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Corporate Directors

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

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

Classification: Unrestricted

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
<i>Sub Total Children, Young People & Education</i>	<i>172.074</i>	<i>9.589</i>	<i>-1.628</i>	<i>7.961</i>	<i>6.113</i>	<i>1.848</i>
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
<i>Sub Total Adult Social Care & Health</i>	<i>417.041</i>	<i>8.928</i>	<i>-5.764</i>	<i>3.164</i>	<i>5.001</i>	<i>-1.837</i>
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
<i>Schools (CYP&E Directorate)</i>	<i>0.000</i>	<i>0.625</i>	<i>1.483</i>	<i>2.108</i>	<i>1.291</i>	<i>0.817</i>
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				0.000		0.000
- 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 Children, Young People and Education – Education & Young People’s Services:

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 Children, Young People and Education – Specialist Children’s Services

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 Children, Young People and Education – Specialist Children’s Services - Asylum

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 Adult Social Care and Health

- 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 Financing Items

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 Woodgate 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.

Environment, Planning and Enforcement and Libraries, Registration and Archives

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

Economic Development

- 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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Breakdown of Directorate Monitoring Position

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
<u>Children, Young People & Education</u>					
<u>Specialist Children's Services</u>					
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
<u>Education & Young People's Services</u>					
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
<u>Adult Social Care & Health</u>					
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

Appendix 1

	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.

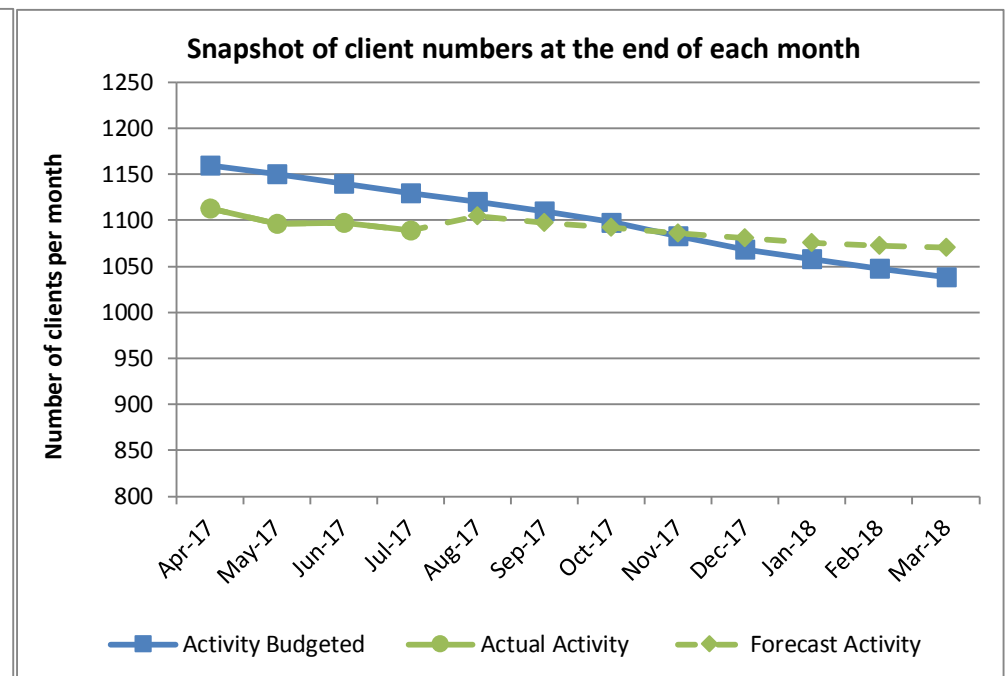
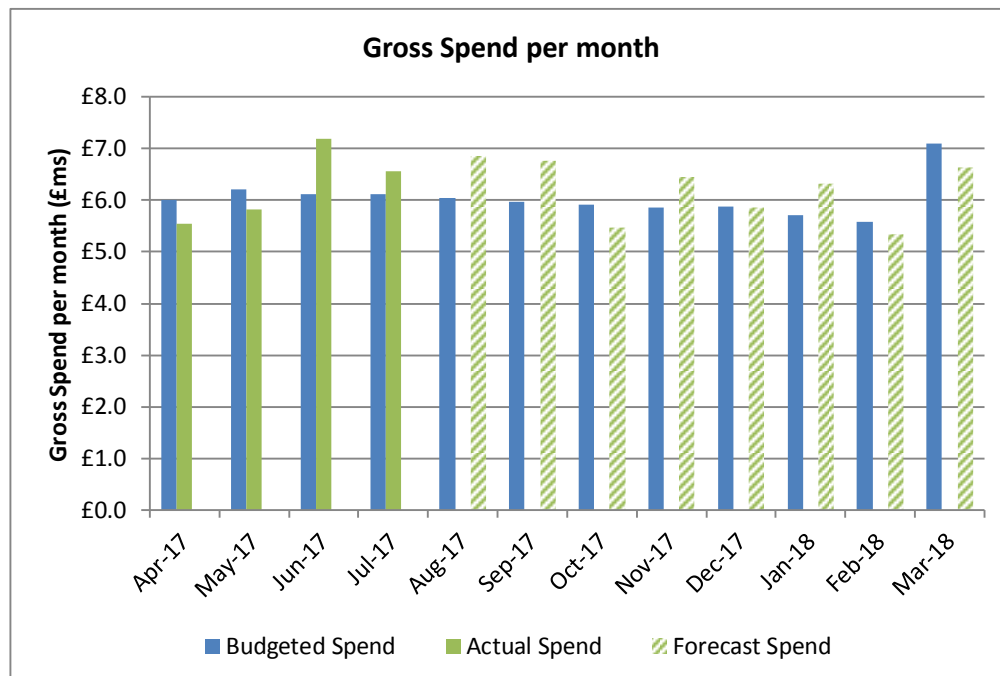
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

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.



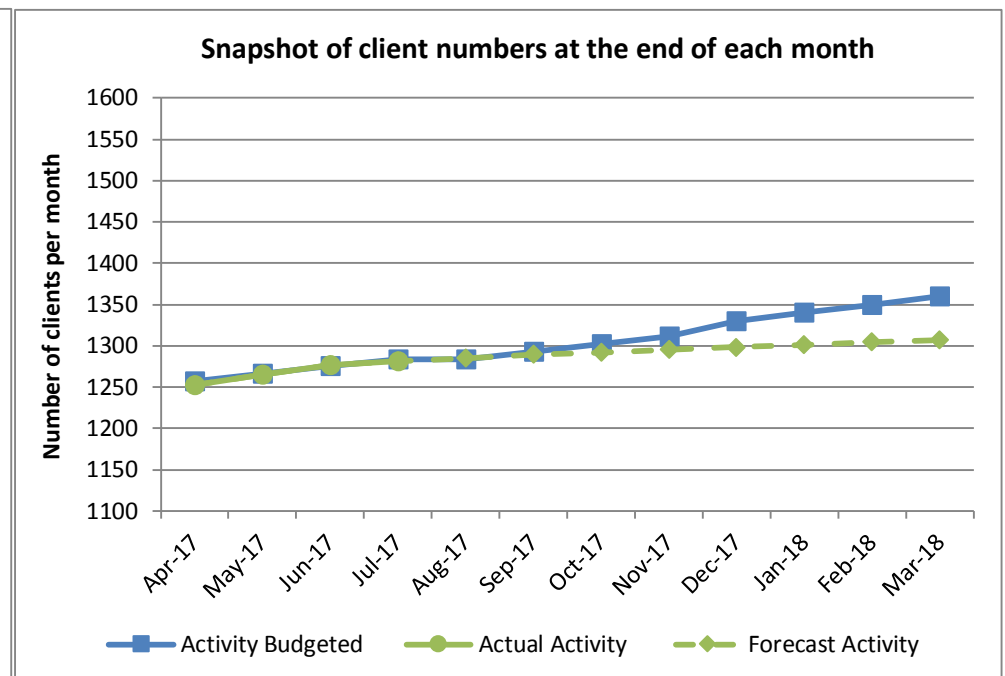
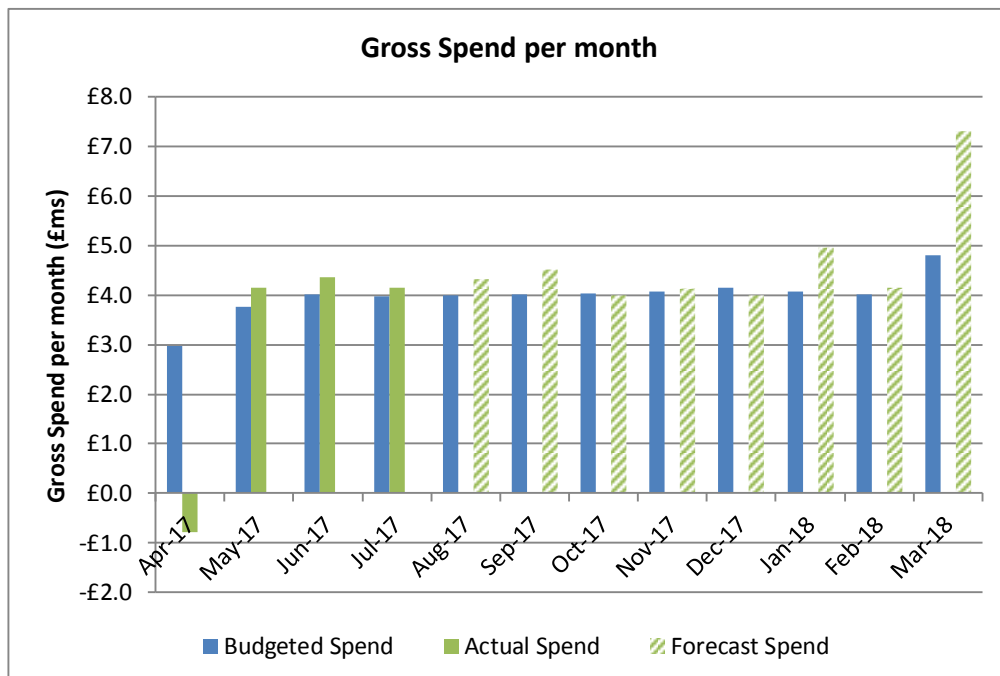
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

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.



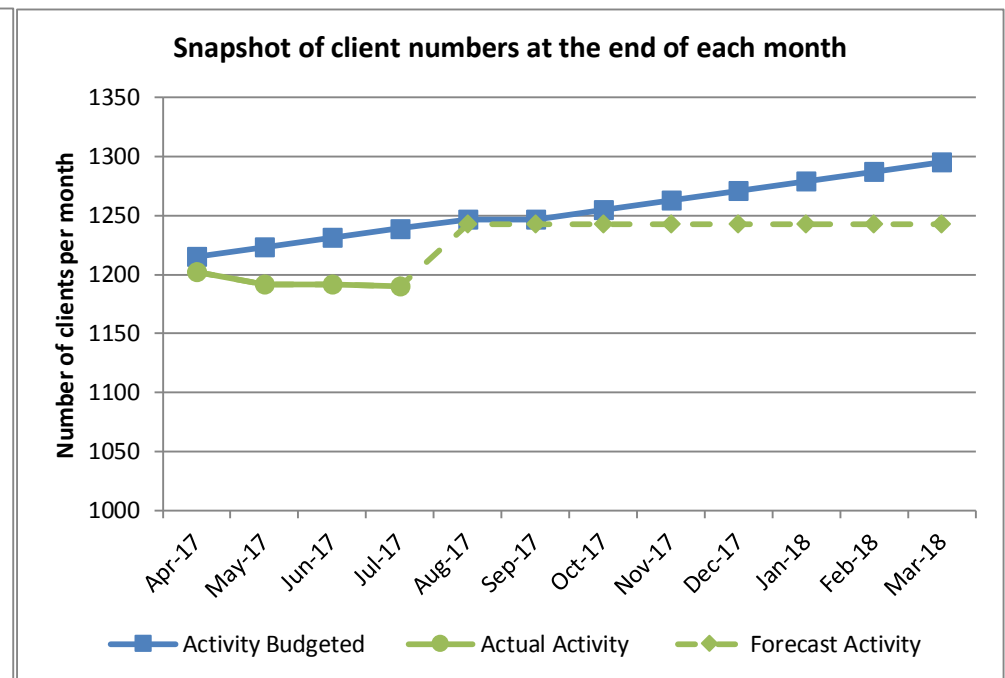
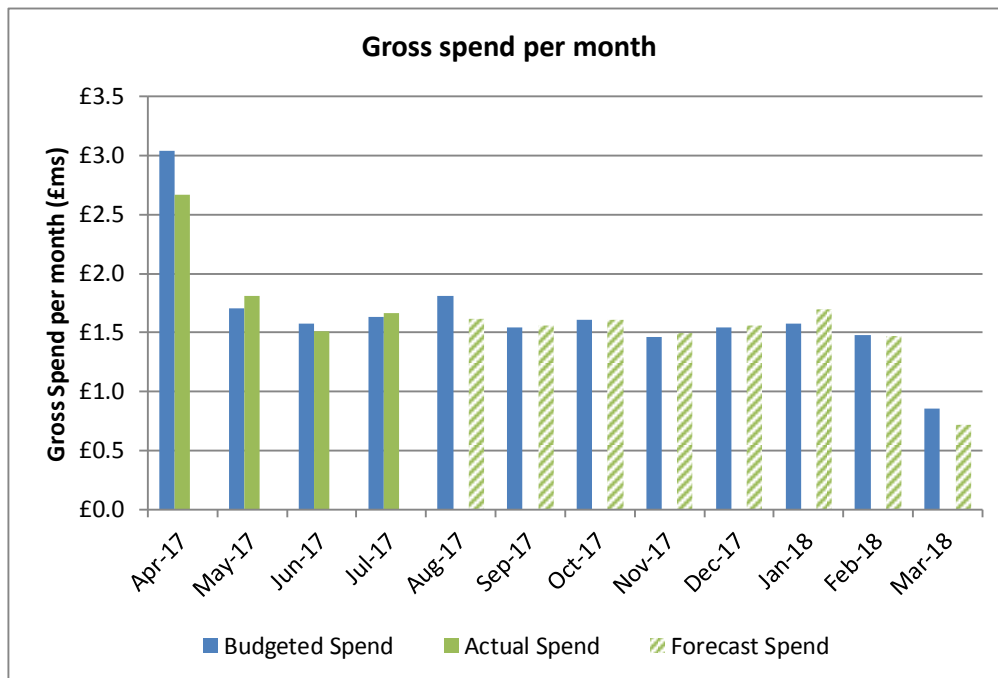
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

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.



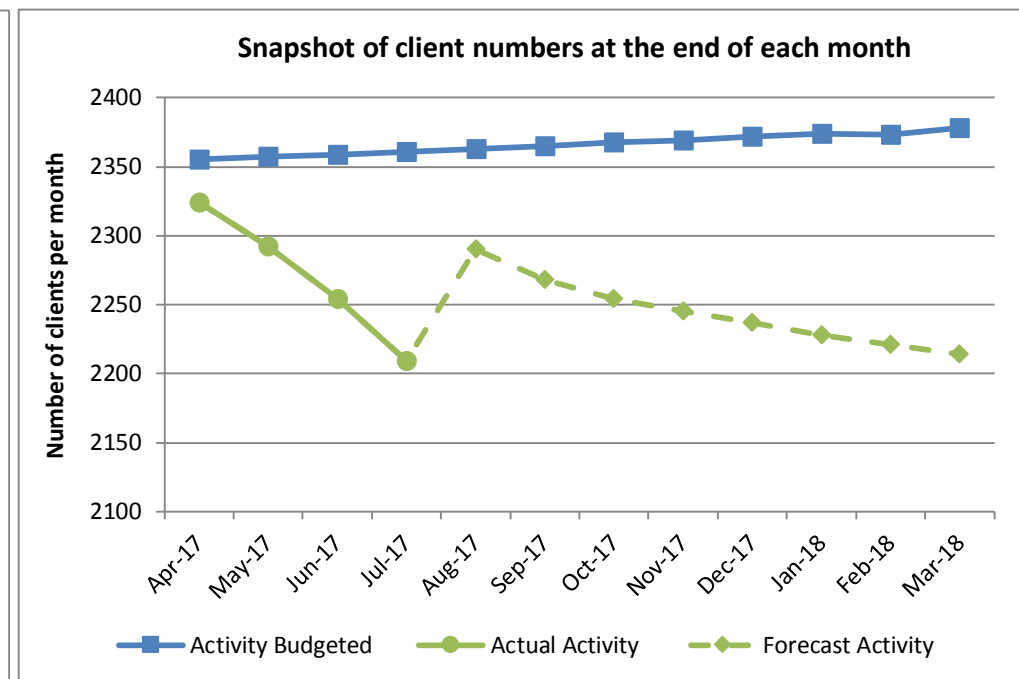
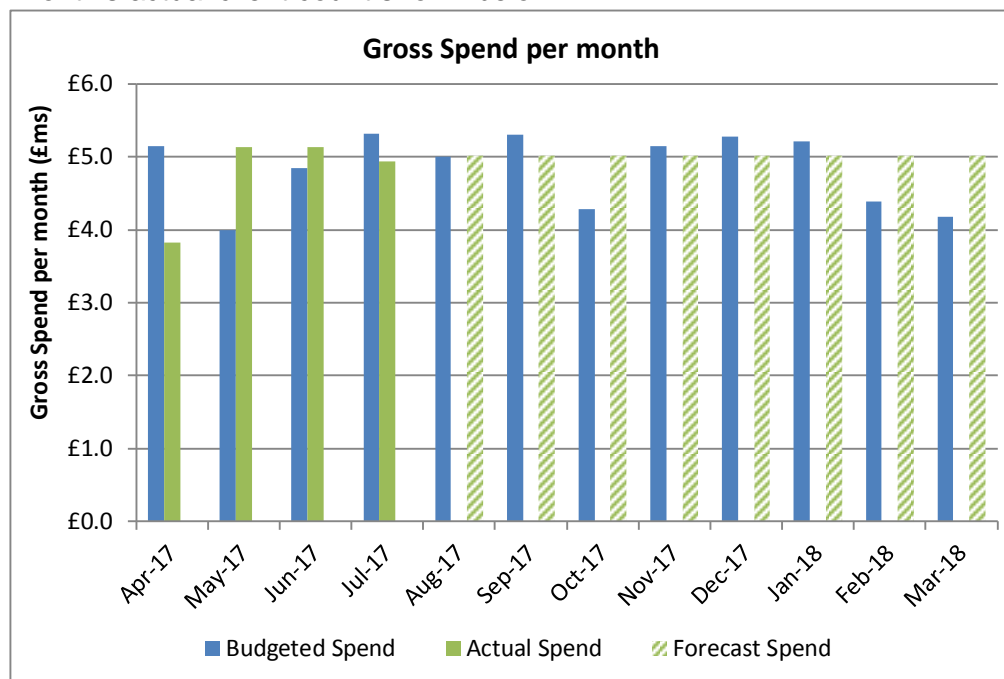
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

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.



