

# CHILDREN, FAMILIES & EDUCATION DIRECTORATE SUMMARY JULY 2009-10 FULL MONITORING REPORT

## 1. FINANCE

### 1.1 REVENUE

1.1.1 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" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect a number of technical adjustments to budget.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in appendix 2 to the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<b>Children, Families &amp; Education portfolio</b>							
Delegated Budget:							
- Delegated Schools Budget	946,831	-80,517	866,314			0	
- Schools Unallocated	12,365	-450	11,915				
- Transfer to Reserves	0	0	0			0	
<b>TOTAL DELEGATED</b>	<b>959,196</b>	<b>-80,967</b>	<b>878,229</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Non Delegated Budget:							
- Finance	4,139	-1,181	2,958	0	0	0	
- Awards	5,117	-797	4,320	340	0	340	£280k home to college transport - cost realignment affecting adult fares; £60k staffing & equipment
- Personnel & Development	17,303	-3,356	13,947	487	-42	445	Pressure on pensions, exacerbated by a cost of living underfunded increase
- Capital Strategy Unit	1,721	-182	1,539	700	0	700	Maintenance of non-operational buildings.
- BSF/PFI/Academy Unit	432	0	432	0	0	0	
- Client Services	5,754	-4,813	941	39	233	272	Under-recovery of income expected from contracts. Staffing pressure.
- Business Management	1,880	-243	1,637	0	0	0	
- ICT	1,950	-693	1,257	-157	129	-28	Broadband connectivity
- Health & Safety	418	-185	233	10	0	10	
- Strategic Management	1,538	-24	1,514	0	0	0	
- Extended Services	4,002	-77	3,925	68	-68	0	
- Kent Music	865	0	865	0	0	0	
- 14 - 24 Unit	2,369	-150	2,219	0	0		
- School Organisation	3,030	-90	2,940	0	-10	-10	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Mainstream HTST	15,238	-484	14,754	-314	44	-270	Renegotiation of contracts based on latest forecast from Passenger Transport Unit (PTU)
- Local Children's Service Partnerships	53,815	-562	53,253	0	0	0	
- AEN & Resources	16,636	-5,579	11,057	50	-19	31	
- SEN HTST	17,605	0	17,605	470	0	470	Numbers of children using more expensive travel arrangements
- Independent Sector Provision	11,387	-697	10,690	0	0	0	
- Strategic Planning & Review (Strategy, Policy & Performance)	1,581	0	1,581	0	0	0	
- Policy & Performance (Vulnerable Children)	4,621	-411	4,210	-16	30	14	
- Directorate & Democratic Services	1,288	0	1,288	30	-30	0	
- Project Management (Strategy, Policy & Performance)	118	0	118	-33	0	-33	
- Advisory Service Kent (ASK) - Secondary	3,102	-160	2,942	0	0	0	
- ASK - Primary	5,148	-590	4,558	0	0	0	
- ASK - Early Years	8,343	-12	8,331	0	0	0	
- ASK - Improvement Partnerships	2,529	-460	2,069	32	-38	-6	
- ASK - Professional Development	3,759	-1,862	1,897	-13	0	-13	
- Early Years & Childcare	5,711	-142	5,569	68	-68	0	
- Management Information	34,394	-35	34,359	0	0	0	
- Educational Psychology Service	3,695	-1	3,694	0	0	0	
- Attendance & Behaviour	8,723	-2,420	6,303	0	0	0	
- Minority Community Achievement	1,664	-98	1,566	0	0	0	
- Specialist Teaching Service	4,054	-636	3,418	0	0	0	
- Joint Commissioning Service	13,671	0	13,671	-30	0	-30	
- Commissioning - General	833	-614	219	0	0	0	
- Residential Care provided by KCC	2,691	-40	2,651	18	0	18	
- Independent Sector Residential Care	6,679	-928	5,751	-881	-16	-897	£675k underspend on disability placements, £185k underspend on secure accommodation, £20k underspend on other residential placements - resulting from fewer placements being made.
- Residential Care - not looked after children	594	0	594	31	0	31	
- Family Group Conferencing	1,302	-246	1,056	-56	0	-56	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Fostering Service	23,743	-226	23,517	640	-14	626	£1,682k overspend on independent fostering allowances partly offset by £463k underspend on in-house fostering. Other underspends incl. £277k in County Fostering Team and £302k on the fostering related and kinship budgets.
- Adoption Service	6,882	-50	6,832	358	29	387	£391k overspend on special guardianship orders (SGO). £19k overspend on County adoption team offset by £52k underspend in adoption payments.
- Direct Payments	2,209	-10	2,199	-191	-3	-194	Underspend resulting from the use of aiming high sure start grant to fund new cases.
- Teenage Pregnancy	616	0	616	0	0	0	
- 16+ Service	6,699	0	6,699	1,179	-60	1,119	£2m overspend on Fostering related and IFA placements offset by underspends of £176k residential care, £690k S24/leaving care payments. Other minor variances of £45k.
- Other Community Services	7,972	-266	7,706	414	-112	302	Continuing pressure on S17 payments.
- Childrens Social Services Business Support	8,921	-1,466	7,455	114	-148	-34	Social Work Pilot Project
- Assessment & Related	34,530	-1,473	33,057	-1,492	9	-1,483	Difficulties in recruiting to vacancies including new structure
- Grant income & contingency	5,262	-1,022,057	-1,016,795	0	0	0	
- Support Services purchased from CED	8,432	0	8,432	0	0	0	
<b>TOTAL NON DELEGATED</b>	<b>384,965</b>	<b>-1,053,316</b>	<b>-668,351</b>	<b>1,865</b>	<b>-154</b>	<b>1,711</b>	
<b>Total CFE portfolio excl Asylum</b>	<b>1,344,161</b>	<b>-1,134,283</b>	<b>209,878</b>	<b>1,865</b>	<b>-154</b>	<b>1,711</b>	
<b>Assumed Mgmt Action</b>				<b>-1,711</b>		<b>-1,711</b>	
<b>CFE portfolio (excl Asylum) after mgmt action</b>	<b>1,344,161</b>	<b>-1,134,283</b>	<b>209,878</b>	<b>154</b>	<b>-154</b>	<b>0</b>	
Asylum Seekers	14,129	-14,129	0	0	3,600	3,600	Shortfall in 18+ Home Office income
<b>Total CFE portfolio incl. Asylum after mgmt action</b>	<b>1,358,290</b>	<b>-1,148,412</b>	<b>209,878</b>	<b>154</b>	<b>3,446</b>	<b>3,600</b>	

### 1.1.3 **Major Reasons for Variance:** *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

#### 1.1.3.1 Awards (Gross)

The Awards Unit is forecasting a pressure of £340k, of which £280k relates to Home to College Transport. This is due to a combination of increases in the cost of adult train fares and an increase in the number of SEN students requiring transport, however a more accurate position will be reported in the next full monitoring report to Cabinet in November once the September student numbers are known. The balance of the pressure relates to staffing (£30k) and equipment (£30k).

#### 1.1.3.2 Personnel and Development (Gross)

The Personnel and Development Unit is forecasting a pressure of £487k. This is due to a £550k pressure on pensions offset by underspends on police checks (£30k) and school crossing patrols (£33k). The pressure on the pensions budget, resulting from early retirements in previous years, has been exacerbated by the 5% increase in the cost of living allowance compared to a 1% budget increase allowed for in the MTP.

#### 1.1.3.3 Capital Strategy Unit (Gross)

The Capital Strategy Unit is forecasting a £700k pressure due to the costs associated with the boarding up and maintenance of unused school buildings, which is expected to continue until the property market recovers.

The pressure on this budget has reduced by £300k since the last exception report, due to a reduction in the expected number of new mobile moves in 2009/10.

#### 1.1.3.4 Client Services (Income)

Client Services is forecasting a £233k under-recovery of income. The unit was expected, as part of the MTP, to implement full-cost recovery in relation to contract management. However, due to delays in the renegotiation of contracts for cleaning & refuse collection, a number of schools withdrew from the contract resulting in a reduction in the expected profit margins on contracts for this year. It is hoped that now that the process has finished, schools will begin to rejoin the contract and full-cost recovery will be achieved next year.

#### 1.1.3.5 ICT (Gross and Income)

The forecast underspend of £157k and corresponding under recovery of income of £129k primarily relates to the Broadband Connectivity project in schools. Fewer schools are expected to request service upgrades on their broadband connection than budgeted for, resulting in an underspend of £97k with a corresponding reduction in income received from schools for this service. The balance is due to further projected underspends on staffing due to vacancies (£27k) and the expected costs of running the Oxford Road site of 33k (offset by a corresponding reduction in income).

#### 1.1.3.7 Mainstream Home to School Transport (Gross)

It is early in the year to be predicting the outturn on this budget heading due to the impact the September pupil numbers will have on the forecast. However, early indications suggest a reduction in numbers travelling and this together with a change in the way rail tickets are purchased generating savings on under 16 fares, will lead to a significant underspend in this financial year. Our current estimated underspend is £314k which is partially offset by a reduction in income of £44k. However this is a conservative estimate and it is hoped that further savings may be achievable once the September activity levels are known. A more accurate position will be reported in the next full monitoring report to Cabinet in November.

#### 1.1.3.8 SEN Transport (Gross)

This budget is forecasting a pressure of £470k (a reduction of £230k, since the last exception report) due to expensive travel arrangements. The Passenger Transport Unit has renegotiated a number of contracts reducing the pressure on this budget. This forecast should be viewed as provisional at this early stage in the year, and like the mainstream home to school transport budget, will be reviewed in the next full monitoring report to Cabinet in November once September pupil numbers are confirmed.

#### 1.1.3.9 Independent Sector Residential Care (Gross)

The service is forecasting an underspend of £881k, of which £675k is due to the ending of five disability placements in 2009-10 as the children reach age 18. Added to this, there are currently no children in secure accommodation resulting in a forecast underspend of £185k. The budget for secure accommodation is sufficient to fund two placements. If these placements remain vacant, further savings will arise which will be declared in future months.

