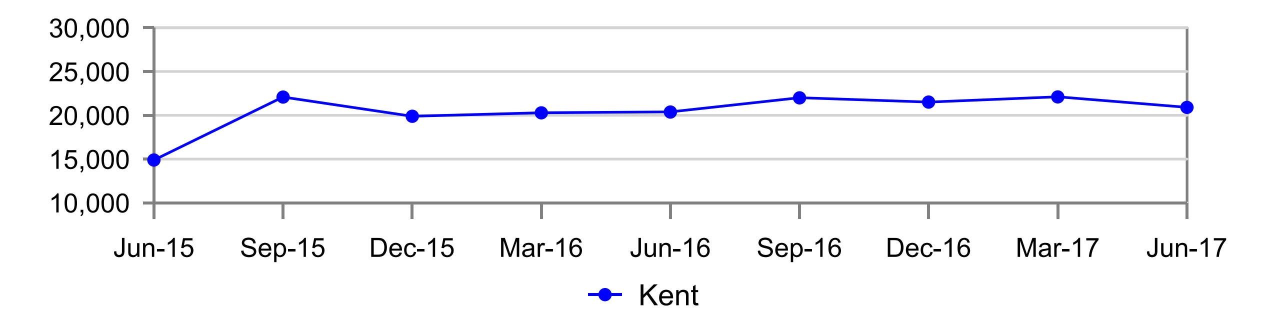
Life expectancy gap in years between least and most deprived areas



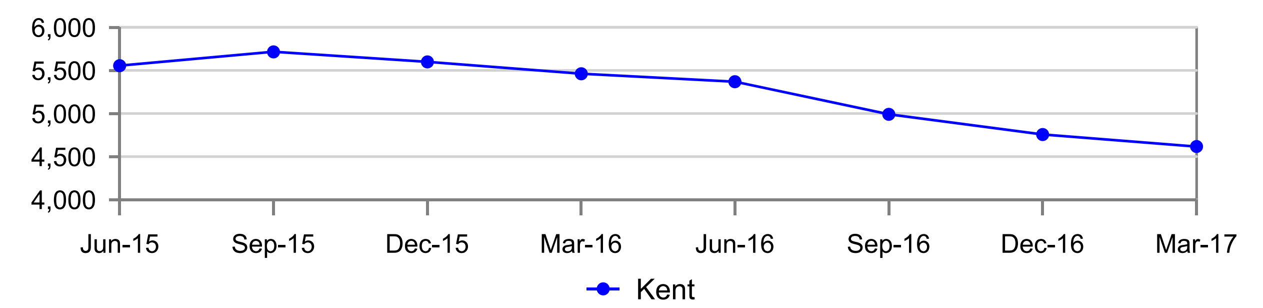
Number receiving a NHS Health Check over the 5 year programme (2013/14 to 2017/18)



Number of people accessing KCC commissioned Sexual Health Clinics



Number of adults accessing structured Substance Misuse Treatment Services



Corporate Risk Register – Overview

The table below shows the number of Corporate Risks in each risk level (based on the risk score). The Target risk level is the expected risk level following further management action. Since the last quarter, one risk has been added. Details are outlined below.

	Low Risk	Medium Risk	High Risk
Current risk level	0	6	10
Target risk level	2	14	0

Information Governance – Introduction of General Data Protection Regulations (new risk)
In May 2018 General Data Protection Regulations (GDPR) come into effect that introduce significantly increased obligations on all data controllers, along with the potential for increased sanctions from the Information Commissioner's Office for those failing to comply. It is important that the Council prepares adequately for the introduction of the new regulations, which involves reviewing all current processes and procedures relating to how we manage our information.

Changes to Risk Scores for existing risks
The risk score for 'Implications of high numbers of Unaccompanied Asylum seeking children' has been reduced from High to Medium as the number of new arrivals has remained low, although it is accepted that there are still financial pressures associated with the numbers of care leavers and a high number of legacy cases still exist.

The Section 151 Officer has advised that the score for the 'Future Operating Environment for Local Government' could reduce slightly from 20 to 16 (still 'High') due to the additional £51m funding from Government over the next three years, although the Council is still facing significant financial challenges;

Mitigating Actions
Updates have been provided for 8 actions listed to mitigate elements of Corporate Risks that were due for completion or review up to the end of June 2017, together with updates for 8 actions due for completion or review by September 2017.

Due Date for Completion	**Actions Completed/ Closed**	**Actions Outstanding or Partially complete**	**Regular Review**
June 2017	0	2	6
April 2017 and beyond	5	2	1

Mitigating actions during this period are summarised below:

Access to resources to aid economic growth and enabling infrastructure

- The County Council approved and adopted the Local Transport Plan 4 at its meeting on 13th July 2017.

Civil Contingencies and Resilience

- A review and update of the KCC Corporate Business Continuity Plan is currently underway. Consideration of new threats and risk, including the UK Climate Change Risk Assessment Evidence Report 2017, will inform the scope of the review.
- The KCC Tactical emergency call out rota is being implemented. General principles, a training needs analysis and enhancement of the existing training programme are being developed together with identifying ways to provide an incentive to maintain the role.

Delivery of New School Places

- Contingency plans for alternative interim accommodation for each Free School project are being developed.
- Discussions are taking place between senior Education and Skills Funding Agency representatives and senior KCC staff and Cabinet Member.

Evolution of Strategic Commissioning Approach

- Governance arrangements have been reviewed to clarify Member roles and responsibilities around the evolving strategic commissioning approach. The role of Cabinet Member for Strategic Commissioning has been created.

Health and Social Care Integration

- The work that KCC is involved in around the implementation of the Sustainability and Transformation Plan centres on the development of a Local Care Model that promotes people's independence and helps them to look after themselves, avoiding unnecessary hospital admission treatment.
- The review of the Health and Wellbeing Strategy is continuing.
- Funding for the Better Care Fund has been confirmed for 2018/19. There is close working with the CCG by the Better Care Fund Co-ordinator and regular Finance and Performance meetings as well as updates to the Health and Wellbeing Board.

Migration into Kent

- Analysis of commercial properties, that have the potential for being converted to residential status, has been undertaken for the Maidstone area.

Safeguarding – Protecting Adults and Children

- The cross directorate training sub-group has reviewed the current training provision, carried out an initial needs assessment and developed a draft Prevent training strategy to be agreed at the next to be agreed at the next cross-directorate group. Revision of the mandatory e-learning Prevent course will be drafted by December 2017.