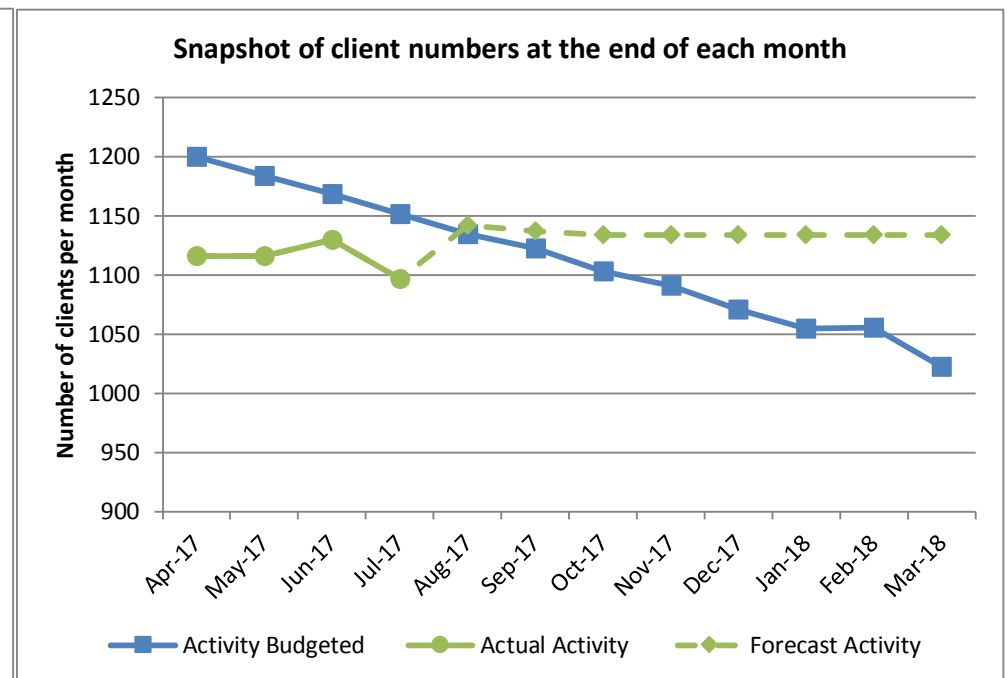
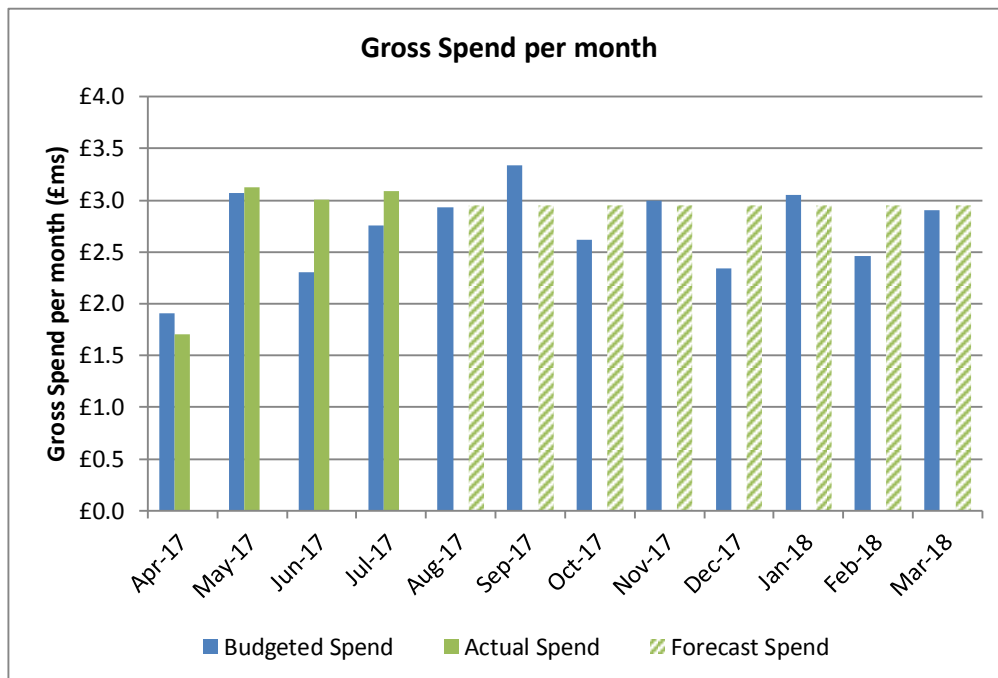
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

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.



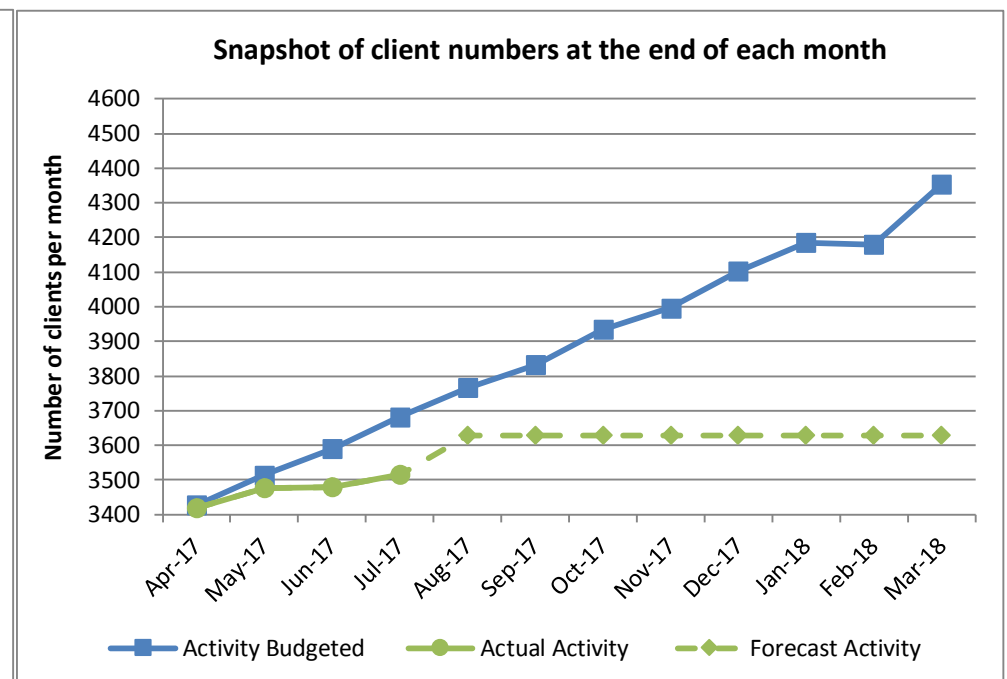
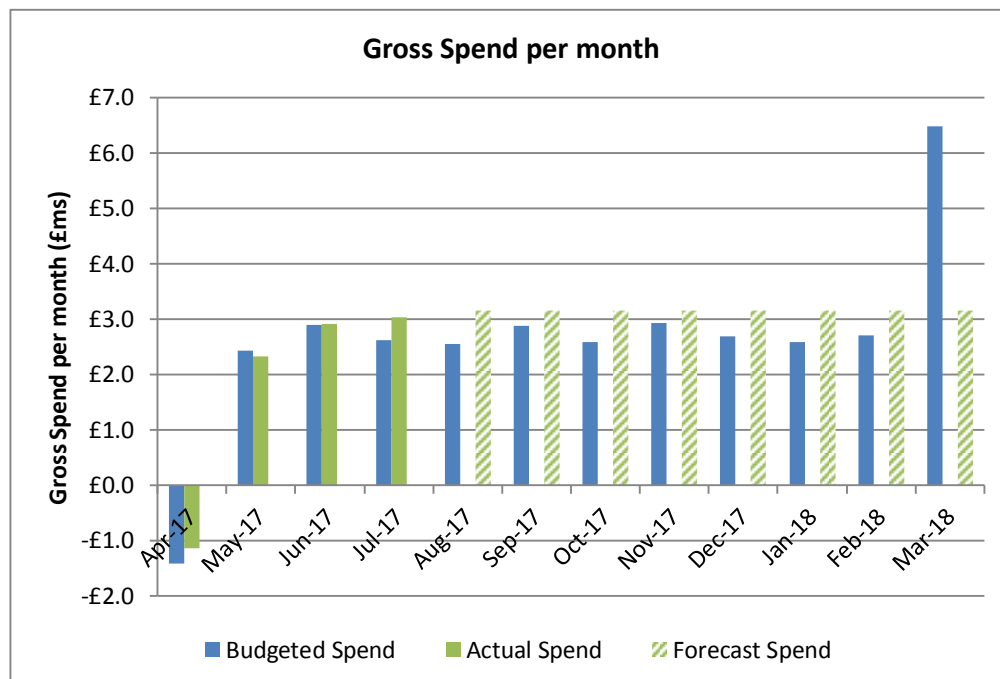
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

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.



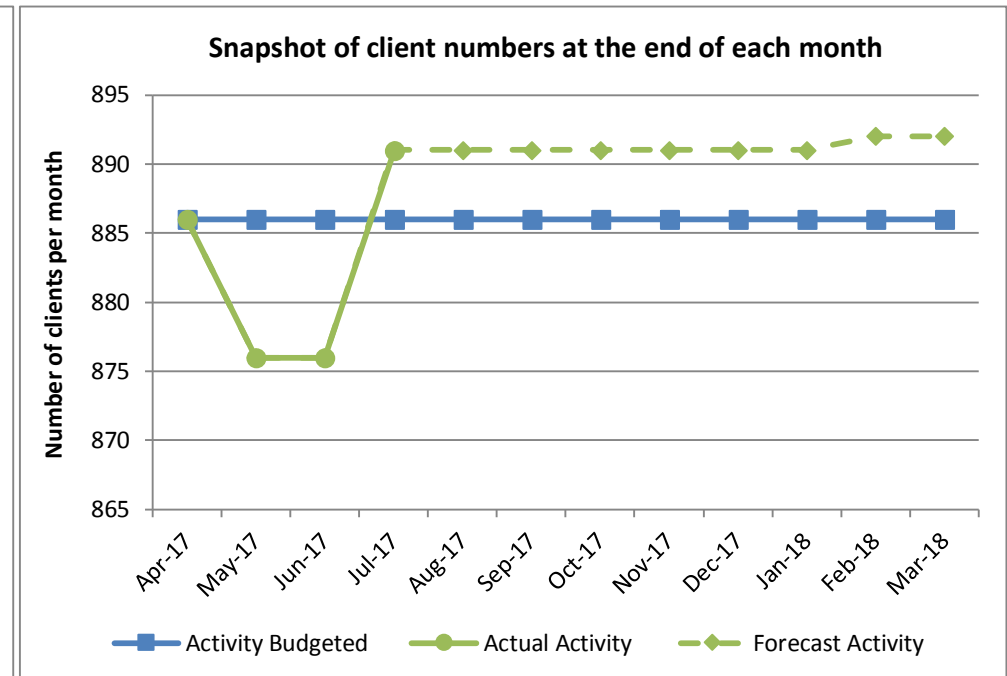
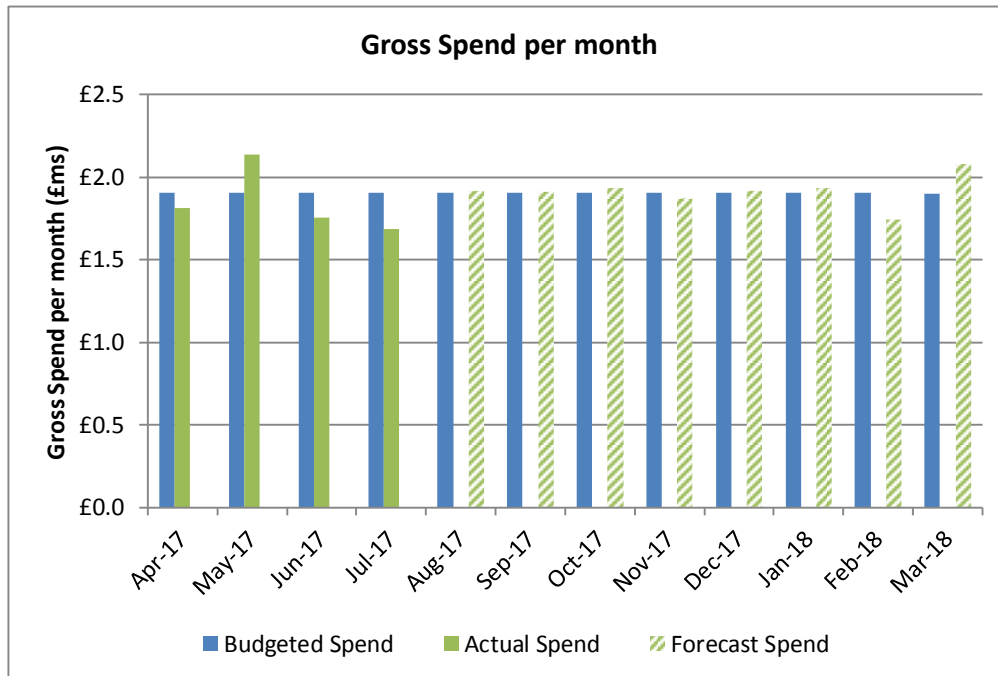
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

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.



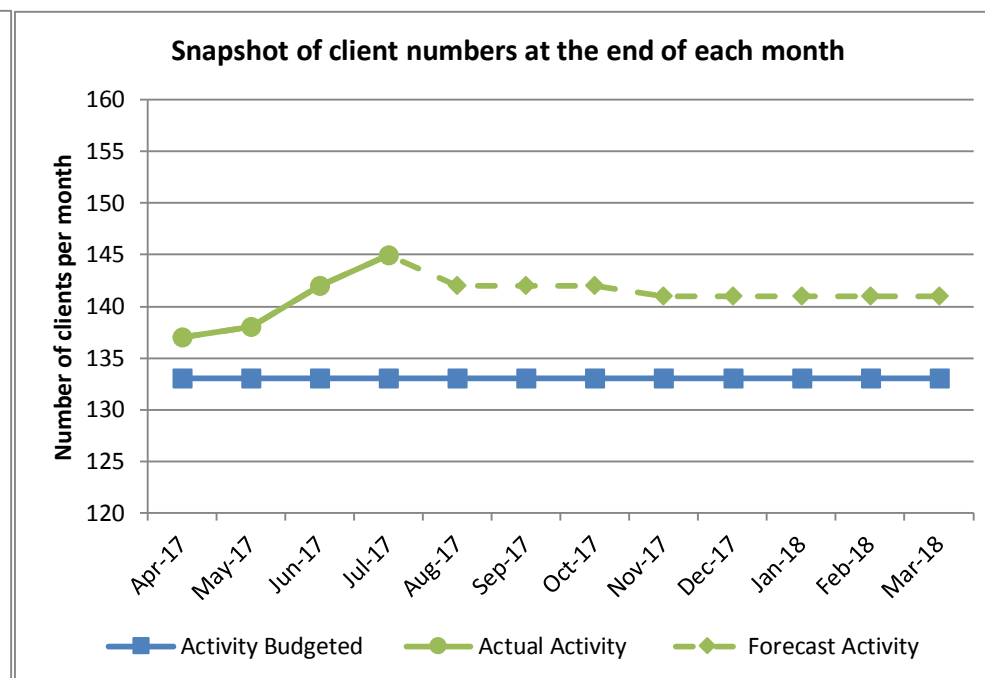
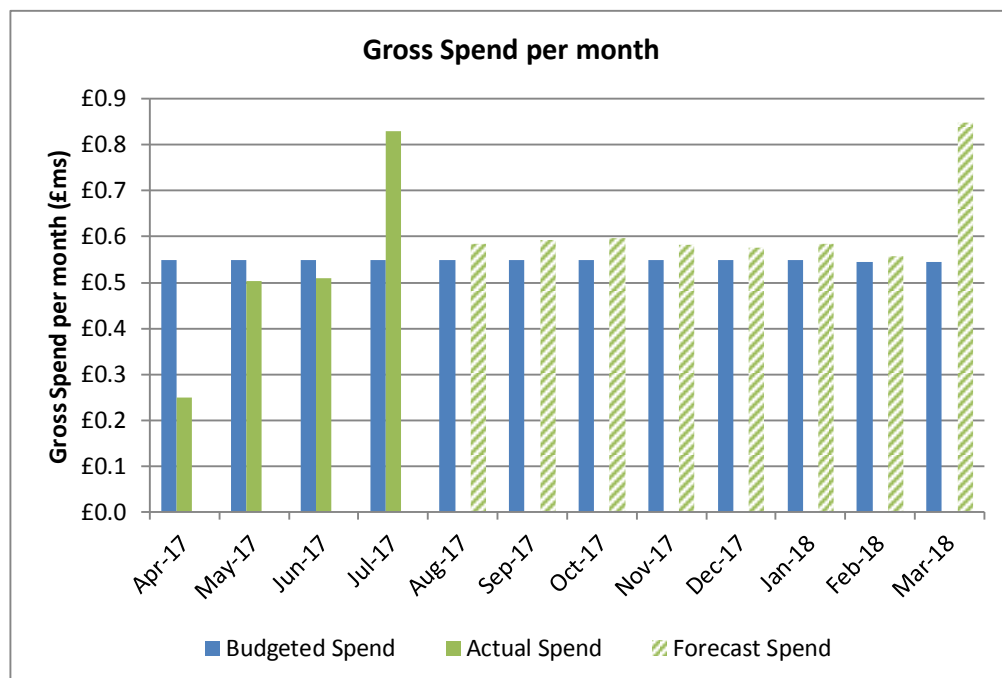
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

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).