A virement of funds from this budget to the fostering and/or 16+ service will be considered later in the year when the forecast can be viewed with more certainty. This budget line is particularly volatile due to the high impact a small number of children can have on the forecast.

#### 1.1.3.10 Fostering Service (Gross)

The fostering service is currently forecasting a pressure of £640k. This is largely due to a £1,682k pressure on independent fostering allowances (IFAs), offset by underspends on the in-house fostering service (£463k), the county fostering service (£277k), Related Fostering payments (£241k), and the kinship service (£61k).

The IFA service is used for more complex cases which our in-house foster carers may not have the necessary skills, experience or capacity to take on. A provision was made in the MTP to develop the more cost effective in-house service, with the expectation that this will relieve the pressure on the IFA budget once the number of foster carers recruited internally begins to rise, and existing carers have received further training to enable them to take on more difficult placements. However, delays in recruitment and training mean that savings are unlikely to be achieved until much later in this financial year or early next financial year. A further update on this position will be given in future monitoring reports.

The £463k underspend on the in-house fostering service is partly due to a group of children reaching age 16 and moving to the 16+ service during this financial year. In previous years the 16+ budgets sat within the fostering and residential care budgets. From 2009-10 the budget for the 16+ age group (except for children with a disability) is reported separately to reflect the fact that the service is provided by a third party under a Service Level Agreement. The saving from children moving to 16+ has been mitigated by a sharp increase in activity for the under 16 age group in the first quarter (see 2.5.1). Much of this increase is due to a large number of short term placements for 'respite' care. There has been an increase in the number of referrals, following the baby P and other similar cases, and by using short term placements it is hoped this will prevent the need for longer term provision. It is not known at this stage whether this trend will continue and a further update on this position will be given in the next full monitoring report to Cabinet in November.

The £277k underspend in the county fostering team is largely due to delays in recruiting to a number of new posts funded from the LAC pledge. It is expected that these posts will be filled by January 2010, however if further delays occur, the underspend may increase.

The £241k underspend on Related Fostering is due to a growing trend of carers moving away from fostering to special guardianship (now shown under the 1.1.3.11 adoption service heading below).

#### 1.1.3.11 Adoption Service (Gross)

The adoption service is forecasting a gross pressure of £358k, which is mainly within the Special Guardianship service who are estimating a pressure of £391k, a further pressure on the County Adoption Service of £19k and an underspend of £52k on adoption payments.

The Special Guardianship service has been moved here from the Fostering Service this year. This service is forecasting a pressure of £391k. Special Guardianship is a relatively new legal option to provide a permanent home for a child for whom adoption is not appropriate. Since it came into force, there has been a growth in this area and a reduction in fostering (mainly Related).

#### 1.1.3.12 Direct Payments (Gross)

This budget is partly funded by a Sure Start grant for the Short Breaks scheme, aimed at improving access for disabled children to short breaks / respite facilities. The grant is available to fund the cost of new children receiving direct payments for short breaks / respite care. As the number of new cases rises and the number of existing cases falls, there is a gradual freeing up of base budget and the service is expecting to see a base underspend of £191k in this financial year.

#### 1.1.3.13 Leaving Care/16+ (Gross)

The presentation of the budget for the 16+ service was changed in 2009-10 to represent the cost of the service level agreement, in preparation for the transfer of this service to an external provider. This service line now includes budgets relating to 16+ for independent sector residential care, in-house foster care and independent fostering allowances along with the cost of 16+ team and section 24/leaving care payments.

The 16+ service is currently forecasting a £1,179k pressure, of which £1,182k and £822k relate to in-house fostering and independent fostering allowances respectively, partially offset by projected underspends on independent sector residential care of £176k; section 24 and leaving care payments of £690k. The balancing pressure of £41k relates to kinship payments and related foster carer payments.

The pressure on both the 16+ in-house fostering service and independent fostering allowances has increased significantly, partly due to a group of children reaching age 16 and moving in from the fostering service, and partly as a result of more children choosing to stay within their foster family up to age 18 (or 25 if undergoing further education) rather than moving to lower cost supported lodgings at age 16. The authority has a legal obligation to maintain the placement if the child requests, however the budget for the 16+ service has historically only covered the cost of supported lodgings. The pressure on this budget has previously been masked within the fostering and residential care lines.

A virement of funds from the residential care budget will be considered later in the year when the forecasts can be viewed with more certainty.

#### 1.1.3.14 Other Preventative Services (Gross and Income)

These services are forecasting a £414k pressure partially offset by a £112k over-recovery of income, of which, £109k is from Health.

The Section 17 payments budget is forecasting a pressure of £596k. These payments form part of a community support package which supports families in caring for their children at home, and rehabilitates looked after children so that they can return home as soon as possible. This budget has been unable to achieve the savings target applied in the MTP due to the knock on effect it would have on the much more costly fostering service. This pressure is partially offset by a forecast underspend of £137k resulting from the use of the Sure Start grant for Short Breaks to fund the costs of new children accessing day care services therefore freeing up base budget. The balance relates to a small net underspend on other preventative services.

#### 1.1.3.15 Children Social Services Business Support (Gross and Income)

The services in this line are forecasting a gross pressure of £114k, offset by an over-recovery of income of £148k. This is mainly due to additional administrative costs associated with the Social Work Pilot Project of around £135k, which will be matched by additional income from the Department of Children, Schools and Families (DCSF). The balance relates to other small variances.

#### 1.1.3.16 Assessment and Related (Gross)

The current forecast underspend of £1,492k is due to a high level of staff vacancies. This is a result of difficulties in recruiting to new posts funded from the additional money made available as part of the MTP. Children's Social Services are currently forecasting to have these posts filled by January 2010 at the latest, but this depends upon a successful recruitment campaign, both nationally and internationally. The high level of vacancies in front-line staff is putting pressure on other services, particularly respite care and preventative services, as the safety of children continues to be the highest priority. Recruitment to these posts will help to alleviate that pressure,

as social worker caseloads become more manageable enabling the delivery of LAC commitments in a more pro-active and cost effective way.

The income variances previously forecast in the last exception report have been corrected by setting appropriate expenditure and income budgets (these adjustments are included in appendix 2 of the executive summary).

#### 1.1.3.17 **Asylum:**

The Asylum service is forecasting a net shortfall in income of £3,600k, assuming the receipt of £2,169k Special Circumstance payment. Pressure continues on the asylum budget due to costs which cannot be claimed back from the Home Office under the grant rules. The majority of the pressure comes from the 18+ care leavers budget, estimated at £3,506k, as the Home Office grant does not fund clients once they have exhausted all right of appeal for residency. However the Authority has a duty under the Leaving Care Act to support these clients until they are deported or reach age 21. The Authority is continuing to lobby central government in order to seek further funding for these clients and a meeting has been re-scheduled for early September with the UK Borders Agency where long term funding issues will be discussed. The balance of the shortfall (£94k) is due to costs relating to the under 18s budget that are not expected to be eligible under existing grant rules.

The grant guidance for 2009-10 has yet to be published but this forecast is based on the assumption that the Home Office will continue to fund over 18s at the same level as the 2008-09 grant rules, and apply 2% inflation to the under 18s rate. Between April and June the number of referrals was running at an average of 36 per month, lower than the same period last year, however there were 63 referrals in July which is the highest for this point in the financial year (section 2.7). Due to the volatility of this activity, it is difficult to predict with any certainty whether this trend will continue.

### **Other Issues**

#### 1.1.3.18 **Payments to PVI providers for the free entitlement for 3 and 4 year olds (DSG)**

The latest forecast suggests an underspend of around £1 million on payments to PVI providers for 3 and 4 year olds, however a more accurate forecast will be available once the autumn term hours are known. This budget is funded entirely from DSG and therefore any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspends elsewhere in the directorate budget.

#### 1.1.3.19 **Delegated Schools Budgets**

As reported in the previous exception report, the CFE Directorate, in consultation with its School Funding Forum, has agreed to run a similar process as last year, to challenge those schools with a high level of revenue reserves greater than 16% of their 2008-09 budgets for Primary and Special Schools or 10% for Secondary Schools. 42 schools were asked to submit evidence to support their excess reserves, which was scrutinised by a panel made up of members of the School Forum and Local Authority Finance Officers. After a further appeals process a decision was made to recover £762k from 8 schools, of which, £300k will be set aside for a specific capital project and the remainder, £462k will be re-distributed amongst Kent schools (as per DCSF regulations). The Forum will determine how best to distribute this, along with the accumulated schools unallocated dedicated schools grant, by the end of November.

The first monitoring returns from schools are due in October and an update on the schools' forecast movement on their reserves during 2009-10 will be provided as soon as the information is available.

**Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER**

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
CFE	Asylum - shortfall in Home Office income (income)	+3,600	CFE	Assessment & Related - staffing vacancies (gross)	-1,492
CFE	Fostering Service - increase in no of independent fostering allowances (districts & disability, gross)	+1,682	CFE	Leaving Care/16+ service - Section 24/leaving care payments (gross)	-690
CFE	Leaving Care/16+ service - increase in no of in-house fostering payments (gross)	+1,182	CFE	IS Residential Care - reduction in no of disability placements (gross)	-675
CFE	Leaving Care/16+ service - increase in no of independent fostering allowances (gross)	+822	CFE	Fostering Service - reduction in no of in-house fostering payments (districts & disability, gross)	-463
CFE	Capital Strategy Unit - maintenance of non-operational buildings (gross)	+700	CFE	Mainstream Home to School Transport - contract renegotiations (gross)	-314
CFE	Other Preventative Services - pressure on Section 17 payments (gross)	+596	CFE	Fostering Service - County Fostering Team vacancies	-277
CFE	Personnel & Development - pensions pressure resulting from previous years early retirements & cost of living increase (gross)	+550	CFE	Fostering Service - reduction in no of Fostering related payments	-241
CFE	SEN Transport - expensive travel arrangements (gross)	+470	CFE	Direct Payments - rebadge of sure start expenditure (gross)	-191
CFE	Adoption Service - special guardianship orders (gross)	+391	CFE	Independent Sector Residential Care - reduction in no of secure accomodation placements (gross)	-185
CFE	Awards - home to college transport prices and demand (gross)	+280	CFE	Leaving Care/16+ service - Independent Sector residential care (gross)	-176
CFE	Client Service - under-recovery of contract income due to delays in renegotiation of contracts (income)	+233	CFE	Other Preventative Services - disability day care services rebadge of sure start eligible expenditure(gross)	-137
CFE	CSS Business Support - Social Work Pilot project (gross)	+135	CFE	CSS Business Support - Social Work Pilot project (income)	-135
			CFE	Other Preventative Services - additional income from health for NSPCC payments (income)	-109
		+10,641			-5,085

**1.1.4 Actions required to achieve this position:**

N/A

**1.1.5 Implications for MTP:**

Where the above pressures and underspends are of a permanent nature and can be viewed with a reasonable degree of certainty, they will be built into the MTP for 2010-13. All other pressures are expected to be managed downwards on an ongoing and sustainable basis.