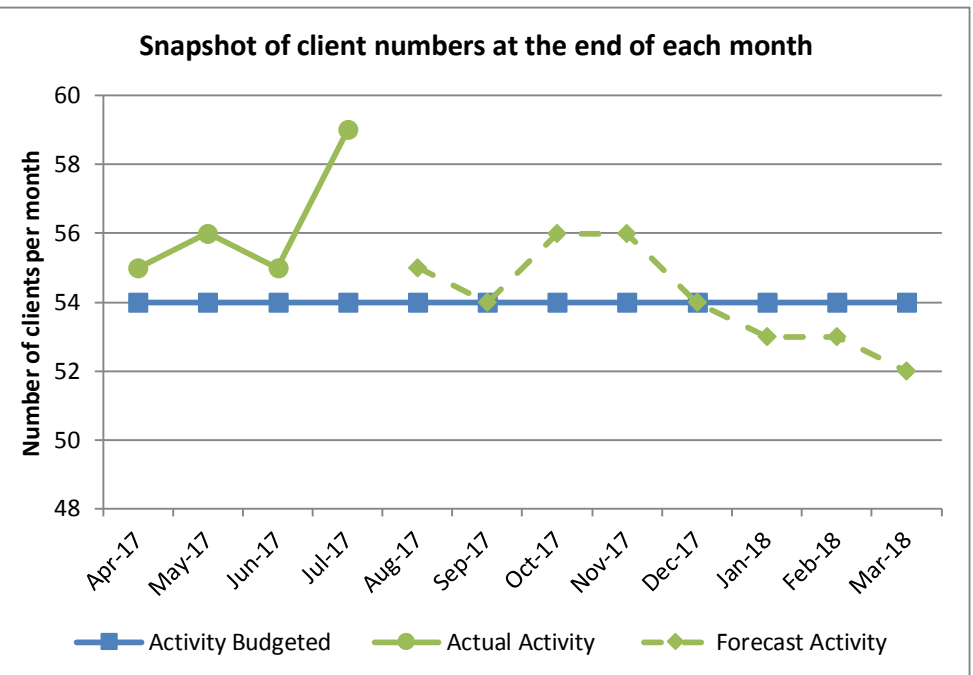
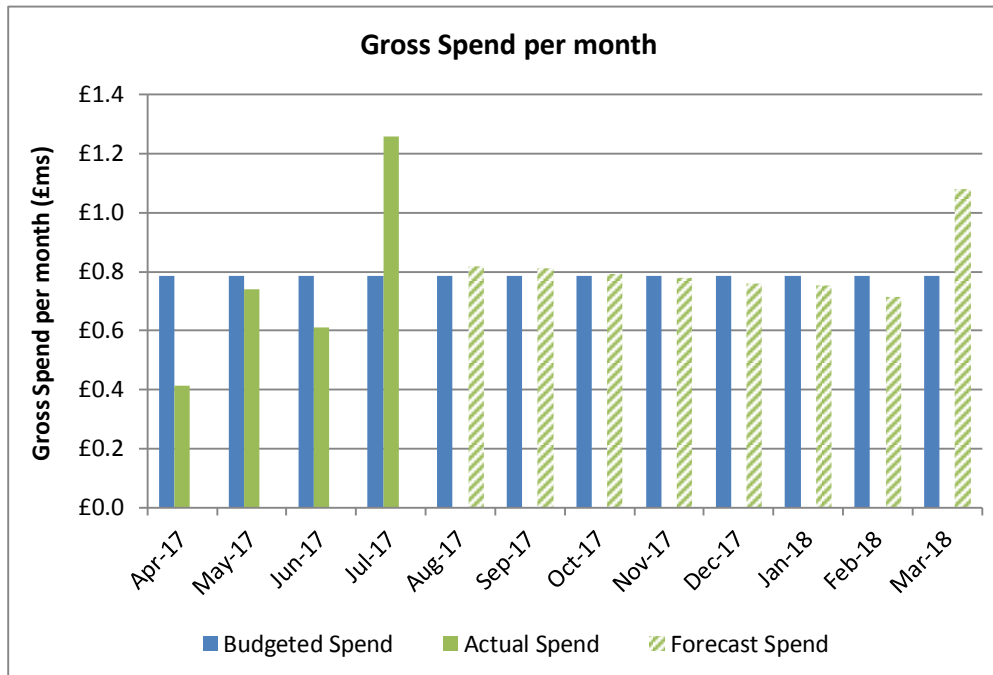
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

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

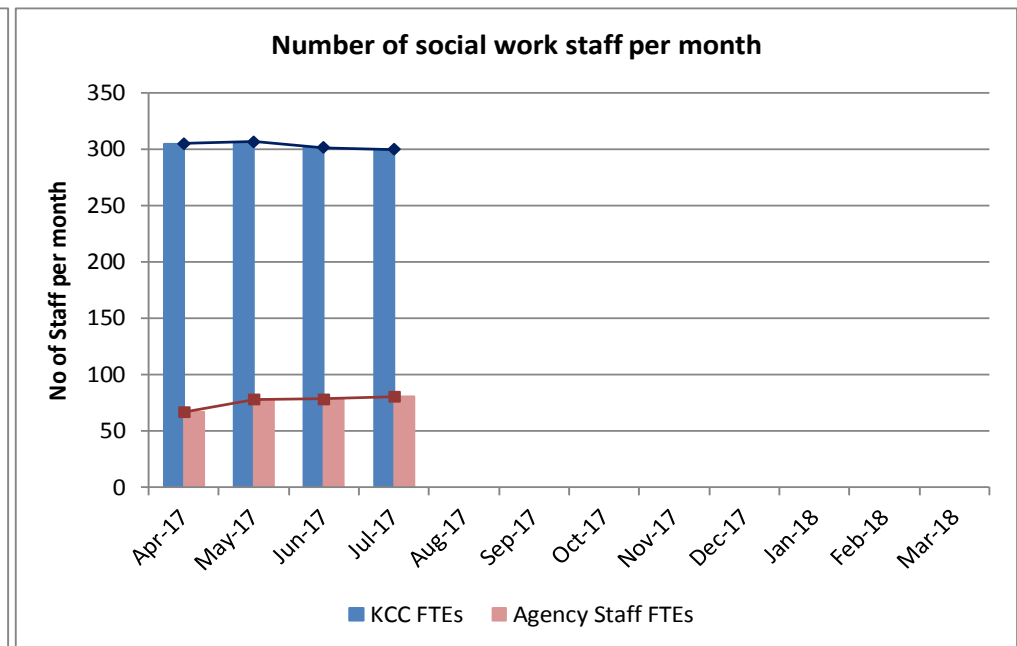
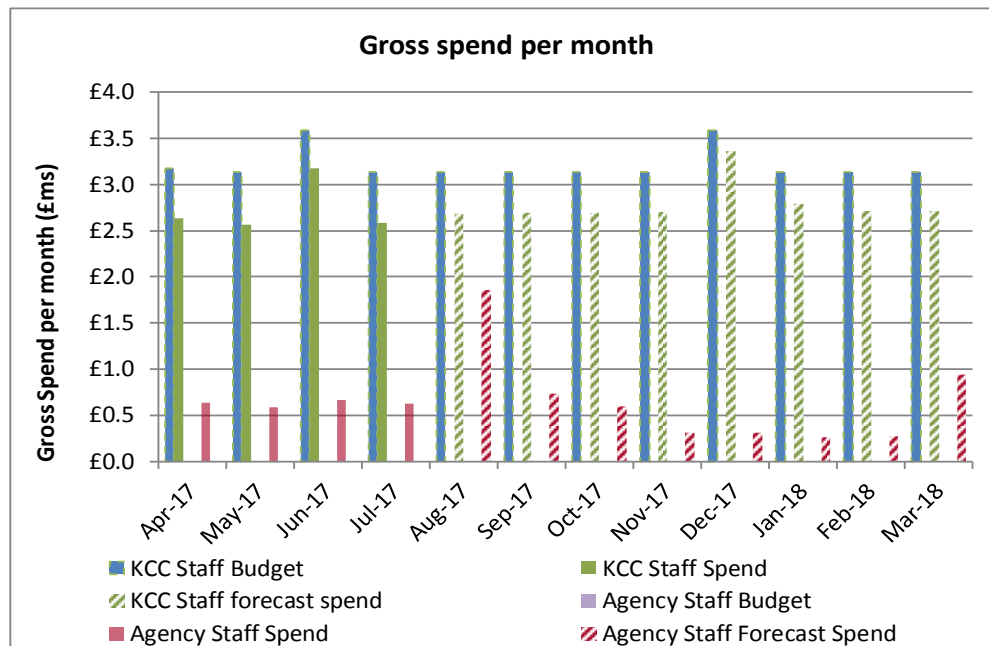
2017-18 Forecast	KCC £m	Agency £m	Gross £m
Budget	£38.6	£0.0	£38.6
Forecast	£33.3	£7.7	£41.0
Variance	-£5.4	£7.7	£2.3

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.

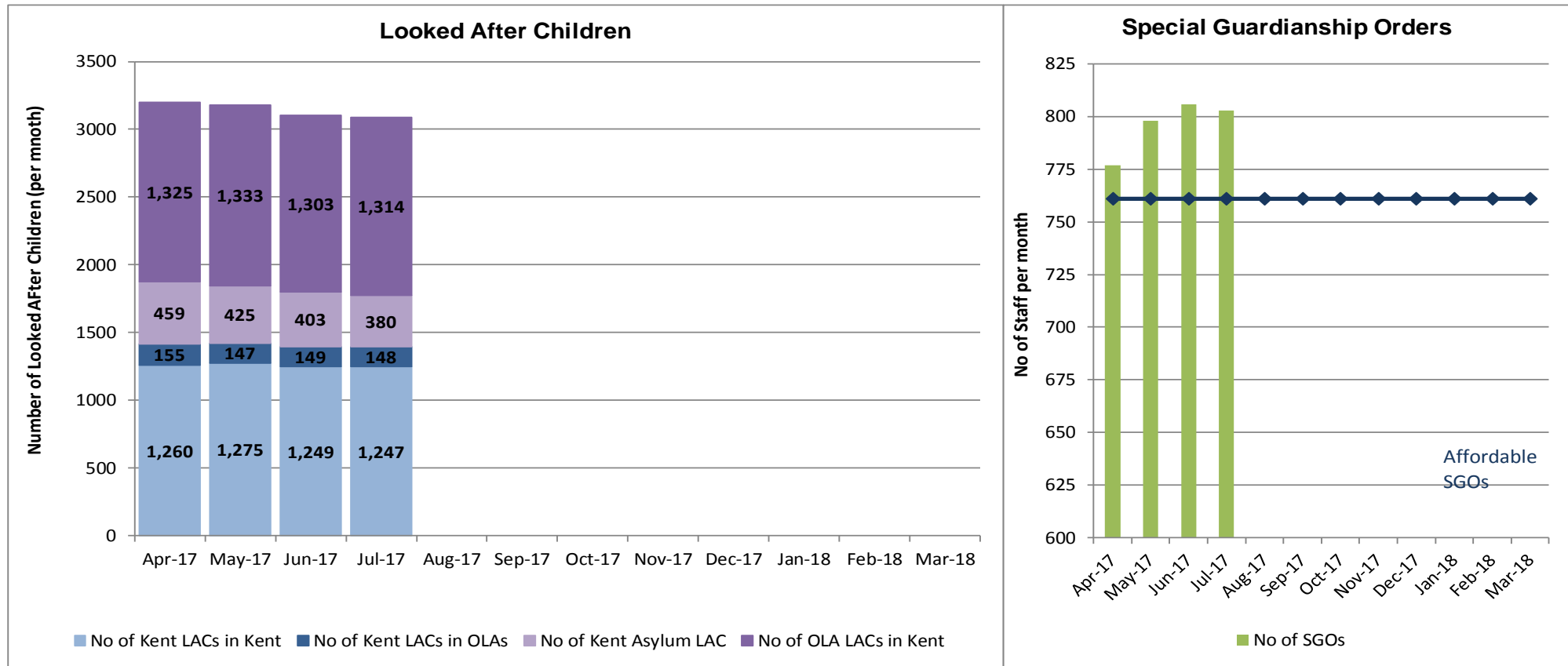


Appendix 2.11: Number of Looked After Children and Number of Special Guardianship Orders (SGOs) with Costs

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.



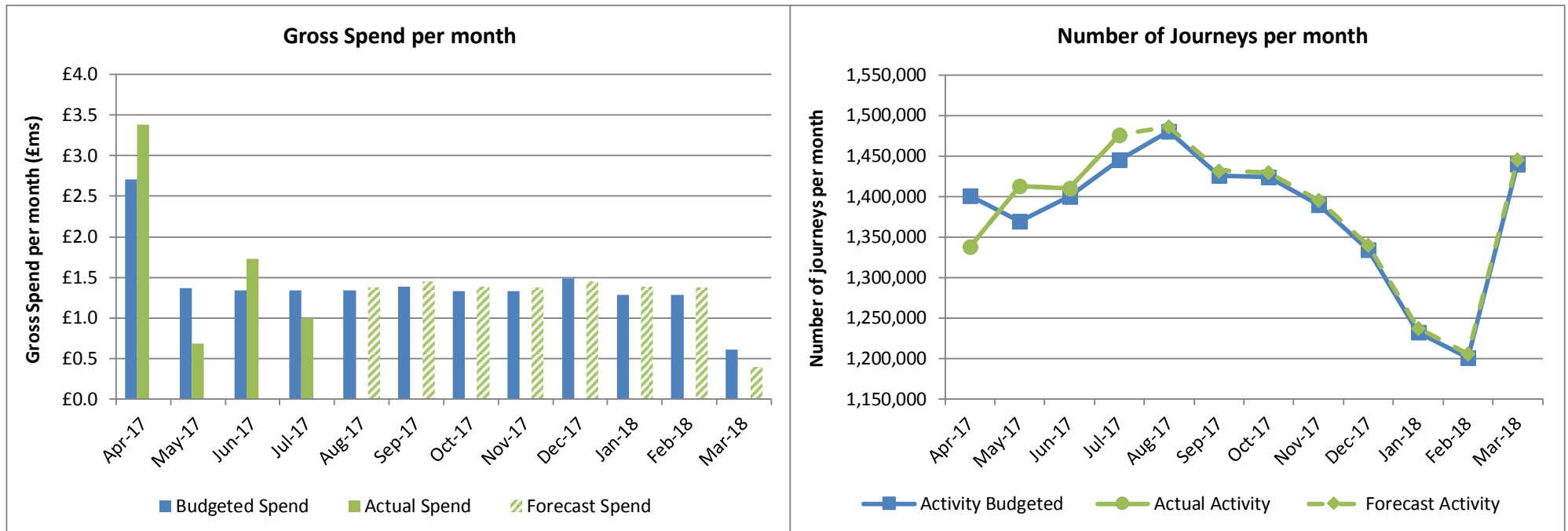
Appendix 2.12: Transport Services - Concessionary fares

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.



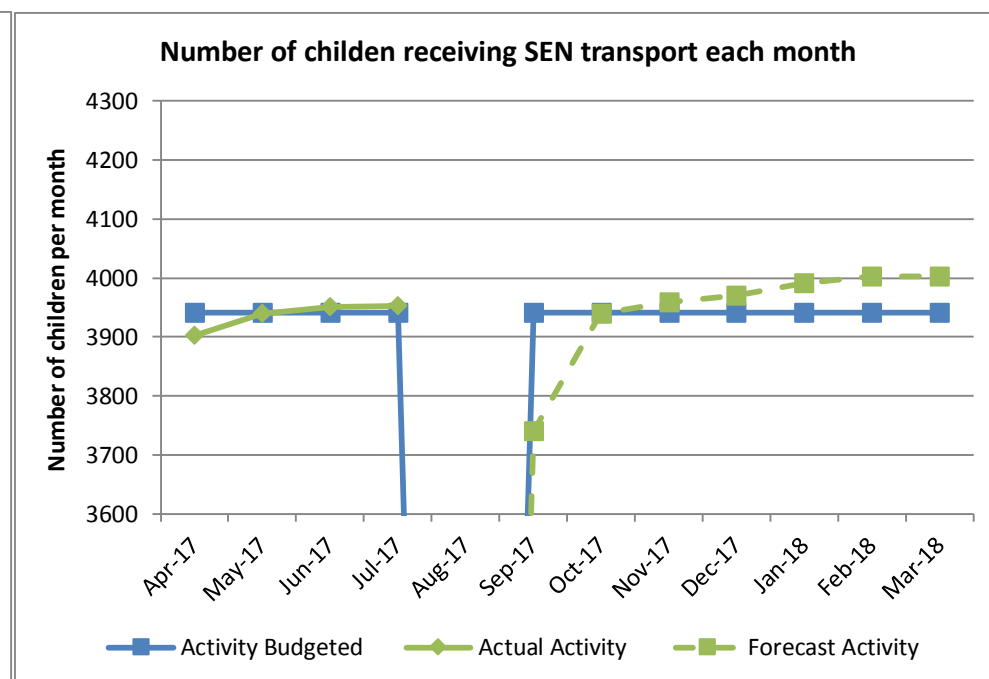
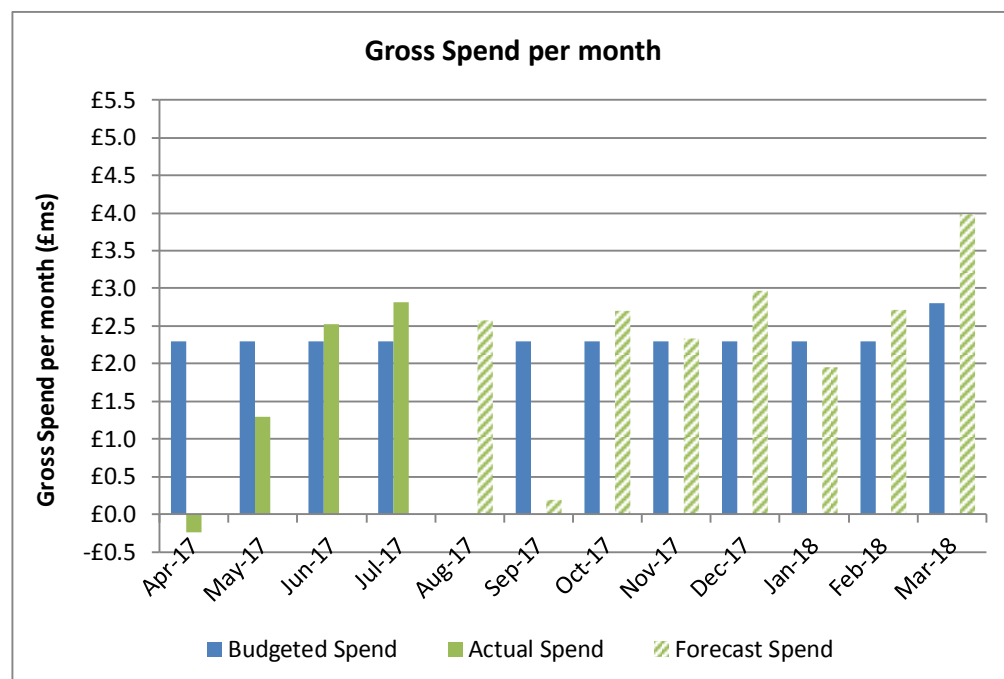
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

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.



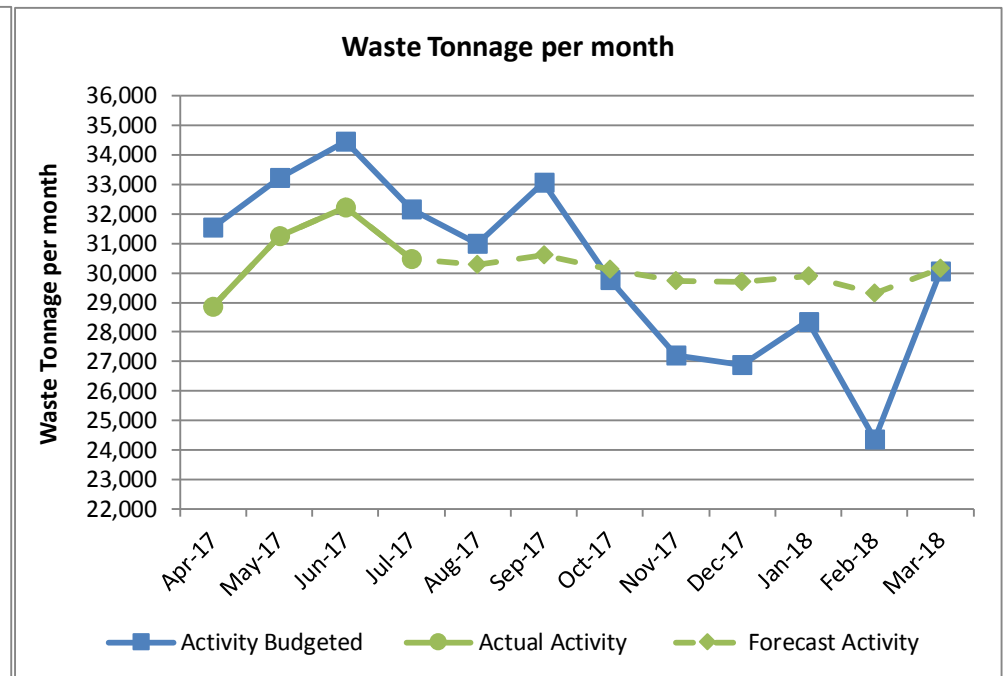
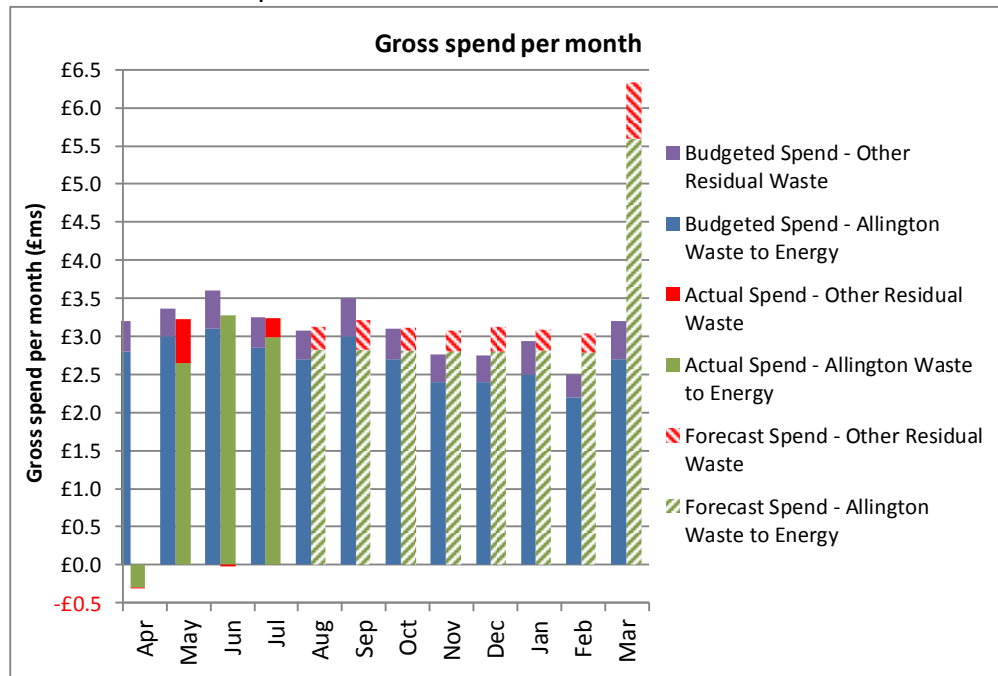
Appendix 2.14: Treatment and disposal of residual waste

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.



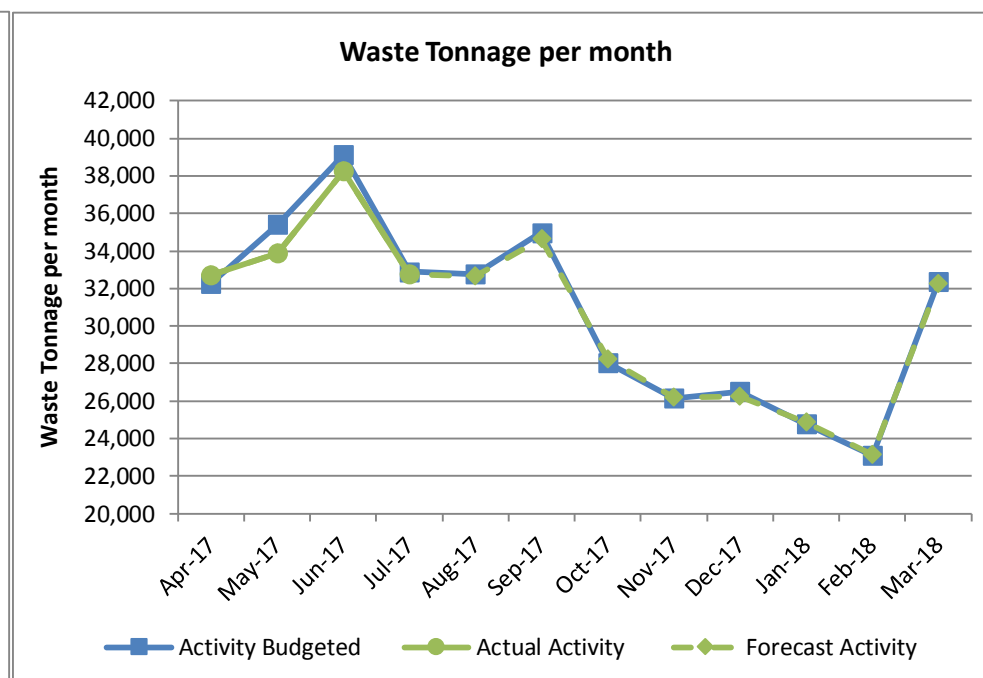
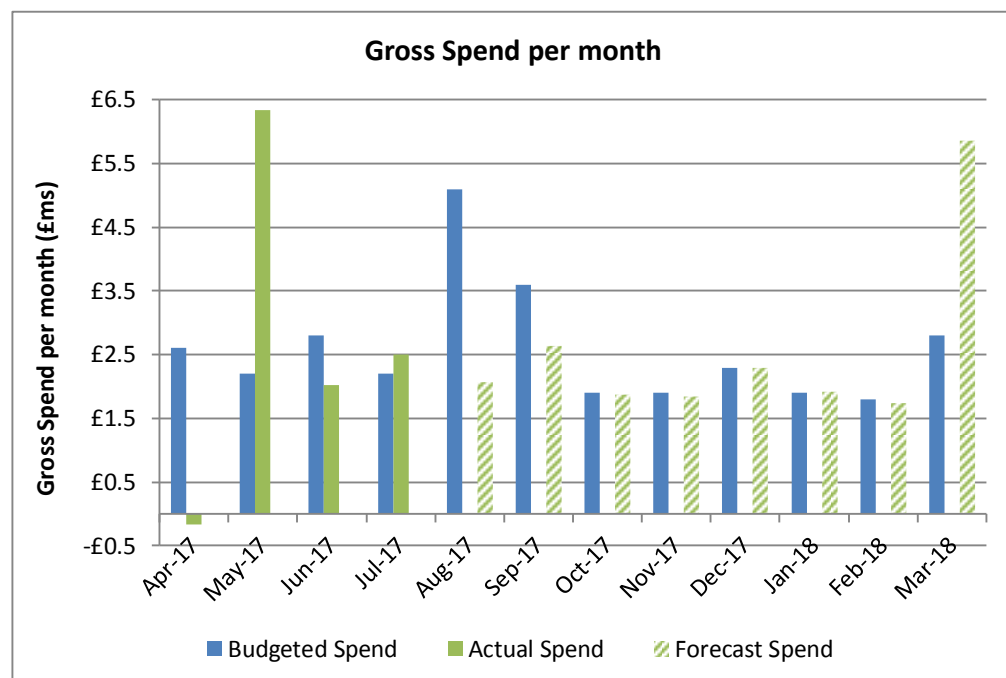
Appendix 2.15: Waste Processing

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)

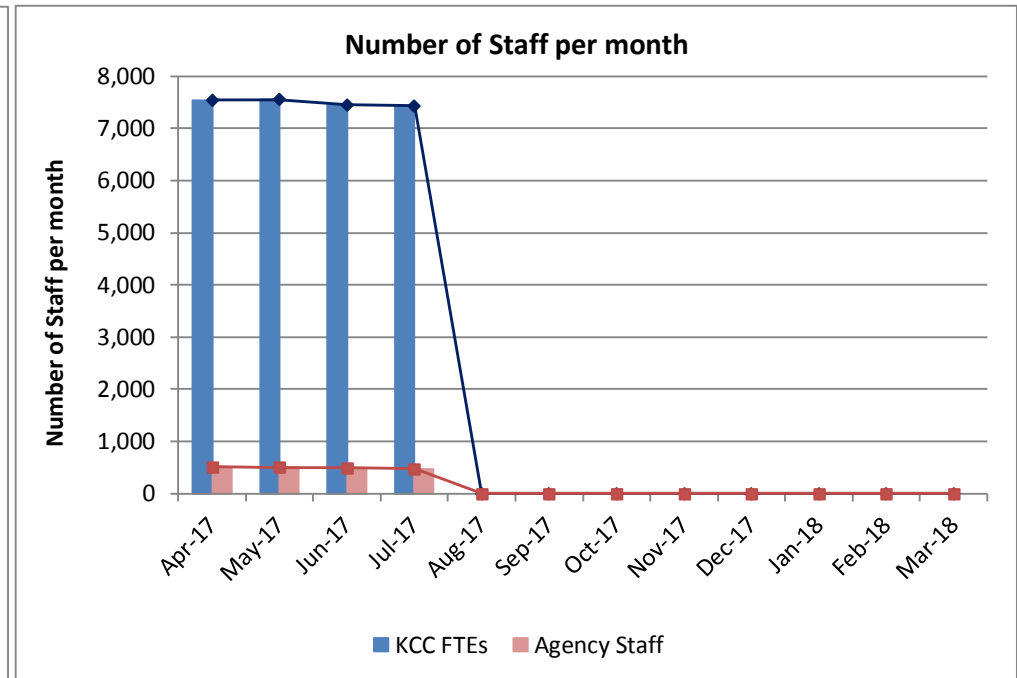
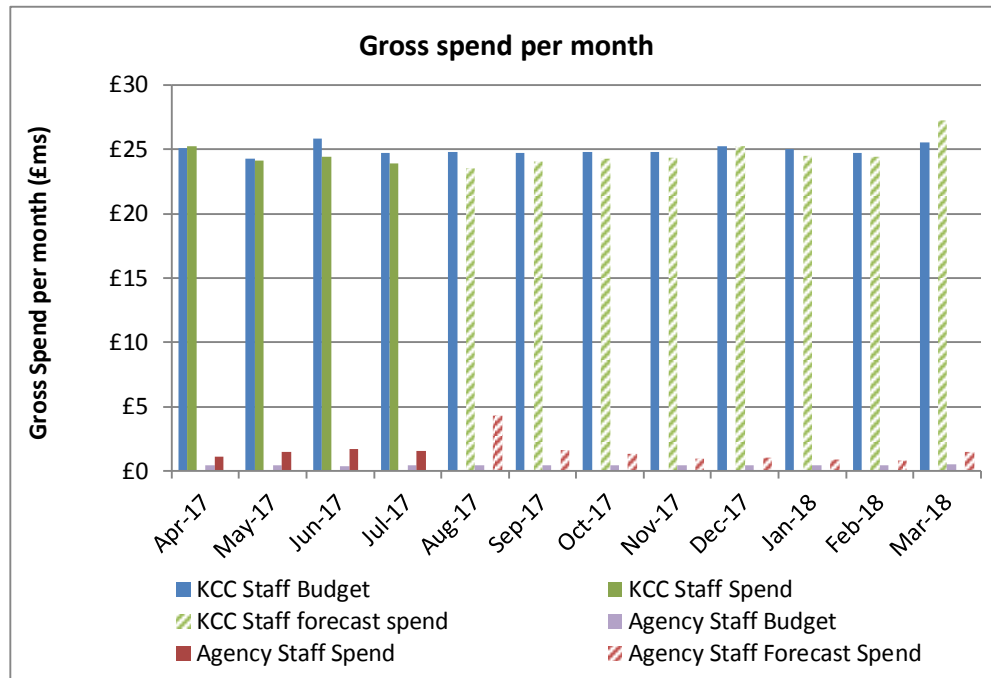
2017-18	KCC	Agency	Gross
Outturn	£m	£m	£m
Budget	£299.6	£5.1	£304.7
Outturn	£295.2	£18.2	£313.4
Variance	-£4.4	£13.1	£8.7

as at 31 July	KCC	Agency	Gross
2017	£m	£m	£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	Agency
	FTEs	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.



Unaccompanied Asylum Seeking Children (UASC)

1. Position compared to budget by age category

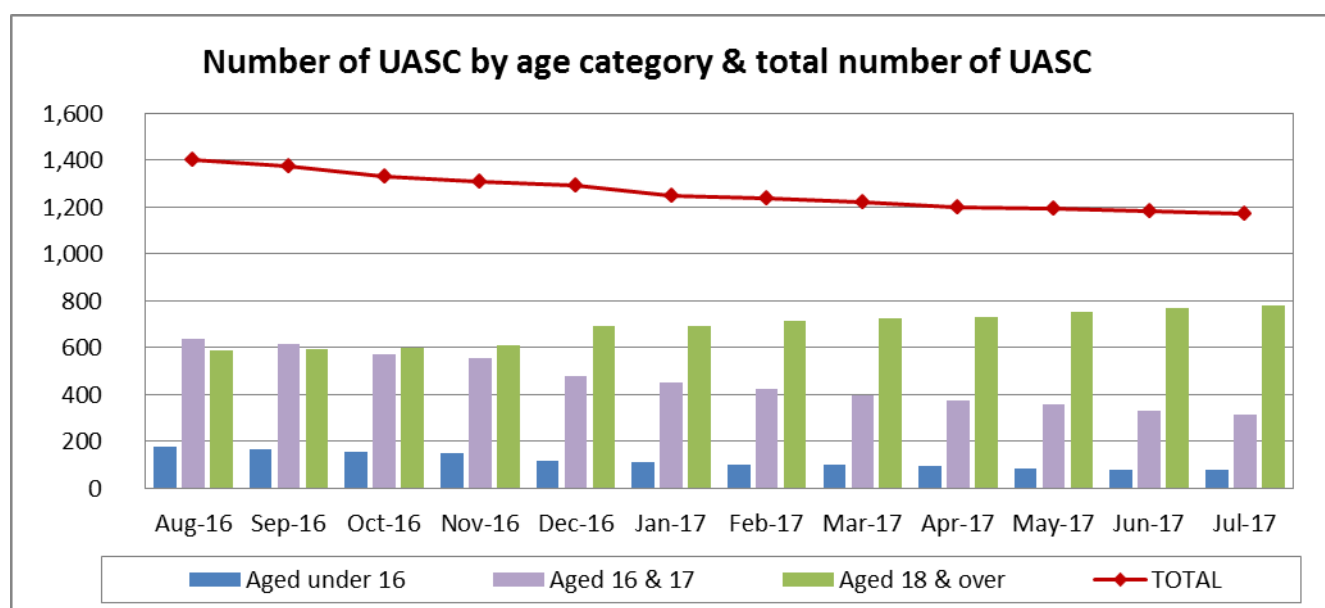
The outturn position is an overspend of £3.9m as detailed below:

	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

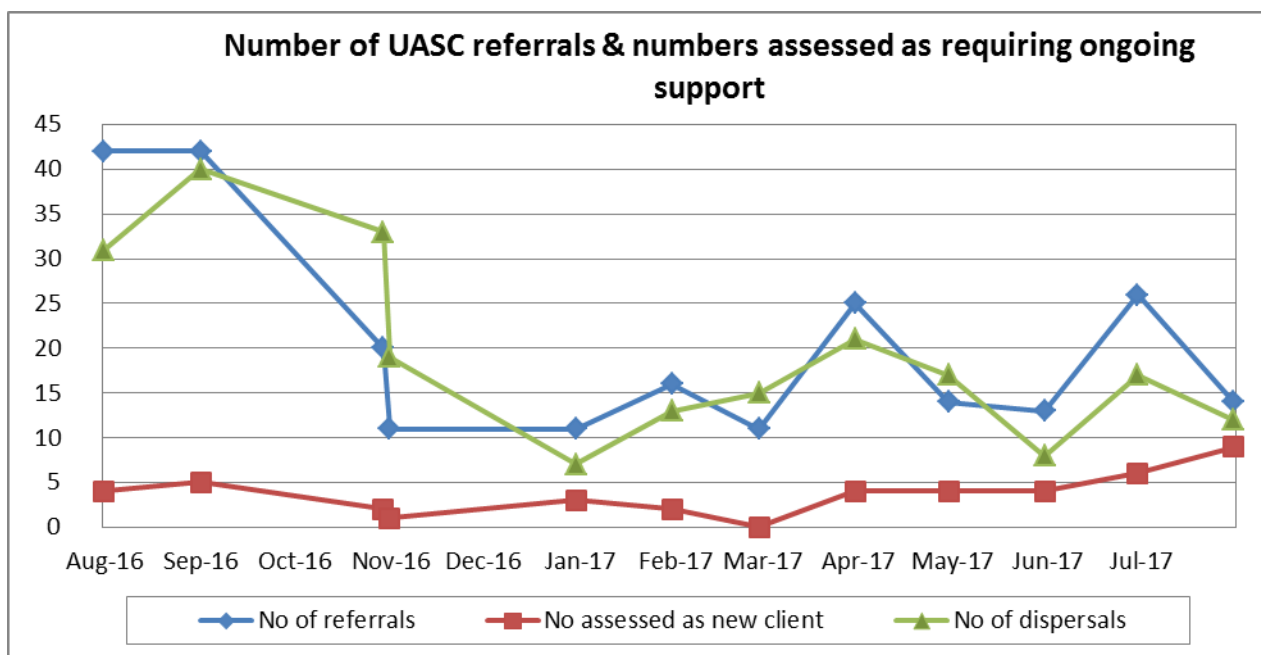
Eligible Clients are those who do meet the Home Office grant rules criteria. Appeal Rights Exhausted (ARE) clients are eligible for the first 13 weeks providing a human rights assessment is completed.

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 Liberia.



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.

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 continue 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	2017-18	2017-18	2018-19	2019-20
	Actual	Original Estimate	Forecast as at 31.07.17	Forecast as at 31.07.17	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
	<u>1,225</u>	<u>1,173</u>

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
	<u>1,263</u>	<u>1,210</u>

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
	<u>1,265</u>	<u>1,173</u>	<u>1,303</u>	<u>1,210</u>

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

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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s
Children, Young People & Education									
Children's Services									
<i>Children in Care (Looked After)</i>									
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
<i>Early Help</i>									
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
<i>Education & Personal</i>									
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
<i>Other Children's Services</i>									
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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'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).