**1.1.6 Details of re-phasing of revenue projects:**

N/A



### 1.1.7 Details of proposals for residual variance: *[eg roll forward proposals; mgmt action outstanding]*

The Directorate is forecasting a total net pressure of £1,711,000 and is intending to balance the 2009-10 Childrens, Families and Education Portfolio using the following proposals:

- We anticipate a saving of up to £500k from the Sure Start grant, as a result of delays in the opening of Children's Centres. Any saving that arises from the Sure Start grant will be badged against ASK Early Years in order to free up base budget. The current year is the last in which this option will be available to us as the final round of centres is expected to be fully functional by the end of the financial year.
- We are carrying out an in-depth review of reserves and provisions with a view to removing any reserves associated with self-funding projects funded through the base budget. The review is expected to achieve up to £500k of one-off savings.
- The forecasts on the Home to School Transport budgets are very provisional at this stage in the year. Early indications point to a fall in pupil numbers, but the relationship between overall pupil numbers and numbers travelling is not a direct one, and it is impossible to forecast numbers travelling with any certainty until September. It is hoped that the forecast will reduce once the September numbers are known.
- We are currently managing vacancies through the Establishment Panel to achieve a planned delay in recruitment. Added to this, the directorate is in the early stages of a reorganisation which, it is anticipated, will result in an increase in the overall level of vacancy as managers delay recruiting to posts pending the outcome.

The management actions listed above are expected to resolve this year's budget pressures, and the directorate expects to end the financial year with a balanced position. However, it should be noted that these are mainly one-off savings which cannot be sustained on an ongoing basis, and therefore the directorate will need to ensure that any pressures which are unavoidable, permanent and can be viewed with some certainty, are provided for within the already difficult 2010-13 MTP.

## 1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

The capital cash limits have been adjusted since last reported to Cabinet on 13<sup>th</sup> July 2009, as detailed in section 4.1.

1.2.2 **Table 3** below provides a portfolio overview of the latest capital monitoring position excluding PFI projects.

	Prev Yrs Exp £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	Future Yrs £000s	TOTAL £000s
<b>Children, Families &amp; Education</b>						
Budget	299,876	213,638	186,048	55,893	135,777	891,232
Adjustments:						
- roll forward	-5,172	5,155	17			0
- Outturn and pre-outturn changes	-65,212					-65,212
- Practical Cooking Spaces		50	250			300
- Kitchen & Dining Improvements		410	1,166			1,576
- Transforming Short Breaks			2,407	1,493		3,900
-						0
Revised Budget	229,492	219,253	189,888	57,386	135,777	831,796
Variance		+3,482	-1,574	+2,282	+1,121	+5,311
<b>split:</b>						
- real variance		+4,391	+869	+26	+25	+5,311
- re-phasing		-909	-2,443	+2,256	+1,096	0
<b>Devolved Capital to Schools</b>						
Budget	44,618	27,252	26,690	27,291	54,582	180,433
- roll forward	-9,469	9,469				0
- Outturn and pre-outturn changes	-34,233					-34,233
-						
Revised Budget	916	36,721	26,690	27,291	54,582	146,200
Variance		0	0	0	0	0
<b>split:</b>						
- real variance		0	0	0	0	0
- re-phasing		0	0	0	0	0
<b>Directorate Total</b>						
Revised Budget	230,408	255,974	216,578	84,677	190,359	977,996
Variance	0	3,482	-1,574	2,282	1,121	5,311
<b>Real Variance</b>	<b>0</b>	<b>4,391</b>	<b>869</b>	<b>26</b>	<b>25</b>	<b>5,311</b>
<b>Re-phasing</b>	<b>0</b>	<b>-909</b>	<b>-2,443</b>	<b>2,256</b>	<b>1,096</b>	<b>0</b>

### 1.2.3 Main Reasons for Variance

Table 4 below, details all forecast capital variances over £250k in 2009-10 and identifies these between projects which are:

- part of our year on year rolling programmes e.g. maintenance and modernisation;
- projects which have received approval to spend and are underway;
- projects which are only at the approval to plan stage and
- projects at preliminary stage.

The variances are also identified as being either a real variance i.e. real under or overspending which has resourcing implications, or a phasing issue i.e. simply down to a difference in timing compared to the budget assumption.

Each of the variances in excess of £1m which is due to phasing of the project, excluding those projects identified as only being at the preliminary stage, is explained further in section 1.2.4 below.

All real variances are explained in section 1.2.5, together with the resourcing implications.

**Table 4: CAPITAL VARIANCES OVER £250K IN SIZE ORDER**

portfolio	Project	real/ phasing	Project Status			
			Rolling Programme	Approval to Spend	Approval to Plan	Preliminary Stage
			£'000s	£'000s	£'000s	£'000s
<b>Overspends/Projects ahead of schedule</b>						
CFE	Maintenance Programme	phasing	+3,000			
CFE	Meadowfield School	real		+1,200		
CFE	Bower Grove School	real		+663		
CFE	Wyvern (Clockhouse & Buxford)	real		+500		
CFE	Orchard (Dunkirk)	real		+500		
CFE	Milestone School	real		+480		
CFE	Grange Park School	real		+418		
CFE	Rowhill School	real		+257		
			<b>+3,000</b>	<b>+4,018</b>	<b>+0</b>	<b>+0</b>
<b>Underspends/Projects behind schedule</b>						
CFE	Transforming Short Breaks	phasing		-1,636		
CFE	Primary Pathfinder - The Manor	phasing		-771		
CFE	Templar Barracks	phasing	-744			
CFE	Dartford Grammar Girls	phasing	-437			
CFE	Corporate Property Recharge	real	-338			
			<b>-1,519</b>	<b>-2,407</b>	<b>-0</b>	<b>-0</b>
			<b>+1,481</b>	<b>+1,611</b>	<b>+0</b>	<b>+0</b>

#### 1.2.4 Projects re-phasing by over £1m:

##### 1.2.4.1 Transforming Short Breaks for Families with Disabled Children; -£1.636 million

The aim of the Short Breaks Transformation Programme is to increase the quality, quantity and range of provision of short term breaks for disabled children in Kent through : services in family's own home - including both overnight, day care, and sitting services, day, evening, weekend and holiday activities, foster care provision for short breaks - both overnight and day care, provision of overnight residential care for children with complex needs, services for children requiring palliative care, fuller use of school facilities, enhancement of transport provision and provision for 14+ age group.

The programme has rephased by £1.636m which represents 24.8% of the total value of the programme. The major areas of rephasing within this programme are :

1. Multi Agency Resource Centre, Ashford (rephasing of £0.580m from 2009/10 to 2010/11) Additional funding of £3.941m has now been secured by the Eastern and Coastal Kent Primary Care Trust for investment in this new facility to be built on the Wyvern Special School site, giving a total resource for the project of £4.650m. The delay in obtaining approval to proceed has delayed the start of the project by six months, hence the need to rephase. Approval has now been obtained for the design phase of this project to commence. Architects were appointed in July 09 and the design phase is expected to be completed by December 09, with a target date of building work commencing in April 10.

2. The Rainbow Lodge project in Dartford (rephasing of £0.328m from 2009/10 to 2010/11). This project is a complex reconfiguration programme within the existing building. The work has to be undertaken on a phased approach as the unit is unable to shut and must remain open as a respite unit. The planning for the allocation of some of the children to other units has to be undertaken on a co-ordinated approach. The best time for the work to commence on the unit is January 2010, with a completion date expected in the first quarter of 2010/11.
3. Adaptations to Foster Carers homes (rephasing of £0.300m from 2009/10 to 2010/11) – During 08/09 the Fostering service was in the process of increasing their base staff in readiness for the recruitment of new foster carers. The foster carers are now in the process of being recruited. We should therefore see an increase in the adaptations expenditure towards the end of 09/10.
4. Court Drive (rephasing of £0.230m from 2009/10 to 2010/11) – Initial delays, which have now been resolved, related to the transfer of staff from the Health Service via TUPE arrangements. Further delays have been caused through the internal transfer of the property within Health. At present the ownership issue is ongoing. Until the ownership of the property within Health is resolved it would not be prudent to develop this site. The impact of this issue has resulted in a delayed start to the project and the need to rephase funding into 2010/11.

Overall this leaves a residual balance of £0.198m on a number of more minor projects.

There are no financial implications. All of the £1.636m rephasing is grant funded with a spend deadline of 31<sup>st</sup> March 2011.