Adult Social Care and Health – Public Health

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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'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
<i>Direct Payments</i>									
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
<i>Domiciliary Care</i>									
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
<i>Non Residential Charging Income</i>									
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
<i>Nursing & Residential Care</i>									
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
<i>Supported Living</i>									
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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s
Adult Social Care & Health									
<i>Day Care</i>									
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
<i>Social Support</i>									
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									
<i>Children in Care (Looked After)</i>									
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
<i>Children in Need</i>									
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
<i>Community Services</i>									
Local Healthwatch & NHS Complaints Advocacy	681.0	-469.5	211.5	681.0	-469.5	211.5	0.0	0.0	0.0
<i>Other Children's Services</i>									
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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'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. 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									
<i>Waste Management</i>									
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
<i>Waste Processing</i>									
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 £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'000s	Gross £'000s	Income £'000s	Net £'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

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
<i>Sub Total Children, Young People & Education</i>	<i>170.586</i>	<i>6.772</i>	<i>-0.659</i>	<i>6.113</i>	<i>4.500</i>	<i>1.613</i>
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
<i>Schools (CYP&E Directorate)</i>	<i>0.000</i>	<i>0.391</i>	<i>0.900</i>	<i>1.291</i>	<i>0.000</i>	<i>1.291</i>
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

BACKGROUND INFORMATION – MAY MONITORING REPORT

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 Children, Young People and Education – Education & Young People’s Services:

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 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.

BACKGROUND INFORMATION – MAY MONITORING REPORT

- 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, 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. 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 Children, Young People and Education – Specialist Children’s Services
- 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 Children, Young People and Education – Specialist Children’s Services - Asylum

BACKGROUND INFORMATION – MAY MONITORING REPORT

- 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 Adult Social Care and Health

- 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 Adult Social Care and Health – Disabled Children Services

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 Adult Social Care and Health – Adult Social Care

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:

BACKGROUND INFORMATION – MAY MONITORING REPORT

- +£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.

BACKGROUND INFORMATION – MAY MONITORING REPORT

- 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 Strategic and Corporate Services

- 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 Financing Items

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.

BACKGROUND INFORMATION – MAY MONITORING REPORT

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

BACKGROUND INFORMATION – MAY MONITORING REPORT

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

BACKGROUND INFORMATION – MAY MONITORING REPORT

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 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.

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- 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	Directorate	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

BACKGROUND INFORMATION – MAY MONITORING REPORT

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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Breakdown of Directorate Monitoring Position

BACKGROUND INFORMATION – MAY MONITORING REPORT

	Cash Limit			Variance	Movement
	Gross	Income	Net	Net	Net
	£m	£m	£m	£m	£m
<u>Children, Young People & Education</u>					
<u>Children</u>					
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
<u>Young People & Education</u>					
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
<u>Adult Social Care & Health</u>					
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
<u>Growth, Environment & Transport</u>					
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
<u>Strategic & Corporate Services</u>					
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

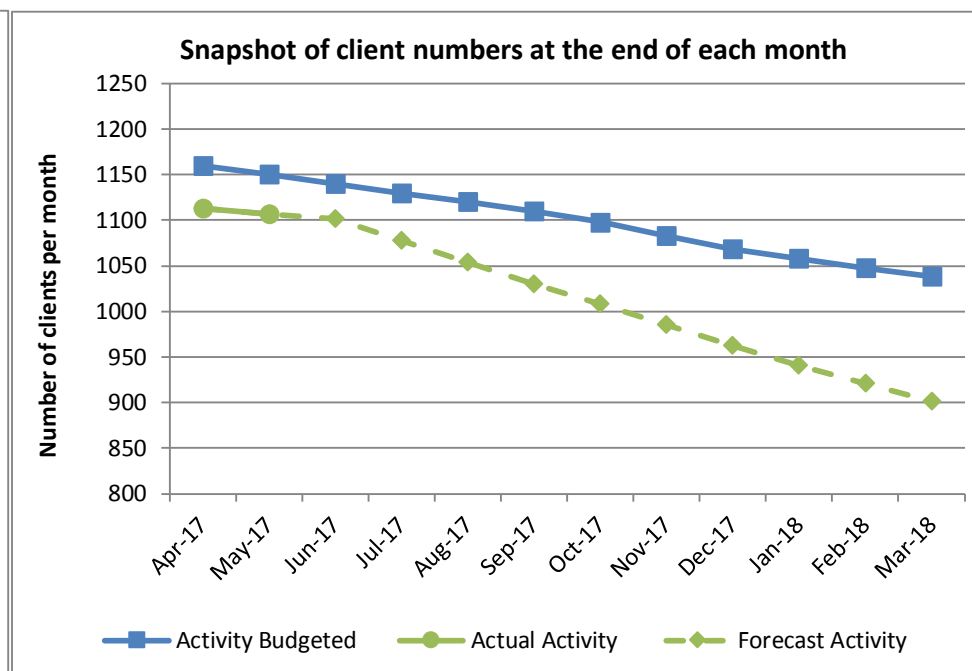
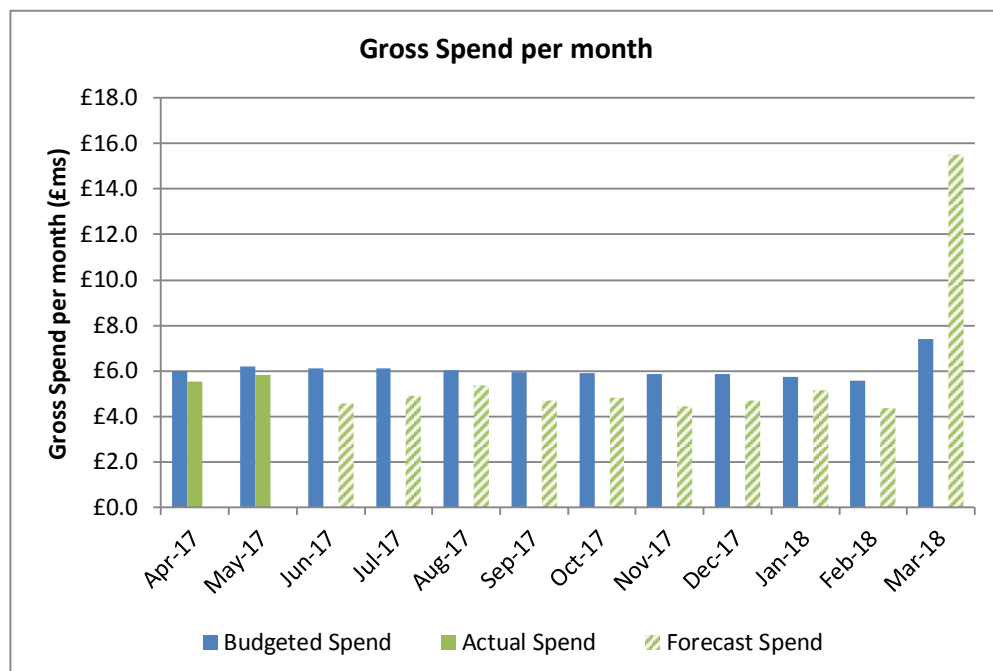
Appendix 2.1: Nursing & Residential Care - Learning Disability (aged 18+)

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

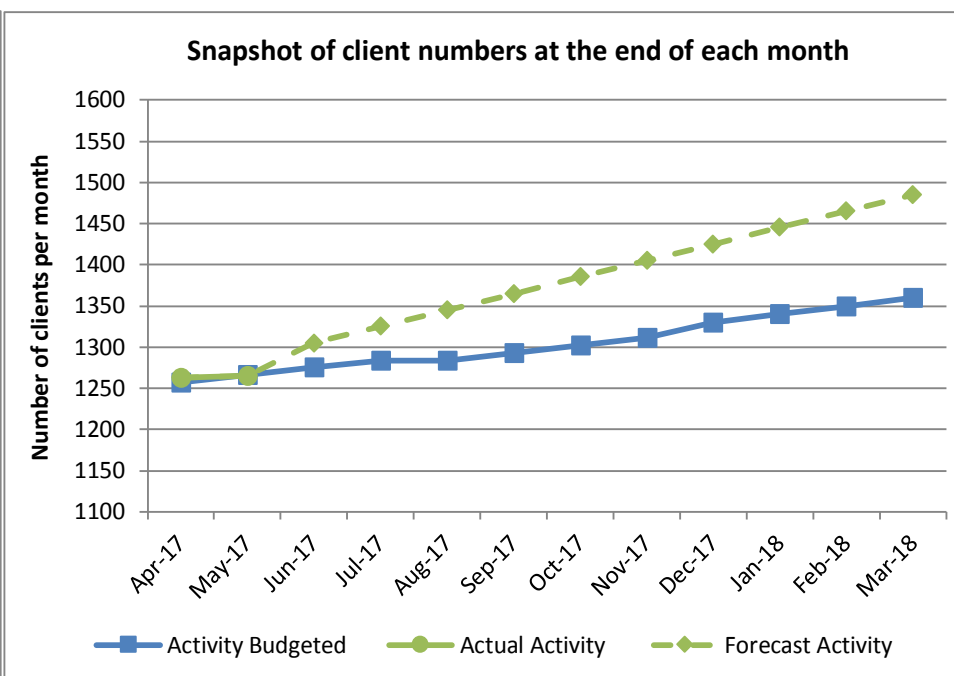
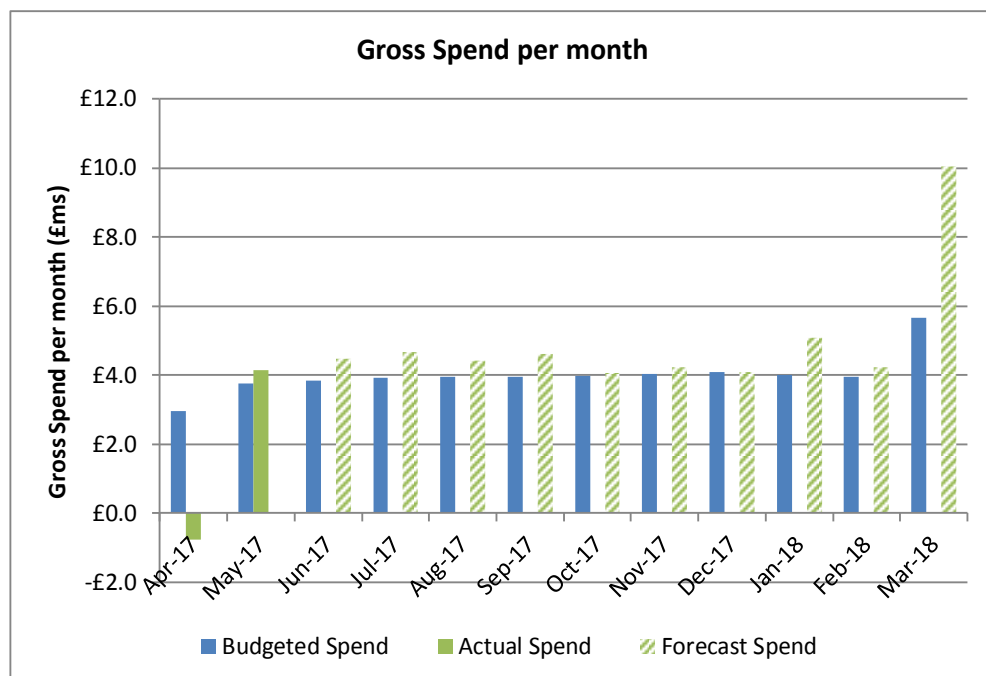
Appendix 2.2: Supported Living - Learning Disability (aged 18+) - Other Commissioned Supported Living arrangements

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

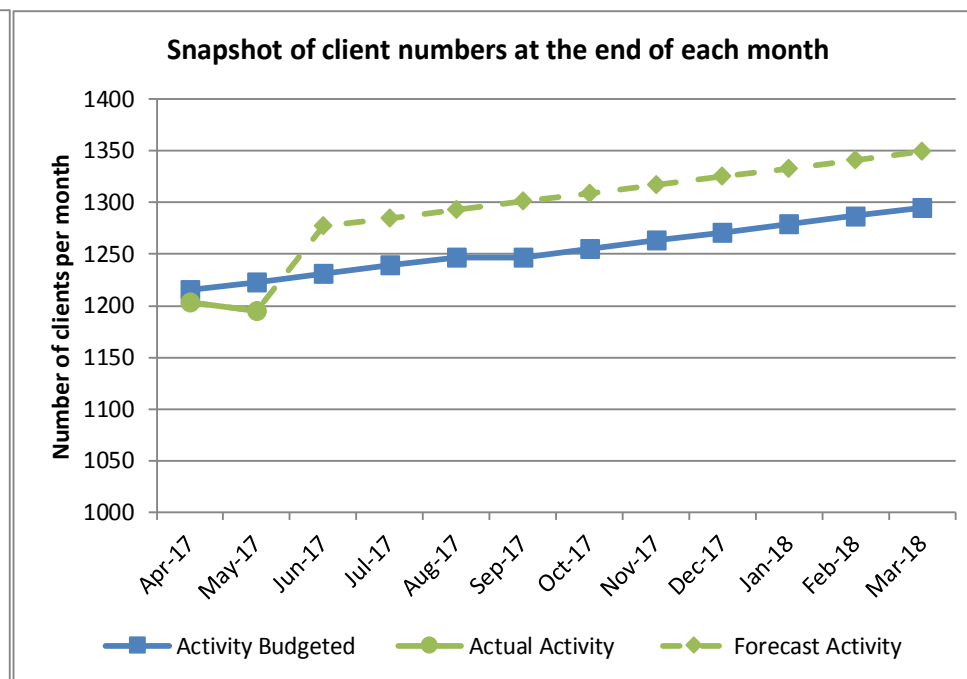
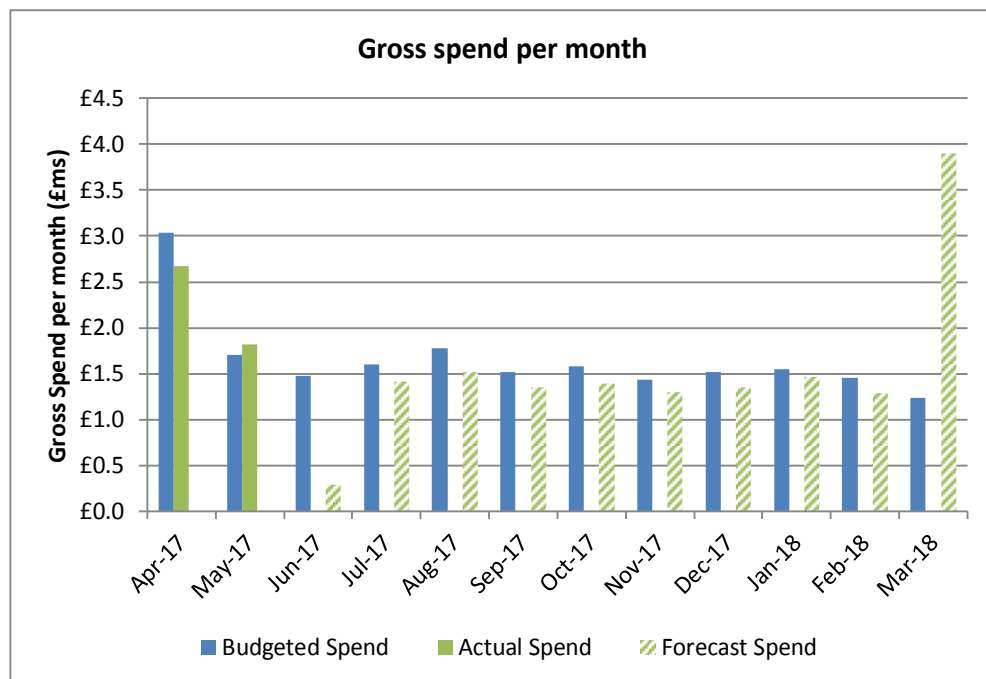
Appendix 2.3: Direct Payments - Learning Disability (aged 18+)

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).



BACKGROUND INFORMATION – MAY MONITORING REPORT

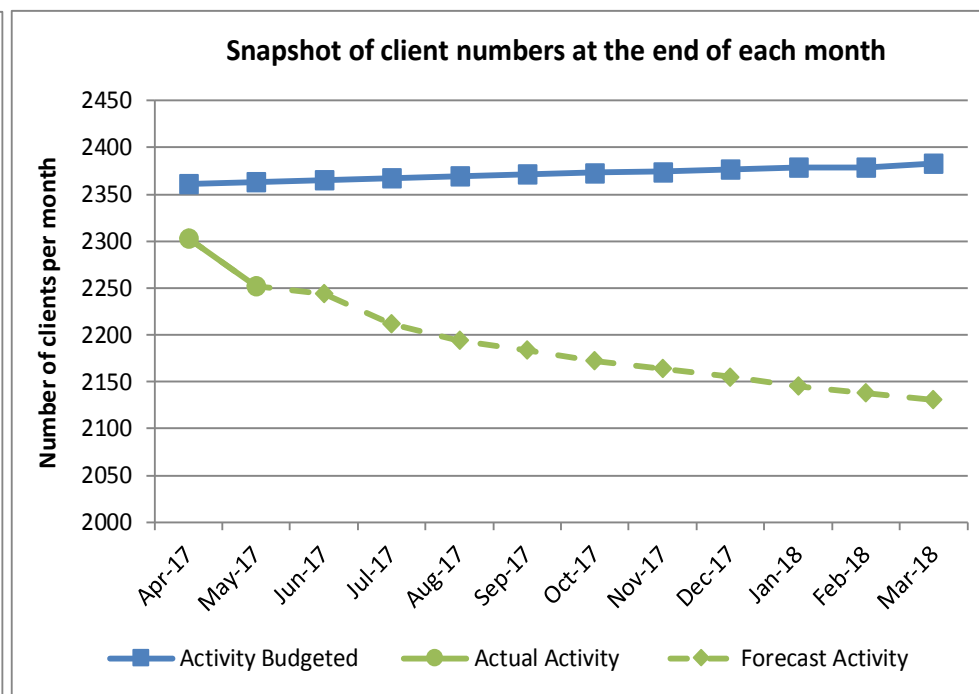
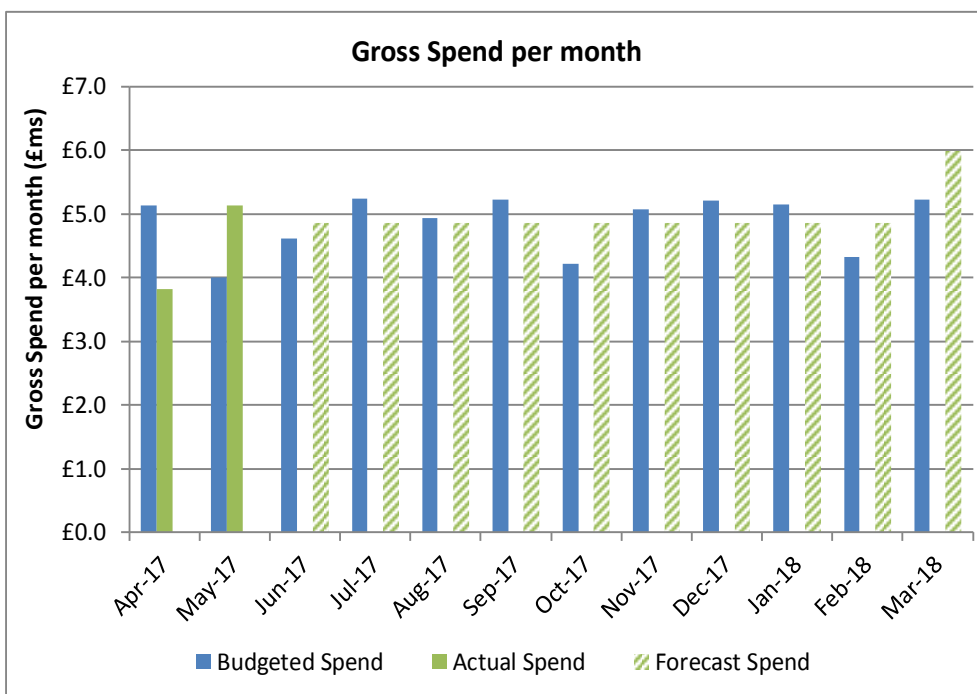
Appendix 2.4: Nursing & Residential Care - Older People (aged 65+) - Residential - Commissioned service