	Prior Years	2009-10	2010-11	2011-12	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget	106	2,584	2,407	1,493	0	6,590
Forecast	106	948	4,043	1,493		6,590
<b>Variance</b>	<b>0</b>	<b>-1,636</b>	<b>1,636</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUNDING</b>						
<b>Budget:</b>						
grant	106	2,584	0	0	0	2,690
other external	0	0	2,407	1,493		3,900
<b>TOTAL</b>	<b>106</b>	<b>2,584</b>	<b>2,407</b>	<b>1,493</b>	<b>0</b>	<b>6,590</b>
<b>Forecast:</b>						
grant	106	948	1,636	0	0	2,690
other external	0	0	2,407	1,493	0	3,900
<b>TOTAL</b>	<b>106</b>	<b>948</b>	<b>4,043</b>	<b>1,493</b>	<b>0</b>	<b>6,590</b>
<b>Variance</b>	<b>0</b>	<b>-1,636</b>	<b>+1,636</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 1.2.4.1 Maintenance Programme – Payments ahead of plan £3.000 million

One of the governments initiatives to pump prime the local economy during the current financial recession has been to advance to local authorities their 2010/11 modernisation grant funding early in 2009/10. This is not additional funding and as such any spend of it in 2009/10 means a corresponding reduction in 2010/11. We have therefore had to adopt a prudent view on what could be brought forward and have brought forward £3m of the planned condition maintenance programme.

	Prior Years	2009-10	2010-11	2011-12	future years	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>BUDGET &amp; FORECAST</b>						
Budget	0	11,331	14,433	14,361	28,722	68,847
Forecast	0	14,331	11,433	14,361	28,722	68,847
<b>Variance</b>	<b>0</b>	<b>3,000</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUNDING</b>						
<b>Budget:</b>						
supported borrowing	0	8,819	528	14,361	28,722	52,430
grant	0	2,022	13,905	0	0	15,927
prudential	0	490	0	0	0	490
<b>TOTAL</b>	<b>0</b>	<b>11,331</b>	<b>14,433</b>	<b>14,361</b>	<b>28,722</b>	<b>68,847</b>
<b>Forecast:</b>						
supported borrowing	0	8,819	528	14,361	28,722	52,430
grant	0	5,022	10,905	0	0	
prudential	0	490	0	0	0	490
<b>TOTAL</b>	<b>0</b>	<b>14,331</b>	<b>11,433</b>	<b>14,361</b>	<b>28,722</b>	<b>68,847</b>
<b>Variance</b>	<b>0</b>	<b>+3,000</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 1.2.5 Projects with real variances, including resourcing implications:

The real variance over the lifetime of the Medium Term Plan indicates an overspend of £5.311m. The split of the real variance across the years of the MTP is +£4.391m in 2009/10, +£0.869m in 2010/11, +£0.026m in 2011/12 and +£0.025m in future years.

The +£5.311m overspend relates to the following :

**Special Schools Review +£5.393m** (+£4.473m in 2009/10, +£0.869m in 2009/10, +£0.026M and +£0.025m in future years).

The overall management of the SSR Programme continues to create challenges both in terms of actual delivery and financial management. The pressures on the overall budget have already required Members to agree that a number of schemes would have to be delivered through the Building Schools for the Future Programme, whilst others have been deferred until other funding sources have been identified. As the Programme progresses there has been less opportunity to offset pressures and we are now in effect seeing the final approved schemes being completed.

The funding shortfall for this programme of works, most of which has been previously identified and reported, will be composed as part of the MTP workings for 2010/11. The major variances to cash limit in this programme are :

1. **Meadowfield School +£1.200m** - this refurbishment/re-modelling project has been very problematic and with hindsight a new build option would have been considerably easier, less disruptive and possibly cheaper. Delays and additional costs have resulted from resolving a number of design issues, roof leaks, mechanical and electrical changes following changes in building regulations and contractor performance issues. Claims are outstanding against the contractor and if successful will reduce the scale of this overspend.
2. **Grange Park School +£1.294m** (£0.418m in 2009/10) – the original costings and cash limits for this project, to re-provide the school on the Wrotham School site, were based on a standard build cost per square metre. Its agreed location has required additional works to take place : acoustic works to reduce the traffic noise from the M26 motorway, extra drainage works and the need for a new electricity sub station. This forecast overspend

should be reduced by the anticipated receipt from giving up the lease earlier on the existing, very unsuitable site. This receipt has been estimated at £0.4 million.

3. **Bower Grove School +£0.663m** – the increase in spend on this project relates to combination of the addition of a number of extra items and an error in the monitoring of the overall scheme: Part of the scheme was the development of a satellite centre at the Astor of Hever School (+£0.326m). This scheme was managed by the School, funded by us but unfortunately not reflected in the monitoring. Other increases relate to the need to infill a basement area at the school (which was previously unknown), extra ceiling and dining hall works and contractor claim payments.
4. **Milestone School +£0.480m** - additional costs have resulted from delays caused by design and performance issues plus arranging for asbestos to be removed. There are outstanding claims against the contractor still to be finalised.
5. **Rowhill School +£0.257m** – additional costs resulting from delays to outdoor progress on the project caused by inclement weather (snow) and the discovery of unknown buried services. Efforts are being made to offset this pressure.
6. **Valence School +£0.199m** – additional costs have resulted from the collapse of the access road, which has delayed progress on the residential accommodation and had to be replaced, as well as electricity design issues that have needed to be resolved.
7. **Ifield School (6th Form Unit) +£0.180m** – this relates to the final payment to North West Kent College for the provision of village based 6th Form tuition facilities.
8. **Appeasement Works** – In approving the new budget for the SSR as part of the 2009/11-2011/12 MTP, there was a commitment to spend up to £3m on the six schools that had had their planned scheme deferred. Two of the Schools are:
  - (a) **The Wyvern School (Clockhouse and Buxford) +£0.500m** – this is an addition to the programme which will provide the School with additional temporary accommodation, two care suites and the refurbishment of the toilets.
  - (b) **Orchard School (Dunkirk) +£0.500m** – this is an addition to the programme which includes a building extension and some refurbishment which will allow the School to take primary aged pupils.

**Corporate Property Project Management Fees -£0.338m** (all in 2009/10) This saving in our Capital budget has arisen because we are unable to capitalise the Corporate Property Unit recharge for indirect staffing to the Capital Programme. Accounting rules demand that these costs have to be met from the CFE Revenue budget.

**Self Funded Projects +£0.147m.** (all in 2009/10) The entire overspend relates to the Quarryfield Outdoor Environmental Project which is planned to complete in 2009/10. All of costs relating to this project are being funded from Early Years revenue contributions.

Overall this leaves a residual balance of +£0.109m on a number of more minor projects. (all in 2009/10)

#### 1.2.6 General Overview of Capital Programme:

##### (a) Risks

The creation of the PEF2 fund has reduced what was previously seen as the major risk i.e., the realisation of Capital Receipts. It does, however, reduce the value of receipts and hence the size of associated schemes and has meant a significant reduction in the size of our programme.

The Directorate is also at risk from external sources both in terms of the time and cost pressures on the budget by for example decisions taken by planning, environment and occasionally the individual scheme managers.

One specific scheme risk relates to the re-provision of Lypnpe Primary School. We are currently holding a spend figure on Lypnpe of £915k, but are forecasting nothing on the basis that it will all be recovered, either via the professional indemnity claim, additional fire insurance funding or a claim against the causers of the fire for 'unrecoverable losses'.

(b) Details of action being taken to alleviate risks

We continue to stress to colleagues elsewhere within the authority the fixed nature of our budget and anything extra that they insist upon means another scheme loses. The programme is also monitored internally on a regular basis and any potential challenges noted and addressed wherever possible.

### 1.2.7 PFI Projects

- Building Schools for the Future (wave 3)

£69.6m of investment in the BSF Wave 3 programme represents investment by a third party. No payment is made by KCC for the new/refurbished assets until the asset are ready for use and this is by way of an annual unitary charge to the revenue budget.

	Previous years	2009-10	2010-11	2011-12	TOTAL
	£000s	£000s	£000s	£000s	£000s
<b>Budget</b>	21,602	43,204	4,801		69,607
<b>Actual / Forecast</b>	21,602	43,204	4,801		69,607
<b>Variance</b>	0	0	0	0	0

(a) **Progress and details of whether costings are still as planned (for the 3<sup>rd</sup> party)**

The contracts for the Building Schools for the Future programme and the establishment of Local Education Partnership 1 (LEP1) were signed on 24<sup>th</sup> October 2008. These include the PFI Agreement for the construction of the three PFI schools. Preliminary works on the three PFI sites began slightly before financial close (at the Contractor's risk) in order to maintain the construction programme. The construction of the new assets is therefore currently running to schedule and in accordance with the costings above.

(b) **Implications for KCC of details reported in (a) i.e., could an increase in the cost result in a change to the unitary charge ?**

The PFI Contractor bears the risk of any delays to the construction programme (with the exception of any agreed compensation events). Consequently, any delays that may arise in the construction programme will not impact on the unitary charge.

### 1.2.8 Project Re-Phasing

It is proposed that a cash limit change be recommended for the following projects that have re-phased by greater than £0.100m to reduce the reporting requirements during the year. Any subsequent re-phasing greater than £0.100m can be requested but the full extent of the rephasing will have to be shown. The possible re-phasing is detailed in the table below.