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

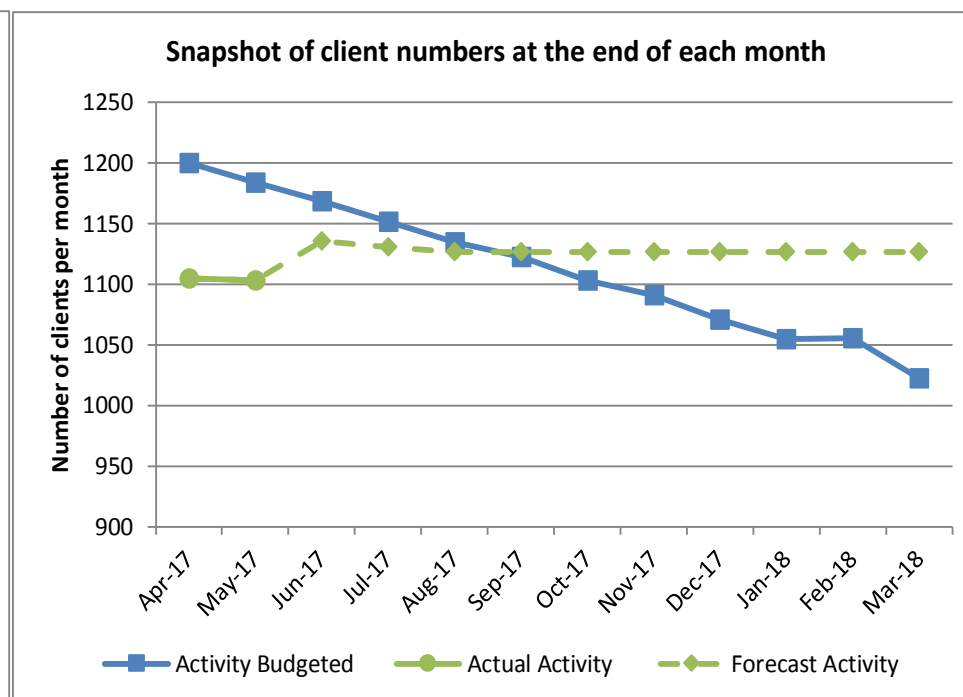
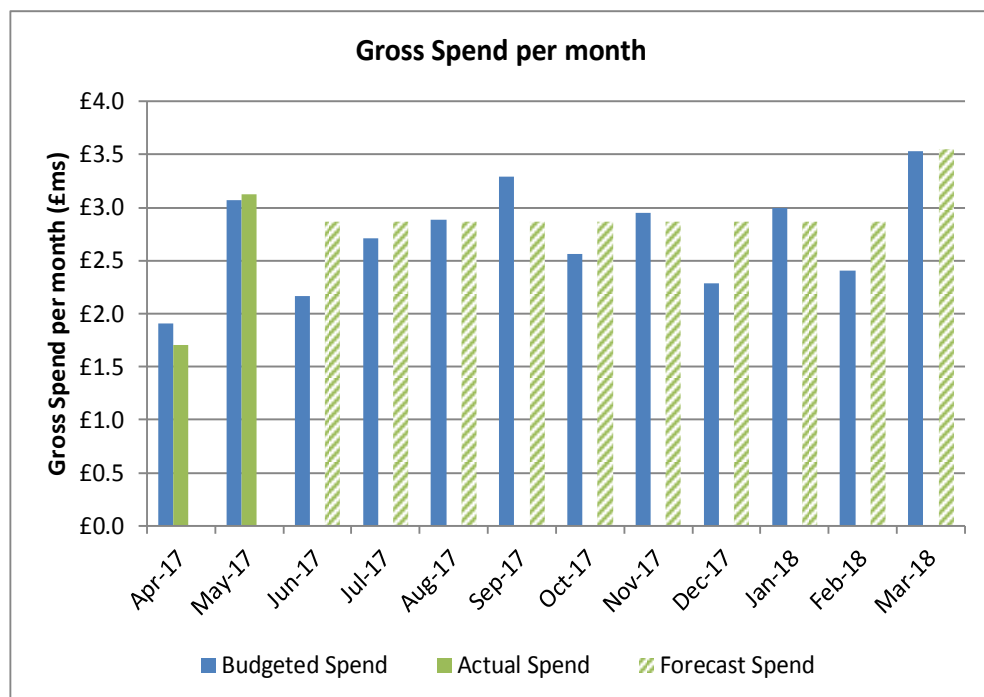
Appendix 2.5: Nursing & Residential Care - Older People (aged 65+) - Nursing

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

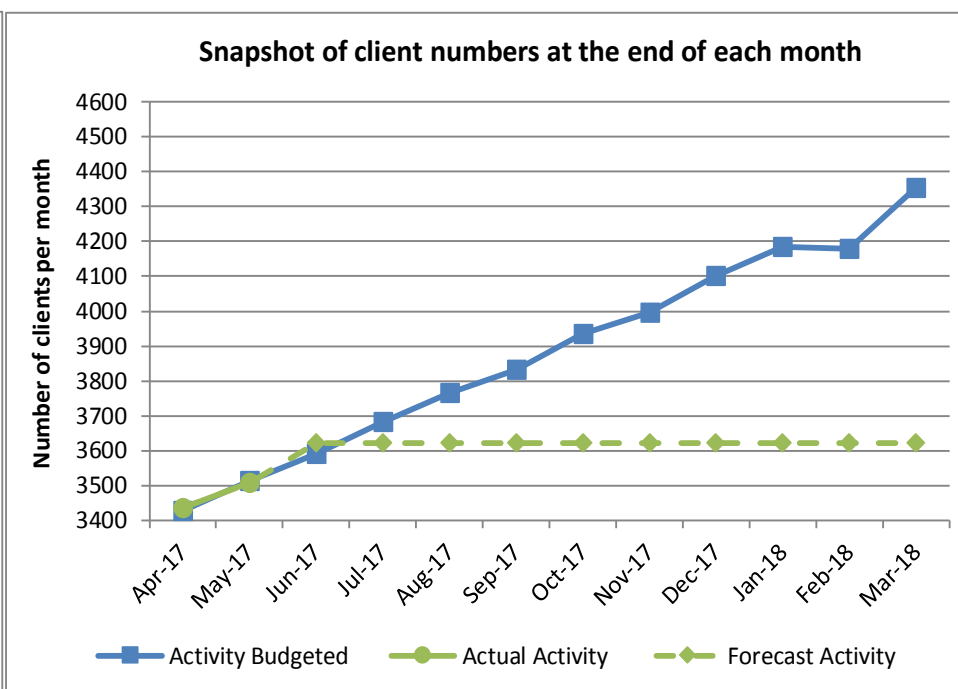
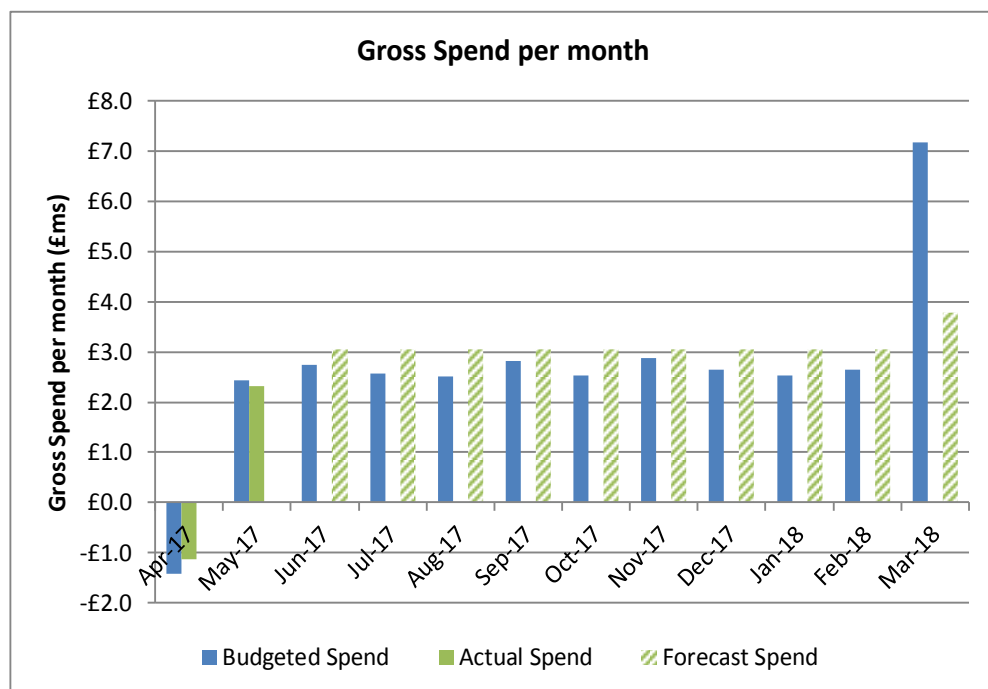
Appendix 2.6: Domiciliary Care - Older People (aged 65+) - Commissioned service

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

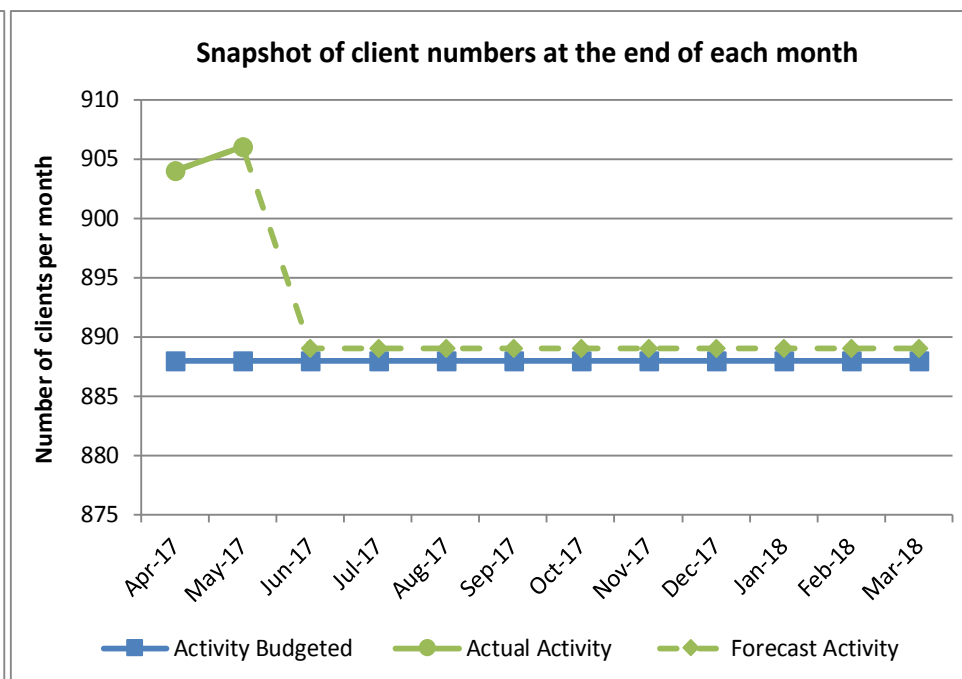
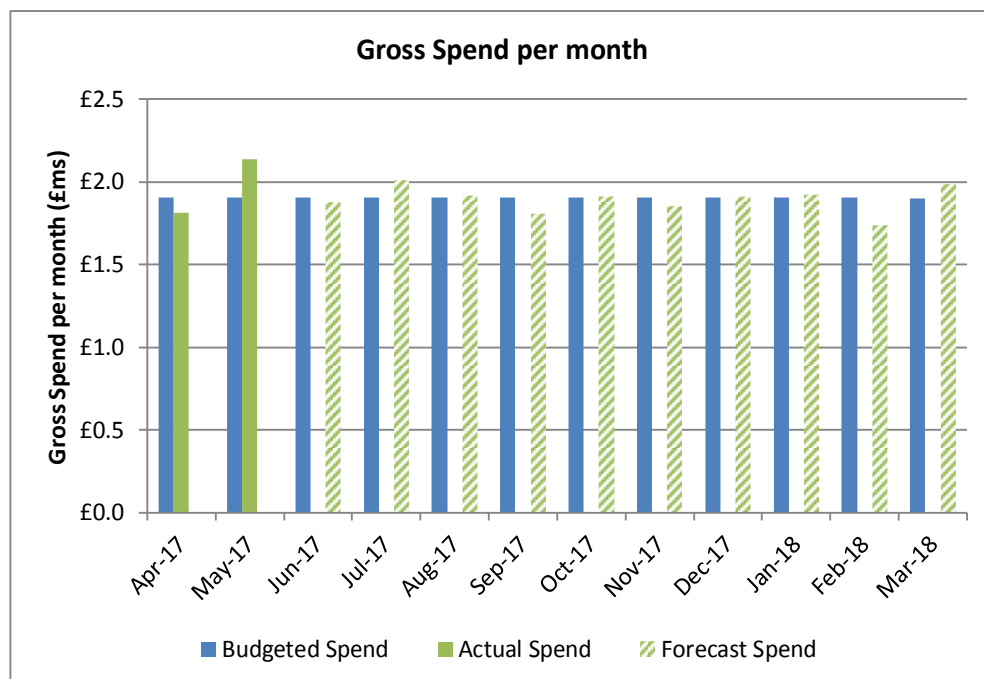
Appendix 2.7: Children in Care (Looked After) - Fostering - In house service

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

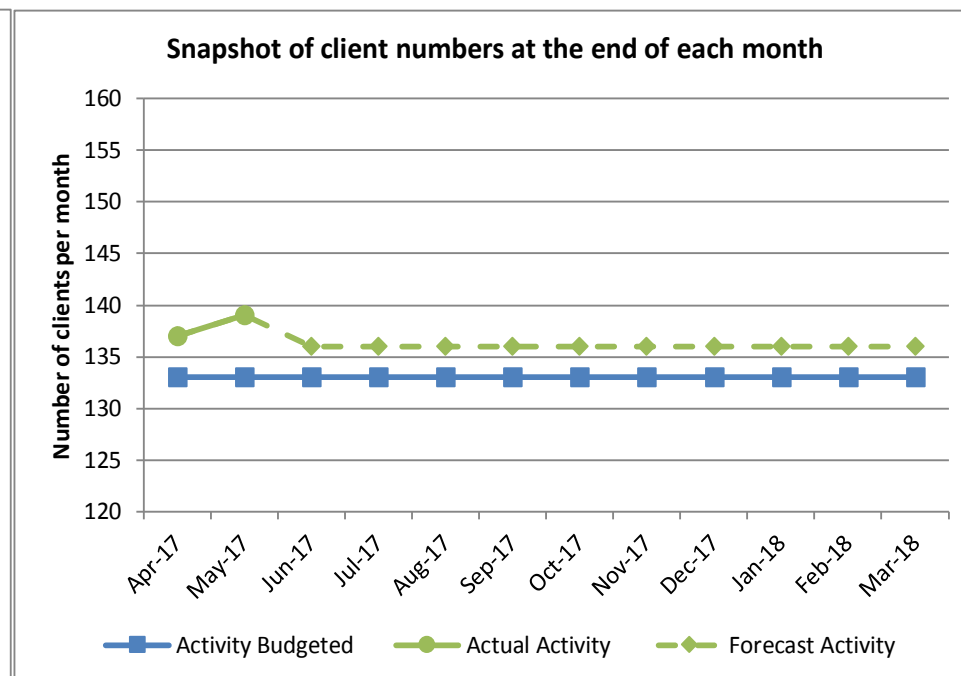
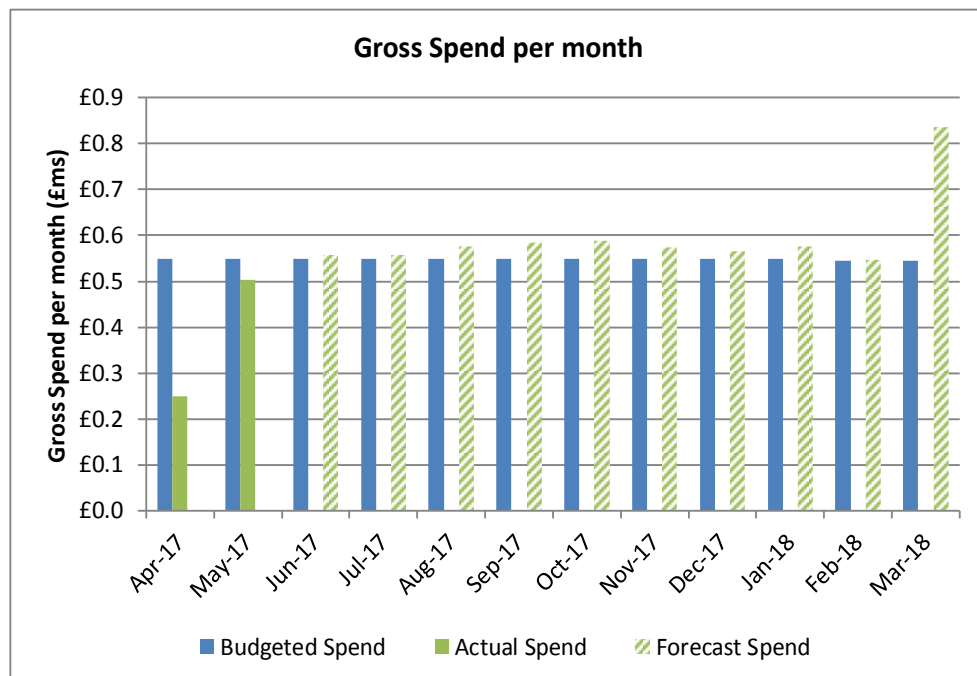
Appendix 2.8: Children in Care (Looked After) - Fostering - Commissioned from Independent Fostering Agencies

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).



BACKGROUND INFORMATION – MAY MONITORING REPORT

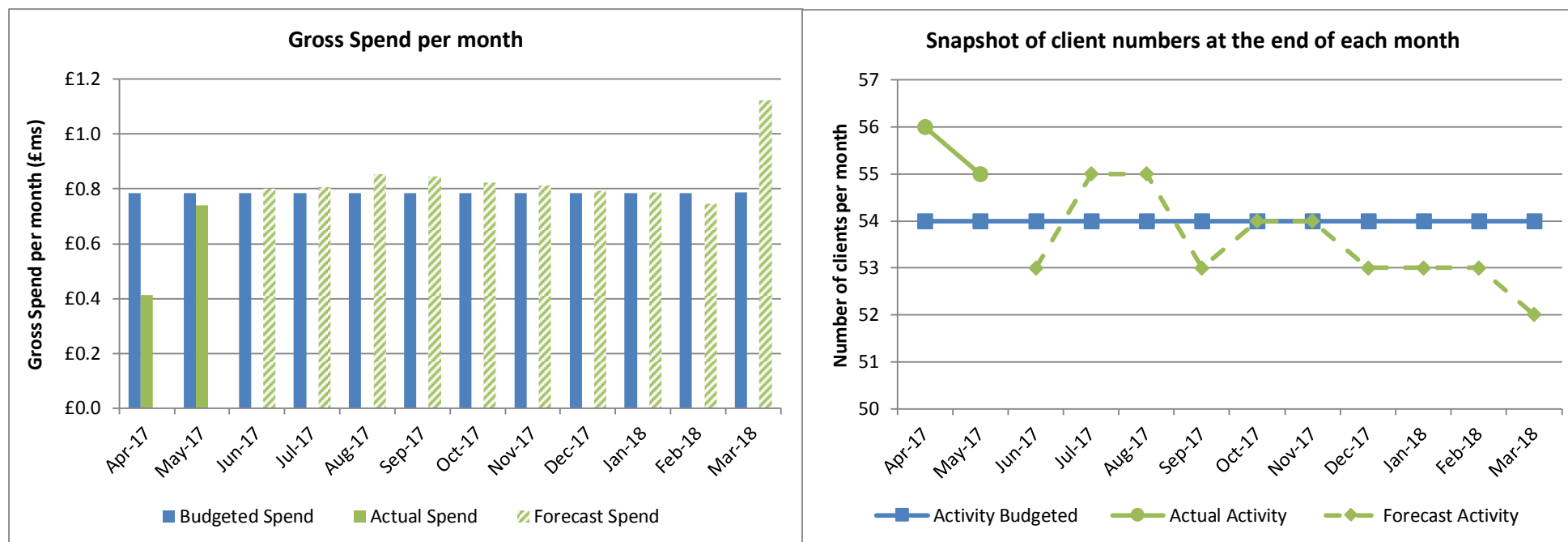
Appendix 2.9: Children in Care (Looked After) - Residential Children's Services - Commissioned from Independent Sector

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

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

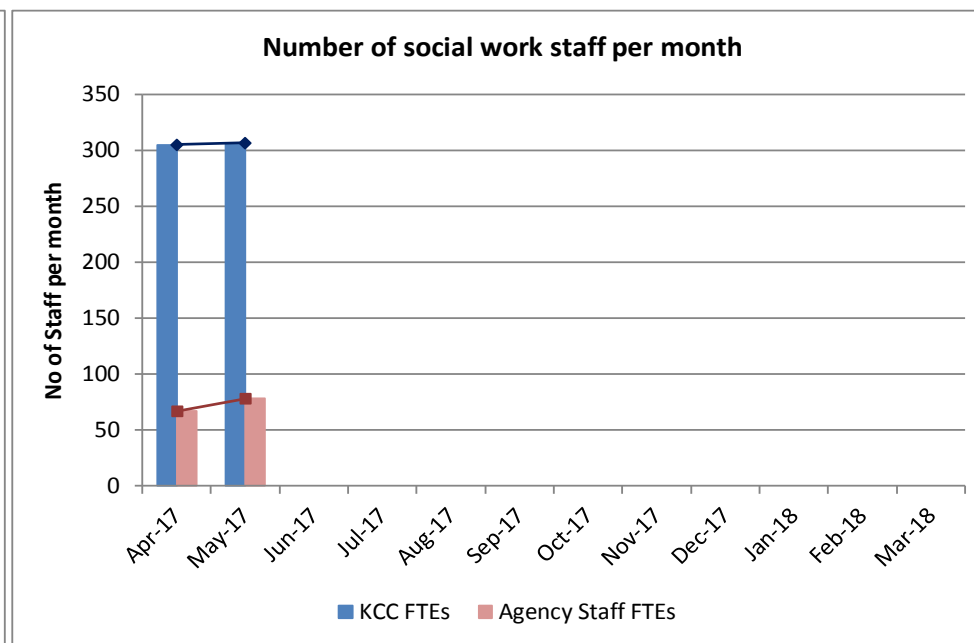
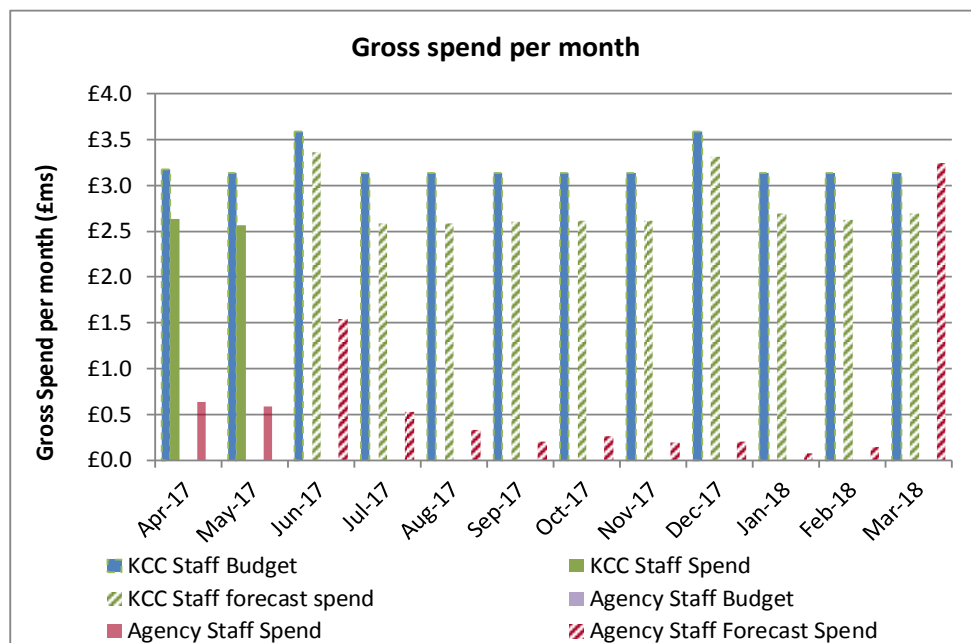
as at 31/05/17	KCC £m	Agency £m	Gross £m
YTD Budget	£6.3	£0.0	£6.3
YTD Spend	£5.2	£1.2	£6.4
YTD Variance	-£1.1	£1.2	£0.1

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.



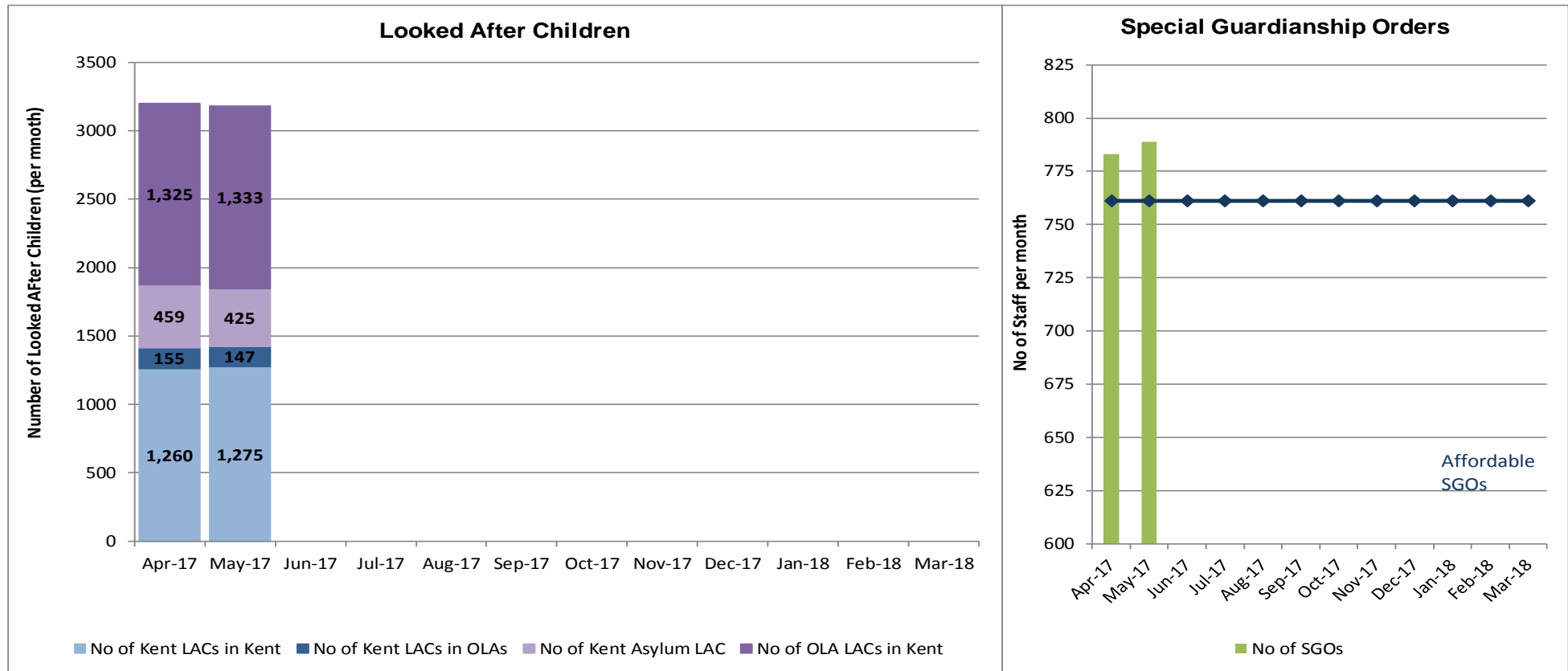
BACKGROUND INFORMATION – MAY MONITORING REPORT

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

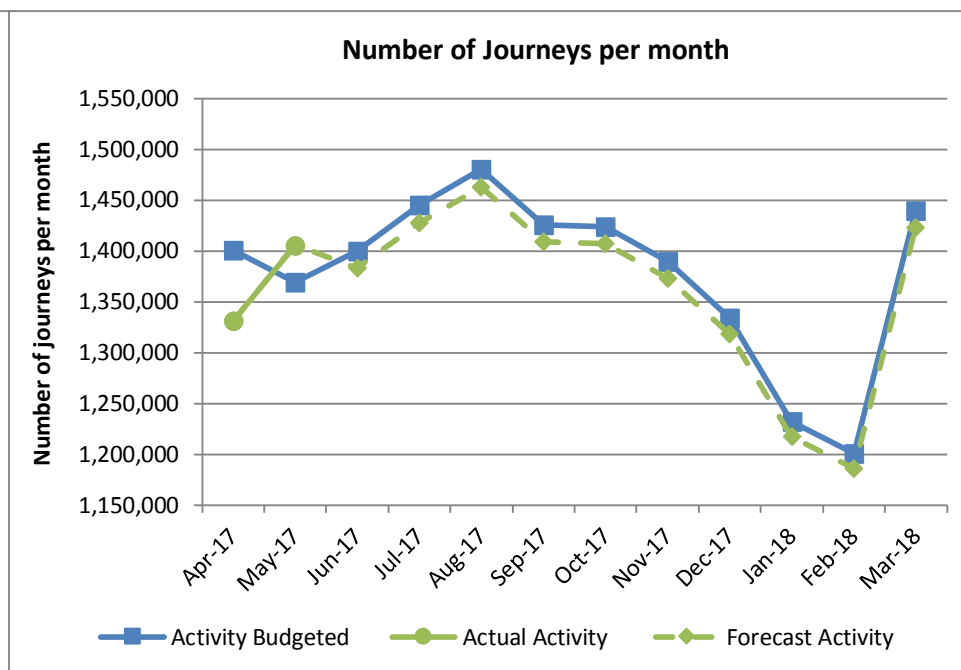
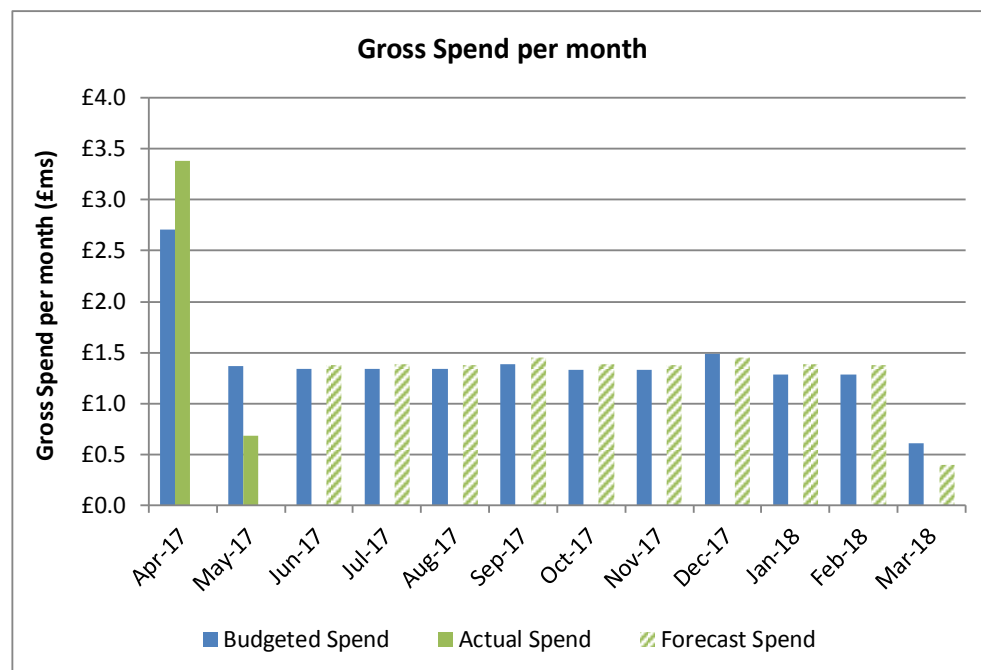
Appendix 2.12: Transport Services - Concessionary fares

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

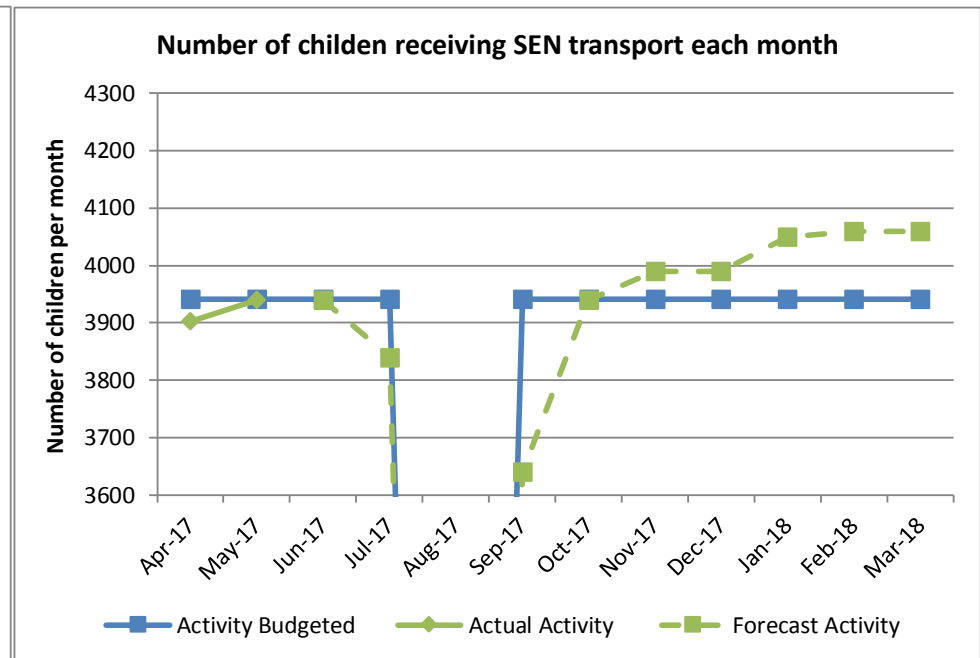
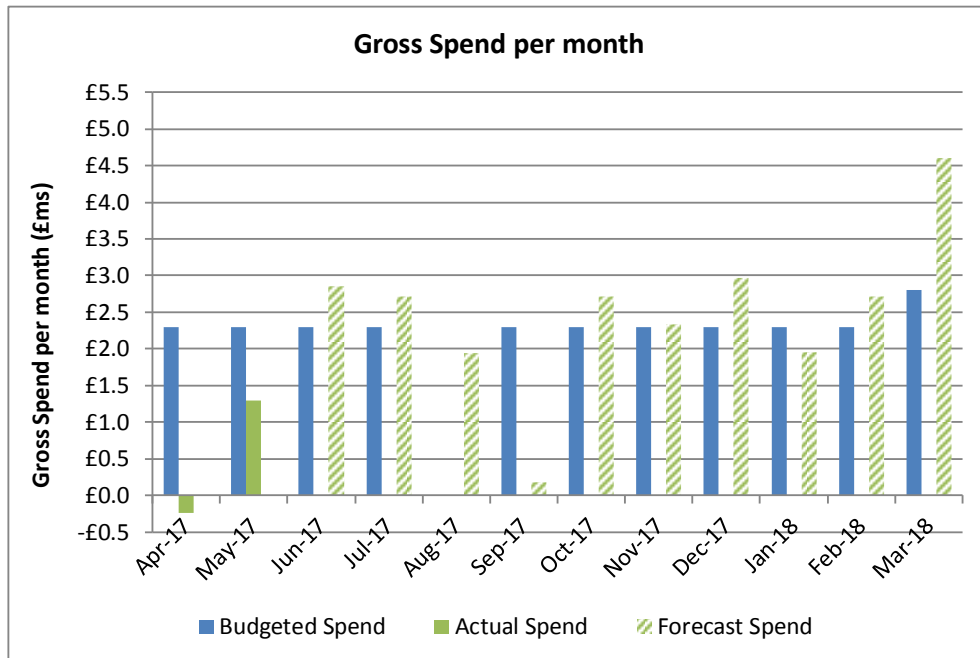
Appendix 2.13: Transport Services - Home to School / College Transport (Special Education Needs)