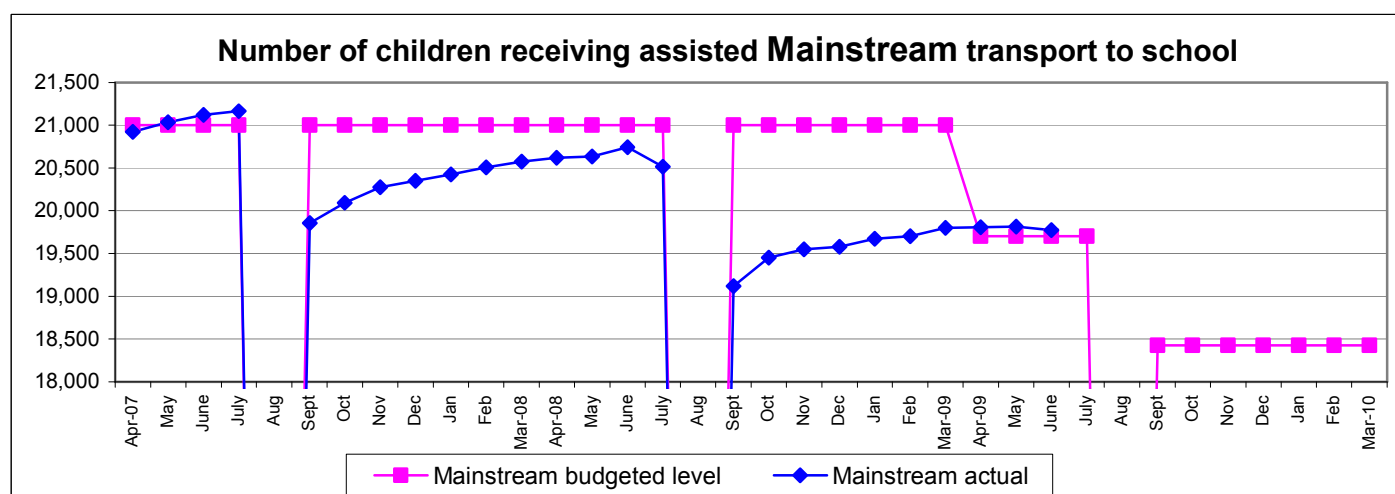
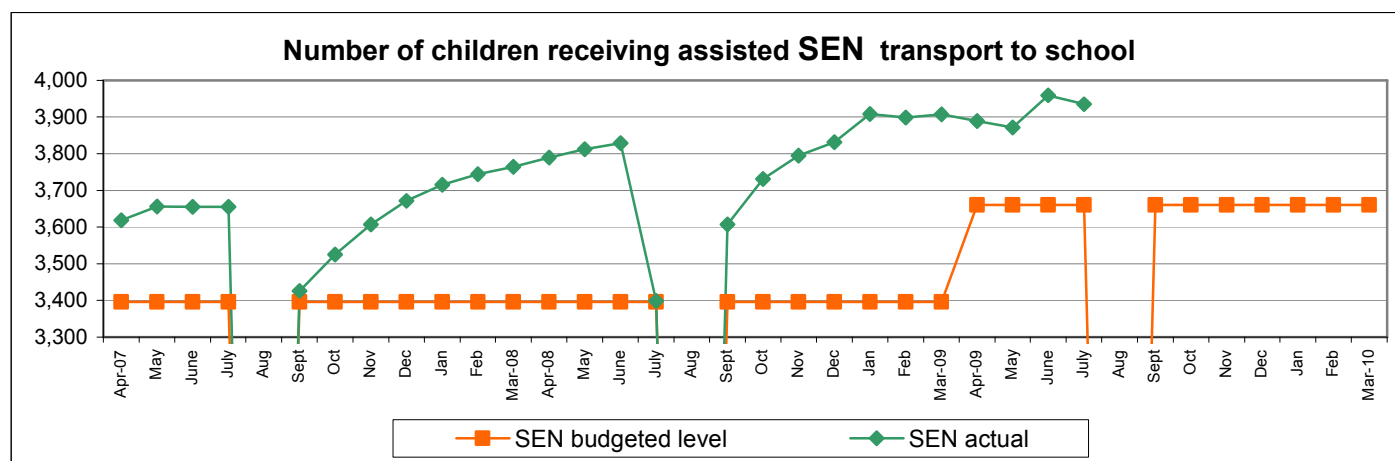
	2009-10	2010-11	2011-12	Future Years	Total
	£k	£k	£k	£k	
<b>Basic Needs - Goat Lees</b>					
Amended total cash limits	+100	+1,200			+1,300
re-phasing	-100	-1,100	+1,200		0
<b>Revised project phasing</b>	<b>0</b>	<b>+100</b>	<b>+1,200</b>	<b>0</b>	<b>+1,300</b>
<b>Basic Needs - Templar Barracks</b>					
Amended total cash limits	+794	+1,600	+1,600		+3,994
re-phasing	-744	-1,381	+1,029	+1,096	0
<b>Revised project phasing</b>	<b>+50</b>	<b>+219</b>	<b>+2,629</b>	<b>+1,096</b>	<b>+3,994</b>
<b>Basic Needs - Ryarsh Primary</b>					
Amended total cash limits	+169				+169
re-phasing	-169	+169			0
<b>Revised project phasing</b>	<b>0</b>	<b>+169</b>	<b>0</b>	<b>0</b>	<b>+169</b>
<b>Basic Needs - Dartford Grammar School for Girls</b>					
Amended total cash limits	+2,198				+2,198
re-phasing	-437	+437			0
<b>Revised project phasing</b>	<b>+1,761</b>	<b>+437</b>	<b>0</b>	<b>0</b>	<b>+2,198</b>
<b>Modernisation of Assets - Sissinghurst Primary</b>					
Amended total cash limits	+345	+61			+406
re-phasing	-200	+200			0
<b>Revised project phasing</b>	<b>+145</b>	<b>+261</b>	<b>0</b>	<b>0</b>	<b>+406</b>
<b>Building Maintenance Programme</b>					
Amended total cash limits	+11,331	+14,433	+14,361	+28,722	+68,847
re-phasing	+3,000	-3,000			0
<b>Revised project phasing</b>	<b>+14,331</b>	<b>+11,433</b>	<b>+14,361</b>	<b>+28,722</b>	<b>+68,847</b>
<b>Primary Pathfinder - Oakfield &amp; Manor</b>					
Amended total cash limits	+9,179	+213			+9,392
re-phasing	-653	+626	+27		0
<b>Revised project phasing</b>	<b>+8,526</b>	<b>+839</b>	<b>+27</b>	<b>0</b>	<b>+9,392</b>
<b>Transforming Short Breaks</b>					
Amended total cash limits	+2,584	+2,407	+1,493		+6,484
re-phasing	-1,636	+1,636			0
<b>Revised project phasing</b>	<b>+948</b>	<b>+4,043</b>	<b>+1,493</b>	<b>0</b>	<b>+6,484</b>
<b>Total re-phasing &gt;£100k</b>	<b>-939</b>	<b>-2,413</b>	<b>+2,256</b>	<b>+1,096</b>	<b>0</b>
<b>Other re-phased Projects below £100k</b>					
re-phasing	+30	-30			0
<b>Revised phasing</b>	<b>+30</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RE-PHASING</b>	<b>-909</b>	<b>-2,443</b>	<b>+2,256</b>	<b>+1,096</b>	<b>0</b>



## 2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

### 2.1 Numbers of children receiving assisted SEN and Mainstream transport to school:

	2007-08				2008-09				2009-10			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual	Budgeted level	actual
April	3,396	3,618	21,000	20,923	3,396	3,790	21,000	20,618	3,660	3,889	19,700	19,805
May	3,396	3,656	21,000	21,032	3,396	3,812	21,000	20,635	3,660	3,871	19,700	19,813
June	3,396	3,655	21,000	21,121	3,396	3,829	21,000	20,741	3,660	3,959	19,700	19,773
July	3,396	3,655	21,000	21,164	3,396	3,398	21,000	20,516	3,660	3,935	19,700	19,761
Aug	0	0	0	0	0	0	0	0	0	0	0	0
Sept	3,396	3,426	21,000	19,855	3,396	3,607	21,000	19,118	3,660		18,425	
Oct	3,396	3,525	21,000	20,093	3,396	3,731	21,000	19,450	3,660		18,425	
Nov	3,396	3,607	21,000	20,276	3,396	3,795	21,000	19,548	3,660		18,425	
Dec	3,396	3,671	21,000	20,349	3,396	3,831	21,000	19,579	3,660		18,425	
Jan	3,396	3,716	21,000	20,426	3,396	3,908	21,000	19,670	3,660		18,425	
Feb	3,396	3,744	21,000	20,509	3,396	3,898	21,000	19,701	3,660		18,425	
March	3,396	3,764	21,000	20,575	3,396	3,907	21,000	19,797	3,660		18,425	

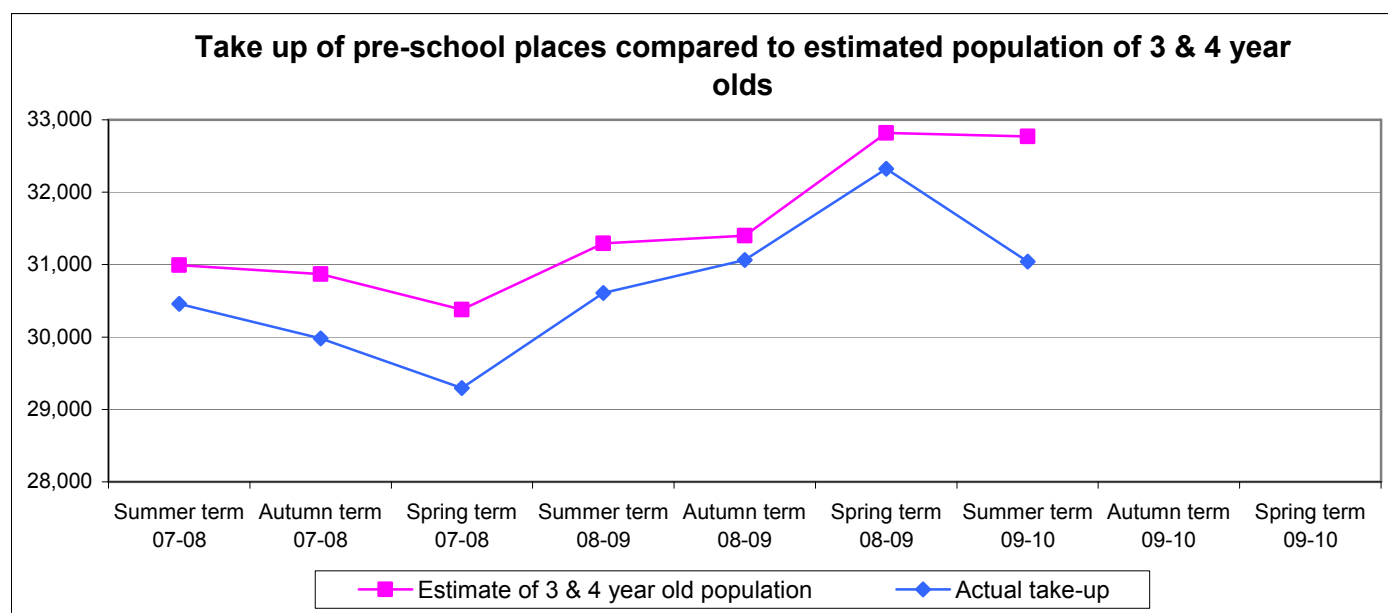


#### Comments:

- **SEN HTST** – The number of children requiring SEN transport continues to be higher than budgeted levels, and the resulting pressure on this budget is detailed in section 1.1.3.8.
- **Mainstream HTST** – The number of children requiring mainstream transport is higher than the budgeted level. However, as explained in section 1.1.3.7, savings have been generated through the contract renegotiation which means we can now afford more travellers than the budgeted level suggests.