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

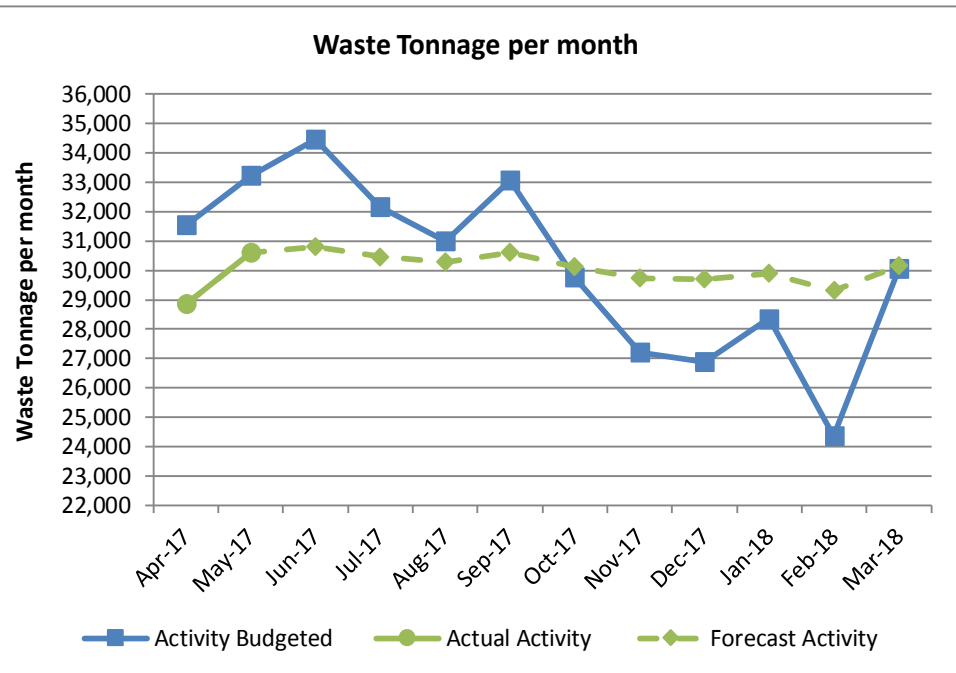
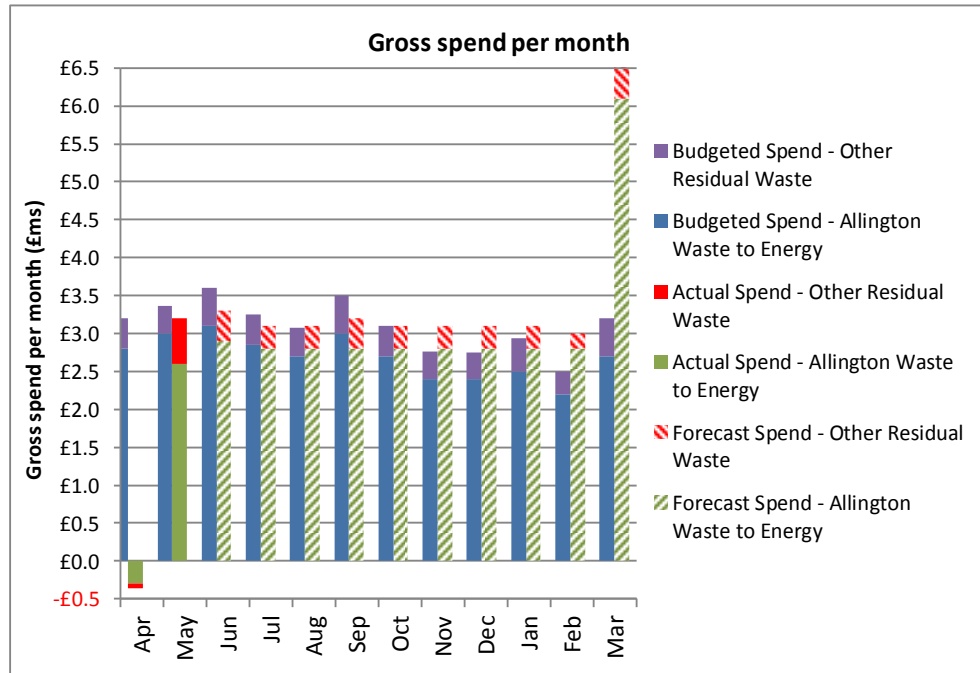
Appendix 2.14: Treatment and disposal of residual waste

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

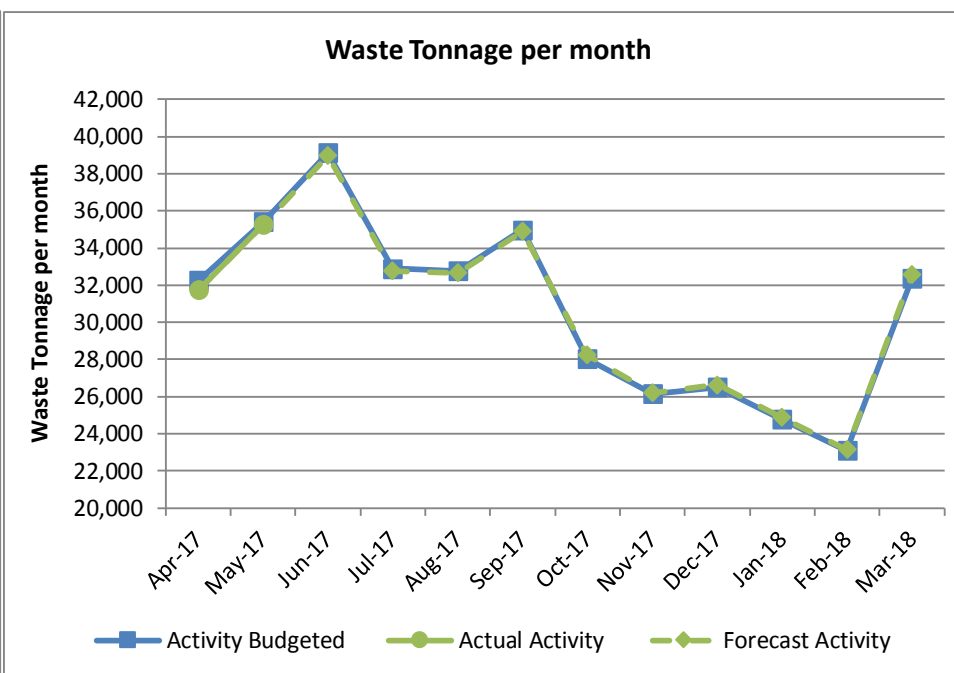
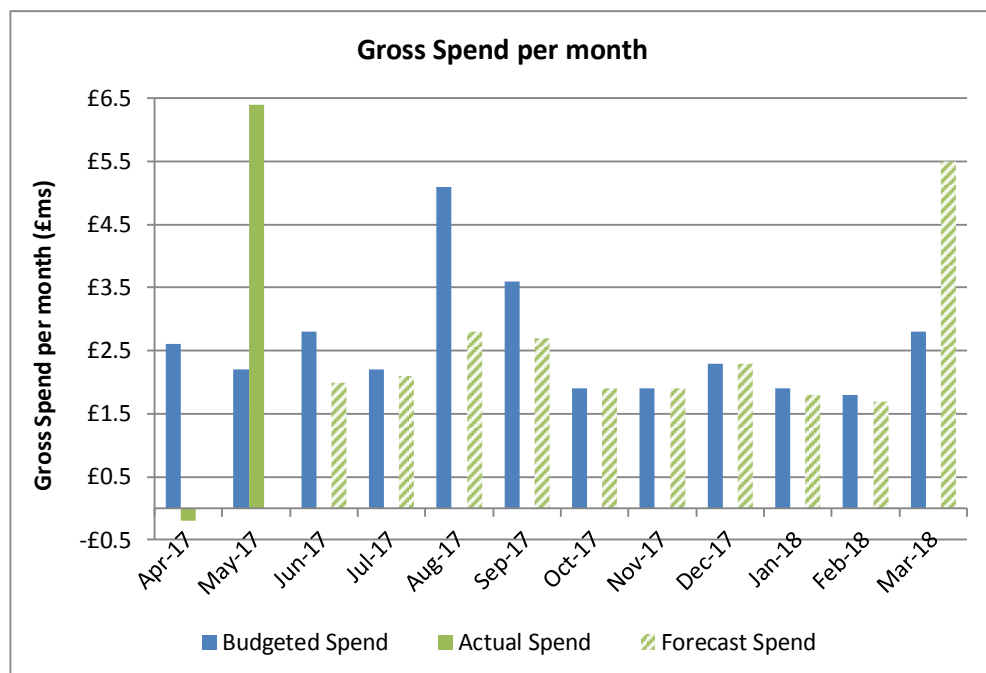
Appendix 2.15: Waste Processing

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.



BACKGROUND INFORMATION – MAY MONITORING REPORT

Appendix 2.16: All Staffing Budgets (excluding schools)

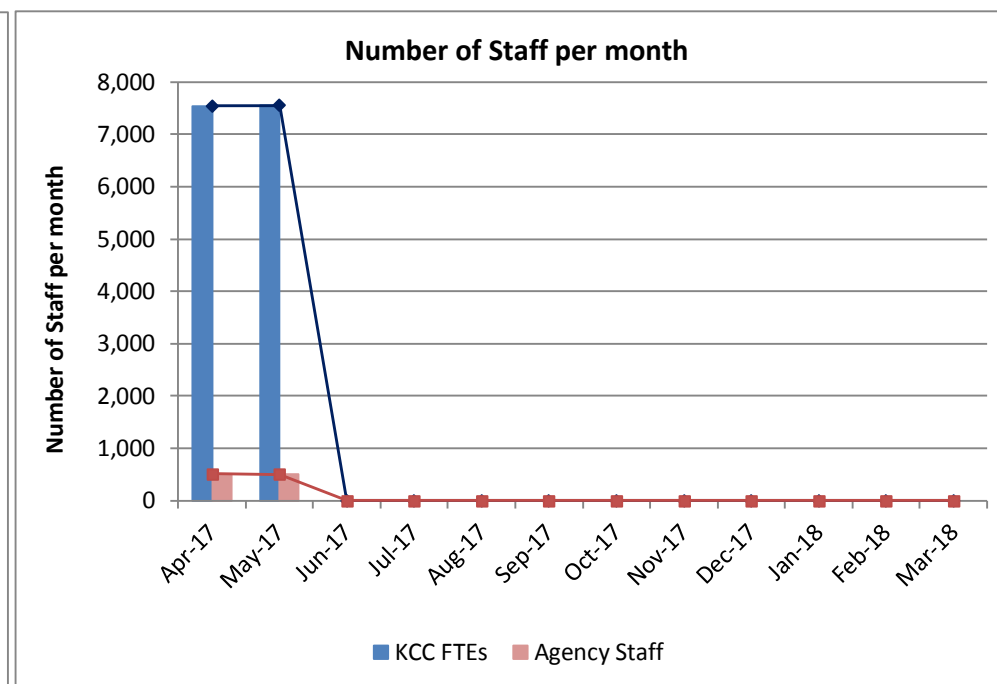
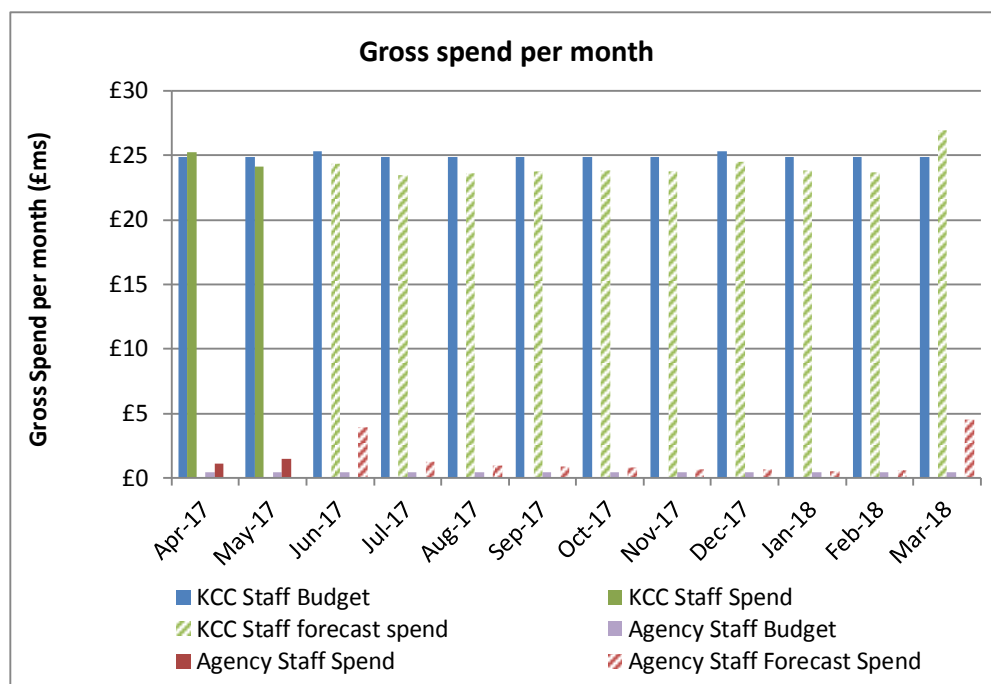
2017-18	KCC	Agency	Gross
Outturn	£m	£m	£m
Budget	£299.0	£5.4	£304.4
Outturn	£290.9	£17.3	£308.2
Variance	-£8.0	£11.9	£3.8

as at 31 May	KCC	Agency	Gross
2017	£m	£m	£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	Agency
	FTEs	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.



Unaccompanied Asylum Seeking Children (UASC)

2. Position compared to budget by age category

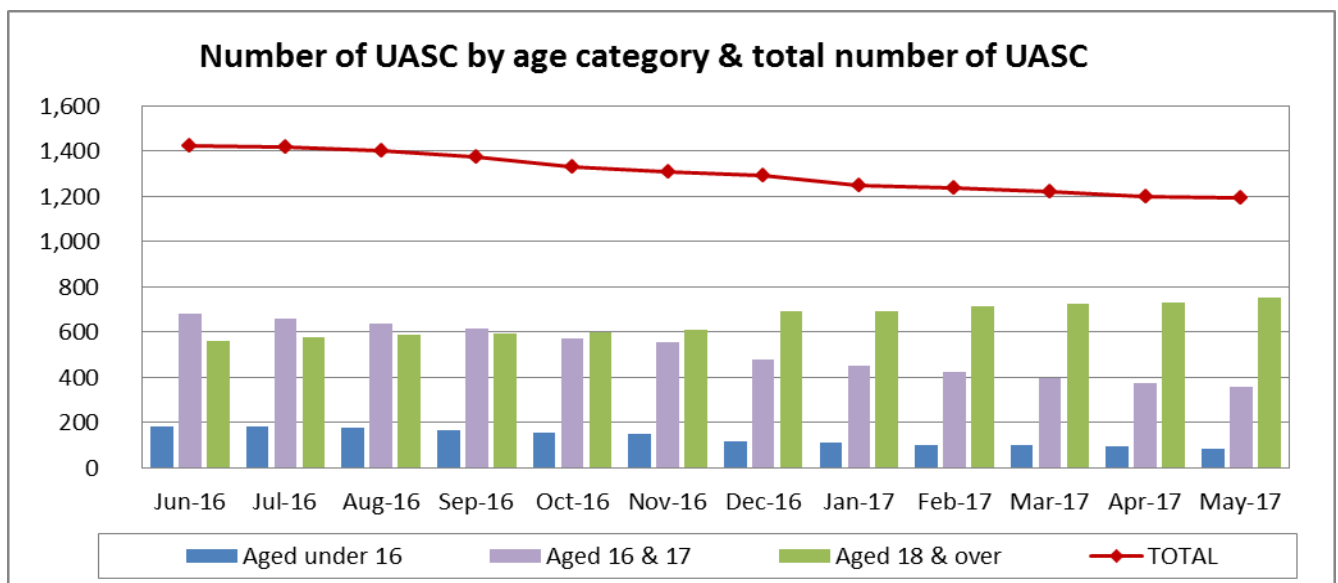
The outturn position is an overspend of £4.2m as detailed below:

	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



BACKGROUND INFORMATION – MAY MONITORING REPORT

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.

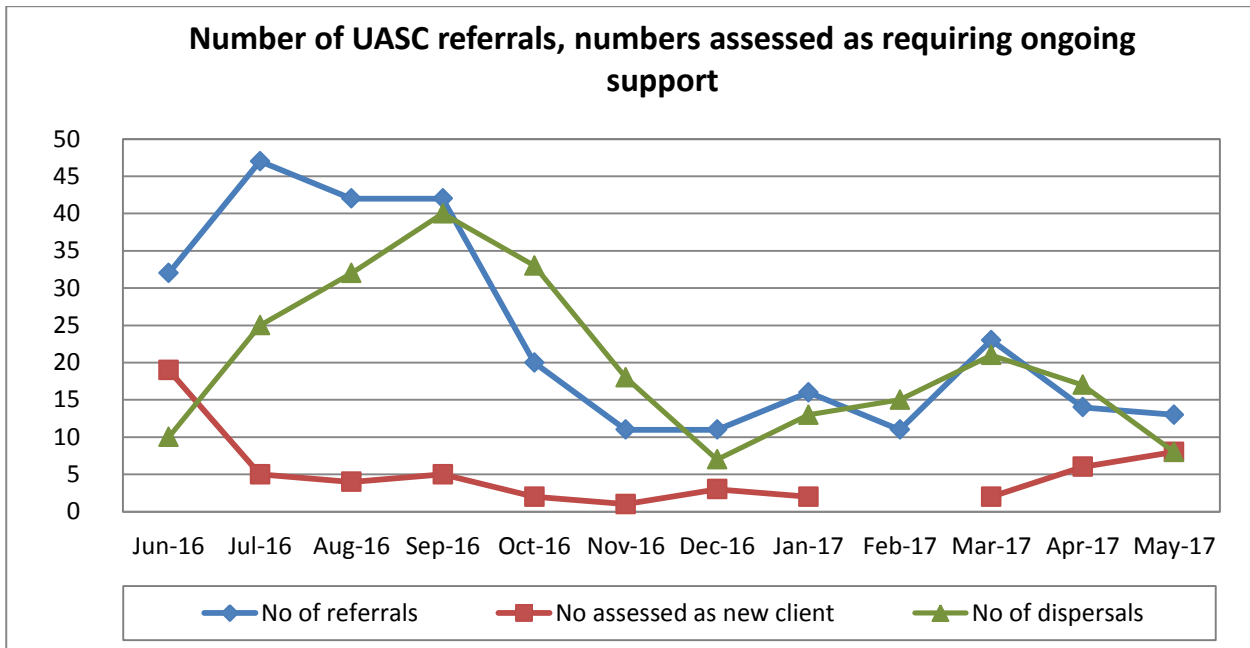
Ineligible clients are those who do not meet the Home Office grant rules criteria. For young people (under 18), this includes accompanied minors and long term absences (e.g. hospital or prison). For care leavers, there is an additional level of eligibility as the young person must have leave to remain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

BACKGROUND INFORMATION – MAY MONITORING REPORT



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.