## 2.2.1 Take up of pre-school places against the number of places available, split between Private Voluntary and Independent Sector (PVI) places and School places:

	<i>PVI places taken up</i>	<i>School places taken up</i>	Total places taken up	Estimate of 3 & 4 year old population	% take up
<b>2007-08</b>					
Summer term	20,675	9,485	30,460	30,992	98%
Autumn term	14,691	15,290	29,981	30,867	97%
Spring term	17,274	12,020	29,294	30,378	96%
<b>2008-09</b>					
Summer term	20,766	9,842	30,608	31,294	98%
Autumn term	14,461	16,604	31,065	31,399	99%
Spring term	19,164	13,161	32,325	32,820	98%
<b>2009-10</b>					
Summer term	21,175	9,868	31,043	32,770	95%
Autumn term					
Spring term					



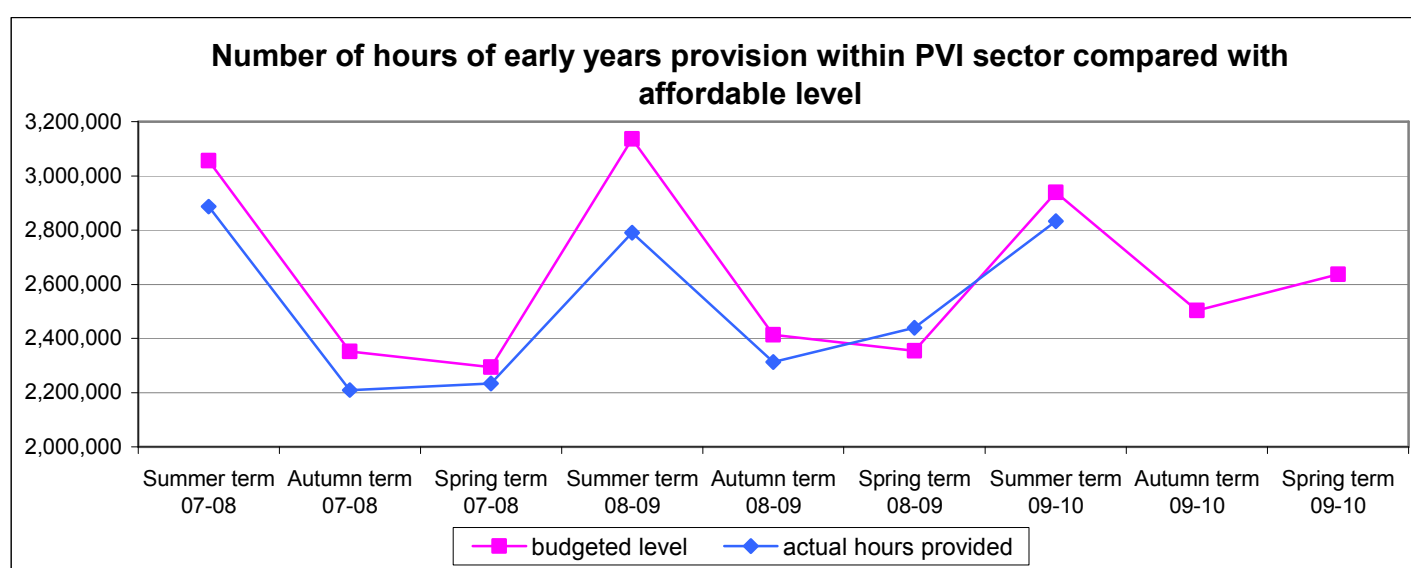
### Comments:

- This graph shows that currently 95% of the estimated population of 3 and 4 year olds are receiving some level of early years provision, whether this be one session per week for 33 weeks or five sessions per week for 38 weeks. This activity indicator is based on headcount and provides a snapshot position at a point in time, whereas the activity data in 2.2.2 below provides details of the number of hours provided in the Private, Voluntary & Independent sector, and will correlate with the variance on the Early Years budget within the Management Information Unit. However as this budget is funded entirely from DSG/standards fund, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations, and cannot be used to offset over or underspending elsewhere in the directorate budget. Therefore, as any unspent DSG Early Years funding has to be returned to schools, in 2009-10 an estimated underspend of £1m will be transferred to the schools unallocated reserve and hence is not included in the overall directorate forecast shown in table 1, but is reported in the narrative in section 1.1.3.18 of this annex. Expenditure relating to the increase in the free entitlement from 12.5hrs to 15hrs a week will be funded from Standards Fund, a 17month ring-fenced specific grant, which requires any resulting underspends will be carried forward to the next financial year to be spent by 31<sup>st</sup> August 2011.
- The percentage drop in the level of take-up may be due to the effects of the recession, where some parents, mainly those working part-time, who had used the free-entitlement to enable them to work or train are now unemployed and not using early education even though it is free.

However it must also be noted that while the table suggests a drop in the level of take-up, the 3 & 4 year old population data is an estimate and total numbers of take up for both PVI and school places has risen for this point in the financial year. A further update on this position will be given in future monitoring reports.

## 2.2.2 Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:

	2007-08		2008-09		2009-10	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided
Summer term	3,056,554	2,887,134	3,136,344	2,790,446	2,939,695	2,832,550
Autumn term	2,352,089	2,209,303	2,413,489	2,313,819	2,502,314	
Spring term	2,294,845	2,233,934	2,354,750	2,438,957	2,637,646	
	<b>7,703,488</b>	<b>7,330,371</b>	<b>7,904,583</b>	<b>7,543,222</b>	<b>8,079,655</b>	<b>2,832,550</b>



### Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- From September 2009-10, the phased roll-out of the increase in the number of free entitlement hours from 12.5hrs to 15 hrs per week will begin. The estimated increase in the number of hours has been factored into the budgeted number of hours for 2009-10. This increase in hours will be funded from a specific DCSF standards fund grant.
- The current activity suggests an underspend of around £1m on this budget which has been mentioned in section 1.1.3.18 of this annex. A more certain position will be reported once the autumn hours are known.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- The number of hours provided in the Summer Term has increased even though the percentage take-up reported in 2.2.1 has reduced because the actual level of take-up in PVI providers has increased and there are more days in the summer term than the spring term.

2.3 **Number of schools with deficit budgets compared with the total number of schools:**

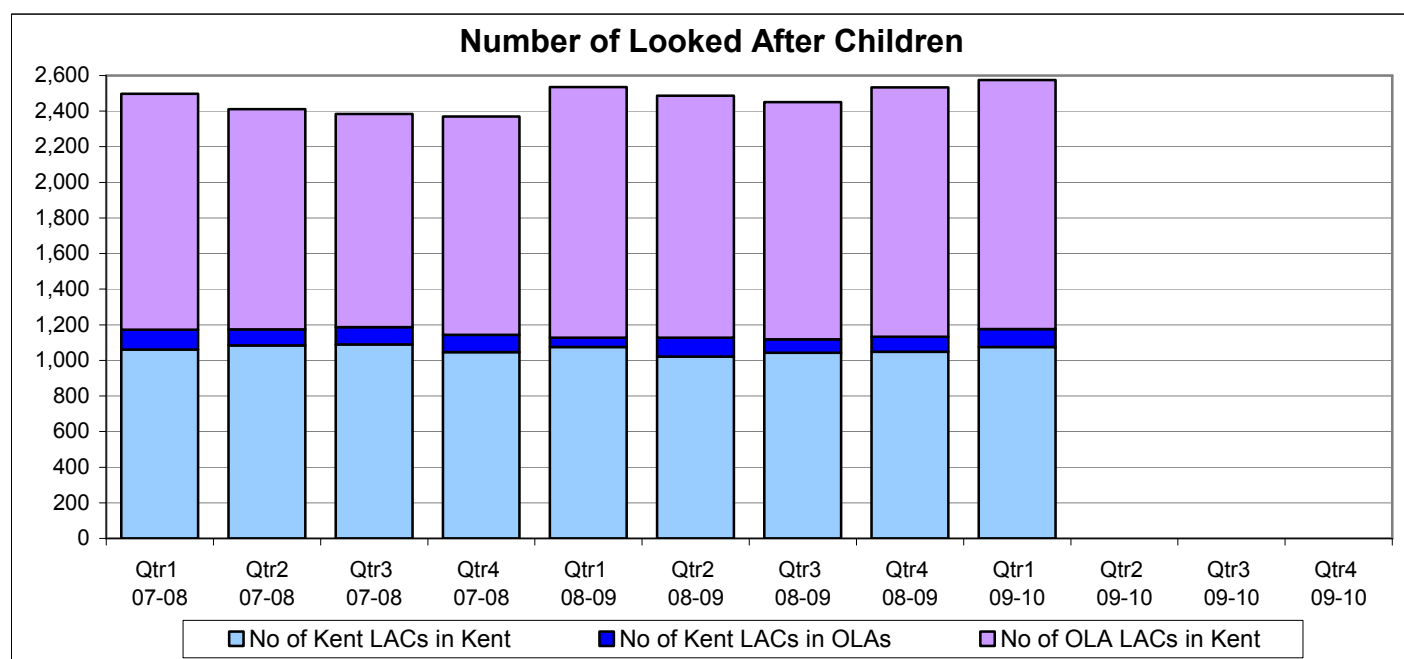
	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
	as at 31-3-06	as at 31-3-07	as at 31-3-08	as at 31-3-09	Projection
Total number of schools	600	596	575	570	570
Total value of school revenue reserves	£70,657k	£74,376k	£79,360k	£63,184k	£63,184k
Number of deficit schools	9	15	15	13	19
Total value of deficits	£947k	£1,426k	£1,068k	£1,775k	£2,723k

## Comments:

- The information on deficit schools for 2009-10 has been obtained from the schools budget submissions. The directorate receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end.
- The number and value of deficits for 2009-10 is based on the schools 3 year budget plan submission. These are estimates and more information will be provided in future monitoring reports. Historically, the number of deficits reported in the first quarters monitoring tend to reduce by year end. The CFE Statutory team are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- KCC now has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority.

## 2.4 Numbers of Looked After Children (LAC):

	No of Kent LAC placed in Kent	No of Kent LAC placed in OLAs	TOTAL NO OF KENT LAC	No of OLA LAC placed in Kent	TOTAL No of LAC in Kent
<b>2007-08</b>					
Apr – Jun	1,060	112	<b>1,172</b>	1,325	<b>2,497</b>
Jul – Sep	1,084	91	<b>1,175</b>	1,236	<b>2,411</b>
Oct – Dec	1,090	97	<b>1,187</b>	1,197	<b>2,384</b>
Jan – Mar	1,047	97	<b>1,144</b>	1,226	<b>2,370</b>
<b>2008-09</b>					
Apr – Jun	1,075	52	<b>1,127</b>	1,408	<b>2,535</b>
Jul – Sep	1,022	105	<b>1,127</b>	1,360	<b>2,487</b>
Oct – Dec	1,042	77	<b>1,119</b>	1,331	<b>2,450</b>
Jan – Mar	1,048	84	<b>1,132</b>	1,402	<b>2,534</b>
<b>2009-10</b>					
Apr – Jun	1,076	100	<b>1,176</b>	1,399	<b>2,575</b>
Jul – Sep					
Oct – Dec					
Jan – Mar					

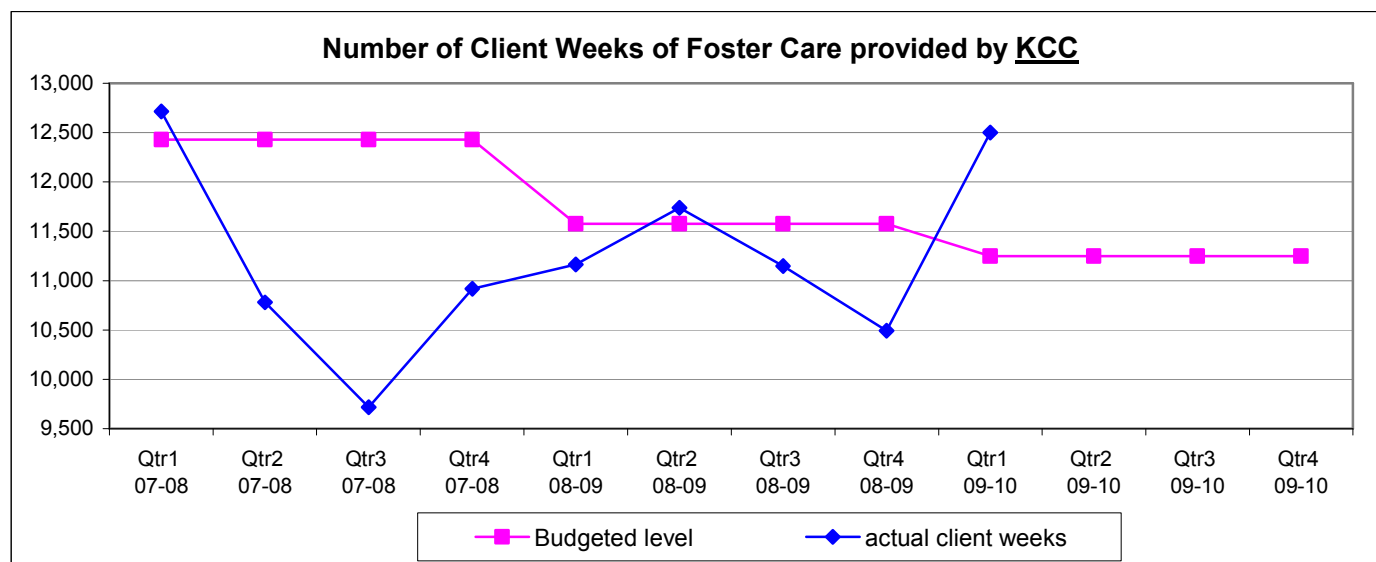


## Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken. The majority (over 99%) of Looked After Children placed out of the Authority are either in adoptive placements, placed with a relative, specialist residential provision not available in Kent or living with KCC foster carers based in Medway.
- Please note, the number of looked after children for each quarter represent a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore although the number of looked after children has increased by 34, there could have been more during the period.
- The increase in Kent looked after children has placed additional pressure on the fostering service budget (see section 1.1.3.10)

## 2.5.1 Number of Client Weeks of Foster Care provided by KCC:

	2007-08		2008-09		2009-10	
	Budgeted level	Actual Client Weeks	Budgeted level	Actual Client Weeks	Budgeted level	Actual Client Weeks
Apr - Jun	12,427	12,711	11,576	11,166	11,249	12,499
Jul - Sep	12,427	10,781	11,576	11,735	11,249	
Oct - Dec	12,427	9,716	11,576	11,147	11,249	
Jan - Mar	12,427	10,918	11,576	10,493	11,249	
	<b>49,709</b>	<b>44,129</b>	<b>46,303</b>	<b>44,451</b>	<b>44,997</b>	<b>12,499</b>

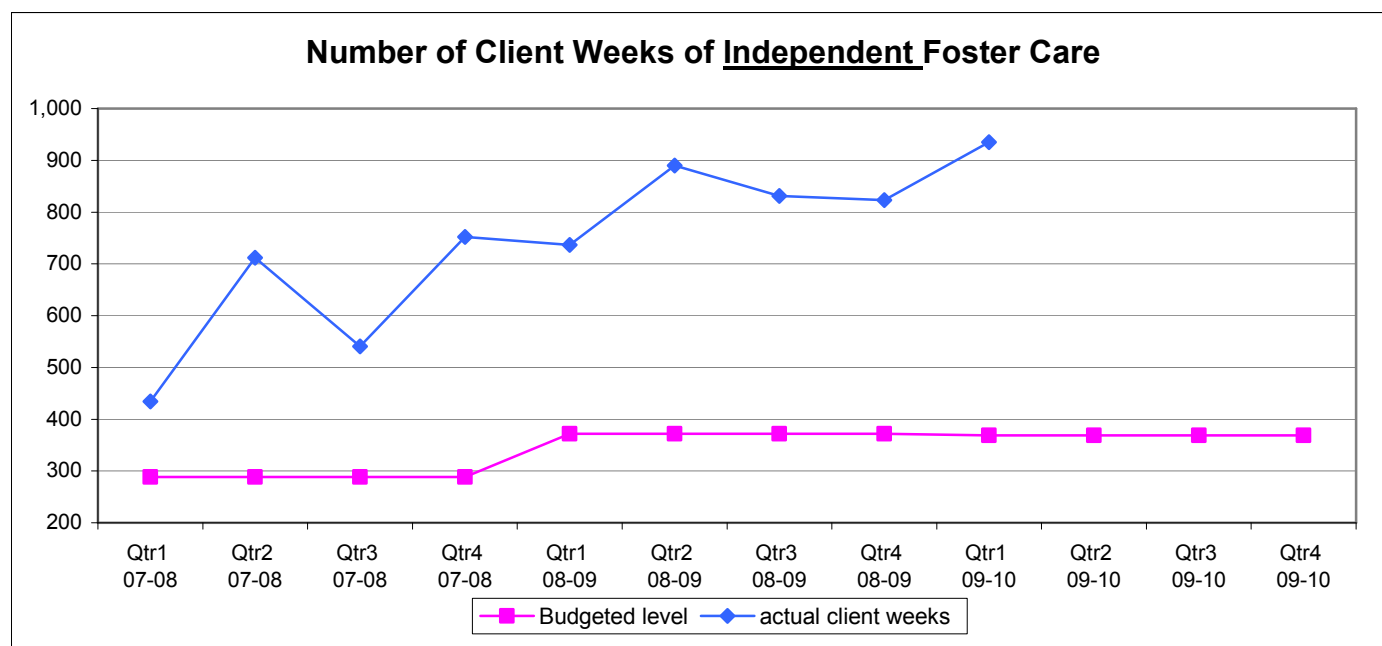


## Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time.
- The budgeted level has been calculated by dividing the 2009-10 budget for all in-house fostering (including 16+) by the 2008-09 average weekly cost adjusted for inflation. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks.
- It should be noted that the data relating to 2007-08 was manually produced due to problems with the IT system and should be treated with some caution.
- There has been a significant increase in the number of weeks for the first quarter of 2009-10 with approximately 2,000 additional weeks purchased compared to the final quarter of 2008-09. However, due to the short term nature of some of these placements (less than a month), the financial forecast has not been based on this trend continuing for the remainder of this financial year. The overall net pressure on in-house fostering is expected to be approximately £719k, combining both 16+ and fostering service forecasts (sections 1.1.3.10 & 1.1.3.13) and corresponds with forecast activity levels. However, it must be noted the activity levels of in-house foster care placements are volatile and further information on the apparent trend will be given in future monitoring reports.
- It must be noted there is a move to increase the number of in-house foster carers to reduce the dependence on more costly independent sector provision, however this is not expected to happen until late 2009-10 or early 2010-11, due to delays in the recruitment of relevant staff.

## 2.5.2 Number of Client Weeks of Independent Foster Care:

	2007-08		2008-09		2009-10	
	Budgeted level	Actual Client Weeks	Budgeted level	Actual Client Weeks	Budgeted level	Actual Client Weeks
Apr - Jun	289	435	372	737	369	935
Jul - Sep	289	712	372	890	369	
Oct - Dec	289	540	372	831	369	
Jan - Mar	289	752	372	823	369	
	<b>1,154</b>	<b>2,439</b>	<b>1,487</b>	<b>3,281</b>	<b>1,475</b>	<b>935</b>

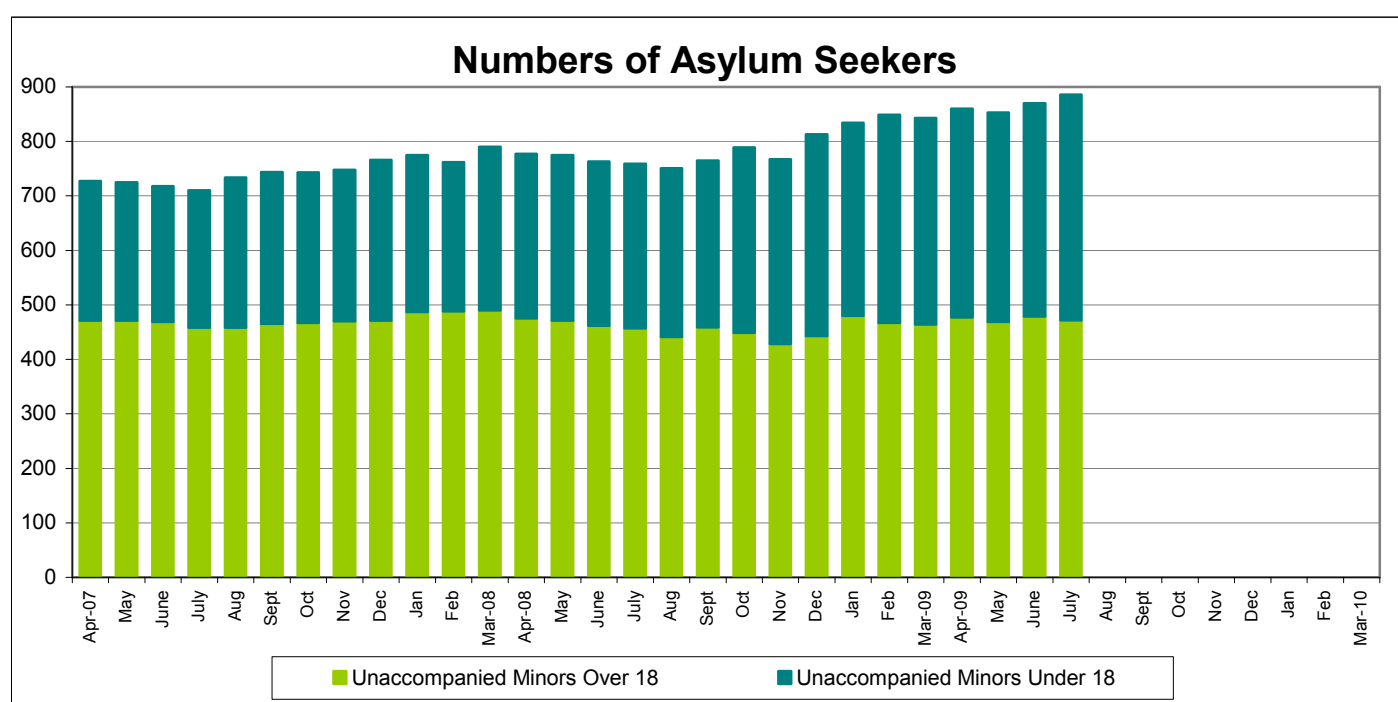


## Comments:

- The actual number of client weeks is based on the numbers of known clients at a particular point in time.
- The budgeted level has been calculated by dividing the 2009-10 budget by the 2008-09 average weekly cost adjusted for inflation. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- The number of independent sector fostering placements has increased by an additional 112 weeks since the final quarter of 2008-09. The projected overspend on independent sector fostering payments is £2,504k combining both 16+ and fostering service forecasts (sections 1.1.3.10 & 1.1.3.13), this is an increase of £665k compared to the 2008-09 outturn. The activity relating to independent sector provision is not expected to reduce until late 2009-10 or early 2010-11, once the number and skill level of in-house foster carers has begun to increase.

## 2.6 Numbers of Unaccompanied Asylum Seeking Children (UASC):

	2007-08			2008-09			2009-10		
	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients
April	256	471	727	302	475	777	383	477	860
May	254	471	725	304	471	775	384	469	852
June	249	469	718	301	462	763	391	479	870
July	252	458	710	302	457	759	414	472	886
August	276	458	734	310	441	751			
September	279	465	744	306	459	765			
October	276	467	743	340	449	789			
November	278	470	748	339	428	767			
December	295	471	766	370	443	813			
January	288	487	775	354	480	834			
February	274	488	762	382	467	849			
March	300	490	790	379	464	843			



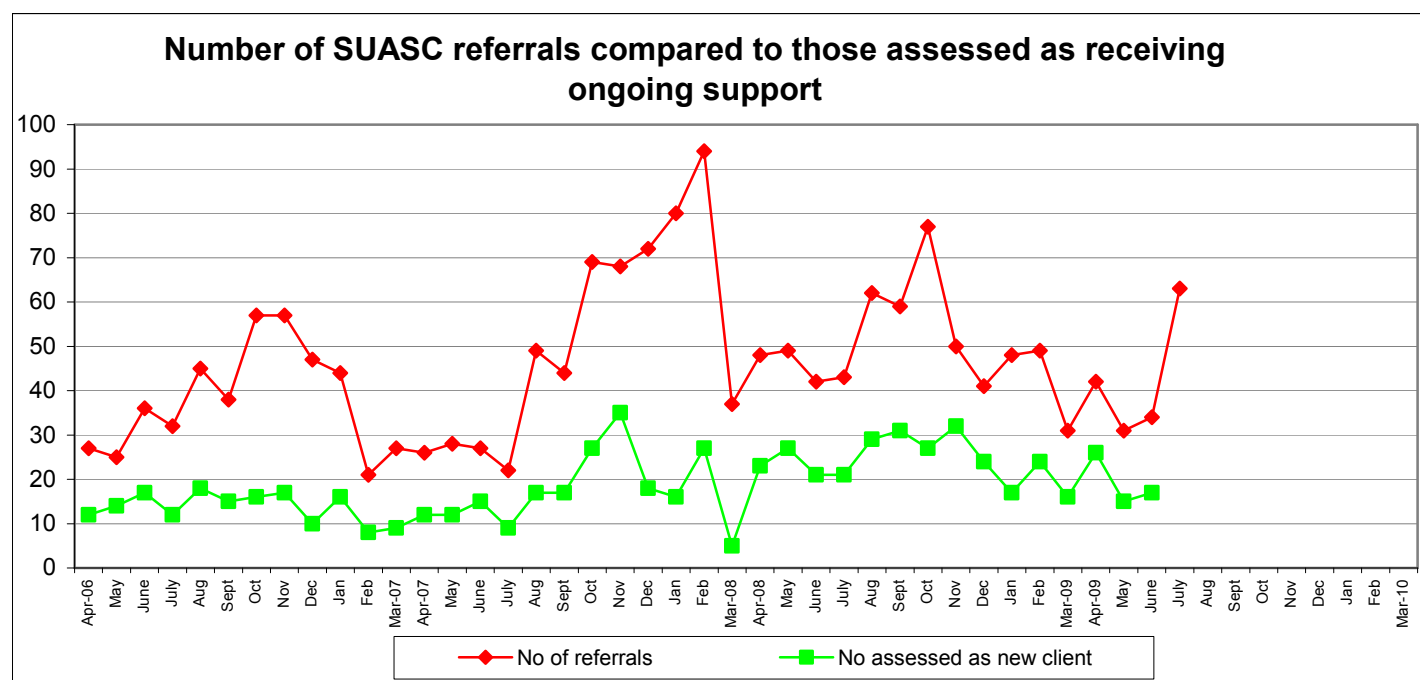
## Comment:

- Client numbers have risen as a result of higher referrals and are higher than the projected number, which for 2009-10 is an average of 820 clients per month.
- The data recorded above will include some referrals for which the assessments are not yet complete. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, their category may change.



2.7 **Numbers of Asylum Seeker referrals compared with the number assessed as qualifying for on-going support from Service for Unaccompanied Asylum Seeking Children (SUASC) ie new clients:**

	2006-07			2007-08			2008-09			2009-10		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April	27	12	44%	26	12	46%	48	23	48%	42	26	62%
May	25	14	56%	28	12	43%	49	27	55%	31	15	48%
June	36	17	47%	27	15	56%	42	21	50%	34	17	50%
July	32	12	38%	22	9	41%	43	21	49%	63		
August	45	18	40%	49	17	35%	62	29	47%			
Sept	38	15	39%	44	17	39%	59	31	53%			
Oct	57	16	28%	69	27	39%	77	27	35%			
Nov	57	17	30%	68	35	51%	50	32	64%			
Dec	47	10	21%	72	18	25%	41	24	59%			
Jan	44	16	36%	80	16	20%	48	17	35%			
Feb	21	8	38%	94	27	29%	49	24	49%			
March	27	9	33%	37	5	14%	31	16	52%			
	<b>456</b>	<b>164</b>	<b>36%</b>	<b>616</b>	<b>210</b>	<b>34%</b>	<b>599</b>	<b>292</b>	<b>49%</b>	<b>170</b>	<b>58</b>	



**Comments:**

- The number of referrals remains consistently higher than the budgeted 30 referrals a month with a significant rise in July.
- The high number of referrals has a knock on effect on the number assessed as new clients. The number of new clients in April and June were higher than the expected 15 new clients a month. Age assessments for the July referrals have not yet been completed and up-to-date information will be provided in the next full monitoring report to Cabinet in November.
- The first two quarters figures for 2008-09 'number assessed as new clients' have been corrected for this report. The figures for quarter one and two of 2008-09 increased from 70 and 77 to 71 and 81 respectively. The difference is due to delays in the completion of the young person's assessment either due to hospitalisation or their being missing, or further evidence of age thus requiring an amendment to the data.